BRAC's Ultra-Poor Graduation Programme

An end to extreme poverty in our lifetime

COVER: Ultra-poor participant Shamsunnahar with one of her many livestock.

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.

During the last quarter of a century, both extreme poverty and under-five mortality rates have fallen by more than half, 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,

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.

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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 Hossanipur upazila. Bangladesh

EVIDENCE FROM GRADUATION

Bandiera et al. (STICERD 2013)

SUMMARY	Timeframe	2007-2011
	Intervention	BRAC TUP Programme
	Method	Cluster-randomized controlled trial
	Sample	7,953 eligible poor households in 1,409 communities; 19,012 households from all other wealth classes Final Sample: 6,698 ultra poor; 16,245 from other wealth classes
	Location	Bangladesh
	Investigators	London School of Economics, University College London, Bocconi University, and BRAC

FINDINGS

Results at four year, relative to baseline
- 38% increase in participant annual earnings
- 92% increase in hours devoted to more stable, producive work
- 8% increase in increase in consumption expenditure
- 10-fold increase in savings
- Additional economically and statistically significant effects on asset ownership, food security, non food per-capita expenditures, and well-being

Banerjee et al. (Science 2015)

SUMMARY	Timeframe	2007-2014
	Intervention	BRAC TUP Programme
	Method	Cluster-randomized controlled trial
	Sample	Extensive follow up of 21,000 households over 7 years. Final sample: 6,700 ultra poor; 15,100 other wealth classes (93% from original study)
	Location	Bangladesh
	Investigators	London School of Economics, University College London, Bocconi University, and BRAC

FINDINGS
- 37% increase in participant annual earnings
- 361% increase in hours devoted to more stable, producive work
- 10% increase in consumption expenditures
- 9-fold increase in savings
- 2x increase in access to land

Bandiera et al. (IGC 2015)

SUMMARY	Timeframe	2007-2014
	Intervention	Graduation Programme
	Method	3 cluster-randomized controlled trials; 3 randomized controlled trials
	Sample	21,063 adults in 10,495 households
	Location	Ethiopia, Ghana, Honduras, India, Pakistan, and Peru
	Investigators	Abdul Latif Jameel Poverty Action Lab, Innovations for Poverty Action

FINDINGS

Pooled across all sites:
- 4.9% increase in household consumption
- 13.6% increase in asset value
- 95.7% increase in savings
- 37.5% in livestock revenue *Sourced from Science publication

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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.

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.
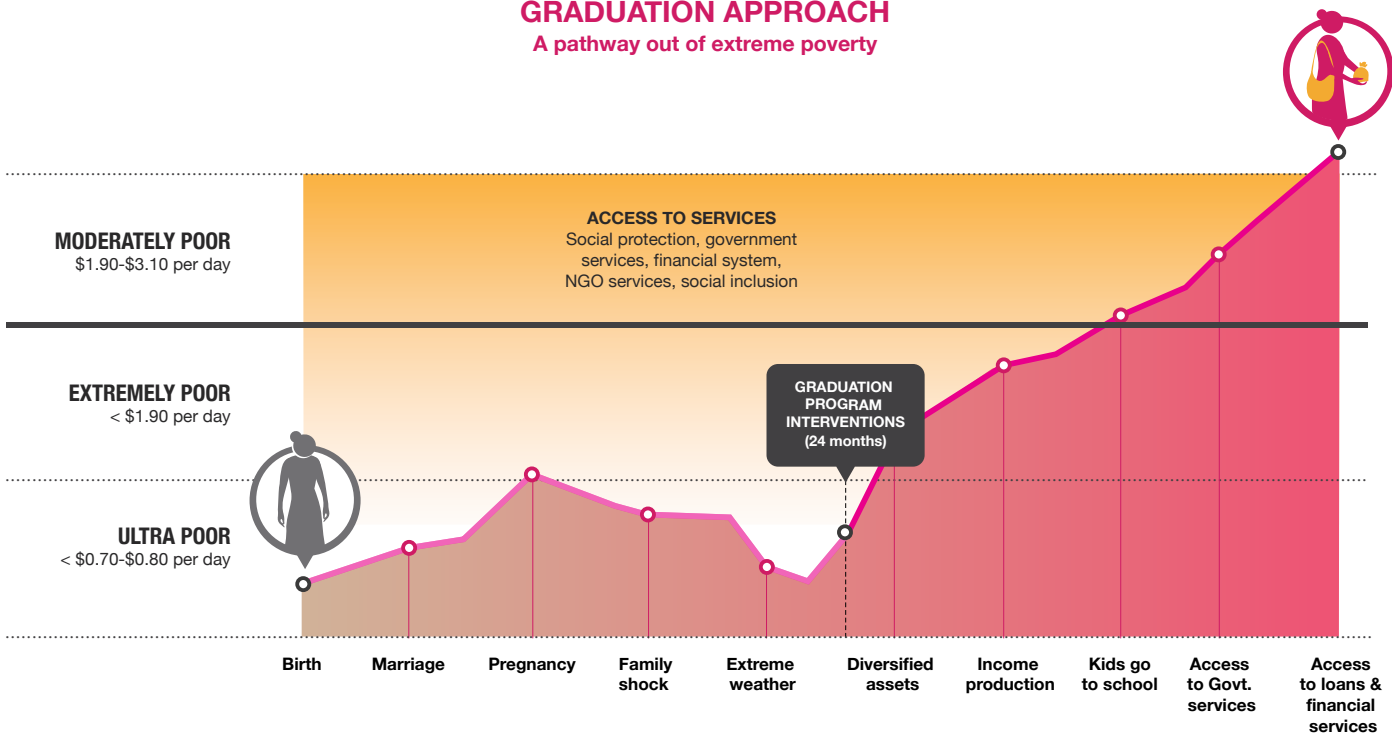
WHY IMPLEMENT A GRADUATION PROGRAMME?

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

MODERATELY POOR
$1.90-$3.10 per day

ACCESS TO SERVICES
Social protection, government services, financial system, NGO services, social inclusion

EXTREMELY POOR
< $1.90 per day

GRADUATION PROGRAM INTERVENTIONS (24 months)

ULTRA POOR
< $0.70-$0.80 per day

Birth · Marriage · Pregnancy · Family shock · Extreme weather · Diversified assets · Income production · Kids go to school · Access to Govt. services · Access to loans & financial services

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

LUWERO DISTRICT, UGANDA

In 2016, BRAC Uganda launched its first TUP program pilot. The project in Uganda is designed to address issues specific to the Uganda context: Uganda experiences some of the highest rates of youth unemployment in the world and has a large segment of its population living in remote areas where employment opportunities are limited. BRAC Uganda's TUP pilot is specifically targeting the youth population in the remote area of Luwero district. As part of the project, male and female youth participants will develop enterprises in agriculture, poultry and livestock rearing and petty-trading. This project is extending BRAC's learning agenda by generating evidence on how Graduation may be adapted to address youth unemployment, which, with global youth unemployment on the rise, presents a growing challenge in the global drive to eradicate extreme poverty.

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.
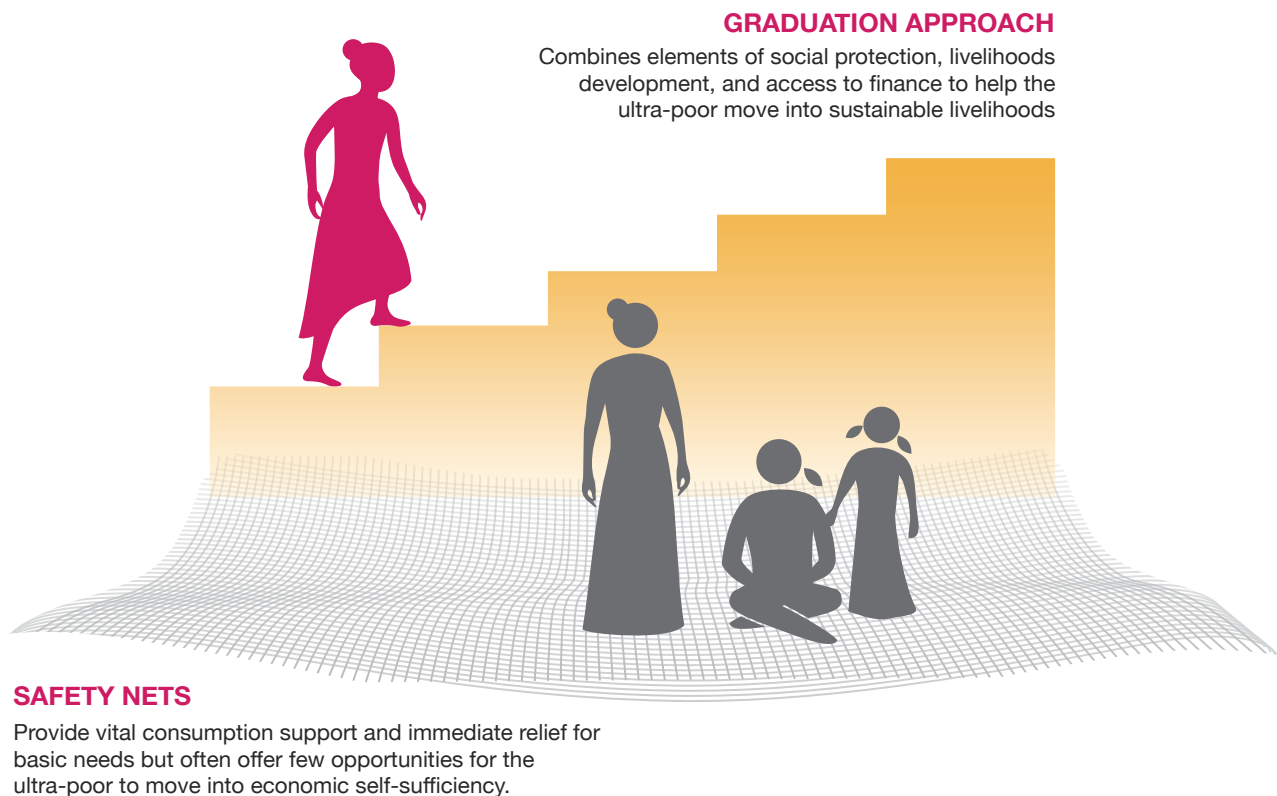
Many governments are moving towards implementing more integrated, comprehensive social protection systems, as per the global drive to introduce or expand Social Protection Floors, with complementary social and economic policies. One area of broad consensus is the realisation of a "twin-track" approach, 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

GRADUATION APPROACH

Combines elements of social protection, livelihoods 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.

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.

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YEI, SOUTH SUDAN

From 2013 - 2015 BRAC piloted a TUP project in Yei, South Sudan to test the approach in communities affected by conflict. The pilot provided targeted support to 240 women who each received regular tailored support including initial food stipends, asset transfers for enterprises, skills training, financial training and savings support. Enterprises included agriculture, goat rearing, duck rearing, and petty trade. This approach was considered innovative in South Sudan with its focus on delivering long-term solutions in a context where emergency aid is the norm.

Conflict escalated one year into implementation of the program and led to skyrocketing inflation, severe food shortages and a state of emergency. Despite these shocks, 97% of the 240 women were still able to increase their consumption thanks to the resources, assets, and skills they obtained during the program. Furthermore, participants' children were 53 percent less likely to be underweight compared to those of women not in the program.
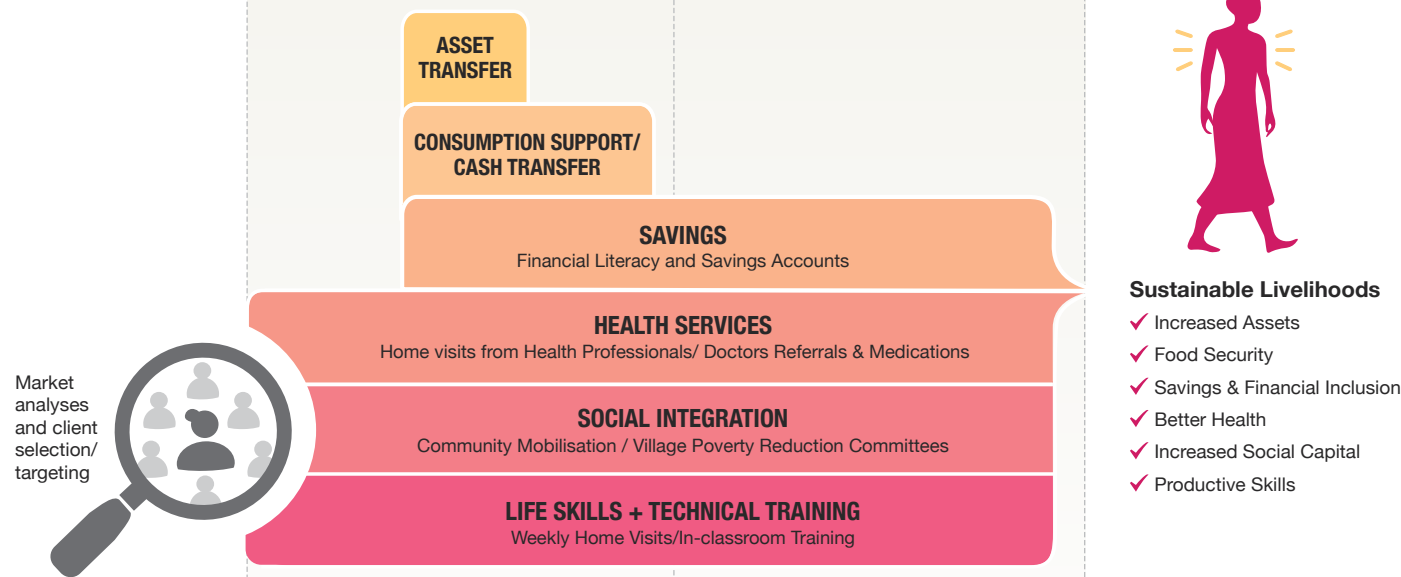
Though it has not yet been possible to scale the program due to the ongoing spread and increase in conflict, this experience has generated valuable lessons on the potential for Graduation to promote resilience amongst the poorest, even in during times of emergency.

ASSET TRANSFER

CONSUMPTION SUPPORT/ CASH TRANSFER

SAVINGS
Financial Literacy and Savings Accounts

HEALTH SERVICES
Home visits from Health Professionals/ Doctors Referrals & Medications

SOCIAL INTEGRATION
Community Mobilisation / Village Poverty Reduction Committees

LIFE SKILLS + TECHNICAL TRAINING
Weekly Home Visits/In-classroom Training

Market analyses and client selection/ targeting

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

"This is a program that works across dimensions, and works across countries."

Esther Duflo, Co-Founder and Director, Abdul Latif Jameel Poverty Action Lab

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.

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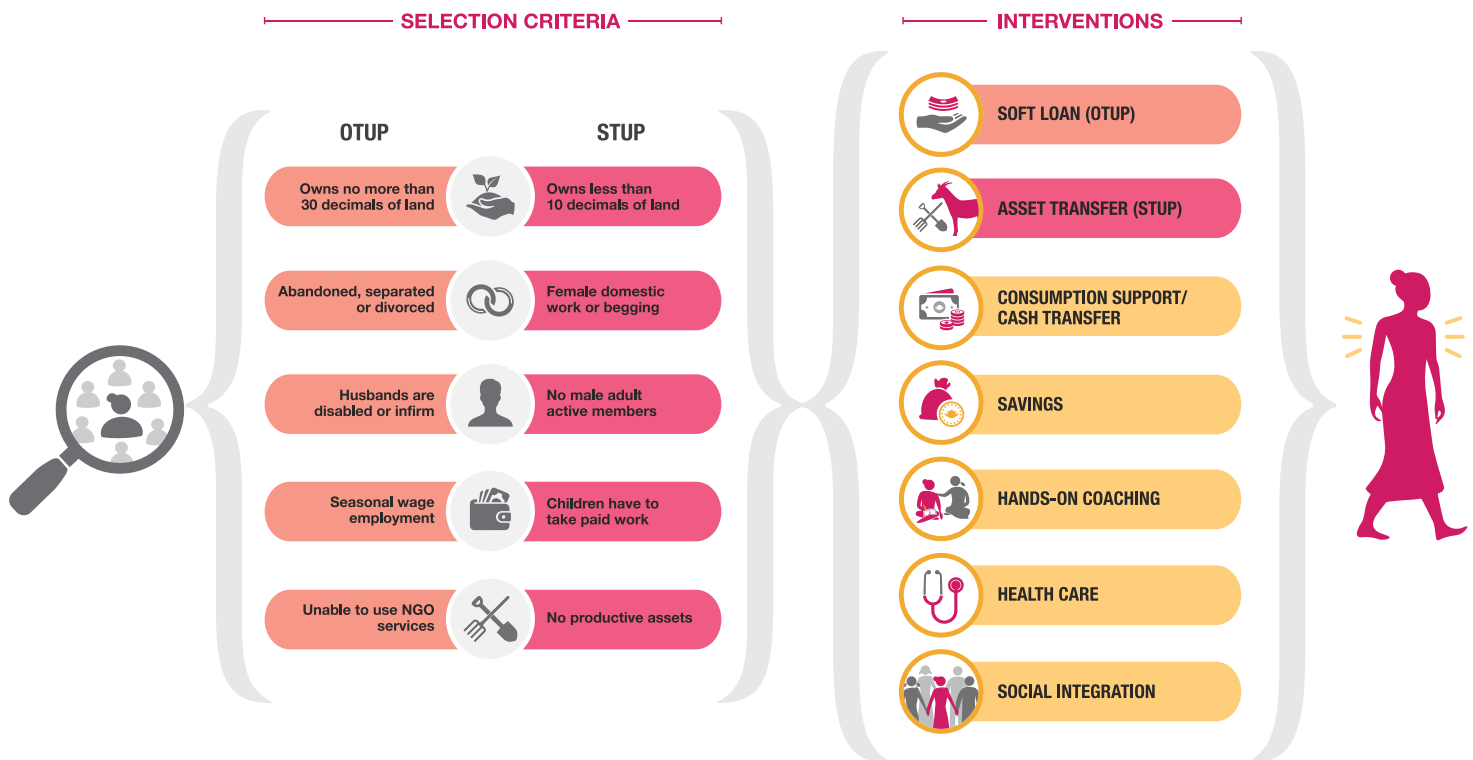
Specially Targeted Ultra-Poor (STUP): The most destitute ultra poor, who lack access to any productive assets or safety nets receive physical productive assets, life skills and technical skills training, weekly stipend, regular home visits, tailor-made health care and community support.

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.

SELECTION CRITERIA

OTUP	STUP
Owns no more than 30 decimals of land	Owns less than 10 decimals of land
Abandoned, separated or divorced	Female domestic work or begging
Husbands are disabled or infirm	No male adult active members
Seasonal wage employment	Children have to take paid work
Unable to use NGO services	No productive assets

INTERVENTIONS

- SOFT LOAN (OTUP)
- ASSET TRANSFER (STUP)
- CONSUMPTION SUPPORT/ CASH TRANSFER
- SAVINGS
- HANDS-ON COACHING
- HEALTH CARE
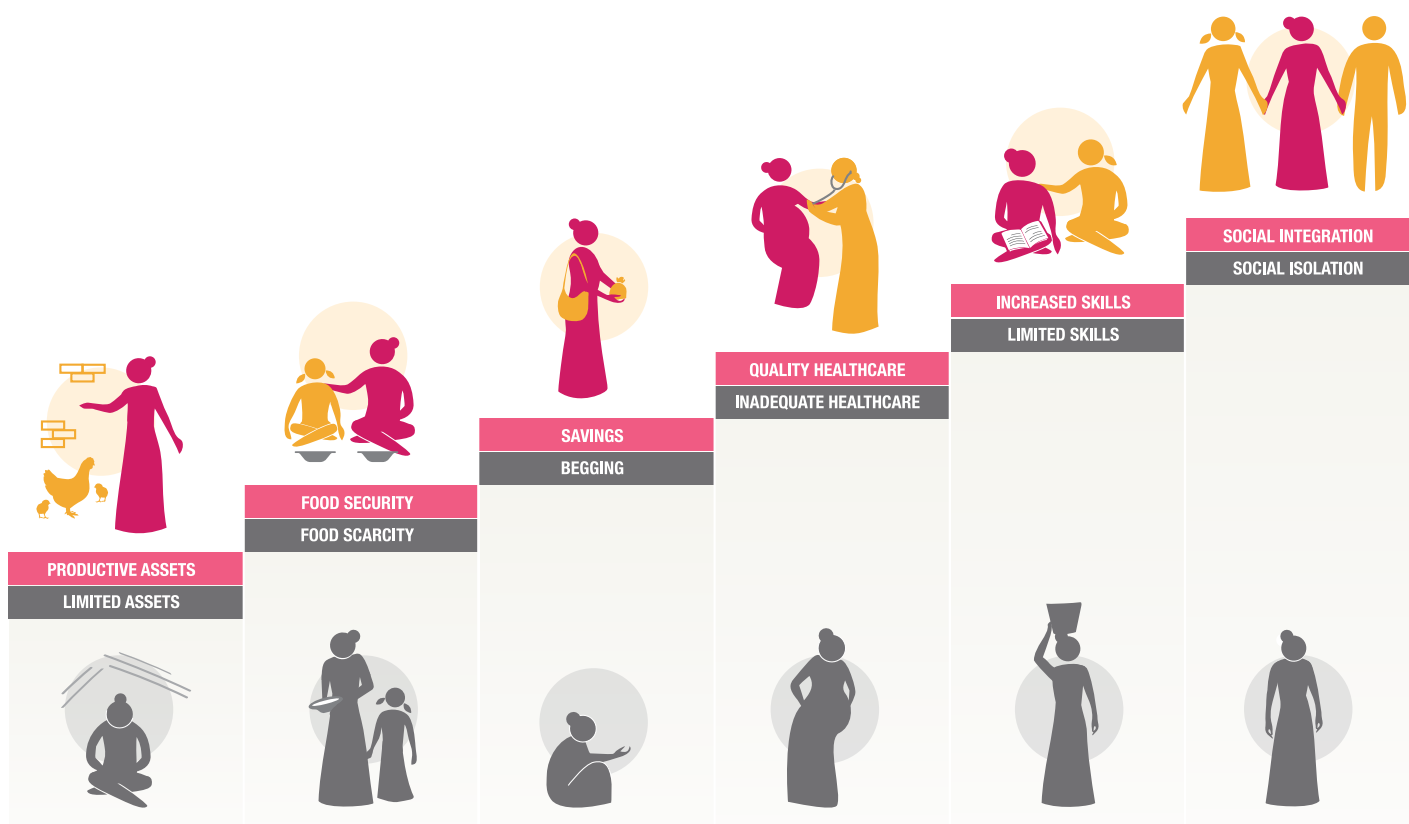- SOCIAL INTEGRATION

RAZIA ALI - BAMIYAN, AFGHANISTAN

Razia Ali (55) was a TUP member in Yakawlang village of Bamiyan province in Afghanistan. Her husbandwas shot dead by Taliban forces, leaving her a penniless widow with recently orphaned young grandsons. After receiving a small flock of sheep and associated training from BRAC Afghanistan, Razia was slowly able to amass enough income to feed her family every day and save for adequate provisions to face the cold winter without fear. Today she continues to grow her flock of sheep and has begun selling additional byproducts in her community while her grandsons happily attend a local school.

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.

BEFORE & AFTER GRADUATION
Improved Outcomes Through the Graduation Approach

SOCIAL INTEGRATION
SOCIAL ISOLATION

INCREASED SKILLS
LIMITED SKILLS

QUALITY HEALTHCARE
INADEQUATE HEALTHCARE

SAVINGS
BEGGING

FOOD SECURITY
FOOD SCARCITY

PRODUCTIVE ASSETS
LIMITED ASSETS

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 Knowledge of common ailments and available health related resources	Asking about knowledge of local diseases, water consumption practices and confirming access to clear water sources
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

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.

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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, educa-tion for their children or healthcare.

Critical to the TUP urban programme 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) pilot that was designed to build resilience of ultra-poor households living in rural areas that are particularly prone to climate change vulnerabilities. Main features included:

- 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 on our technical assistance and advisory services, 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.