



BRAC's Ultra-Poor Graduation Programme

An end to extreme poverty
in our lifetime



Understanding the Ultra-Poor Graduation Approach

According to World Bank estimates, the number of people living in poverty around the globe dropped into the single digits—just below 10%—for the first time in recent history, marking 2015 as a landmark year in the global fight to end extreme poverty.¹

During the last quarter of a century, both extreme poverty and under-five mortality rates have fallen by more than half,ⁱⁱⁱ and 91% of children in developing countries have enrolled in primary school. ^{iv}Despite these gains, the decline in poverty has been uneven: East Asia accounted for half of the global poor in 1990; today this figure represents Sub-Saharan Africa.^v Though much has been accomplished, a great challenge remains in the global effort to eradicate extreme poverty by 2030, as espoused in the recent Sustainable Development Goals.

ABOUT THE ULTRA-POOR GRADUATION APPROACH

Though the extreme poor live on less than \$1.90/day, the ultra-poor are the lowest earning and most vulnerable subset of this population globally.

This further and marginalised subset of the extreme poor often lack access to even basic social safety nets or support from government and NGO services. In 2002, BRAC pioneered the Targeting the Ultra-Poor programme to address this need. Adapted

“We are the first generation in human history that can end extreme poverty”

Jim Yong Kim,
President, World Bank Group, 2015

by numerous organisations and scaled in some of the poorest regions of the world, the Graduation approach has gained international recognition, and continues to gather momentum, as a means of enabling participants and their families to build secure, sustainable and resilient livelihoods while gaining the skills and confidence to move forward with hope.

Graduation combines support to address immediate needs of participants with longer-term investments in life skills and technical skills training, asset transfers, enterprise development, savings and planning for the future to transition ultra-poor families into sustainable livelihoods. By addressing the social, economic and health needs of families simultaneously, these programmes provide holistic support to participants as they climb the ladder of economic self-reliance into a sustainable future.

This preview is based on an ongoing research by BRAC in collaboration with London School of Economics (LSE) and University College London (UCL).



FROM THE GROUND

SOCIAL MAPPING - HOSSAINPUR UPAZILA, BANGLADESH

BRAC Programme staff engage local community in a participatory Wealth Ranking exercise to collectively identify the poorest of the poor—the ultra-poor. Kaposhatia in Pakchanda union in Hossainpur upazila. Bangladesh

“One of the lessons of modern research is so simple and human: the power of hope to ease poverty.”

Nicholas Kristof,
Columnist, The New York Times, 2015

EVIDENCE FROM GRADUATION

Inspired by the successful results of BRAC's TUP programme, which has graduated 1.6 million households since 2002, in 2006 CGAP and the Ford Foundation initiated a global agenda to pilot and scale the Graduation approach. Through partnerships with international NGOs, local organisations and governments, ten pilots adapted and tested the approach across eight countries. Six of these countries conducted randomised control trials to gauge whether Graduation could be successfully translated in different contexts. Results were overwhelmingly positive: after 24-36 months the majority of participants (75-98%) met their programme's "graduation" criteria measuring key indicators in assets, income, savings and food consumption, among others, and sustained impacts after the programme's end.^{vi}

The evidence is clear: Graduation is a proven strategy adaptable across a wide range of demographics, geographies, cultures and economies that merits further replication globally.

BRAC TUP RCT RESULTS^{vii}

Beneficiary results compared to baseline values in Bangladesh:

- 50% increase in self-employment
- 38% increase in household incomes
- 15% increase in life satisfaction
- 8% increase in household per capita expenditures
- 10x gain in savings

CGAP-FORD PILOT RCT RESULTS^{viii}

Beneficiary results compared to control mean in six pilots (Ethiopia, Ghana, Honduras, India Pakistan, Peru):

- 96% increase in savings 38% increase in household incomes
- 37% increase in livestock and 9% increase in agricultural revenues—after 4 years
- 12% increase in total asset value

The multidimensional and nuanced problems of the ultra poor — food insecurity, poor health, social stigma, limited skills, assets or savings — require an approach that is comprehensive, long-term and substantive enough to empower the ultra-poor to engage with markets and their own communities and graduate from extreme poverty.

PROFILE OF THE POOREST

Largely disconnected from markets, the poorest of the poor are invariably not covered by social protection programming, or the efforts of local or international NGOs. Even when they are, they are often unable to secure sustainable livelihoods that can provide food security and basic levels of consumption beyond the duration of those programmes.

The population considered ultra poor depends on the local context. The CGAP-Ford Foundation pilots showed that food insecurity seems to be a solid indication of poverty in Ethiopia and Haiti, but in Peru the poorest are relatively food secure, so social and geographic isolation count more. Lack of access to productive land is a reasonable indicator of poverty in South Asia, but not in Ghana where villagers can farm communal land.^{ix}



FROM THE GROUND

SHAMSUNNAHAR - NILPHAMARI, RANGPUR, BANGLADESH

Shamsunnahar lived a fulfilled life before her husband passed away, leaving her with two young children and several medical debts. Shamsunnahar was barely making ends meet, working hard as a domestic worker and farm help to feed her children and send them to school. She regrets the days when her children went hungry, were bullied for wearing the same clothes, and unable to find proper shelter during rain and winter seasons. Shamsunnahar's life began to change when she was selected for BRAC's ultra poor programme. With the support of BRAC she is now a burgeoning entrepreneur with her own house, land, vegetable farm and livestock. She was later able to pursue

her passion for dressmaking, buying a sewing machine and becoming one of the popular tailors in her village. Shamsunnahar is adamant on sending both her son and daughter to school, declaring education to be essential regardless of gender. Although now prosperous and respected in her community, Shamsunnahar never forgets the circumstances that pushed her into poverty. She actively seeks out destitute women, offering them free vegetables and tailoring classes so that they can become similarly independent. Shamsunnahar also intends to stand in the next election as a school community member.

WHY IMPLEMENT A GRADUATION PROGRAMME?

Traditional social protection interventions, such as food aid, cash transfers, school feeding, public works programmes, and the like, aim to facilitate effective access to essential goods and services, to enable the poor and vulnerable to cope with the precarious circumstances of their lives.

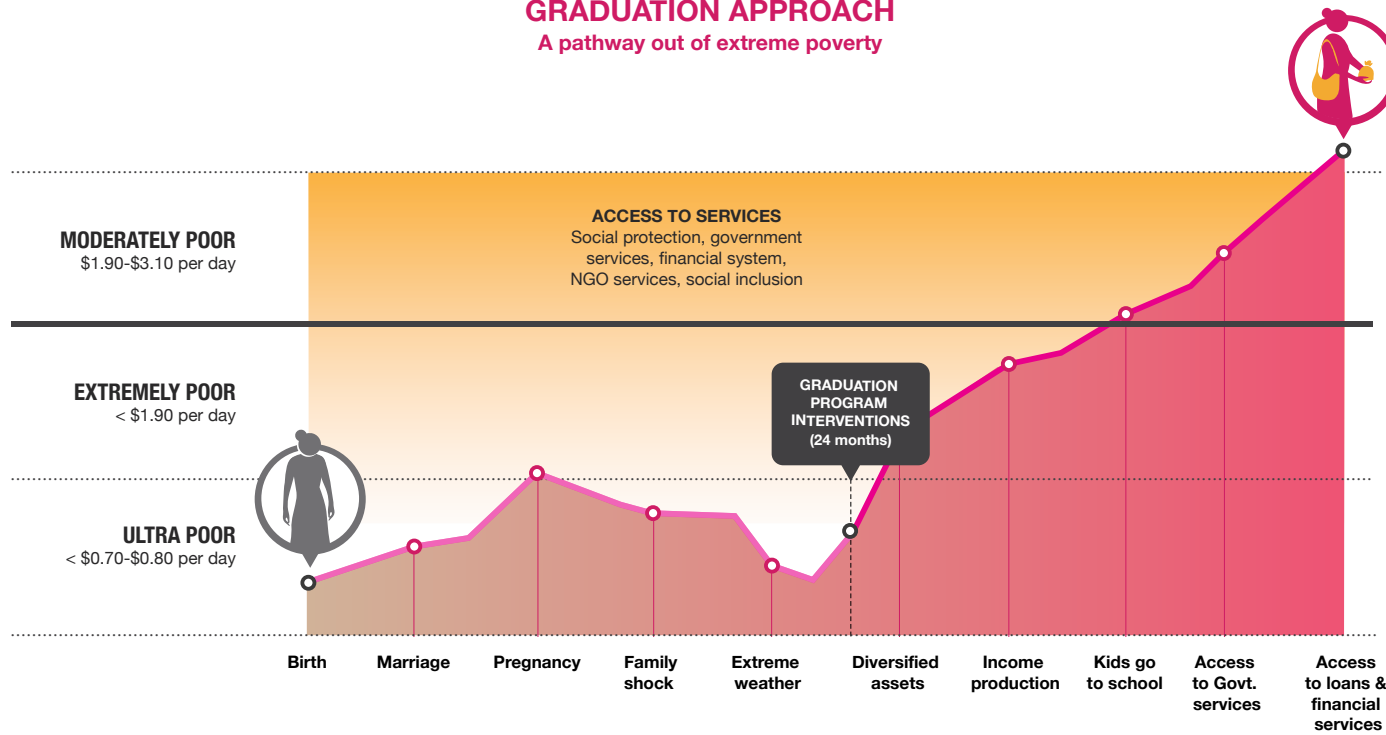
These safety net programmes combine with appropriate labour policies, social insurance systems, and social sector policies in health, education and nutrition, among others, to create a composite social protection strategy that is a critical component of a government’s poverty alleviation efforts.

Though impactful, these benefits and services are often inadvertently out of reach for the poorest. Where such instruments do reach ultra-poor populations, resource constraints often only allow for benefits to be delivered as long as the intervention lasts.

BRAC strongly believes that poor and vulnerable households can and must be equipped to do more than just cope. Interventions must be carefully planned to build their skill sets and asset base as well as their confidence and social capital (i.e. community inclusion, gender empowerment, etc.) so they can remain food secure, lead sustainable economic lives and ultimately become more resilient.

GRADUATION APPROACH

A pathway out of extreme poverty



By focusing on the poorest, BRAC recognises that ending extreme poverty must start with the Ultra Poor. By building secure, sustainable and resilient livelihoods, Graduation aims to propel the Ultra Poor onto a sustainable pathway out of extreme poverty.



FROM THE GROUND

CLUSTER MEETING - DERBOALIA VILLAGE, BANGLADESH

BRAC Programme staff teaching good cooking practices, food habits and sanitation to ultra-poor rural women



FROM THE GROUND

SHOHITON - NILPHAMARI, RANGPUR, BANGLADESH

With blurred vision and weak from ill-health, Shohiton was forced to beg on the streets and eat banana trunks to stay alive. She recalls enduring the nights of hunger, the cold of the monsoon season, the thirst for drinking water, and overarching hopelessness of her life as distant memories since entering BRAC's ultra poor programme. After

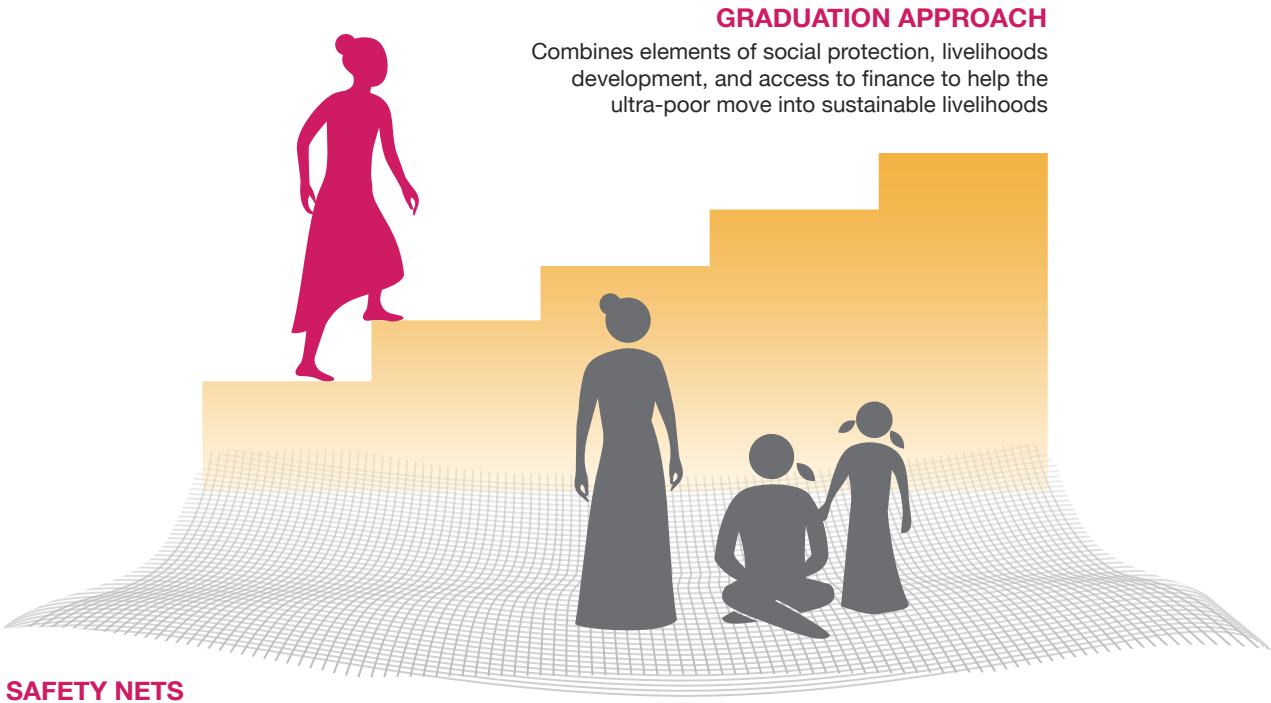
receiving livestock and training, Shohiton is a confident entrepreneur. She finds happiness and comfort in the certainty that she cooks her own meals from the vegetable garden she cultivates and the livestock she nurtures. Shohiton now plans to grow her business, and expand her home.

Many governments are moving towards implementing more integrated, comprehensive social protection systems, as per the global drive to introduce or expand Social Protection Floors, with complementary social and economic policies. One area of broad consensus is the realisation of a “twin-track” approach, with a social safety net put in place for poor and vulnerable people who cannot work, and graduation programmes designed only for a subset of the poor

with the capacity for economic self-sufficiency. While Graduation is a particularly promising ladder from poverty, other approaches also provide necessary skills for gainful employment, access to finance and access to mainstream development programmes. Identifying the appropriate approach may require several tools for tackling poverty that are context-specific and needs dependent.

FROM SAFETY NETS TO SUSTAINABLE LIVELIHOODS

How Graduation Approaches Complement Social Protection



SAFETY NETS
Provide vital consumption support and immediate relief for basic needs but often offer few opportunities for the ultra-poor to move into economic self-sufficiency.

Graduation programmes are not a “magic bullet” for addressing the fundamental drivers of poverty and vulnerability, nor do these substitute for core social protection programming.

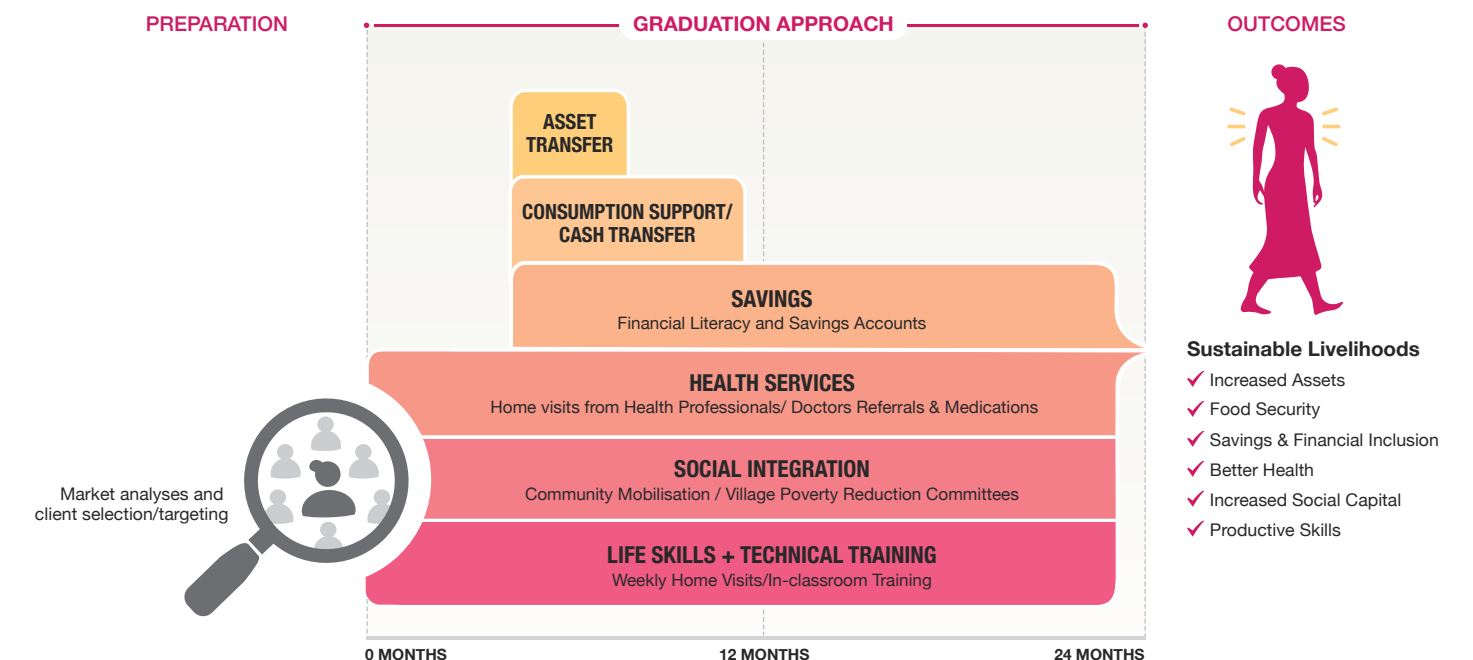


FROM THE GROUND

JORINA - NILPHAMARI, RANGPUR, BANGLADESH

Jorina was married at an early age to a husband that was physically abusive. When he abandoned her and her two children, Jorina was destitute and homeless. Her meager salary as a domestic worker could only provide the occasional meal of rice, but not the hope of anything more. After graduating from the programme, Jorina was able to take several loans from BRAC's microfinance. Nine years later Jorina owns the largest general store

in her area, along with a profitable rice business, and lives in a large brick house on her own land. Jorina recalls the days when she had to once beg for food, and now stands as a proud, respectable member of her community, where she feels her decisions are valued and her voice heard. Jorina's greatest joy is being able to support not only her two sons and parents, but other poor villagers that were once destitute like herself.



“This is a program that does work across dimensions and that does work across countries.”

Esther Duflo, Co-Founder and Director,
Abdul Latif Jameel Poverty Action Lab at
Massachusetts Institute of Technology

DEVELOPING A RESPONSE: THE ULTRA-POOR GRADUATION APPROACH

The Ultra-Poor Graduation approach is a comprehensive, time-bound and sequenced set of interventions that aim to graduate people from ultra-poverty to sustainable livelihoods.

Working together, interdependent interventions lead to strong outcomes at the household level including increased or improved assets, food security, savings and financial inclusion, health outcomes, social integration and productive skills.

TWO VARIATIONS IN BRAC'S GRADUATION APPROACH

It is important to carefully segment the population using locally relevant inclusion and exclusion criteria to identify participants that are unable to pursue a livelihood without receiving a grant, and those who, with the right hands-on approach, may be equipped to repay a soft loan over time often featuring more flexible terms such as smaller loan amounts, longer grace periods, and/or lower interest rates. BRAC utilizes two approaches:

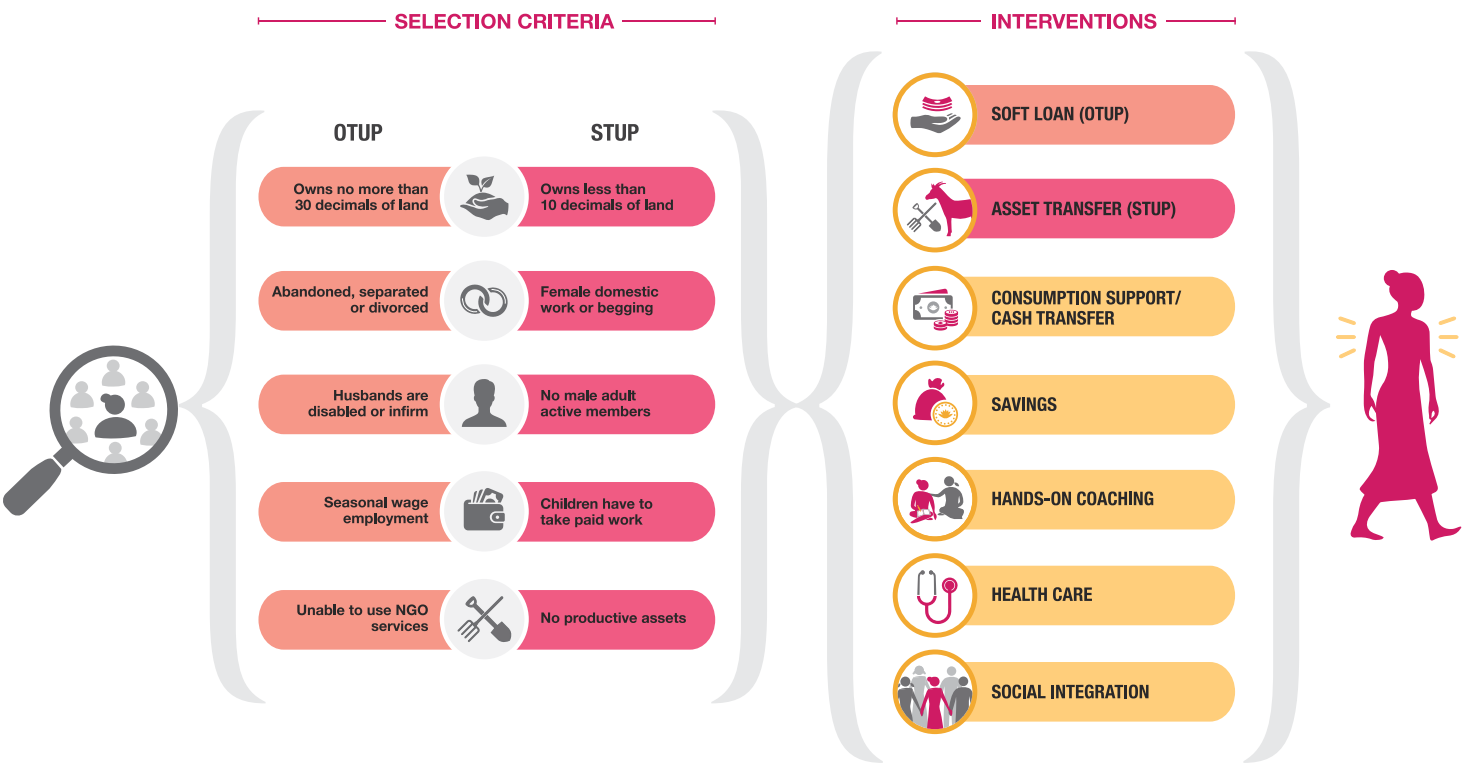
Specially Targeted Ultra-Poor (STUP): The most destitute ultra poor, who lack access to any productive assets or safety nets receive physical productive assets, life skills and technical skills training, weekly stipend, regular home visits, tailor-made health care and community support.

The Other Targeted Ultra-Poor (OTUP): Participants considered marginally less deprived

than the STUP, but still firmly among the ultra poor, receive a soft loan for the equivalent of the major portion of the asset required to start their enterprise, in addition to all other components of the programme.

Though rigorous research remains to determine the relative impact of soft microfinance loans, more than a decade of BRAC programming points to soft loans as a potential avenue for introducing ultra-poor populations to a gradual repayment mechanism that may build a bridge to microfinance and other services. The represents tremendous opportunity for implementing organisations to undertake further research that might lead to more cost-effective and scalable replication of Graduation programming globally.

It is important to note that the CGAP-Ford Foundation pilots adopted only the productive asset-based approach (STUP) and not the soft loan approach (OTUP) variation of Graduation.



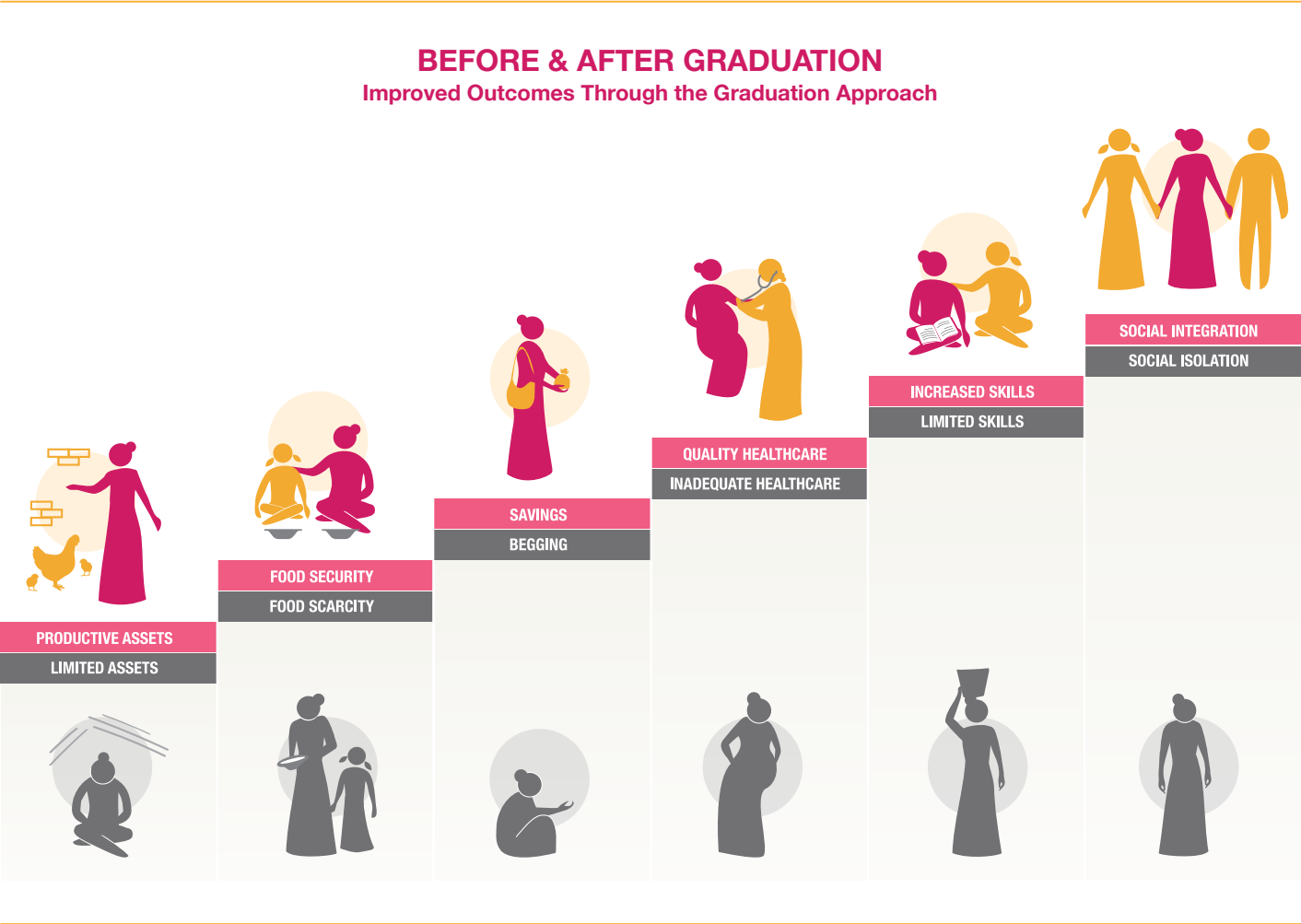
FROM THE GROUND

RAZIA ALI - BAMIIAN, AFGHANISTAN

Razia Ali (55) is a TUP member in Yakawlang village of Bamiyan province in Afghanistan. Her husband was shot dead by Taliban military in Taliban regime. She received sheep from BRAC Afghanistan Targeting Ultra Poor program, and is now able to provide for herself and her children

WHAT HAPPENS AFTER GRADUATION?

Implementing organisations should keep in mind that “graduation” is not synonymous with a threshold past which households are suddenly resilient to the pressures of poverty. Clients of Graduation programmes are the most vulnerable of the poor and can still backslide if persistent shocks inhibit their trajectory. The continued success of graduated households is greatly aided by the presence of support services which reinforce a household's pathway out of poverty, including access to finance, mainstream development programmes and government-led social protection programming.



In programmatic terms, Graduation occurs when households achieve economic and social advancement measured by several criteria over the course of the programme. Criteria vary given the social and geographic context of the programme, and are often a combination of criteria such as:

| Purpose | Criteria | Measured By |
|--|--|--|
| Establishing food security | No self-reported food deficit in the last year | Asking household about access to 2/3 meals a day over a period of recall |
| | Households have kitchen gardens | Asking about and verifying presence of fruit/vegetables, ground nuts or other food supplements around the homestead |
| Establishing income related resilience | Multiple sources of income | Asking and verifying multiplicity of types of income, sale of various items, and diversification of income generating activities |
| | Households own livestock/poultry | Asking about and verifying presence of household owned livestock |
| Establishing additional economic resilience through savings | Cash savings | Asking household about savings practices/ meeting a fixed threshold for household savings |
| Establishing household resilience to negative health effects and practice of positive health seeking behaviour | Use of a sanitary latrine and clean drinking water | Asking about knowledge of local diseases, water consumption practices and confirming access to clear water sources |
| | Knowledge of common ailments and available health related resources | |
| Establishing greater household structural resilience | Homes with solid roofs made of corrugated iron or other materials (not thatched) or other locally relevant measure of improved structure | Asking and confirming whether household was able to fortify dwelling in a locally relevant way |
| Reinforcing positive behaviour change | No childhood marriage in the family or other locally relevant measure of reinforced positive behaviour | Asking and confirming ages and marital status of all children or other locally relevant measure of reinforced positive behaviour |
| | School-aged children are going to school | Asking and confirming ages and school going status of all children in household |
| | Eligible couples adopt family planning | Asking household about access, awareness and practice of family planning |

Graduation programmes use these criteria to define when a household has “graduated,” however the experience of graduation is more deeply felt by households that express a better grasp on future income and therefore stability to care for their loved ones, a vision of the future beyond living for today, and increased confidence and self-esteem born from

visibility and empowerment in their communities and a sense of agency over their lives. This empowerment and hope for the future is the key to long-term success beyond the short duration of a Graduation programme, enabling participants to sustain and build upon tremendous gains thereafter.

CONTEXTUALISING GRADUATION PROGRAMMES

Conducting a comprehensive contextual analysis in advance of implementing a Graduation programme requires deep understanding of the unique characteristics of the target population and adapting the model to provide enriched service offerings tailored to their needs. BRAC has customised its flagship Targeting the Ultra-Poor programme to cater to groups in both urban and climate-affected environments.



TUP FOR URBAN POPULATIONS

In 2010 BRAC launched its first urban pilot designed to expand opportunities for the poorest among the urban poor. Programme teams discovered that contrary to rural populations, a large majority of the urban ultra-poor were not only slightly better educated and more skilled, but also more economically well-off, securing petty trade or odd jobs cleaning homes, sewing, or preparing food for sale. Contrary to popular belief, however, these women did not have greater access to basic services such as sanitation, education for their children or healthcare.

Critical to the TUP urban program was providing a locally relevant and market-driven suite of urban enterprise options, connecting participants to basic services, developing collective bargaining systems through slum village committees and building deeper community ties in slums where social capital of the ultra-poor is weakest away from their networks of family and friends.



TUP FOR CLIMATE-AFFECTED POPULATIONS

The potential effects of climate change and correlated natural disasters on the ultra-poor in Bangladesh are substantial, affecting access to fresh drinking water, natural resources that provide livelihood support, household savings and consumption and food insecurity and health conditions.

In response, BRAC implemented the Addressing Climate Change related Destitution (ACCD) programme to build resilience of ultra-poor households living in rural areas that are particularly prone to climate change vulnerabilities. Main features include:

- Asset transfer for livelihood development
- Enterprise development and life skill training
- Training on early warning and coping mechanisms
- Social forestry
- Infrastructure development
- Special health-care, water supply, sanitation and hygiene promotion
- Mobilizing community support
- Disaster resilient houses that provide shelter for 4-5 families during a disaster

BRAC TECHNICAL ASSISTANCE AND ADVISORY SERVICES

A world without extreme poverty is within our reach. Graduation programmes have become increasingly viable solutions in many regions to achieve promising, measureable and sustained results in poverty alleviation. To support organisations implementing new graduation programmes, BRAC has created a suite of service offerings to smooth adoption challenges and provide a comprehensive set of tools for programme success. As with current and previous government, NGO, and MFI clients adopting Graduation, BRAC staff can provide cost-efficient technical assistance and advisory services—from programme planning and design to on-site training and data management support—to help Graduation programmes take hold in new regions and communities across the globe.

For more information, contact ultrapoorgraduation@bracusa.org or visit www.ultrapoorgraduation.com.





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Contact us to learn about our technical assistance and advisory services, and ways to support these programmes.