Ultra Poor Graduation: How to reach those left behind

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In the late 1990s, BRAC recognized a salient gap in the ability of our microfinance services to reach the poorest of the poor.
As a result, we adopted a new lens attuned to the specific needs and vulnerabilities of the ultra poor known as the Graduation Approach.
With a time-bound and sequenced set of integrated interventions, Graduation builds resilience to shocks while placing households on an upward trajectory from poverty into sustainable livelihoods.
Today, BRAC has scaled the approach to reach 1.7M households (6.8M people) in Bangladesh and around the world.
PROFILE OF THE POOREST

Graduation programs identify the most pernicious systemic barriers curtailing upward mobility of the poor.

- Chronically food insecure, eating less than 1,800 calories/day, despite spending 80%+ of income on food
- Disconnected from mainstream social protection services—such as school feeding and public works programs
- Most vulnerable to health shocks and natural shocks such as disasters
- Live in geographically isolated, remote and hard-to-reach areas
- Underserved by markets and unaffected by most economic interventions
- Lack social inclusion and support systems, often ostracized from community fabric
TARGETING

Kenya

- Designed to target those who slip through safety nets
- Who require most intensive forms of support
- In a way that is highly tailored to specific needs
TARGETING METHODS

- Multi-step targeting approach
- Range of targeting tools – e.g. national registries, poverty thresholds, community social mapping, community verification
- Emphasis on participatory methods

Examples:
- Kenya: Geographical targeting, community mapping, wealth ranking, verification survey
- Lesotho: Using improved gov’t registry (NISSA 2) for targeting in Graduation
Graduation provides a multi-faceted response to the multi-dimensional needs of the poorest.
Graduation addresses multiple drivers of exclusion and deprivation to ensure no one is left behind.

1. **Goal 1**: Graduation scaled within national social protection floors to end extreme poverty by 2030.
2. **Goal 2**: Productive Asset Transfer and Technical Training to promote sustainable livelihoods and access to food.
3. **Goal 3**: Life-Skills Training and Access to Health Services to encourage behavior change and build resilience.
4. **Goal 5**: Savings, Mentoring and Social-Inclusion Activities to promote gender equality and empowerment.
5. **Goal 8**: Cross-Sectoral Linkages to increase productivity of extreme poor, contributing to economic growth.
6. **Goal 10**: Multidimensional Targeting and Graduation Criteria to progressively realize basic rights for extreme poor.
BRAC hosts the longest longitudinal RCT of a Graduation program: 21,000 households over 7 years.

37% Annual income
361% Hours in stable, productive work
10% Consumption expenditures
9x Savings
2x Access to land

Source: London School of Economics, University College London, Bocconi University, and BRAC
Investing in the poorest means unlocking latent economic potential in the extreme poor.
Appendix
Gaining global momentum, today **114** Graduation programs operate in **45** countries.

Flags represent select government implementations.

*Source: Platform for Economic Inclusion, The World Bank, August 2017*
Graduation Trajectory

Livelihoods Promotion
Propelling her forward
Financial Inclusion
Lifting her up

POVERTY LINE

Graduation Outcomes
- Asset accumulation
- Technical skills & knowledge
- Savings and financial access
- Life skills awareness
- Food security & Nutrition
- Improved health outcomes
- Enhanced social capital
- Positive behavior change
- Vision for the future

Social Protection
Social Empowerment

PROMOTIVE
PREVENTIVE
PROTECTIVE
TRANSFORMATIVE
Intersection with Social Protection

Graduation plays a vital role by shifting focus from ‘graduation out of a social protection program’ to ‘graduation into a social protection system’.

Horizontal: Access to (at least) essential health care and income security for all
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<td>Pantawid CCT</td>
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<td>Sustainable Livelihoods Program Enterprises &amp; Training</td>
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<td>Community Development Model</td>
<td>MPG Asset Transfers</td>
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<td>School Feeding</td>
<td>National Fertilizer and Input Subsidy</td>
<td>VUP Fin Services &amp; Savings Accounts</td>
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TARGETING MECHANISMS

Government of Kenya
- Geographical Targeting
- Community Mapping
- Wealth Ranking
- Verification Survey

Government of Lesotho
- NISSA – National Registry
- Child Grants Programme & Public Assistance
- Specific Vulnerability Criteria
- Verification Survey
- Community Council Submission

Government of Philippines
- Geographical Targeting
- Listahanan – National Registry
- Food Poverty Line Threshold
- Pantawid and Sustainable Livelihoods Program Beneficiary Lists
- Verification Survey
Household progress toward graduation is measured by a specific set of milestones indicating improved social and economic welfare and higher propensity for resilience to shocks.

- **Productivity**
  - Food security: increased annual household expenditures
  - Access to adequate nutrition: Min. 2 nutritious meals for HH members/day; increased health-seeking behaviors

- **Risk and Resource Management**
  - Access to social capital: Increased ability to influence HH decisions; household participation in community events

- **Health and Wellbeing**
  - Livelihood diversity: Multiple sources of household income
  - Accumulation of productive assets: Increase in savings; assets

- **Innovation**
  - Access to financial resources: active VESA participation; savings;
  - Access to markets: business planning; interaction with local markets and extensions services, improved marketing behavior

- **Aspirations**
  - Child-sensitive indicators: nutritious meals; fewer underweight children under 5 years
  - Psychosocial resilience: improved self-reported confidence levels; future oriented household planning behaviors

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To test the adaptability of BRAC’s model in other contexts, CGAP and the Ford Foundation conducted 10 pilots in Ethiopia, Ghana, Haiti, Honduras, India, Pakistan, Peru, and Yemen. 6 pilots included RCTs, the pooled results of which demonstrate the following after 2 years:

- 12% increase in asset value and 96% increase in savings
- 9% increase in agricultural and 37% increase in livestock revenues
- 6% increase in per capita food consumption
- 75-95% graduation rates across sites

Research led by J-PAL at MIT; 2006 - 2014
What’s next?

New Target Populations
✓ Persons living with disabilities (PLWD)
✓ Climate change and conflict affected
✓ Youth populations
✓ Refugee communities

New Delivery Agents & Arrangements
✓ Working through government social protection agencies, the most promising agents of scale
✓ Inter-ministerial coordination and diverse stakeholders
✓ Consortium approaches
COMMON MISCONCEPTIONS:

1. Not exogenous exit event after which all support is withdrawn
2. Not entail crossing an automatic income threshold, such as World Bank poverty line $1.90
3. Not a silver bullet and singular approach to eradicating poverty
4. Not an alternative to social protection
5. Not a contradiction to a rights-based tradition

GRADUATION DEFINED BY:

1. Time-bound intervention
2. Comprehensive set of holistic programs
3. Multifaceted response to the multidimensional needs of the most vulnerable
4. Strategic complement to social protection programs
5. Progressive realization of rights