

# Scaling the Graduation Approach



#### Key Takeaways

Poverty traps are real and multifaceted approaches can empower people to escape them long term

One proven, multifaceted approach is the Graduation approach

Breaking the poverty trap with high returns over time

Governments around the world have adopted Graduation

Several government-led Graduation programmes are beginning to demonstrate scale





Poverty traps are real and multifaceted approaches can empower people to escape them long term



#### To eradicate extreme poverty, we need to tackle it differently

Even before the loss of progress these past three years, poverty alleviation policies and programs were not reaching the most marginalised populations.

Growth alone is insufficient for poverty eradication, and we will not eliminate it under the status quo.





Research shows extreme poverty persists because people are in a poverty trap—facing extreme conditions in which multiple barriers keep people stuck below a threshold.





Escaping the poverty trap requires a "big push," a significant transfer of resources and/or support.

#### Extreme poverty is about more than a lack of income

**MARGINALISED** 



**FOOD INSECURITY** 



LIMITED ACCESS



LACK OF EDUCATION



UNSTABLE LIVELIHOODS



LIMITED HUMAN CAPITAL



LARGE HOUSEHOLDS



RISK PRONE



PER-CAPITA INCOME

\$2.15

SOCIAL NORMS THAT LIMIT OTHERS







One proven, multifaceted approach is the Graduation approach

#### What is the Graduation Approach?

A time-bound, evidence-based, sequenced set of interventions that are adapted to address the unique circumstances within the local context — all of which is facilitated through in-person coaching.



Meeting
Basic Needs
Provide
immediate relief
for basic needs



Livelihoods
Promotion
Develop productive income-generating activities



Empowerment
Promote
inclusion and
behaviour change

Social



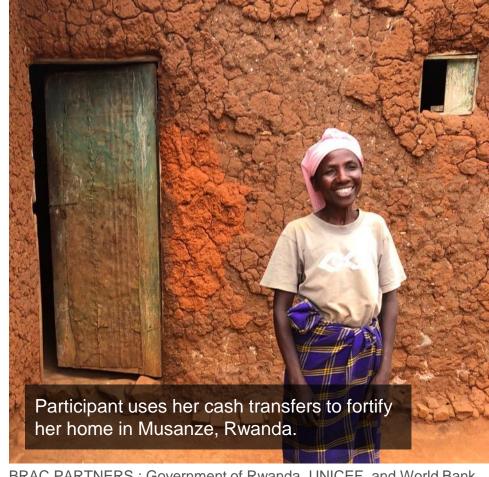
Financial Inclusion
Provide income management and increase savings



#### Meeting basic needs

The participating household's basic needs are met. Services might include:

- A cash transfer
- Food supplies
- Access to health services
- Water sanitation
- Information on better hygiene
- Access to high quality education for children







#### Livelihoods promotion

Participants receive support kickstarting an income-generating enterprise or job. Services might include

- Training and asset transfers like livestock, equipment, or seed capital to start a small business
- Vocational education
- Apprenticeships or resources to gain wage employment







#### Social empowerment

Participants increase their confidence and integrate into their communities. Services might include

- Regular mentorship and life skills training
- Connection to community associations to improve participants' well-being, enable self-sufficiency and strengthen social and economic inclusion within the community





BRAC PARTNERS: Government of Philippines, Asian Development Bank

#### Financial inclusion

Participants receive support directly accessing convenient, formal or informal savings facilities and financial services so they can plan for the future, save, and maybe even borrow.

This also includes basic numeracy education or financial literacy training.







#### **Ongoing Coaching**

Coaches teach participants how to make the asset they have received productive, overcome evolving circumstances and challenges along the way, and translate their vision of a future out of poverty into realistic steps.

It takes the form of regular, in person touchpoints between participants and programme staff, which has proven to help their businesses survive.



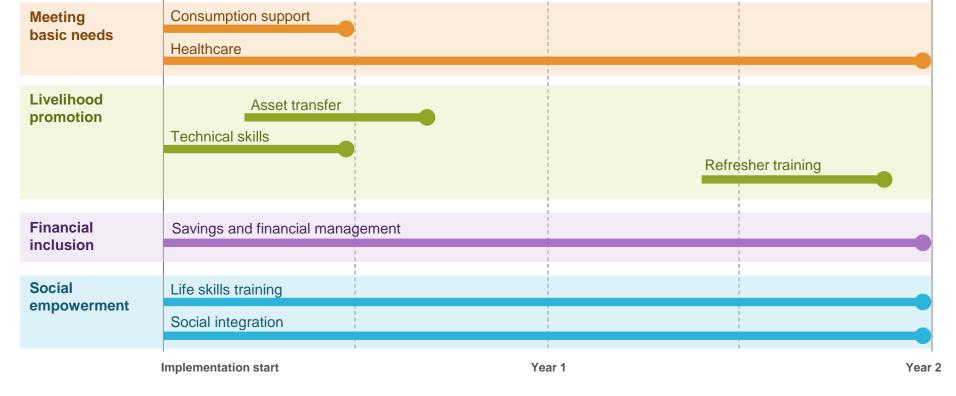




#### Graduation pillars and interventions, mapped in time

**INTERVENTIONS** 

**PILLARS** 



#### Effective in diverse contexts

Rigorous impact evaluations in 6 countries outside of Bangladesh demonstrated that the Graduation approach "caused broad and lasting economic impacts".





India

#### Innovations to Adapt Graduation















The key takeaway and what makes this work all the more exciting is that there is indeed strong and consistent evidence in favor of Graduation programmes as an effective solution to extreme poverty. — Bruno Carrasco, Director General of the Sustainable Development and Climate Change Department, Asian Development Bank

IWhen comparing multifaceted poverty alleviation programmes, such as Graduation, to single set interventions like a grant of productive assets], it's absolutely clear from the study and the cost-benefit analysis, that if you went for the cheaper option today, that option is not cheap. Because it has to be repeated--the costs. But if you went for the more expensive option, but more effective, your benefit-cost ratio is greater than one and it would persist. It's a choice that we have got to make, you may save today, but you won't save tomorrow. - Robert Darko Osei, Associate Professor, ISSER. University of Ghana

We're very happy to report that families have graduated from poverty within the programme and that this is something that will carry on for their families. — Noura Selim, Executive Director, Sawiris Foundation for Social Development

It's very clear that ten years later, the people who got the Graduation programme are around 25 percent richer [than the control group], both measured by consumption and income. — Abhijit Banerjee, 2019 Nobel Laureate and Ford Foundation International Professor of Economics

This programme has been evaluated with very rigorous randomised control trials ... it's been found to be one of the most successful anti-poverty programmes I've seen raising people's consumption level, food security, sense of dignity, sense of belonging.

— Esther Duflo, Co-Founder and Director, Abdul Latif Jameel, Poverty Action I ab

There is strong evidence that [BRAC's Graduation programme in Bangladesh] has enabled a large majority of beneficiaries to achieve substantial improvements in their socioeconomic status. The chances of these mixed interventions achieving results that continue after households have exited the programme are much stronger than for pure cash transfers.

— UK Independent Commission for Aid Impact, 2017

Governments, aid agencies, and donors have been looking for something backed by real evidence showing they can help the poorest of the world, and the Graduation approach does exactly that. — Annie Duflo, Executive Director, Innovations for Poverty Action

We found that Graduation intervention could simultaneously stimulate supply and demand in the local economy. And through the effect on productivity, on market, on trade even, they create local synergies and multiplier effects that foster inclusive economic growth processes. At the same level of public

spending, the exact same budget, we identified multiple benefits of Graduation packages relative to conventional social safety net programmes. So we found a stronger impact on income generation and a stronger participation of the poor to the local economy, so stronger socioeconomic impact, stronger inclusion, stronger economic inclusion, compared to more conventional forms of social protection programmes.

 Stephanie Levy, Guest Lecturer, London School of Economics

The Graduation approach demonstrated that a well-designed programme for the poorest people can increase the chances that families can escape from poverty; a safety net can be a trampoline. — Ruth Levine, PhD and CEO, IDinsight

Primarily, Graduation has been advanced as an effective means to combat extreme poverty and embodies part of the 'big push' to achieve Sustainable Development Goal 1: "End poverty in all its forms

everywhere." It is one of the most thoroughly evaluated poverty reduction programmes ever, and its putative results are resoundingly positive, which helps explain the surge in interest. — Fábio Veras Soares, Research Coordinator, International Policy Centre for Inclusive Growth and Ian Orton, Social Protection Policy Officer, International Labour Organization

The programme puts forward a simple but powerful concept: the problem with being ultra- poor is not any one constraint, but several interdependent constraints, and attacking poverty with an integrated programme may be necessary to generating long-term improvements. — Dean Karlan, Professor of Economics, Yale University and President and Founder, Innovations for Poverty Action

Over the past few decades, through its ultra-poor graduation programme, BRAC has been working diligently with communities in Bangladesh and beyond to identify and support women and their families in the most

vulnerable situations or no assets. BRAC has now become a pioneer of this ground approach, inspiring philanthrousis and practitioners across the glos Australia is proud to have been one of BRAC's closest partners on this 20-year journey of supporting the most vulnerable towards a pathway to sustainable livelihoods and socioeconomic resilience. — Nardia Simpson, Acting High Commissioner, Australian High Commission in Banoladesh

BRAC's Ultra-Poor Graduation programme is a powerful example of innovation and creativity. BRAC tested and adapted the programme here in Bangladesh and scaled it up in more than 50 countries around the world. It helped transform the lives of millions of very poor people, providing a solid evidence base for policy makers on how to target and empower the most marginalized. — Matt Cannell, Development Director of FCDO

## Graduation is recognised worldwide as an effective approach





Graduation
breaks the
poverty trap
with high
returns over time



66

These days I have three meals regularly. I have also built this new house and bought my own land. I don't know how to read or write, but I have decorated my room with these newspapers. It makes me happy ... And this room next door, I built it for my cows and goats; I built it myself."

Shahida, 2002 UPG participant

brac | ultra-poor graduation initiative

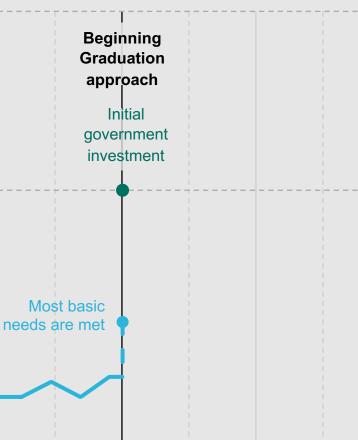
## Big push outcomes

Illustrative purposes only

100%

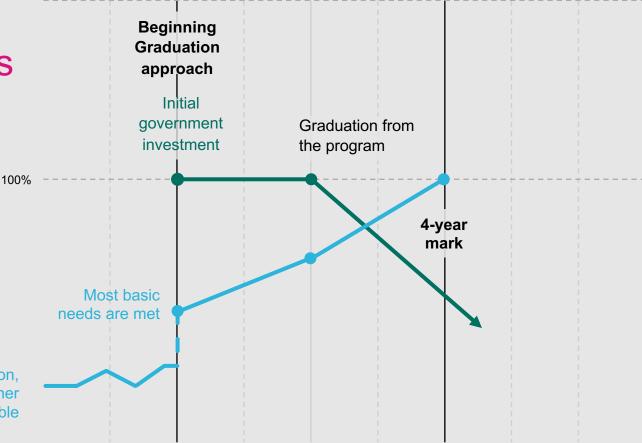
Household consumption, income, savings and other assets are unstable





## Big push outcomes

Illustrative purposes only

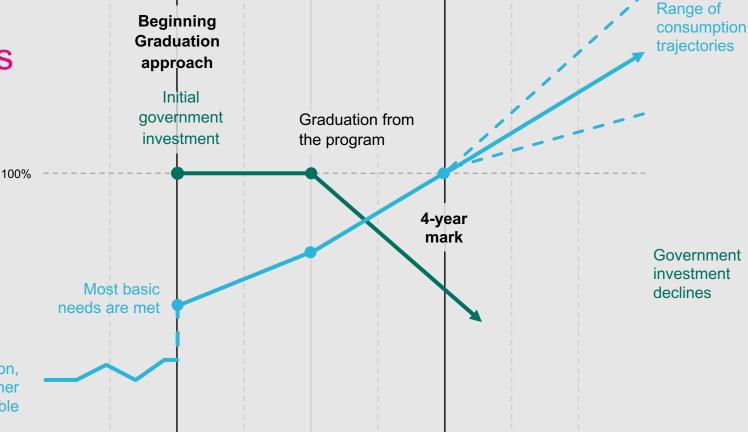


Household consumption, income, savings and other assets are unstable



### Big push outcomes

Illustrative purposes only



Household consumption, income, savings and other assets are unstable



#### Transformational Impacts of Graduation

ISSUES	Marginalised	Limited access	Risk prone	Low per-capita income	
1 YEAR AFTER GRADUATION			7–10 YEARS AFTER GRADUATION		
Access to stable, growing livelihoods			Resilient livelihoods and multiple revenue streams		
Needs met, debt paid			Income and consumption increase		
Start of saving and resilience building			Sizeable savings to fall back on		
Healthcare, social protection, education			Higher-order services utilised		
Attainment of life, business, and technical skills			Intergenerational impacts		
Increase in geno	der equality and s	social integration	Self-confidence and leadership		





Governments around the world have adopted Graduation

## In past 5 years, many governments have adopted Graduation

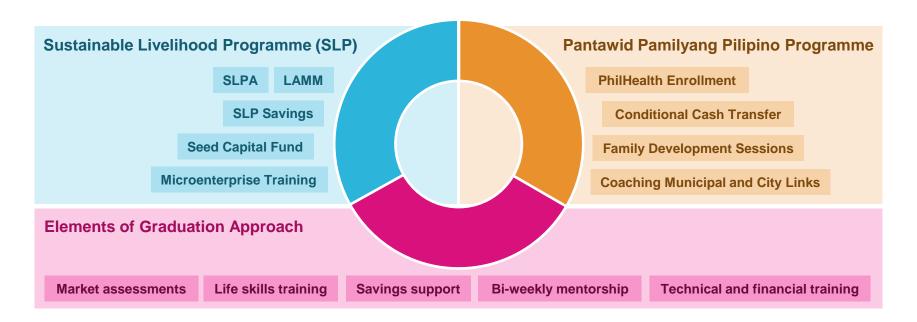
Governments are best positioned to make long-term gains on extreme poverty reduction and achieve scale.

More than 15 governments have adopted Graduation across Latin America, Africa, and Asia.





### Integrating the Graduation approach into existing Government programmes in the Philippines







#### Government of Kenya

The Government of Kenya is committed to enhancing the social and economic inclusion of its citizens and is currently piloting and implementing the Economic Inclusion Programme (EIP), with support from GDI, Boma, and Village Enterprise. The consortia was tasked with adopting the Graduation approach so it can be implemented and scaled by the GoK using its existing systems.

LOCATIONS	₩ YEARS	** PARTNERS	
Kisumu	2021 – '23	Global Development Incubator	
<ul> <li>Makueni</li> </ul>		BOMA Project	
<ul> <li>Marsabit</li> </ul>		<ul> <li>Village Enterprise</li> </ul>	
<ul> <li>Murang'a</li> </ul>		<ul> <li>The World Bank</li> </ul>	
<ul> <li>Taita Taveta</li> </ul>		<ul> <li>The UK Foreign, Commonwealth &amp; Development Office</li> </ul>	





#### Government of Pakistan

In Pakistan, the Government of Punjab is implementing Graduation interventions to increase the utilization of quality health services, and economic and social inclusion programmes, among households in extreme poverty as part of the Punjab Human Capital Investment Project (PHCIP).

#### LOCATIONS Muzofforgorb

Muzaffargarh

Mianwali

Lodhran

Layyah

Khushab

Bahawalnagar

- Bahawalpur
- Rajanpur
- DG Khan
- Rahimyar Khan
- Bahkkar

#### **YEARS**

2020 - '25

#### **PARTNERS**

- Punjab Social Protection Authority (PSPA)
- Primary and Secondary Health Department (PSHD)
- Punjab School Education Department (SED)
- The World Bank





#### Government of Philippines

The Government of the Philippines recently completed its second iteration of integrating the Graduation approach into its existing livelihoods and social protection programmes through the Padayon Sustainable Livelihood Programme (SLP), which aimed to improve the socio-economic conditions for the poorest people in the Philippines.

#### **LOCATIONS**

- Iloilo
- Bukidnon
- Sultan Kudarat

#### **YEARS**

2021 - 23



- Asian Development Bank
- BRAC Ultra-Poor Graduation Initiative





#### Government of South Africa

Through the South African Social Security Agency, the Government of South Africa aims to build on their existing cash transfer programme and incorporate economic inclusion and livelihood interventions, key elements of the Graduation approach, to enhance long term impact and achieve better outcomes for participants through the Generating Better Livelihoods for Grant Recipients project.

#### **LOCATIONS**

- Gauteng
- KwaZulu-Natal
- Eastern Cape

#### **THE YEARS**

2022 - '26



FinMark Trust



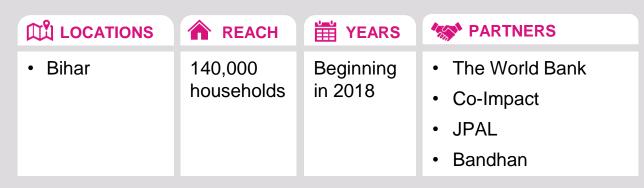


Several government-led Graduation programmes are beginning to demonstrate scale



#### Government of India

The objective of this programme is to empower ultra-poor households traditionally engaged in production, transportation and selling of country liquor/toddy; ultra-poor from SC/ST and other communities through diversification of livelihoods, capacity building, and improved access to finance.







#### Government of Ethiopia

The Government of Ethiopia was one of the first to integrate Graduation elements into its social protection system. Now PSNP is the second largest social protection programme in Africa.

#### **W**LOCATIONS

- Afar
- SNNP
- Amhara Somali
- Dire Tigray
- Harare
- Oromiya



700,000 households



Beginning in 2005

#### **PARTNERS**

- World Food Program
- Canadian International Development Agency
- Embassy of the Kingdom of the Netherlands
- European Commission
- Irish Aid

- Swedish International Development Agency
- USAID
- FCDO
- DANIDA
- World Bank





ANNEX:
About BRAC
and Graduation

#### **About BRAC**

BRAC is the world's largest southern-led NGO and is dedicated to tackling issues of pervasive inequality and encouraging economic participation by empowering people through social and economic programmes.

Established by Sir Fazle Hasan Abed in 1972 after the independence of Bangladesh and a devastating cyclone that left it paralyzed, in order to address the displacement of war and very deep poverty.

As of today, BRAC has reached more than 100 million people in 17 different countries.





#### **Evolution of Graduation at BRAC**

BRAC founded its Ultra-Poor Graduation (UPG) programme

2002

2009

BRAC started its first implementation of a Graduation programme globally in Afghanistan through BRAC International Ultra-Poor Graduation Initiative (UPGI) launched to provide technical assistance and advisory services to partners implementing Graduation.

2015

2016

Nobel Laureates Abhijit Banerjee and Esther Duflo published multicountry evaluation of Graduation in 6 countries; London School of Economics published long-term impacts of BRAC's UPG programme UPG reached more than 9 million people in Bangladesh; UPGI named 2020 Audacious Project.

2020

2023

BRAC has provided direct implementation and technical assistance to Graduation programmes in 18 countries, including government programmes



#### Expanding the reach of Graduation

It is estimated that there are more than 100 Graduation programmes in nearly 50 countries around the world, according to the Partnership for Economic Inclusion's State of Economic Inclusion Report in 2018.



