



**Lifting People Out of
Extreme Poverty through
a Comprehensive
Integrated Approach**

Expert Group Meeting UNDESA
May 2017

What is BRAC?

BRAC is a development success story spreading **anti-poverty solutions** across Asia, Africa and the Caribbean.

Begun as a limited relief effort for refugees displaced after the 1972 Bangladesh liberation war, BRAC led by founder Sir Fazle Hasan Abed, developed a **metrics-based approach** to pilot and perfect programs before scaling them to reach millions.



Who do we serve?

Today BRAC is one of the largest development organizations in the world with **120,000 staff** serving **138 million** people in **12 countries**, including Bangladesh.

With an annual budget of \$800 million, **80 percent of which come from BRAC's social enterprises.**

TUP program takes in approximately 100,000 TUP participants every year (just a fraction of BRAC activities)



Countries where we work: Bangladesh, Philippines, Myanmar, Nepal, Afghanistan, Pakistan, South Sudan, Uganda, Tanzania, Sierra Leone, Liberia, and Haiti.

What is the Targeting the Ultra Poor Graduation Program?

In 2002, BRAC pioneered the TUP program in Bangladesh to **improve** the **resilience** of the **ultra poor** and effectively address the worst forms of poverty.

Since then, BRAC has **scaled** the Graduation approach, as it is now known, graduating **1.7 million** households (6.8 million people) with a projected reach of **2 million households by 2020**.

BRAC TUP **pilots** have been conducted in Afghanistan, Pakistan, Sri Lanka, and South Sudan, and will expand to Uganda and Tanzania.



THE ULTRA-POOR GRADUATION APPROACH

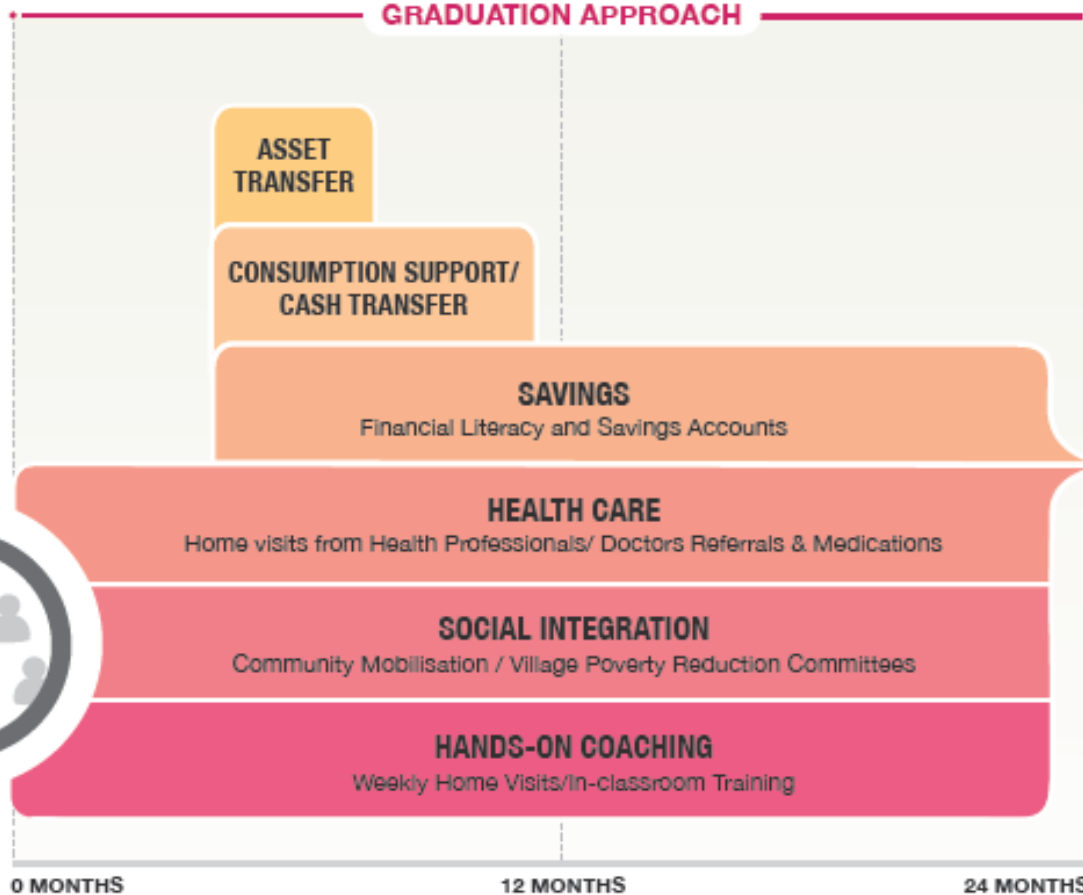
PREPARATION

GRADUATION APPROACH

OUTCOMES



Market analyses and client selection/targeting



Sustainable Livelihoods

- ✓ Increased Assets
- ✓ Food Security
- ✓ Savings & Financial Inclusion
- ✓ Better Health
- ✓ Increased Social Capital
- ✓ Productive Skills

FROM SAFETY NETS TO SUSTAINABLE LIVELIHOOD

How Graduation Approaches Complement Social Protection

GRADUATION APPROACH

Combines elements of social protection, livelihood development and access to finance to help the ultra poor move into sustainable livelihoods



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.

Step 01

Targeting



Poverty Mapping



1 Use poverty maps to identify areas with severe poverty and deprivation.

Wealth Ranking



2 BRAC helps the community draw a map of all the households, ranking each one from poorest to wealthiest based on their own criteria.

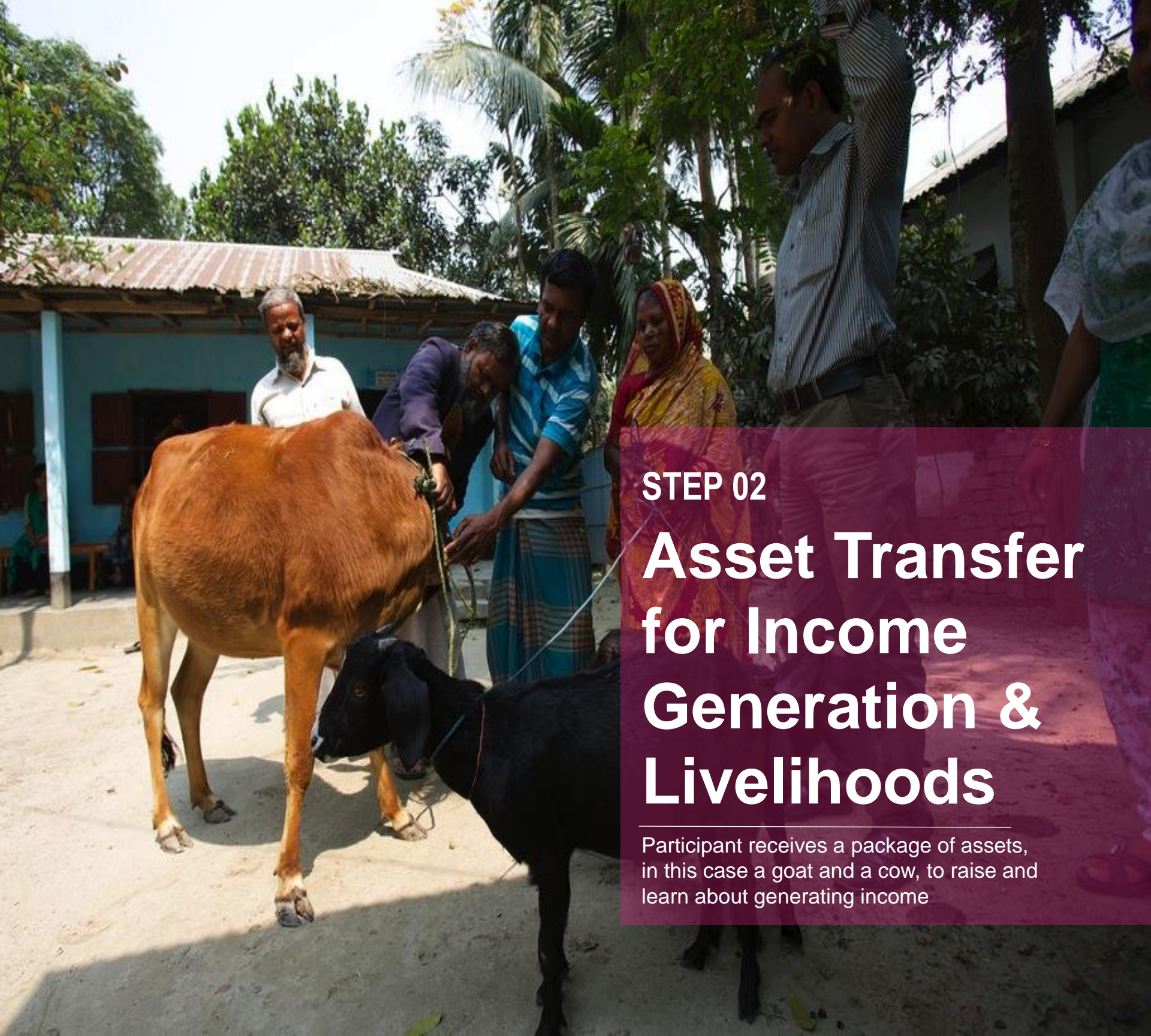
House Surveys



3 BRAC visits the lowest ranks of the poorest households to verify the data collected from the community.

Participation Selection





STEP 02

Asset Transfer for Income Generation & Livelihoods

Participant receives a package of assets, in this case a goat and a cow, to raise and learn about generating income



STEP 03

Stipend

To allow the client breathing room, and time to start earning income from her assets, the client receives a cash transfer or stipend, and in some cases a food to supplement their diet.



STEP 04

Savings

Clients are encouraged to save and track their savings



STEP 05

Technical Skills Training

Client receives classroom style training on how to use their asset, and refresher sessions to reinforce training and provide additional information on asset management and building a business.



STEP 06

Hands-on Coaching

Client receives bi monthly home visits and training on how to use their asset, on health and hygiene matters, basic skills and literacy, and general support and counseling



STEP 07

Healthcare

Client receives healthcare support with access to community medical workers, physicians and medications



STEP 08

Social Integration

Clients increase their social standing and receive guidance on integrating better with their community. Here, a village poverty reduction committee, organized by BRAC, conducts a regular monthly meeting, after clients have graduated, to help clients address various issues they face.

How successful is Graduation?



Graduation criteria in Bangladesh:

- ✓ At least **3 sources of income**;
- ✓ **Asset value doubled** since initial transfer;
- ✓ Household consumes **nutritional meals at least twice/day** with protein (meat/fish/egg) at least once/week;
- ✓ Participant engaged in **household decision-making** (e.g. asset purchase);
- ✓ Improvement in **home condition** (e.g. corrugated roofs);
- ✓ Attends **social or community events**; and
- ✓ Access to **sanitary latrine and clean drinking water**.

Where applicable:

- ✓ School aged **children attend school**;
- ✓ No **under-age marriages**; and
- ✓ Use of **family planning**.

Graduation occurs when households achieve economic and social advancement over the course of 24 months.



BRAC Bangladesh **Graduation Programme**

(2002-present)

1.7 MILLION HOUSEHOLDS

AS OF 2015

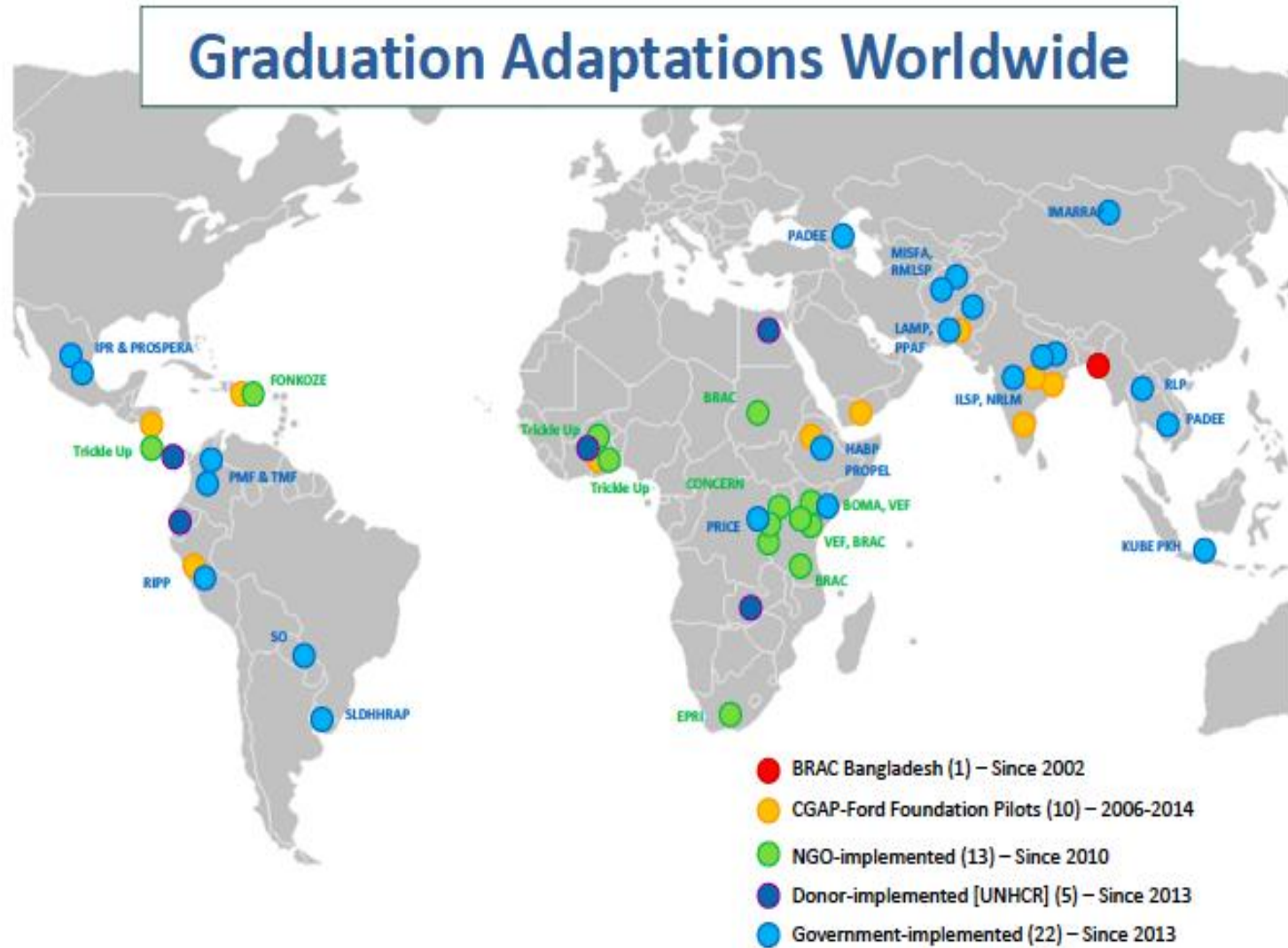
OVER 95% GRADUATION RATE



In Bangladesh, roughly 95% of participants achieve graduation at the end of the two year period with the majority maintaining those improved conditions 7+ years later.

International pilots by the World Bank's **Consultative to Assist the Poor Group** and the **Ford Foundation** demonstrate similarly high graduation rates for participants meeting country specific criteria.

The proliferation of Graduation



Long term impacts of Graduation

A. TUP Program 4 Years Post Intervention

The Study

- A randomized control trial (RCT) conducted by the London School of Economics, University College London, Bocconi University, and BRAC.
- 1,409 communities in 40 regions, half of which were treated in 2007 with controls treated in 2011.



Long term impacts of Graduation

A. TUP Program 4 Years Post Intervention

What do we know?

- **Occupational change** allows ultra poor women to access higher-paying and less volatile earning streams.
- **Adequate transfers of capital and skills** connect the ultra poor to labor activities that place them on a sustainable path out of poverty.

The Results

- Decrease low-paying, **volatile wage employment** by 170 hours (26% reduction relative to baseline)
- Increase hours of **self-employment** by 388 hours, including 25% more days worked (92% increase relative to baseline)
- Increase **earnings** by 37%
- Increase **per capita household expenditure** by 8%
- Increase **savings** 9-fold



Long term impacts of Graduation

B. TUP Program 7 Years Post Intervention

What do we know?

- **Ultra-poor women** are limited to **irregular, poorly paid** agricultural & menial labor jobs.
- Thus, they are **unable** – not unwilling – to do more productive work.
- Their earnings **would be 2x higher** if rearing livestock as do wealthy classes.

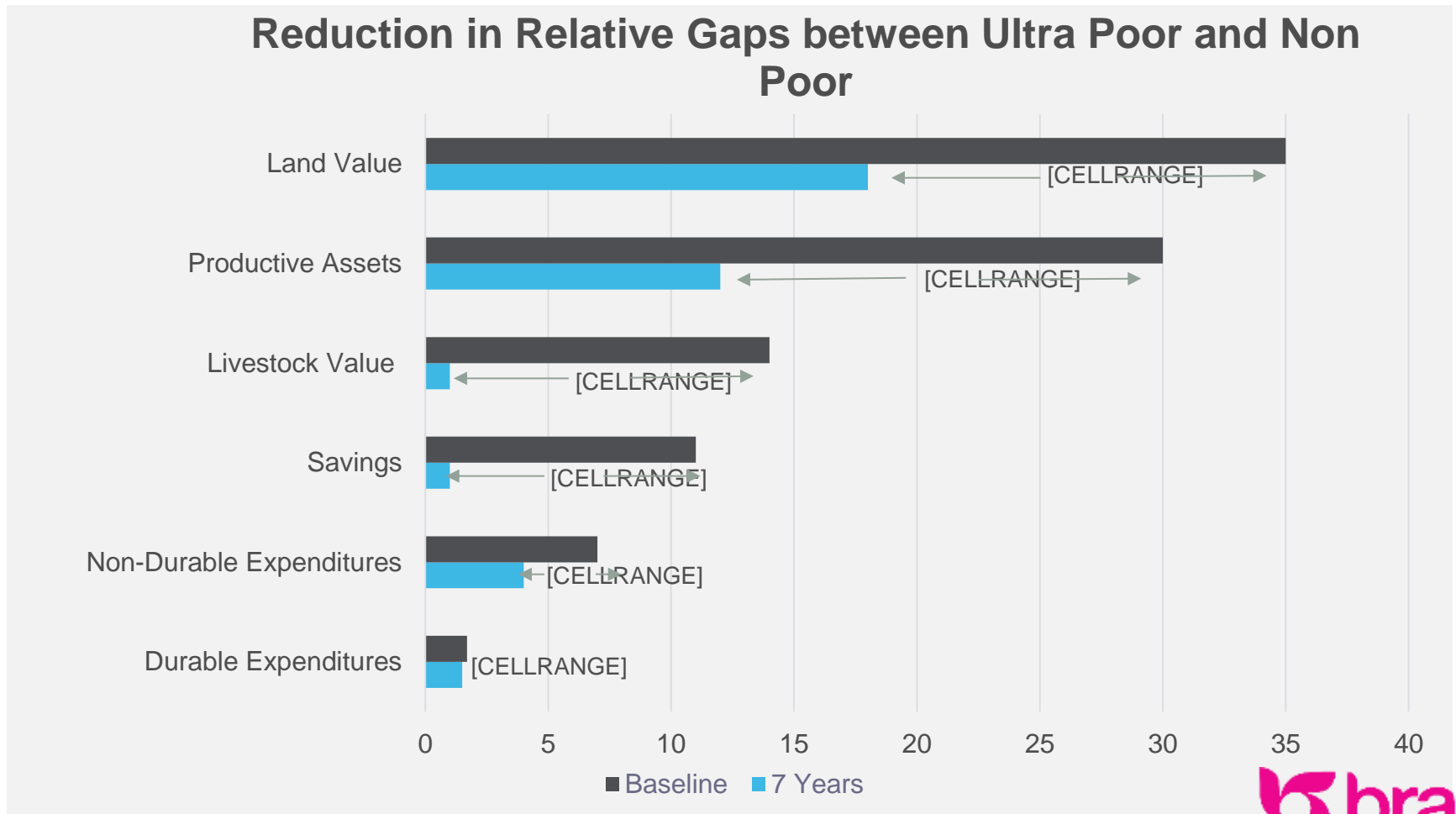


The Study

- RCT conducted by London School of Economics and BRAC.
- 1,309 communities observed from 2007 to 2014, building on four-year study.

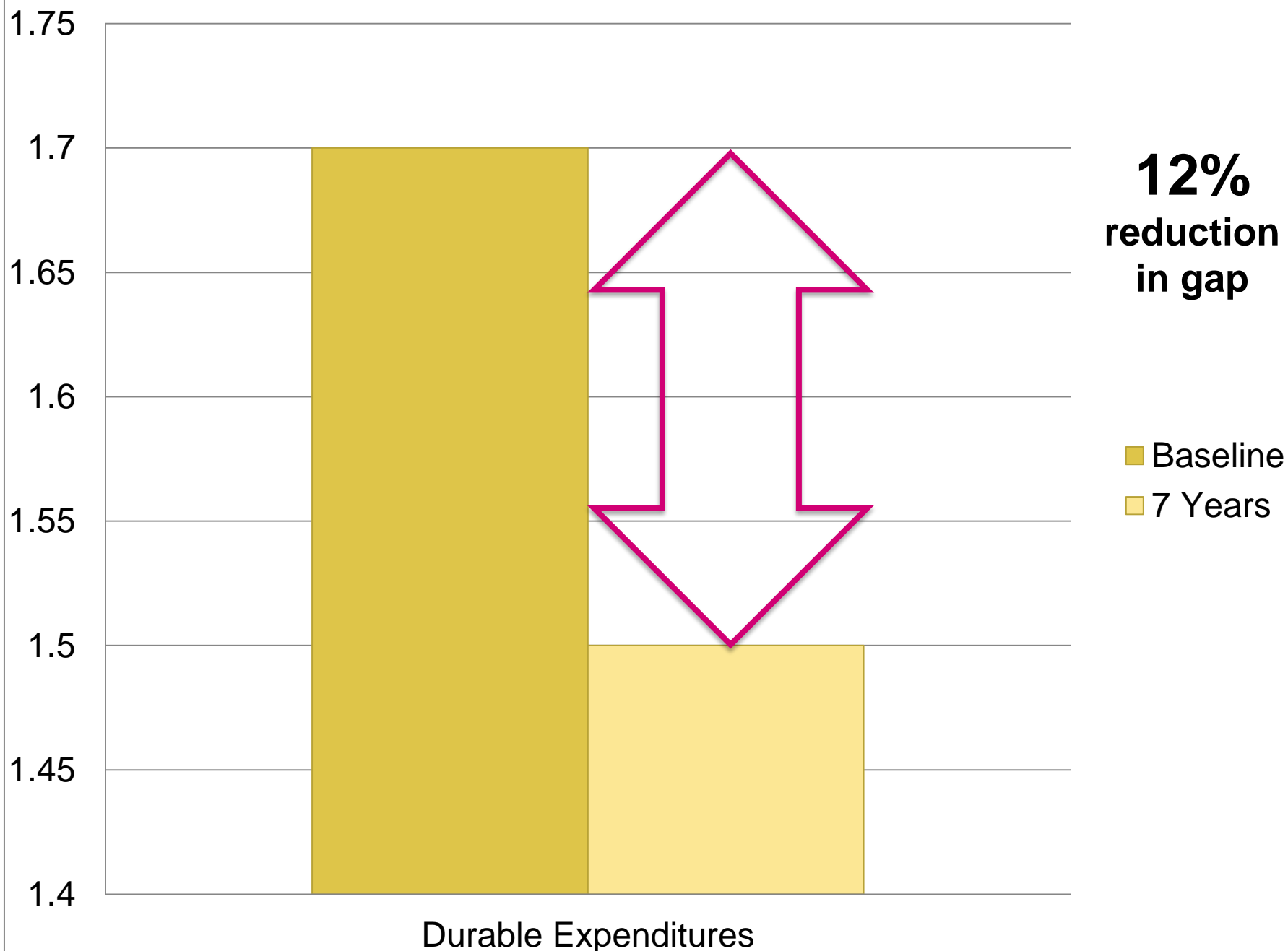
RESEARCH INEQUALITY GAPS

Results released in 2015 demonstrate significant **reduction in economic inequality** vis-à-vis the non poor.

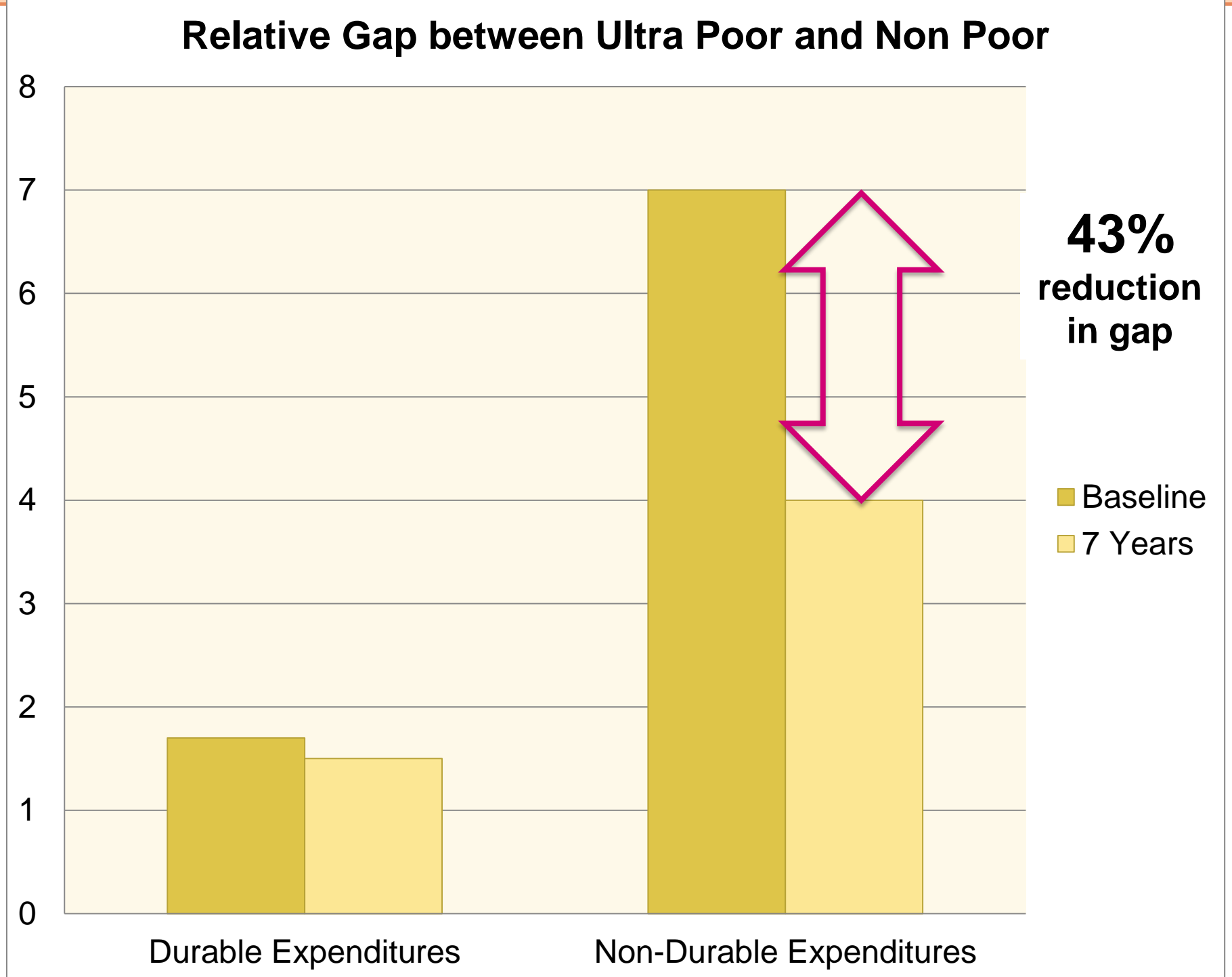


At 7 years, wealthy classes spend 1.5x more than the ultra poor on **durables** compared to 1.7x at baseline.

Relative Gap between Ultra Poor and Non Poor

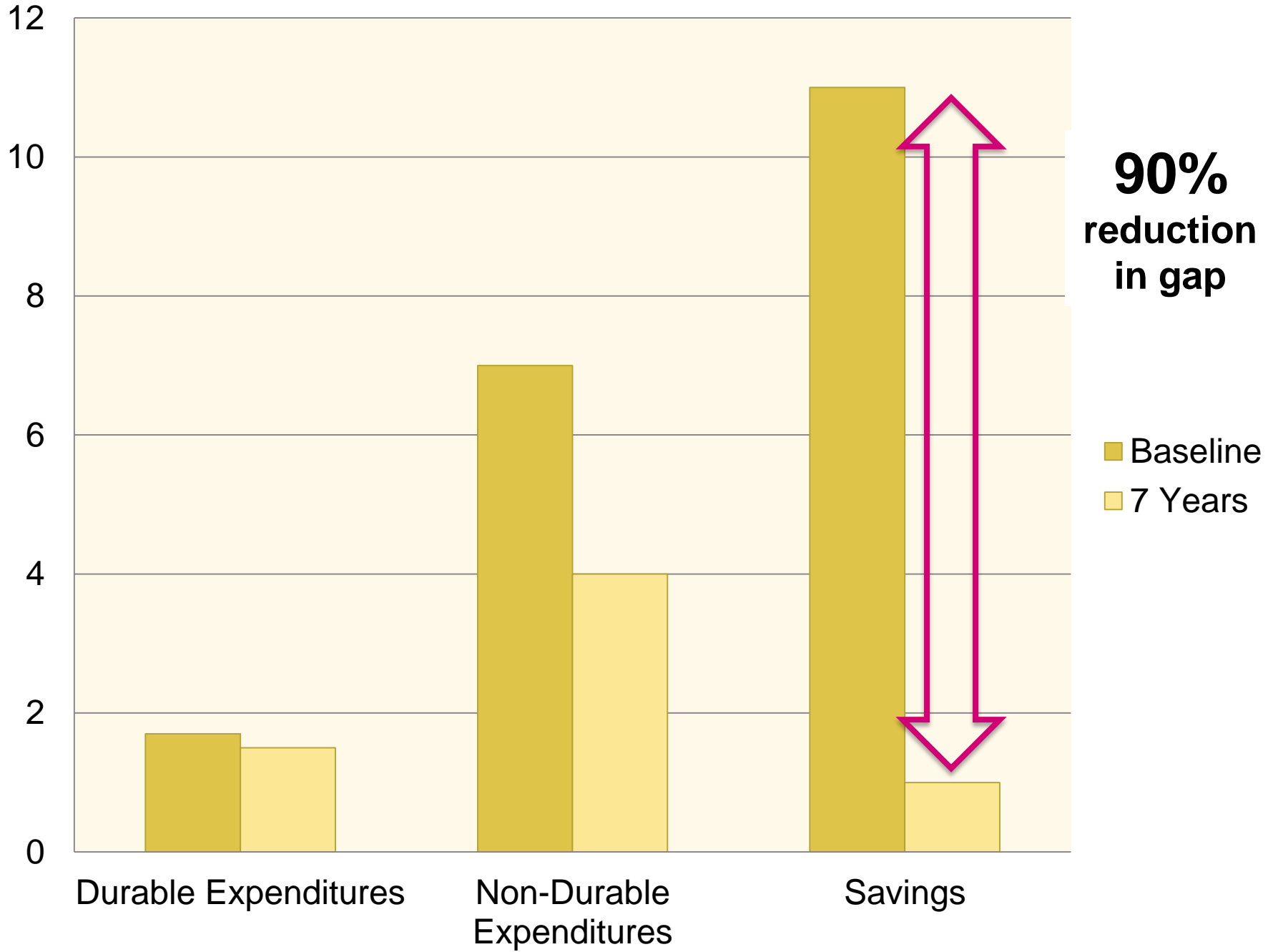


At 7 years, wealthy classes spend 4x more than the ultra poor on **non-durables** compared to 7x at baseline.



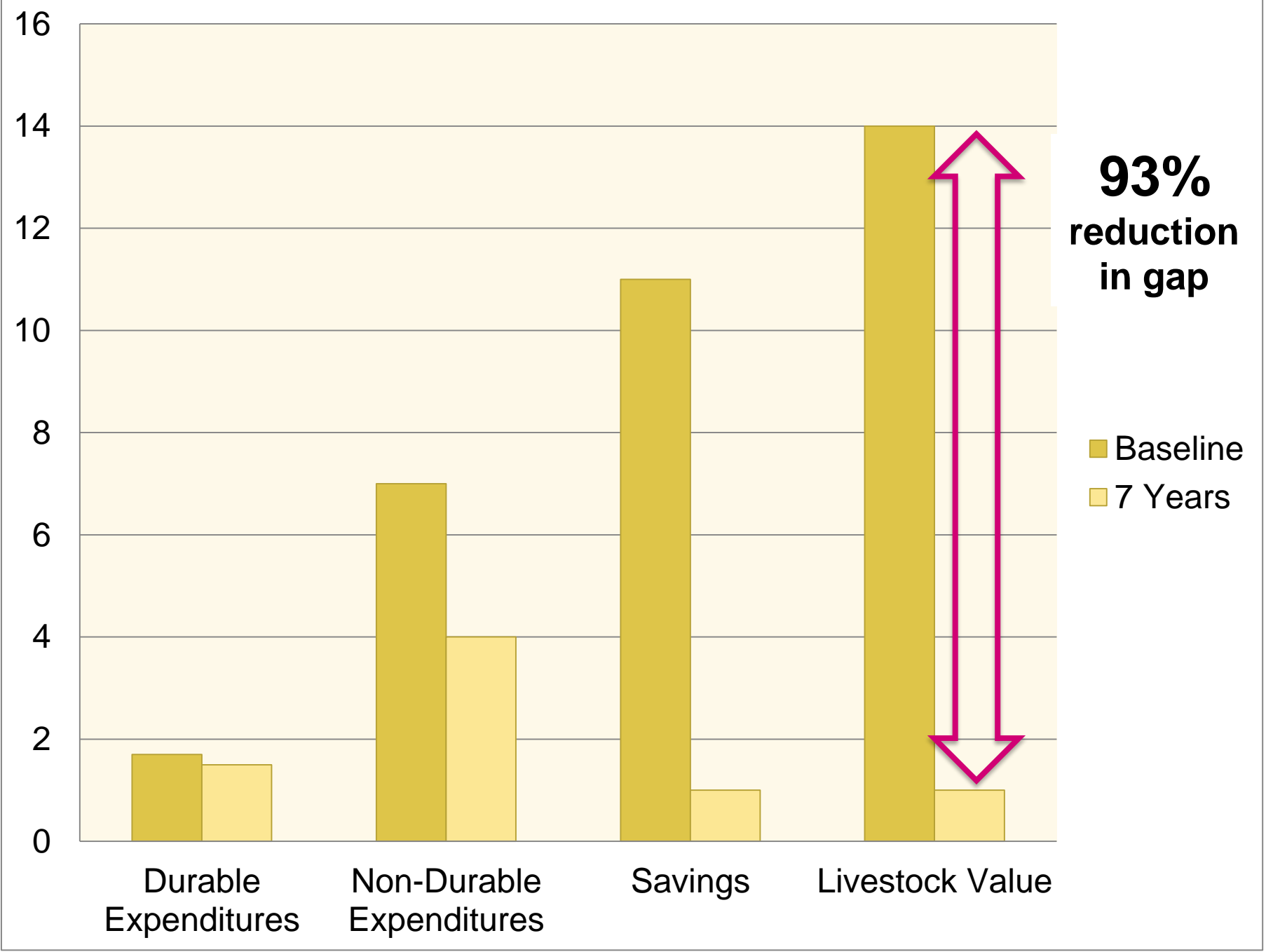
At 7 years, wealthy classes **save** at near parity with the ultra poor compared to 10x more at baseline.

Relative Gap between Ultra Poor and Non Poor



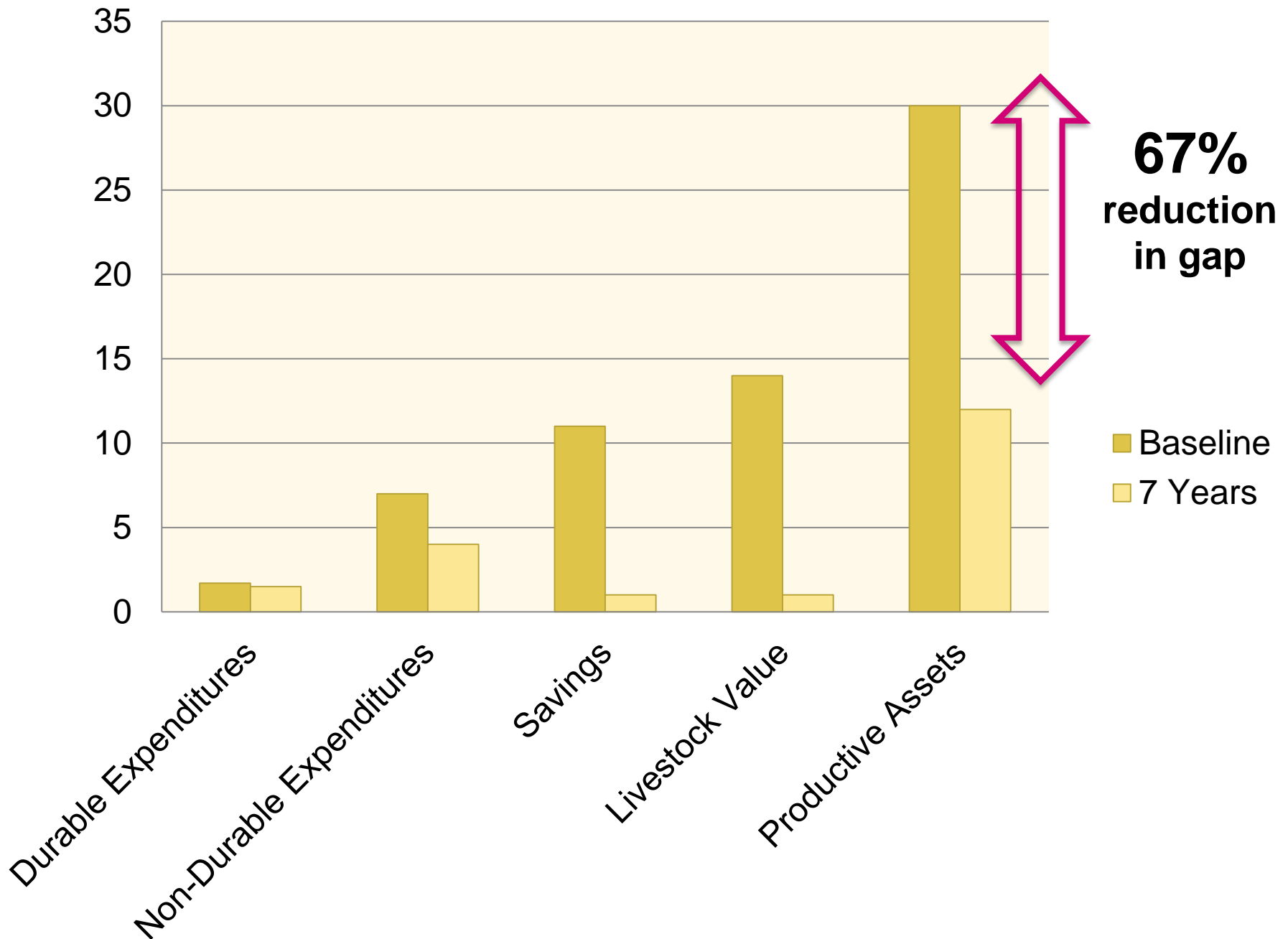
At 7 years, wealthy classes own **livestock** valued at near parity with the ultra poor compared to 14x at baseline.

Relative Gap between Ultra Poor and Non Poor



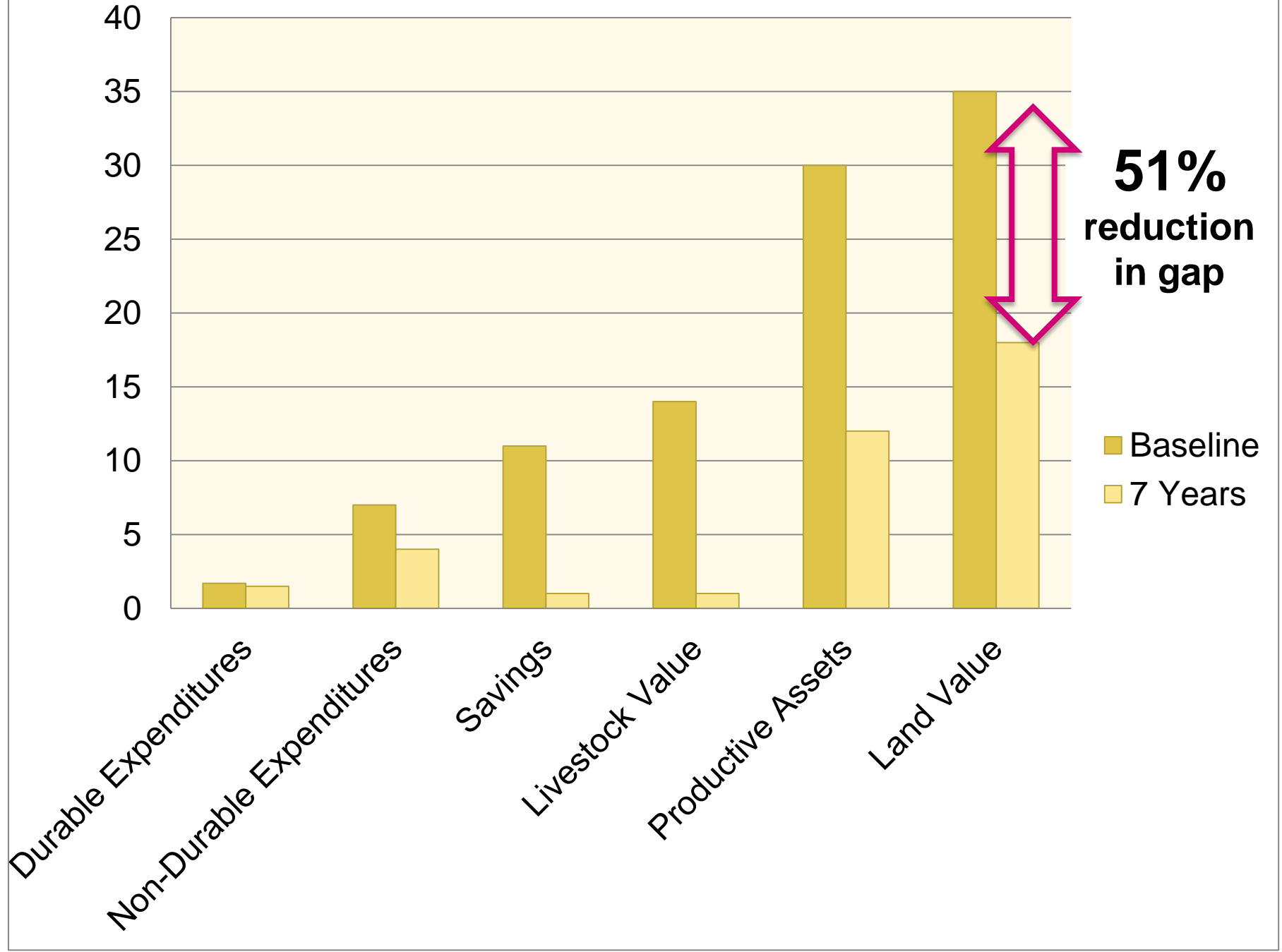
At 7 years, wealthy classes own 10x more **productive assets** than the ultra poor compared to 30x at baseline.

Relative Gap between Ultra Poor and Non Poor



At 7 years, wealthy classes own 17x more **land** than the ultra poor compared to 35x at baseline.

Relative Gap between Ultra Poor and Non Poor

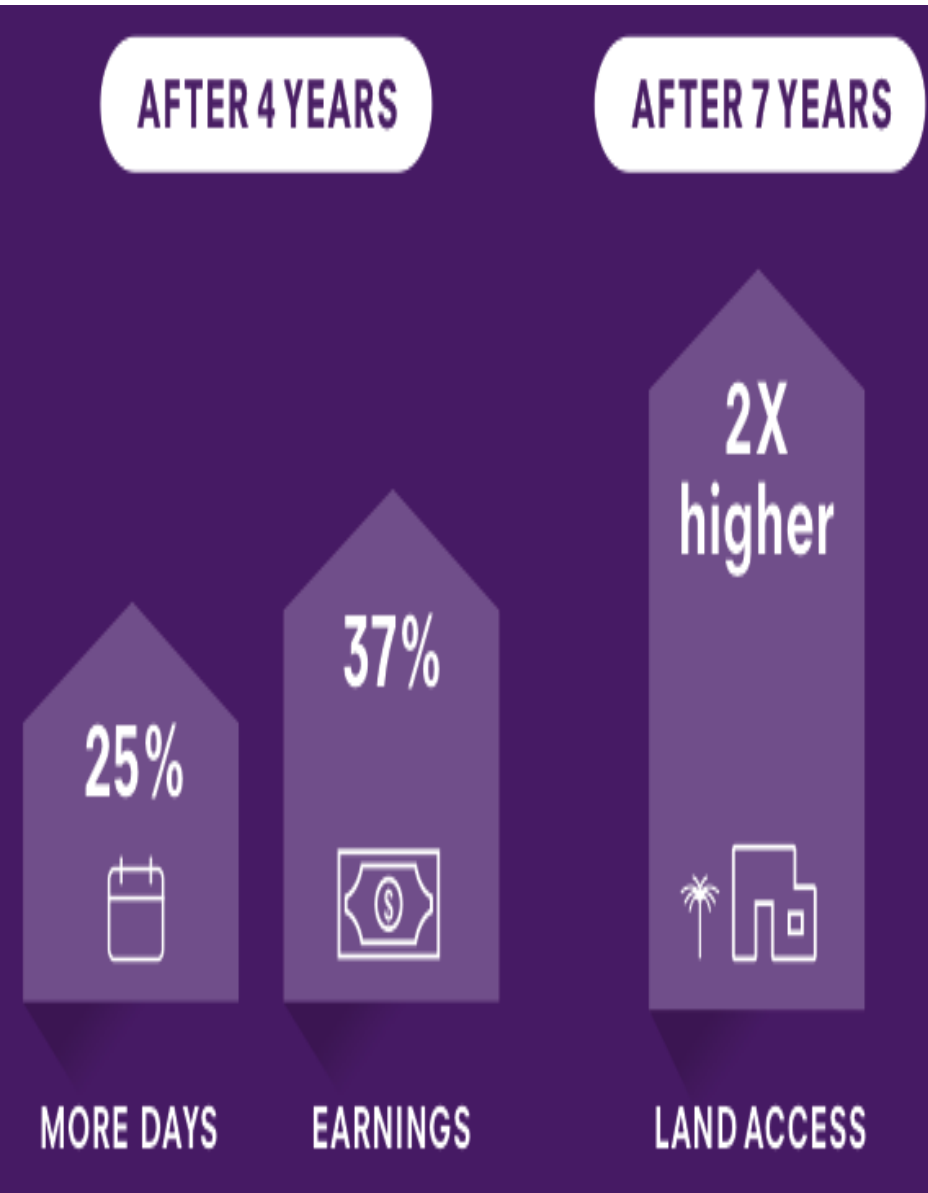


Long term impacts of Graduation

B. TUP Program 4 and 7 Years Post Intervention

The Results

Key Research Conclusions



- ✓ Significant increases in work productivity and household assets
- ✓ Access to more stable and secure employment leading to positive expansion of occupation choice
- ✓ Reduction in economic inequality vis a vis the non poor
- ✓ Builds resilience and enables faster recovery from shocks
- ✓ Promotes social cohesion and gender empowerment

7 years later, ultra poor continue to escape poverty at a steady rate.

What Drives Complexity and Cost?

WEEKLY HOME VISITS AND LIFE SKILLS COACHING

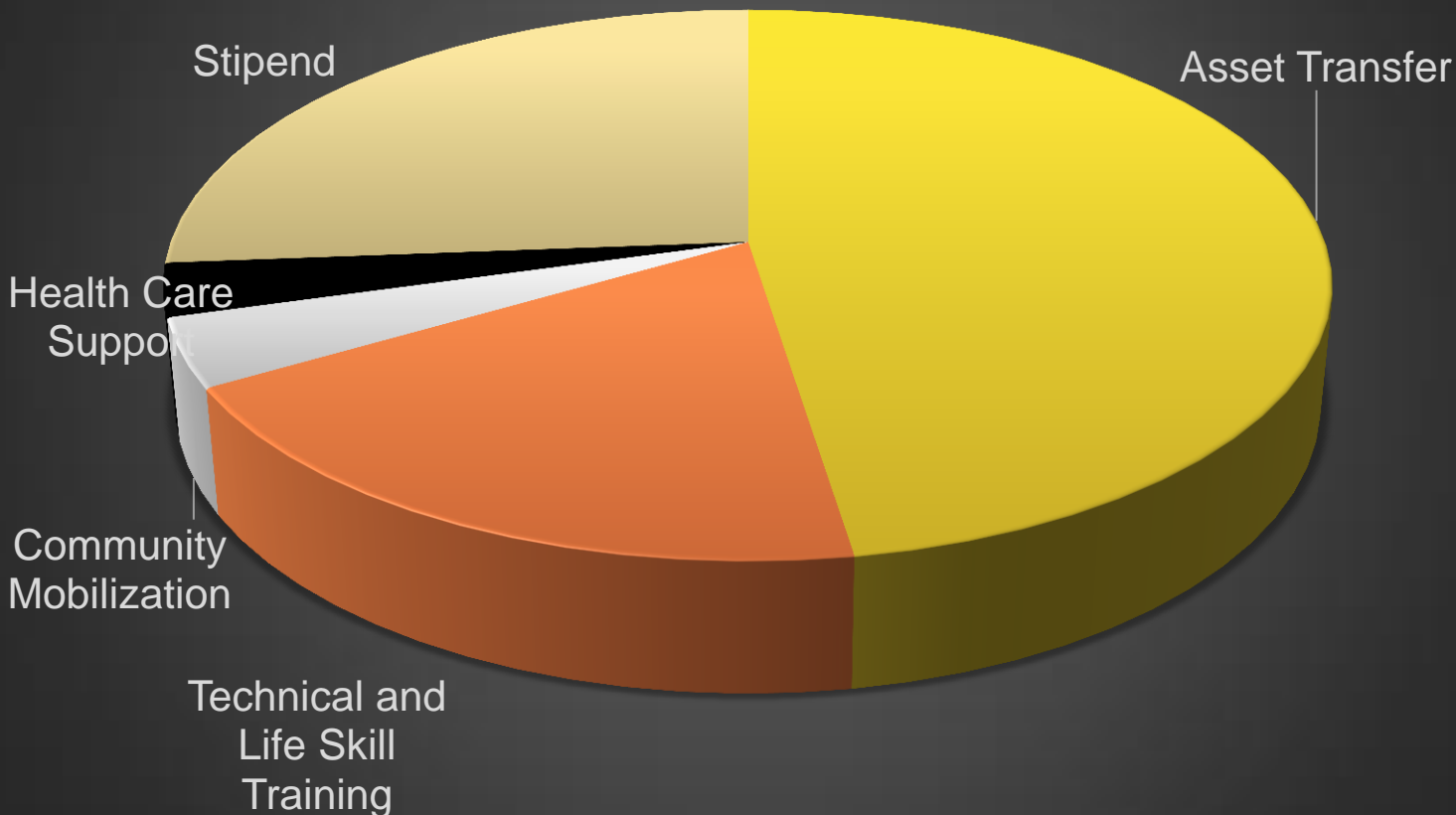
BRAC's weekly home visits and life skills coaching provide participants with program-long support and continuous encouragement that help them achieve their goals during and after the program.



What Drives Complexity and Cost?

- Real costs vary widely depending on context, organizational infrastructure, terrain, population density, markets and other factors
- Can vary from approx. \$500 per hh/ 2 years in West Bengal to nearly \$2000 per hh/ in Haiti's Central Plateau

TUP - Asset Grant



**In Bangladesh,
interventional
+
operational costs
in 2 years:**

For OTUP, approx.
300 USD

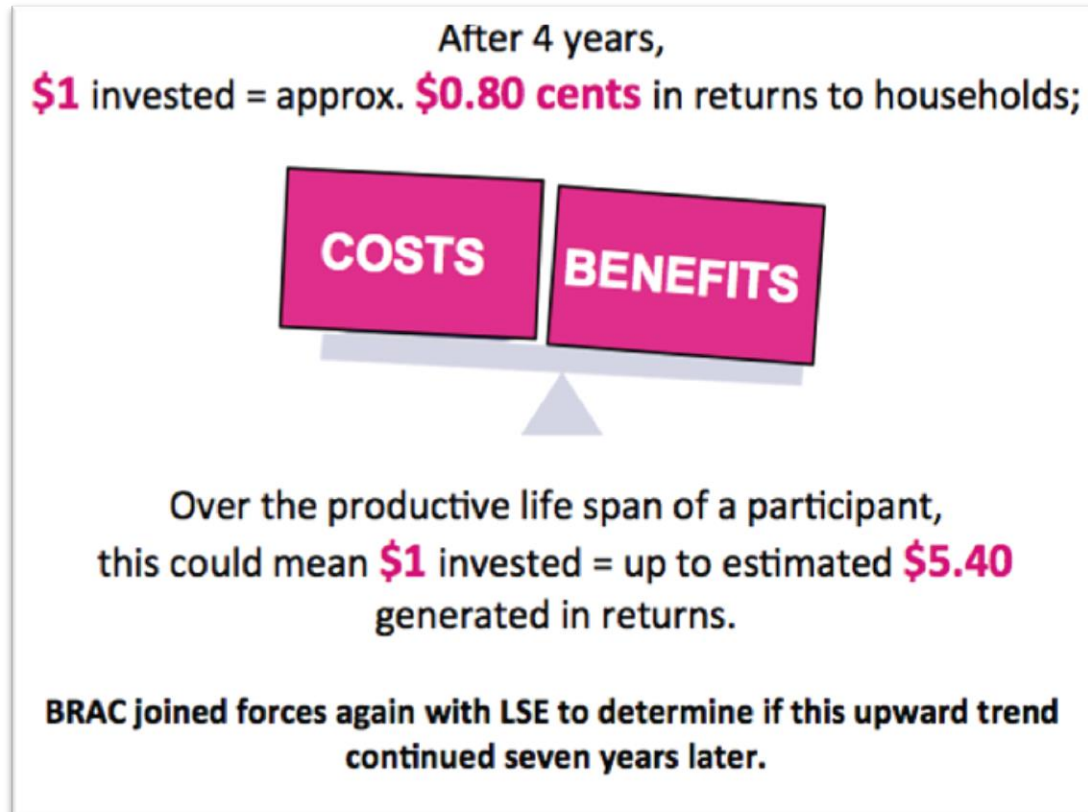
For STUP, approx.
500 USD

Projections estimated
01/2016.
Based on 2016-2020
intake, 564,139
participants Amounts
subject to currency
fluctuations.

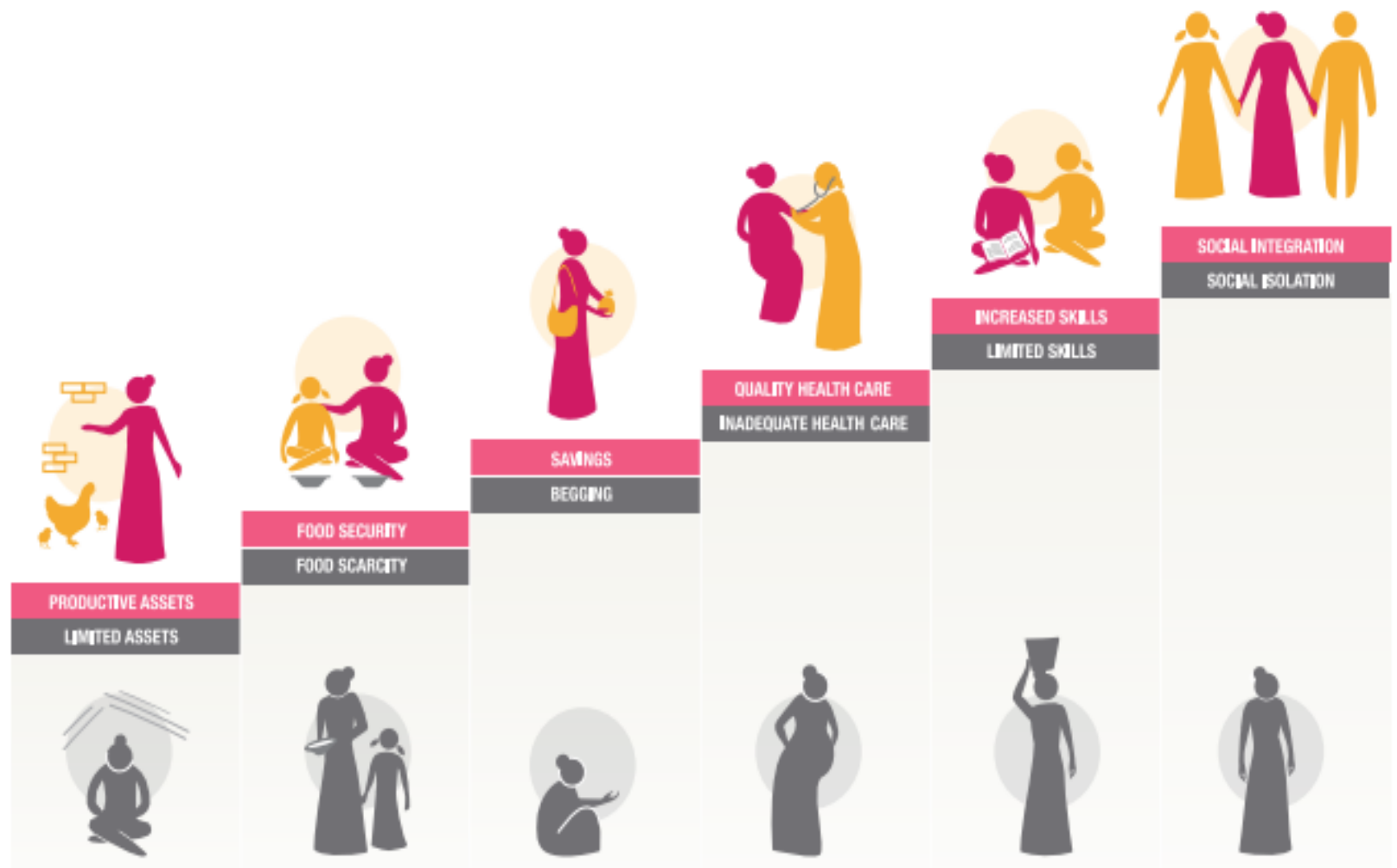
What Drives Complexity and Cost?

Cost Arguments are Simplified

- Cost is at the household and not per capita level
- At par with large scale livelihood interventions and possibly cheaper than cash transfer programs when all in costs are factored
- Better long term proven outcomes
- **Cost benefit calculations 5.4 dollars to every dollar invested**
- For NGOs and social protection agencies with strong programming that needs to be integrated these are marginal costs/tradeoffs for potentially much stronger impacts



Graduation's Big Push



Eradicating extreme poverty and meeting the SDGs requires a comprehensive approach that is multifaceted, adaptable and tailored to the constraints faced by the world's poorest.

Implications:

- ✓ For **the bottom-most** on the economic spectrum, a **'big push'** intervention is required;
- ✓ This needs to be a **high enough value kick over a long enough** term to seed sustainable change;
- ✓ Looking at **X or Y** is of limited value. **This is not an approach that is an alternative to cash transfers, to social protection, or a rights based tradition;**
- ✓ The more valuable question and one we should look to answer is **what are the tradeoffs for intended impacts**
- ✓ Costs need to be looked at with nuance and long term perspective
- ✓ **If you are serious about eradicating extreme poverty, we need to be serious about fighting poverty at its most intractable, and that requires a comprehensive approach.**

Graduation Innovations



- ✓ **Testing Graduation programming that reduces complexity and cost**
 - ✓ Cash versus Asset Transfers
 - ✓ Reducing/ modifying home visits
 - ✓ Group coaching for certain elements of the training
 - ✓ Group versus individual interventions
 - ✓ Application of technology in high cost activities (home visits, monitoring, transfers)

- ✓ **Testing with New Target Populations**
 - ✓ Working in refugee communities
 - ✓ Differently-abled populations
 - ✓ Climate change and conflict affected

 - ✓ Youth populations

Direct Implementation of Graduation Programs

Now entering Phase IV, the TUP program in Bangladesh continues evolving including:

- Adaptations for **urban** and **climate change** response
- More **precise targeting** methodologies
- **Cost recovery** mechanisms, leveraging BRAC's microfinance footprint, and seeking avenues to reach more people with Graduation Programming

Direct Implementation Expansion into BRAC operations in Africa:

- Uganda, a youth focused pilot is underway exploring the specific applications of Graduation to youth vulnerabilities in a country with a high youth bulge and significant unemployment
- Uganda, planning a pilot for refugees in conjunction with partners
- Exploring avenues for testing innovations in coaching and asset modalities in Tanzania

Graduation Innovations



- ✓ **New Delivery Agents and Arrangements**

- ✓ Working through government social protection agencies, potentially the most promising **agents of scale**
- ✓ Inter-ministerial coordination and delivery arrangements
- ✓ Consortium approaches

Technical Assistance and Advocacy

Consulting to Governments, Multilaterals and Implementing Agencies

- **Government of Kenya**, Ministry of Finance, funded International Fund for Agriculture and Development (IFAD) and implemented by BOMA and Care
 - BRAC provides design, and implementation support throughout pilot
- **Government of the Philippines**, Department of Social Welfare and Development (DSWD), funded by the Asian Development Bank (ADB)
 - BRAC provides design, and implementation support throughout pilot
- **Government of Lesotho**, Ministry of Social Development, funded by UNICEF and the World Bank
 - BRAC provides design and oversight

Tools and Resources for Implementers

- Creating guides, tools, and training materials and workshops for new implementers (PROPEL Toolkit)
- Immersion visits and trainings via the original TUP program in Bangladesh



Join us in the movement to end ultra poverty.

Visit www.ultrapoorgraduation.com.

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