

Graduation Essentials

minimums for long-term trajectory out of extreme poverty

PURPOSE

This document identifies the essential elements required for the Graduation approach to deliver long-term gains and put people on a long-term, upward trajectory out of extreme poverty. These essentials are based on what we know of the programme's design and the global evidence. Meaning it will evolve as more learnings come to light. This IS NOT a replication of BRAC's Graduation programme, which would exceed the Essentials in a number of dimensions.

The reason for an Essentials standard is to specify programme design that is likely to deliver long-term impact (years beyond the end of a Graduation programme) for participants. The Essentials specify key elements needed for a participant to have a high likelihood of joining a long-term upward trajectory.

As our global standard, it enables BRAC's Ultra-Poor Graduation Initiative (UPGI) to identify, advance, and scale programmes that meet these criteria, while also identifying where programmes have gaps to fill in order to achieve long-term impact. Having a global Essentials standard also enables us to track the scale of Graduation globally and measure progress.

GRADUATION APPROACH - BROADLY DESCRIBED

The Graduation approach is a human-centric investment in the underlying self-confidence, power, and capabilities of participants. It is intended for individuals in households who live under extremely difficult circumstances, but who nevertheless possess untapped potential to be agents of their own pathway out of poverty. It is a sequenced, time-bound, adaptive investment that addresses multiple constraints through a big push, enabling participating households to build a long-term trajectory of increasing self-confidence, social power, and economic gains.

The Graduation approach goes by many different names in varying contexts. We support terms that are contextual and localised. What is most important is that the underlying Essentials are in place - not what label is used. Likewise, not all things labeled "Graduation" actually meet the Essentials - we are careful not to confuse labels with substance.

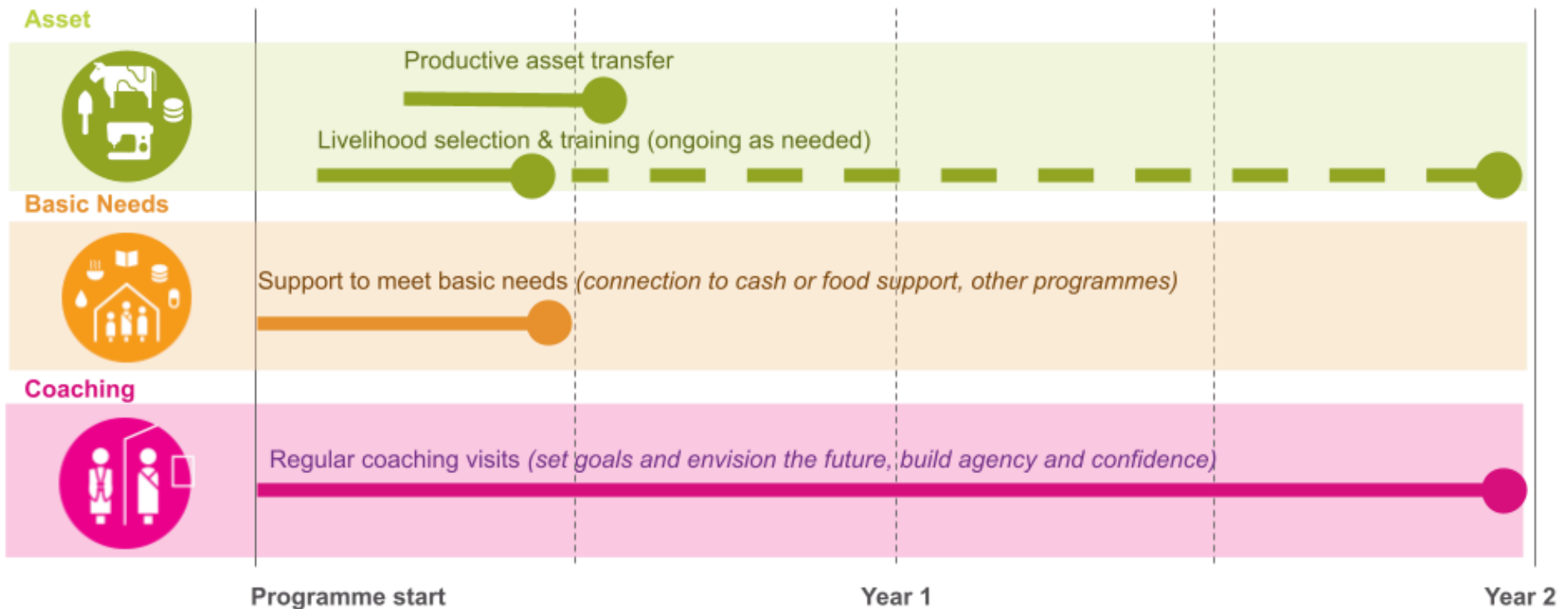
6 Graduation Essentials:

What - Participants from households in extreme poverty receive:	How - The programme is managed to be:
<p>1. A big push investment in a livelihood</p> <ul style="list-style-type: none"> • A grant or concessional investment given to the participant large enough to be a "big push" that will enable lasting change in household income (investment size measured as a % of annual household consumption). • Often a physical productive asset but also can be lump sum cash or intensive skills training for employment opportunities. • The investment is accompanied by enterprise development and money management skills to increase likelihood of livelihood success. <p>2. Support for basic needs to stabilise participating households</p> <ul style="list-style-type: none"> • Weekly or monthly cash and/or food transfers to meet consumption needs. • Basic needs support continues until new livelihood generates sufficient income to meet basic needs independently. • Linking participants to permanent social assistance systems and entitlements. <p>3. Intensive coaching to build agency, know-how, and hope</p> <ul style="list-style-type: none"> • Frequent coaching sessions support individual participants to realise their goals (making plans, gaining confidence, identifying and pursuing opportunities). • This is accompanied with group-based peer support and engagement with the wider community to reduce barriers and lower social exclusion. 	<p>4. Sequenced to ensure the investment elements build on each other</p> <ul style="list-style-type: none"> • Often the programme begins by meeting basic needs. • Big push livelihood effort follows and exhibits increasing returns and participant competence over time. • Intensive coaching and training throughout with content that evolves as the participant gains confidence and capacity. <p>5. Time-bound so participants can move up from the intensive investment period</p> <ul style="list-style-type: none"> • The programme has a beginning and an end and is long enough for participants to build and sustain a livelihood beyond the programme. • Duration is generally 24 months, but adjusted up or down according to context. • The end does not mean exiting social services or end of contact, but households are increasingly self-sufficient and moving up on their own. <p>6. Adaptive to constantly improve outcomes for participants</p> <ul style="list-style-type: none"> • Individual participants are tracked on a pathway during the programme to ensure the intended outcomes are achieved at each stage and the end. • At the programme level, there is a culture of absorbing feedback on programme effectiveness and constant adjustments to improve programme outcomes.

ANNEX 1: Essentials Graphic

Graduation Essentials

Households living in extreme poverty receive a programme that is **sequenced, time-bound and adaptive involving:**



Annex 2: Generally Accepted Graduation Programme Descriptions

- 1) “The Graduation model is built on five core elements: **targeting, consumption support, savings, skills training, and regular coaching**, and an **asset transfer**.” - [CGAP, 2011](#)
- 2) “The programme targets the poorest members in a village and provides a **productive asset grant, training and support, life skills coaching, temporary cash consumption support**, and typically **access to savings accounts and health information or services**. In each country, the programme (is) **adjusted** to suit different contexts and cultures, while staying true to the same overall principles. This multi-pronged approach is relatively expensive, but the theory of change is that the combination of these activities is necessary and sufficient to obtain a persistent impact.” - [Science, 2015](#)
- 3) “The Graduation approach is a holistic livelihoods programme designed to address the multidimensional needs of extreme poor households. It consists of five core components: **time-limited consumption support; a savings component; an asset transfer; training in how to use the asset; and life skills coaching and mentoring**. The theory of change underlying the model is that this mix of interventions, offered in the **appropriate sequence**, would help the ultra-poor to “graduate” out of extreme poverty within a defined time period.” - [Ford Foundation, 2016](#)
- 4) ““Graduation approach”—which provides ultra-poor households with a **productive asset, training, coaching, access to savings, and consumption support** to help them graduate from extreme poverty. The programme has since been replicated by several implementing organisations across the world. Research by J-PAL affiliates found that the model led to large and lasting improvements in consumption, food security, asset holdings, savings, and in some contexts, improved psychosocial well-being.”- [J-PAL, 2022](#)
- 5) “The Graduation approach (is) a rigorously tested approach to economic inclusion that helps households sustainably move out of extreme poverty. Program components work together to increase the economic and social empowerment of participants. The **sequenced and time-bound** Graduation approach combines **careful participant selection, livelihood planning and market research, training and coaching, and savings** to build a ladder of support for participants to move out of poverty.” - [Trickle Up, 2024](#)

ANNEX 3: DOCUMENTS THAT AGGREGATE IMPACT EVIDENCE

Abdul Latif Jameel Poverty Action Lab (J-PAL), 2023. "Building stable livelihoods for low-income households." J-PAL Policy Insights. Last modified October 2023. <https://www.povertyactionlab.org/policy-insight/building-stable-livelihoods-low-income-households>

Bandiera, O., Burgess, R., Heil, A., and Sulaiman, M., 2023. Graduation. Draft working paper. https://www.dropbox.com/scl/fi/pv0nbl5rhrhgto7uuxyv8/Graduation_Programs_Social_Protection_Handbook.pdf?rlkey=znc2ojhiu2hifyemqv6msmesm&dl=0

Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., Schmidt, T. and Pellerano, L., 2016. Cash transfers: What does the evidence say? A rigorous review of programme impact and the role of design and implementation features. London: ODI, 1(7), p.1. <https://odi.cdn.ngo/media/documents/11316.pdf>

Devereux, S., 2017. "Do 'graduation' programmes work for Africa's poorest?" *What Works for Africa's Poorest*, pp.181-203. <https://practicalactionpublishing.com/book/2363/download?type=download>

Goldberg, N, 2019. "A Research Agenda for the Next Wave of Graduation Programs." <https://poverty-action.org/research-agenda-next-wave-graduation-programs>

Hashemi, S. and de Montesquiou, A, 2011. Reaching the Poorest: Lessons from the Graduation Model. CGAP Focus Note. <https://www.cgap.org/sites/default/files/CGAP-Focus-Note-Reaching-the-Poorest-Lessons-from-the-Graduation-Model-Mar-2011.pdf>

Karlan, D. "What have we learned from impact evaluations of economic inclusion and graduation programs, and what else do we most need to learn?" <https://thedocs.worldbank.org/en/doc/8a0250d86f18509a714bc3f7a4f75575-0050022022/original/9-Keynote-What-have-we-learned-from-impact-evaluations-of-economic-inclusion-and-graduation-programs-and-what-else-do-we-most-need.pdf>

Sengupta, A, 2016. Early Lessons from Large-Scale Implementations of the Graduation Approach. Ford Foundation. <https://www.fordfoundation.org/wp-content/uploads/2016/11/pdf1-english-final-24-oct-14h30.pdf>

Sulaiman, M., Goldberg, N., Karlan, D., & Montesquiou, A., 2016. Eliminating Extreme Poverty: Comparing the Cost-effectiveness of Livelihood, Cash Transfer, and Graduation Approaches. CGAP. Access to Finance Forum. https://www.peiglobal.org/sites/pei/themes/pei/kc_files/Sulaiman%202016.pdf

ANNEX 4: BIBLIOGRAPHY OF KEY RESEARCH PAPERS

- Alibhai, S., Buehren, N., Frese, M., Goldstein, M., Papineni, S. and Wolf, K., 2019. Full esteem ahead? Mindset-oriented business training in Ethiopia. Mindset-Oriented Business Training in Ethiopia. *World Bank Policy Research Working Paper*, (8892).
- Alderman, H. Gilligan, D, Hidrobo, M. Leight, J, Mulford, M, Tabet, H. 2023. "Can a Light-Touch Graduation Model Enhance Livelihoods Outcomes? Evidence from Ethiopia." International Food Policy Research Institute (IFPRI).
- Angelucci, M., Heath, R. and Noble, E., 2023. Multifaceted programs targeting women in fragile settings: Evidence from the Democratic Republic of Congo. *Journal of Development Economics*, 164, p.103146.
- Argent, J, Augsburg, B, Rasul, I. "Livestock asset transfers with and without training: Evidence from Rwanda." *Journal of Economic Behavior & Organization* 108 (2014): 19-39.
- Balboni, C., Bandiera, O., Burgess, R., Ghatak, M. and Heil, A., 2022. Why do people stay poor?. *The Quarterly Journal of Economics*, 137(2), pp.785-844.
- Bandiera, O., Burgess, R., Das, N., Gulesci, S., Rasul, I. and Sulaiman, M., 2013. Can basic entrepreneurship transform the economic lives of the poor?
- Bandiera, O., Burgess, R., Das, N., Gulesci, S., Rasul, I. and Sulaiman, M., 2017. Labor markets and poverty in village economies. *The Quarterly Journal of Economics*, 132(2), pp.811-870.
- Banerjee, A., Duflo, E., Goldberg, N., Karlan, D., Osei, R., Parienté, W., Shapiro, J., Thuysbaert, B. and Udry, C., 2015. A multifaceted program causes lasting progress for the very poor: Evidence from six countries. *Science*, 348(6236), p.1260799.
- Banerjee, A., Duflo, E. and Sharma, G., 2021. Long-term effects of the targeting the ultra poor program. *American Economic Review: Insights*, 3(4), pp.471-486.
- Banerjee, A., Karlan, D., Trachtman, H. and Udry, C.R., 2020. Does Poverty Change Labor Supply? Evidence from Multiple Income Effects and 115,579 Bags (No. w27314). National Bureau of Economic Research.
- Banerjee, A., Karlan, D., Osei, R., Trachtman, H. and Udry, C., 2022. Unpacking a multi-faceted program to build sustainable income for the very poor. *Journal of Development Economics*, 155, p.102781.
- Barker, N., Karlan, D., Udry, C. and Wright, K., 2023. The Fading Treatment Effects of a Multi-Faceted Asset-Transfer Program in Ethiopia. *IPR working paper series*.
- Bedoya, G., Coville, A., Haushofer, J., Isaqzadeh, M. and Shapiro, J.P., 2019. No household left behind: Afghanistan targeting the ultra poor impact evaluation (No. w25981). National Bureau of Economic Research.
- Blattman, C., Fiala, N. and Martinez, S., 2020. The long-term impacts of grants on poverty: Nine-year evidence from Uganda's Youth Opportunities Program. *American Economic Review: Insights*, 2(3), pp.287-304.
- Blattman, C., Green, E.P., Jamison, J., Lehmann, M.C. and Annan, J., 2016. The returns to microenterprise support among the ultrapoor: A field experiment in postwar Uganda. *American Economic Journal: Applied Economics*, 8(2), pp.35-64.
- Bossuroy, T., Goldstein, M., Karimou, B., Karlan, D., Kazianga, H., Parienté, W., Premand, P., Thomas, C.C., Udry, C., Vaillant, J. and Wright, K.A., 2022. Tackling psychosocial and capital constraints to alleviate poverty. *Nature*, 605(7909), pp.291-297.
- Botea, I., Goldstein, M., Low, C. and Roberts, G., 2021. Supporting Women's Livelihoods at Scale: RCT Evidence from a Nationwide Graduation Program.
- Brudevold-Newman, A.P., Honorati, M., Jakiela, P. and Ozier, O.W., 2023. A firm of one's own: experimental evidence on credit constraints and occupational choice. *Center for Global Development*.

- Brune, L., Karlan, D., Kurdi, S. and Udry, C., 2022. Social protection amidst social upheaval: Examining the impact of a multi-faceted program for ultra-poor households in Yemen. *Journal of Development Economics*, 155, p.102780.
- Brune, L., Goldberg, N., Karlan, D., Parkerson, D., Udry, C. 2023. "The Impact of a Graduation Program on Livelihoods in Refugee and Host Communities in Uganda." Preliminary results, Innovations for Poverty Action.
- Campos, F., Frese, M., Goldstein, M., Iacovone, L., Johnson, H.C., McKenzie, D. and Mensmann, M., 2017. Teaching personal initiative beats traditional training in boosting small business in West Africa. *Science*, 357(6357), pp.1287-1290.
- Chowdhury, R., Collins, E., Ligon, E. and Sulaiman, M., 2017. Valuing Assets Provided to Low-Income Households in South Sudan. *Discussion Paper*.
- Fafchamps, M., McKenzie, D., Quinn, S. and Woodruff, C., 2014. Microenterprise growth and the flypaper effect: Evidence from a randomized experiment in Ghana. *Journal of Development Economics*, 106, pp.211-226.
- Gobin, V. J., P. Santos, and R. Toth. 2017. No longer trapped? Promoting entrepreneurship through cash transfers to ultra-poor women in northern Kenya. *American Journal of Agricultural Economics* 99(5), 1362–1383.
- Haushofer, J. and Shapiro, J., 2018. The long-term impact of unconditional cash transfers: experimental evidence from Kenya. *Busara Center for Behavioral Economics, Nairobi, Kenya*.
- J-PAL Policy Insight. "Building stable livelihoods for low-income households." 2023 Update.
- J-PAL SA, 2023. [Going the Last Mile: Lifting ultra-poor households out of extreme poverty.](#)
- Kondylis, F. and Loeser, J., 2021. *Intervention size and persistence*. World Bank.
- Morduch, J., Ravi, S. and Bauchet, J., 2012. *Failure vs. Displacement: Why an innovative anti-poverty program showed no net impact* (No. 32). Institute of Economic Research, Hitotsubashi University.
- Misha, Farzana & Raza, Wameq & Ara, Jinnat & Poel, Ellen. (2018). How far does a big push really push? Long-term effects of an asset transfer program on employment trajectories. *Economic Development and Cultural Change*. 10.1086/700556.
- Orkin, K., Garlick, R., Mahmud, M., Sedlmayr, R., Haushofer, J. and Dercon, S., 2023. Aspiring to a Better Future: Can a Simple Psychological Intervention Reduce Poverty?
- Paul, B.V., Dutta, P.V. and Chaudhary, S., 2021. Assessing the Impact and Cost of Economic Inclusion Programs.
- Rahman, A., Bhattacharjee, A. and Das, N., 2021. A good mix against ultra-poverty? Evidence from a randomized controlled trial (RCT) in Bangladesh. *Review of Development Economics*, 25(4), pp.2052-2083.
- Rahman, A., Bhattacharjee, A., Nisat, R. and Das, N., 2023. Graduation approach to poverty reduction in the humanitarian context: Evidence from Bangladesh. *Journal of International Development*.
- Raza, W.A., Van de Poel, E. and Van Ourti, T., 2018. Impact and spill-over effects of an asset transfer program on child undernutrition: Evidence from a randomized control trial in Bangladesh. *Journal of Health Economics*, 62, pp.105-120.
- Sedlmayr, R., Shah, A. and Sulaiman, M., 2020. Cash-plus: Poverty impacts of alternative transfer-based approaches. *Journal of Development Economics*, 144, p.102418.