

Creating Sustainable Pathways For The Poorest

Through the Graduation Approach

Kate McKee

Senior Advisor

CGAP

June 16th , 2015

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The Graduation Approach



The Graduation Program

- State of Evidence
- State of Practice
- Graduation Approach 2.0 Learning Agenda
 - Synergies and Tradeoffs
- Moving Forward

State of Evidence

Evidence from Six Randomized Evaluations

RCTs conducted by IPA & J-PAL in:

- Ethiopia
- Ghana
- Honduras
- India
- Pakistan
- Peru

The screenshot shows a Science journal article page. At the top, the Science logo is displayed, along with the AAAS logo, news, science journals, careers, multimedia, and collections links. The main title of the article is "A multifaceted program causes lasting progress for the very poor: Evidence from six countries". The authors listed are Abhijit Banerjee, Esther Duflo, Nathanael Goldberg, Dean Karlan, Robert Osei, William Pariente, Jeremy Shapiro, Bram Thysbaert, and Christopher Udry. The abstract section discusses results from six randomized control trials of an integrated approach to improve livelihoods among the very poor, showing statistically significant cost-effective impacts on consumption and psychosocial status. To the right, there are advertisements for "STAY PLUGGED IN" featuring a breast cancer graphic and "with Science PODCAST", and another for "Science Signaling" with the tagline "KEEP UPDATED ON KEY ADVANCES IN CELL SIGNALING".

What We Have Learned So Far

In comparison with control households, treatment households achieved gains in:

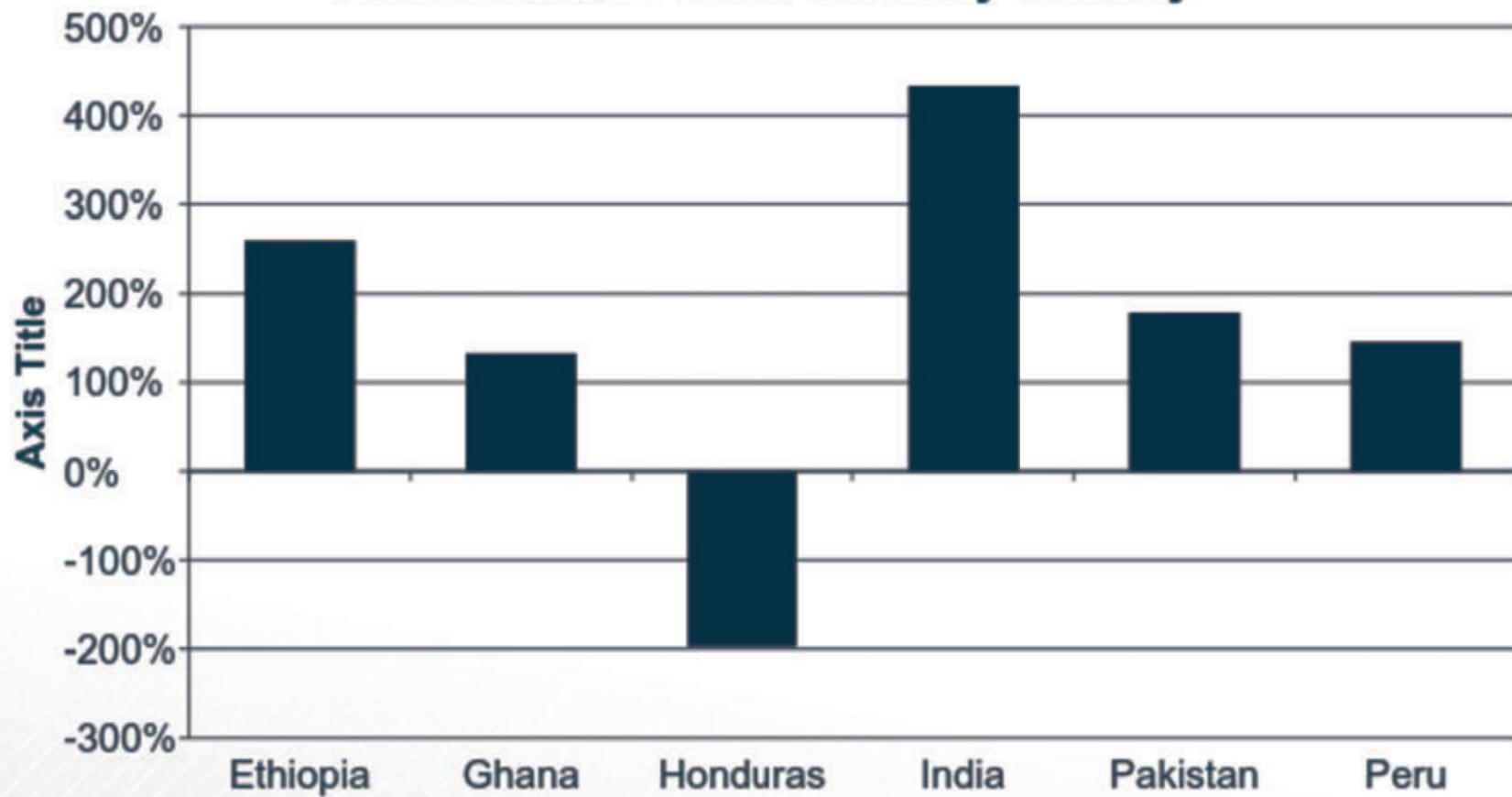
- Income and Consumption
- Food Security
- Savings and Access to finance
- Productive Assets
- Non-economic benefits (health and happiness)

Comparison to BRAC results

Variable	Multi-Site Results (Three Years)	BRAC Results (Four Years)
Total consumption per capita, month	\$3.36 (control \$68.80)	\$4.31 (baseline \$51.16)
Food consumption per capita, month	\$2.62 (control \$41.20)	\$1.71 (baseline \$5.44)
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Household savings	\$75 (control \$78.40)	\$5.42 (baseline \$0.63)
Productive asset value	\$215 (control \$1576)	\$55.38 (livestock only) (baseline \$4.85)
Benefit/cost	159%	244%

Cost Effective?

Total Benefits / Total Costs by Country



State of Practice

10 Pilots, 8 Countries



Multiplying the Graduation Experience

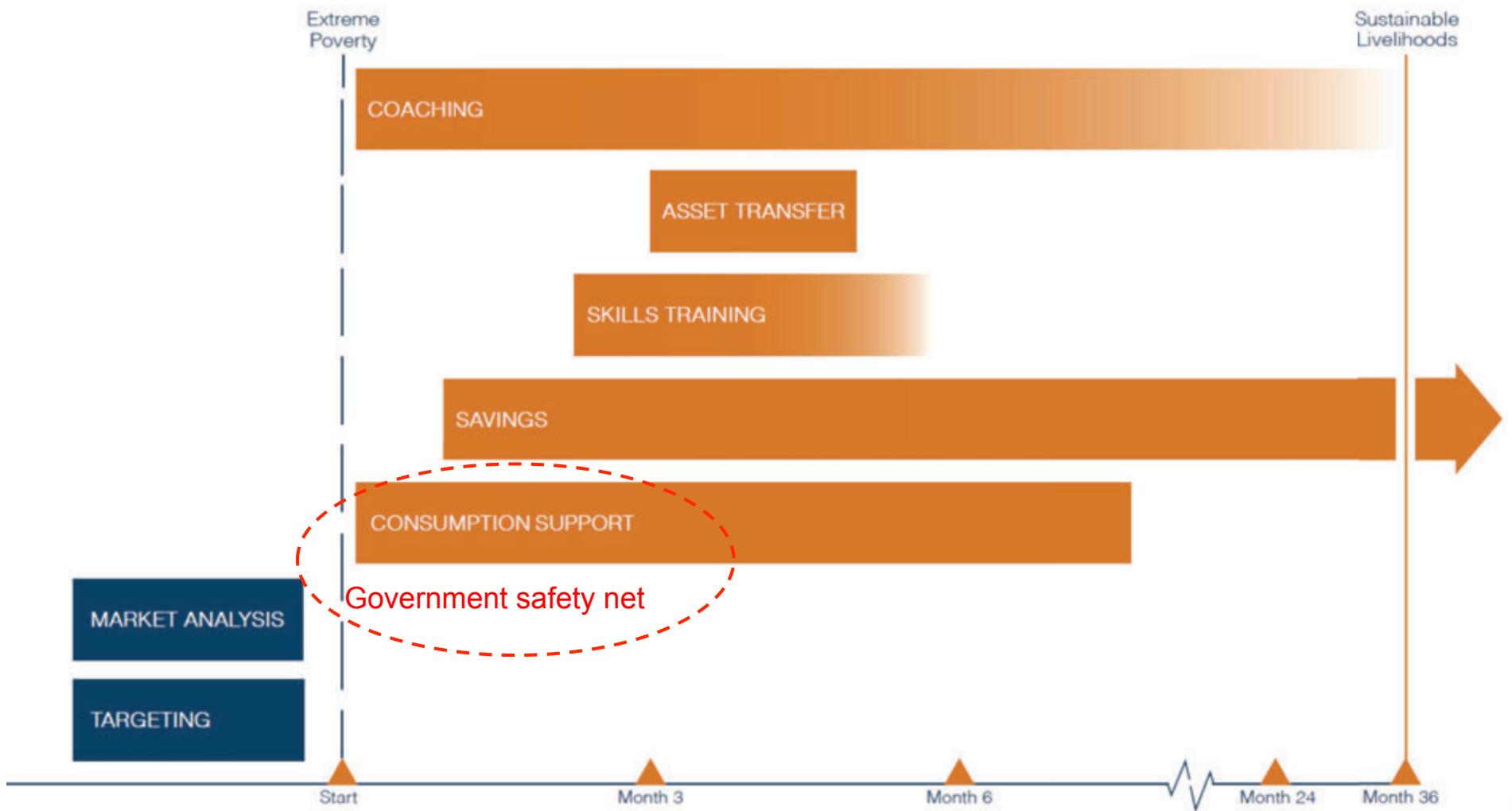


The Graduation Approach 2.0

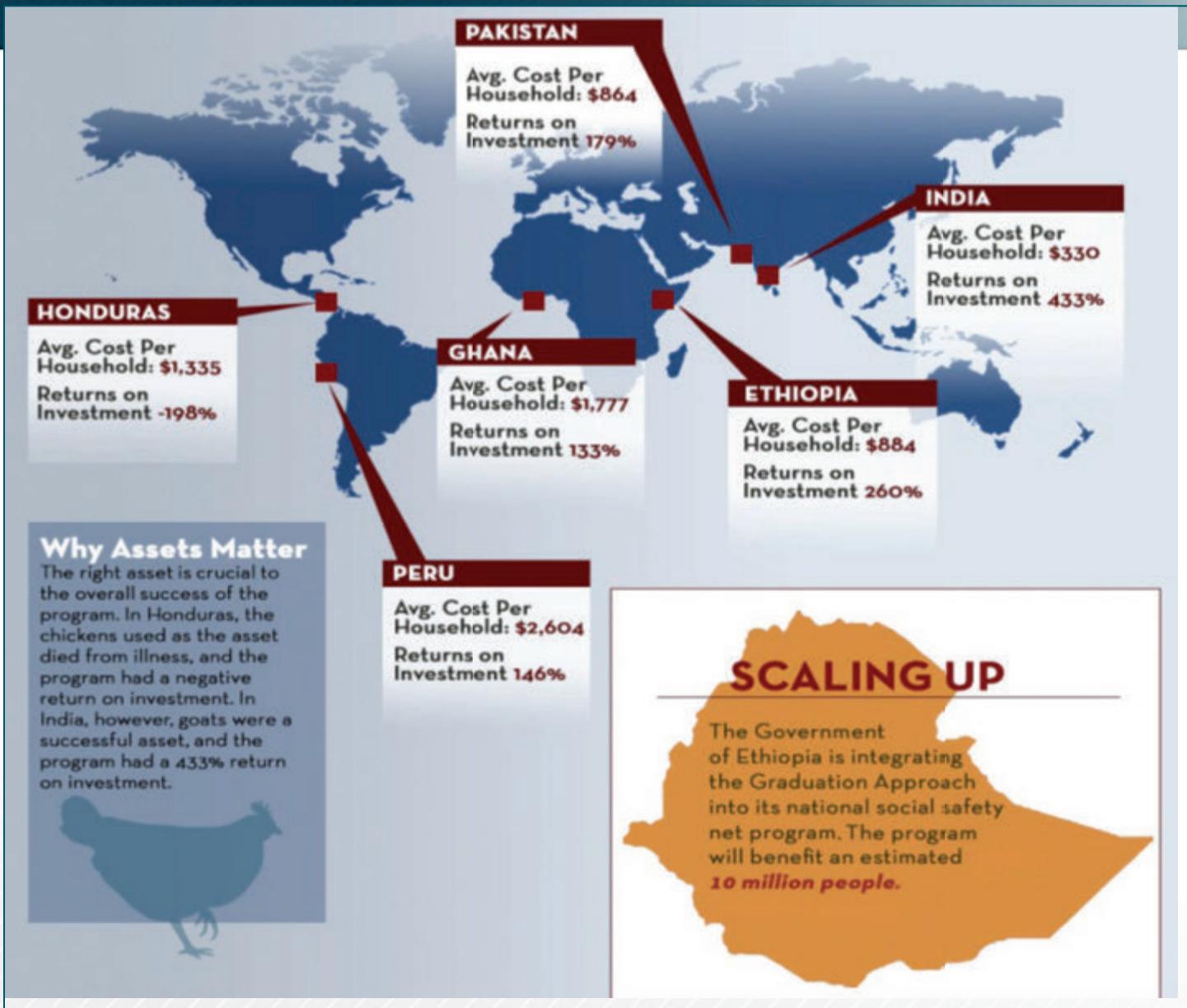
Learning Agenda

**Scaling Up Lessons From the Graduation Program
Through Government Social Protection Programs**

Creating Links With Social Safety Net Programs



A Cost Effective Model



Key Questions for Generation 2.0 Learning Agenda

Targeting and Tailoring by Segment

- Who benefits the most?
- What to do for those who benefit less?

Streamlining

- Are all the components essential?

Cost effectiveness

- How can the model be delivered more cost-effectively?
- How to achieve coordination and efficient linkages?

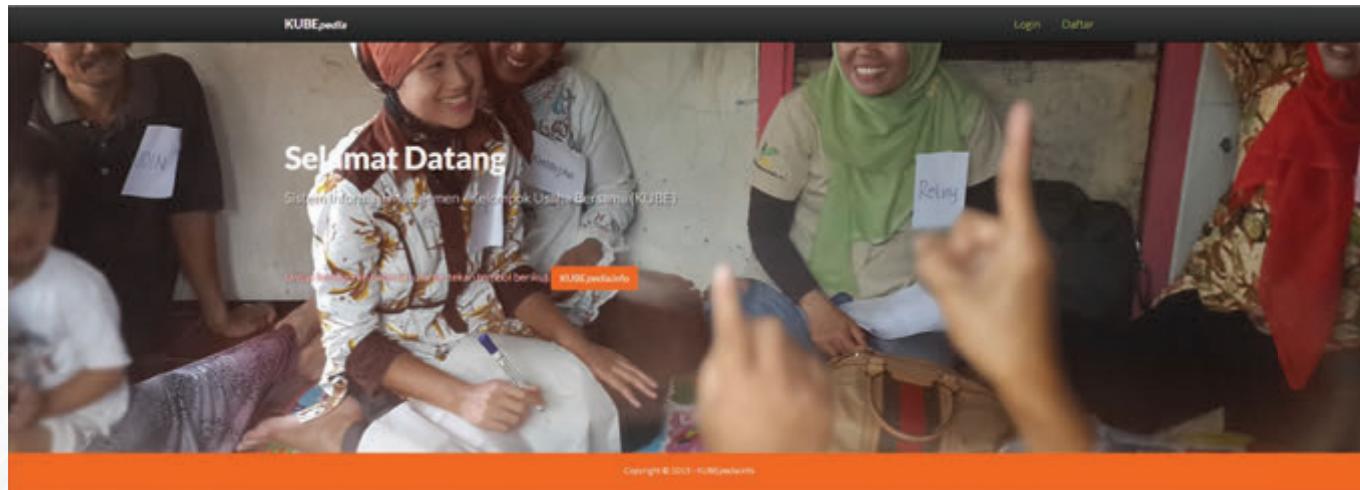
Sustainability and Spillovers

- How should Graduation 2.0 perform over time?
- What are the impacts for the Graduation Community?

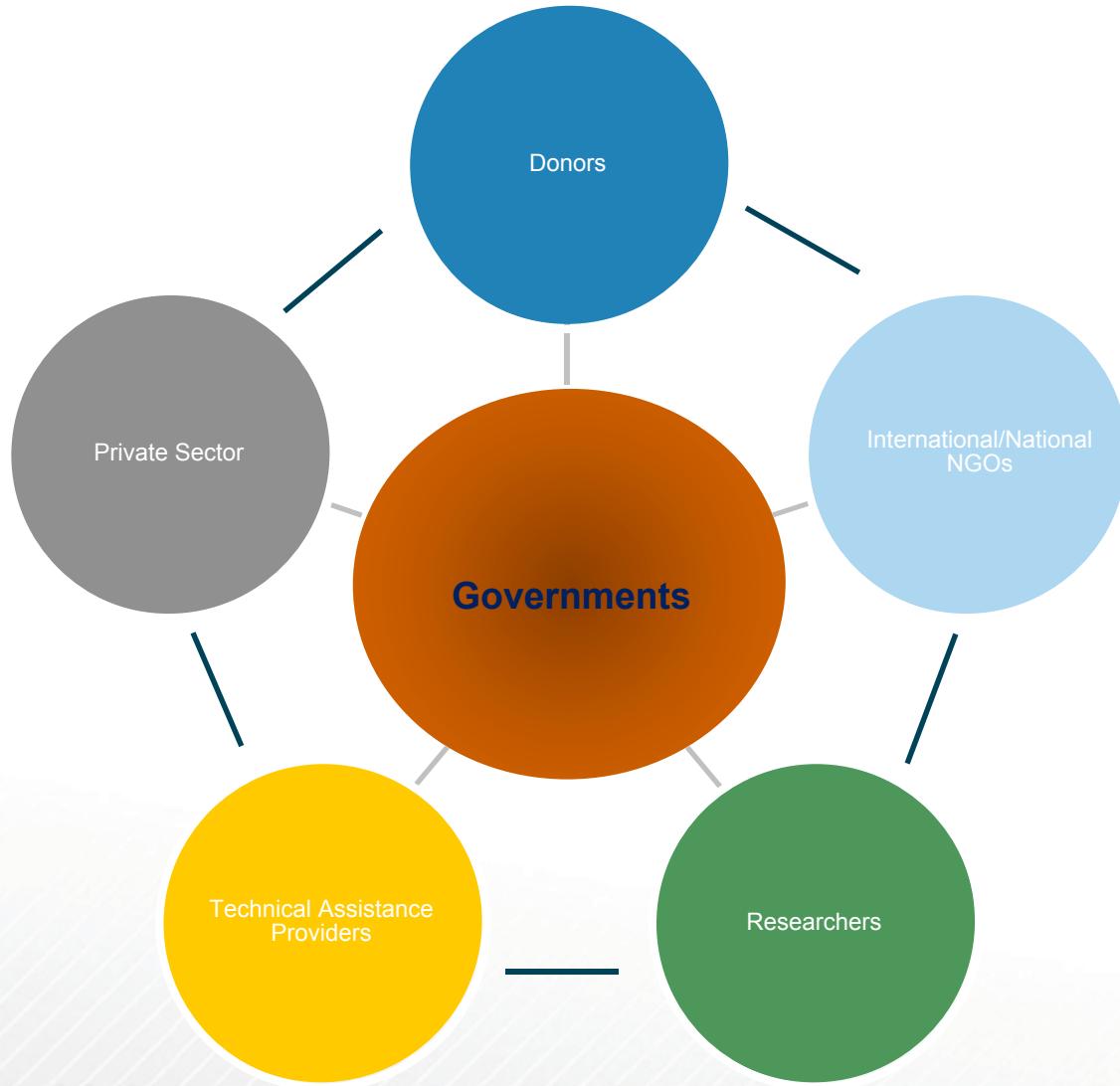
Government-Led Model: *KUBE-Program Keluarga Harapan (PKH)*



Led by Ministry of Social Affair (MoSA)
Group Business Grants (10 people)
E-coaching
Digital Financial Services



Stakeholders: Synergies and Tradeoffs



Sharing Lessons Learned: *Technical Guide to the Graduation Approach*



From Extreme Poverty to Sustainable Livelihoods

A Technical Guide to the
Graduation Approach

September 2014

Aude de Montesquieu
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Knowledge and Tools

- Policy Brief #1 – Impact Evidence and Implications
- Policy Brief #2 – Comparative Cost-effectiveness/ Sustainability of Graduation vs other Productive Safety Net Interventions (livelihoods, productive transfers) from IPA research
- Global Learning Event (late 2015?) with Ford and MasterCard Foundations

Policymakers Weigh In on the Graduation Approach

[Video](#) (full video)

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(partial)

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Client Level Impact:

- Who will be served? Will the impacts be sustainable?

Performance/Evolution of the Graduation Community?

THANK YOU





Advancing financial inclusion to improve the lives of the poor



Ministry of Foreign Affairs of the
Netherlands



International
Finance
Corporation



Foreign Affairs, Trade and
Development Canada
Affaires étrangères, Commerce
et Développement Canada



BILL & MELINDA
GATES foundation

ON
OMIDYAR NETWORK™

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra
Swiss Agency for Development
and Cooperation SDC

MetLife Foundation
Ensuring Access. Empowering Communities.



THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG

FMO
Entrepreneurial
Development
Bank



UKaid
from the British people

giz

Federal Ministry
for Economic Cooperation
and Development

KFW
Bank aus Verantwortung

Sida



Australian AID
from the Australian people

citi

Q

IFAD
Investing in rural people



FORDFOUNDATION

Norad

WORLD BANK GROUP

UNCDF
United Nations Capital Development Fund



The MasterCard
Foundation

OMIN
Multilateral Investment Fund
Member of the IDB Group

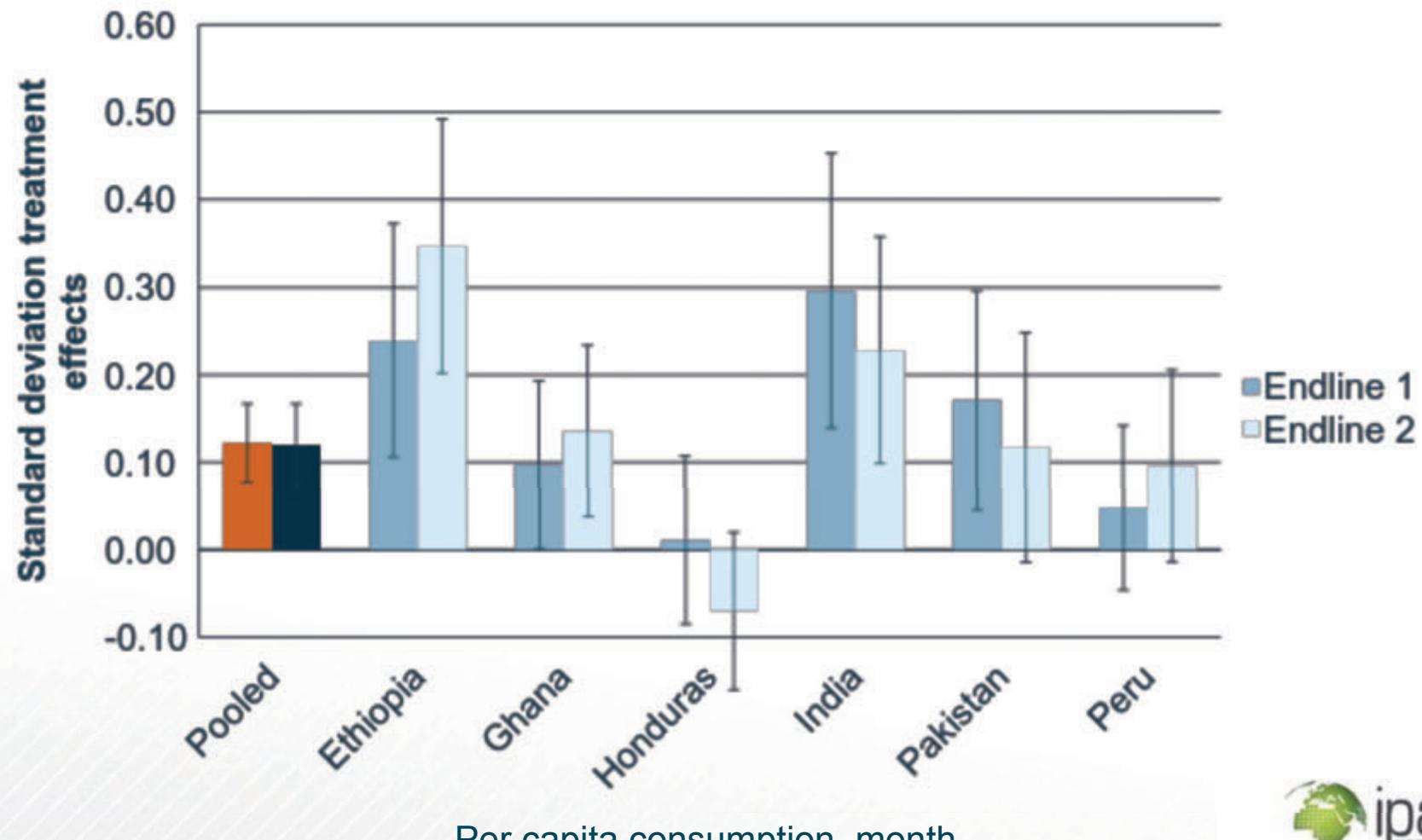
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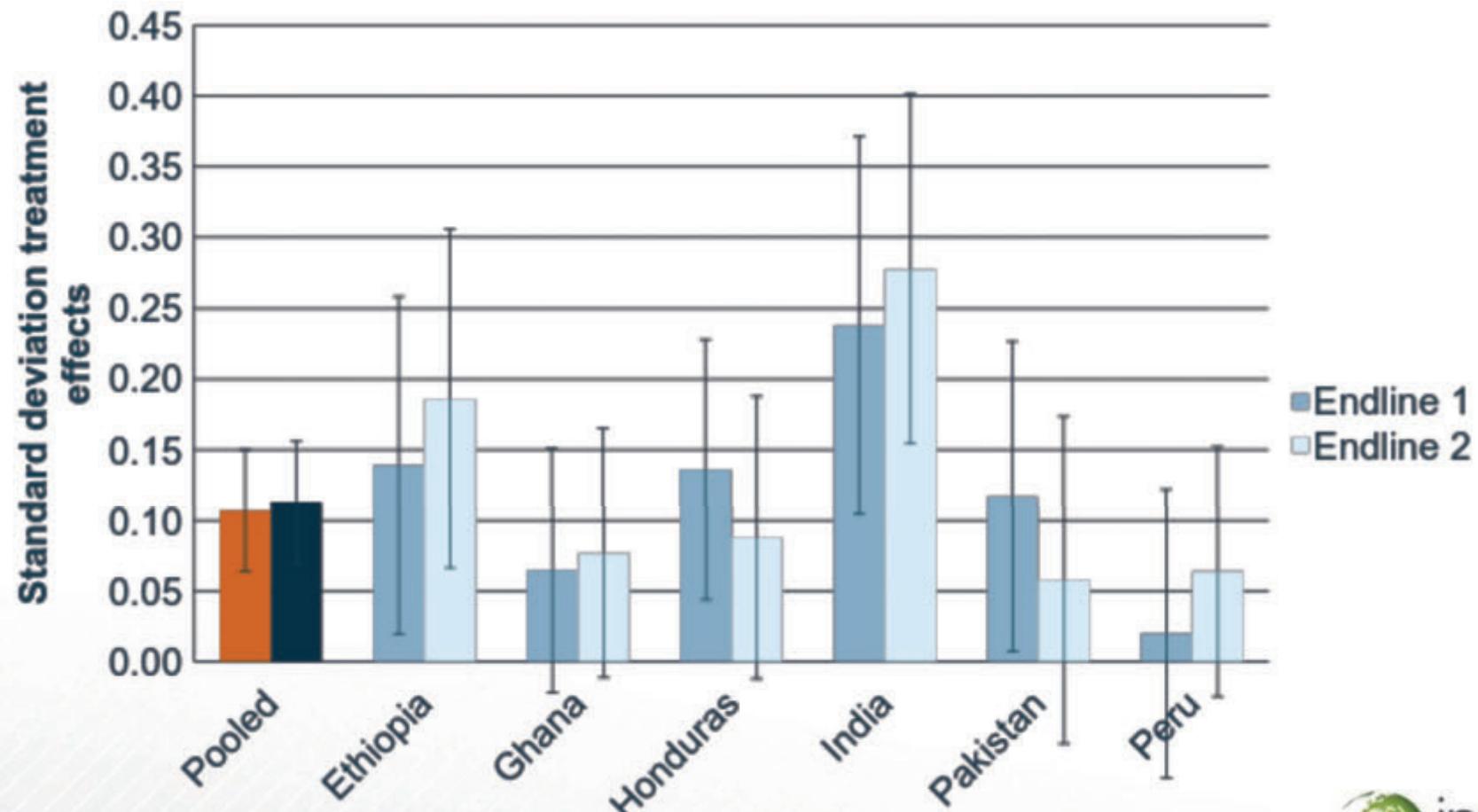
www.cgap.org

Annex

Per Capita Consumption



Food Security

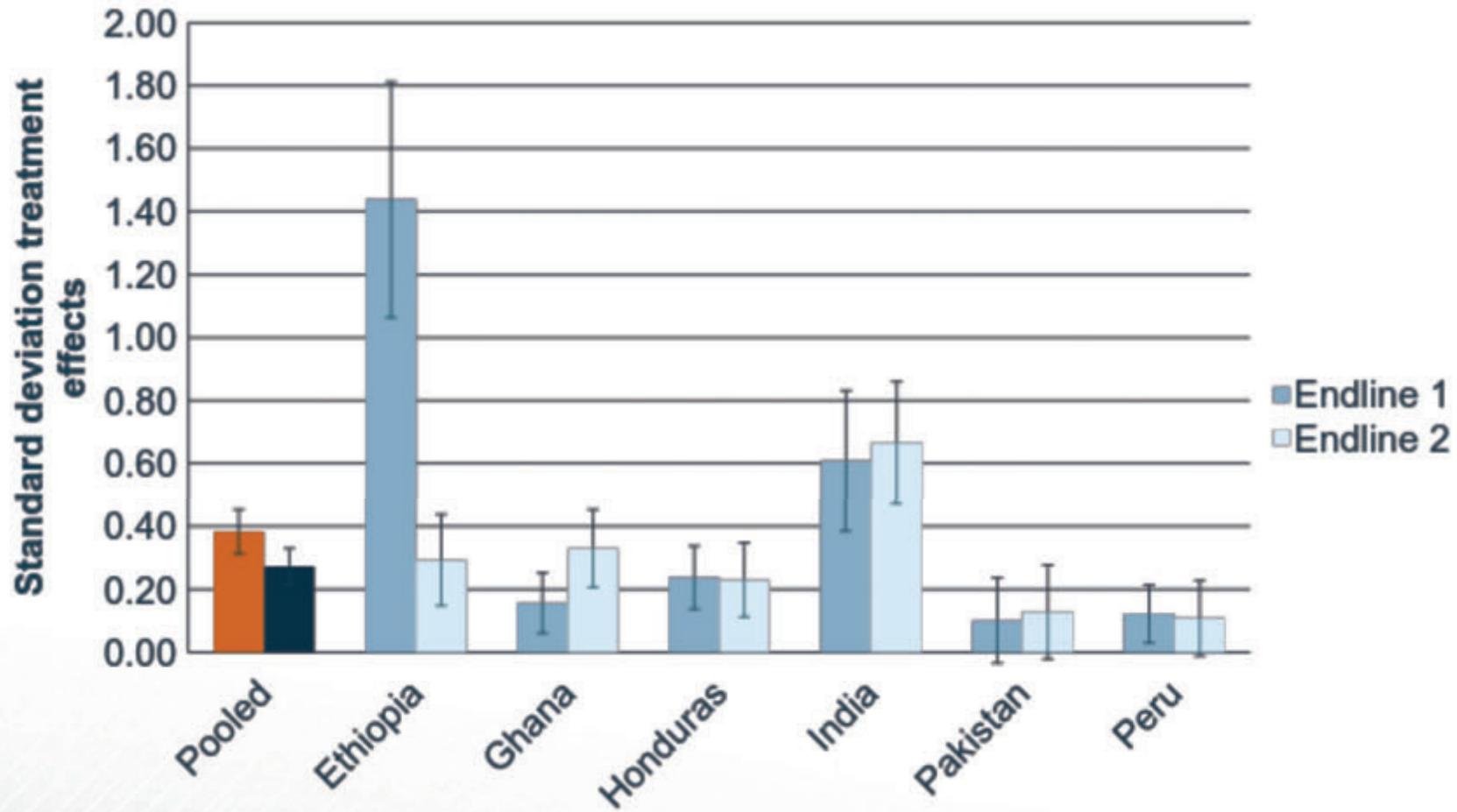


Everyone gets enough to eat each day

Pooled endline 1: treatment 47%, control 42%

Pooled endline 2: treatment 45%, control 40%

Income and Revenues

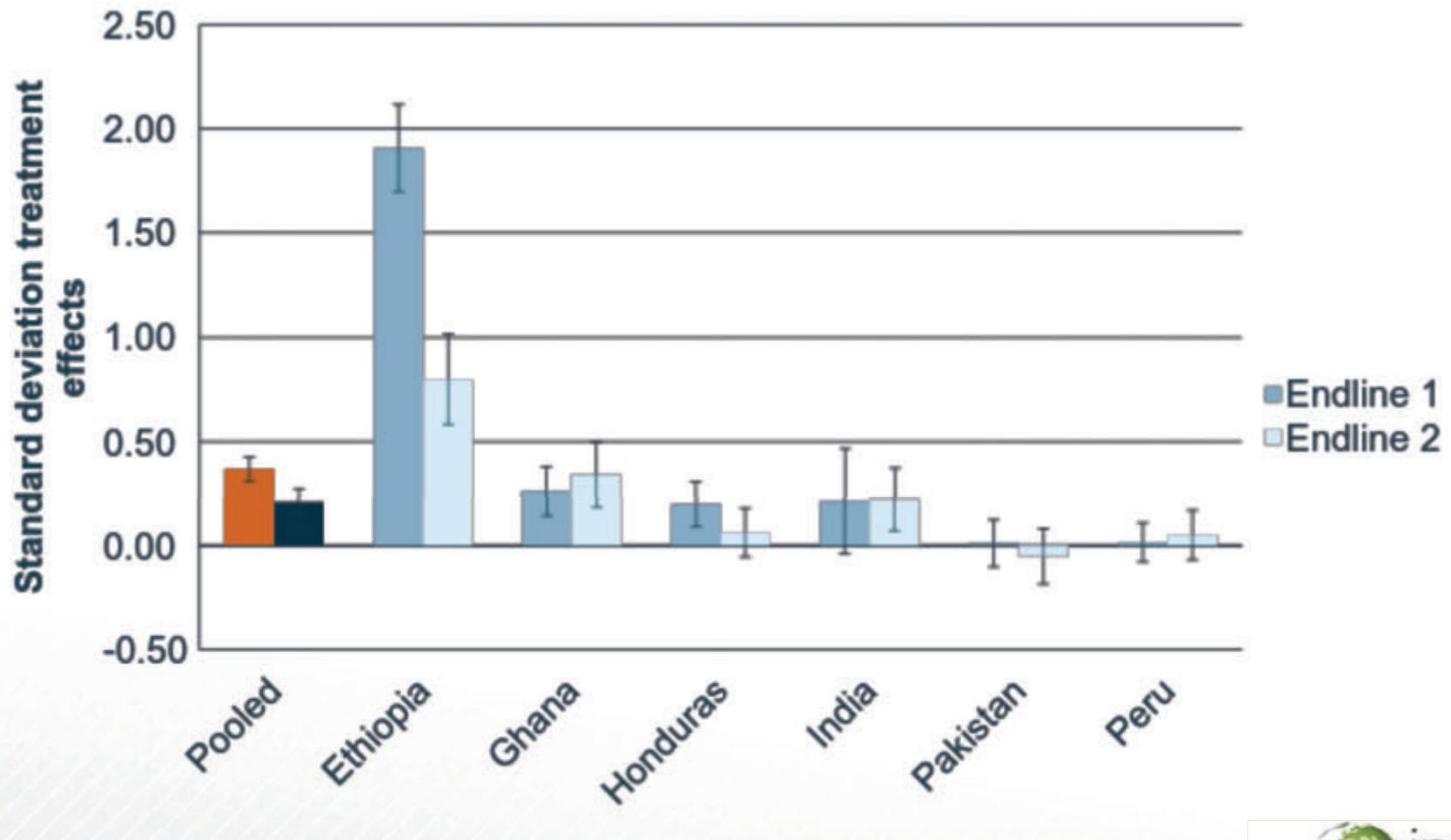


Monthly livestock revenues

Pooled endline 1: \$85.81 (control mean \$73.52)

Pooled endline 2: \$55.50 (control mean \$80.62)

Financial Inclusion



Total savings balance

Pooled endline 1: \$159.41 (control mean \$97.07)

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Reaching the Poorest through Different Implementation Models

NGO & Donor-Led Implementation

BRAC; Fundacion Capital; Concern Worldwide; Trickle Up; Bandhan; PPAF; Fonkoze; WFP; UNHCR; DFID; BOMA Project;

Government-Led Model

Ex: Colombia; Peru; Ethiopia; Indonesia; Paraguay; Mexico; Brazil;

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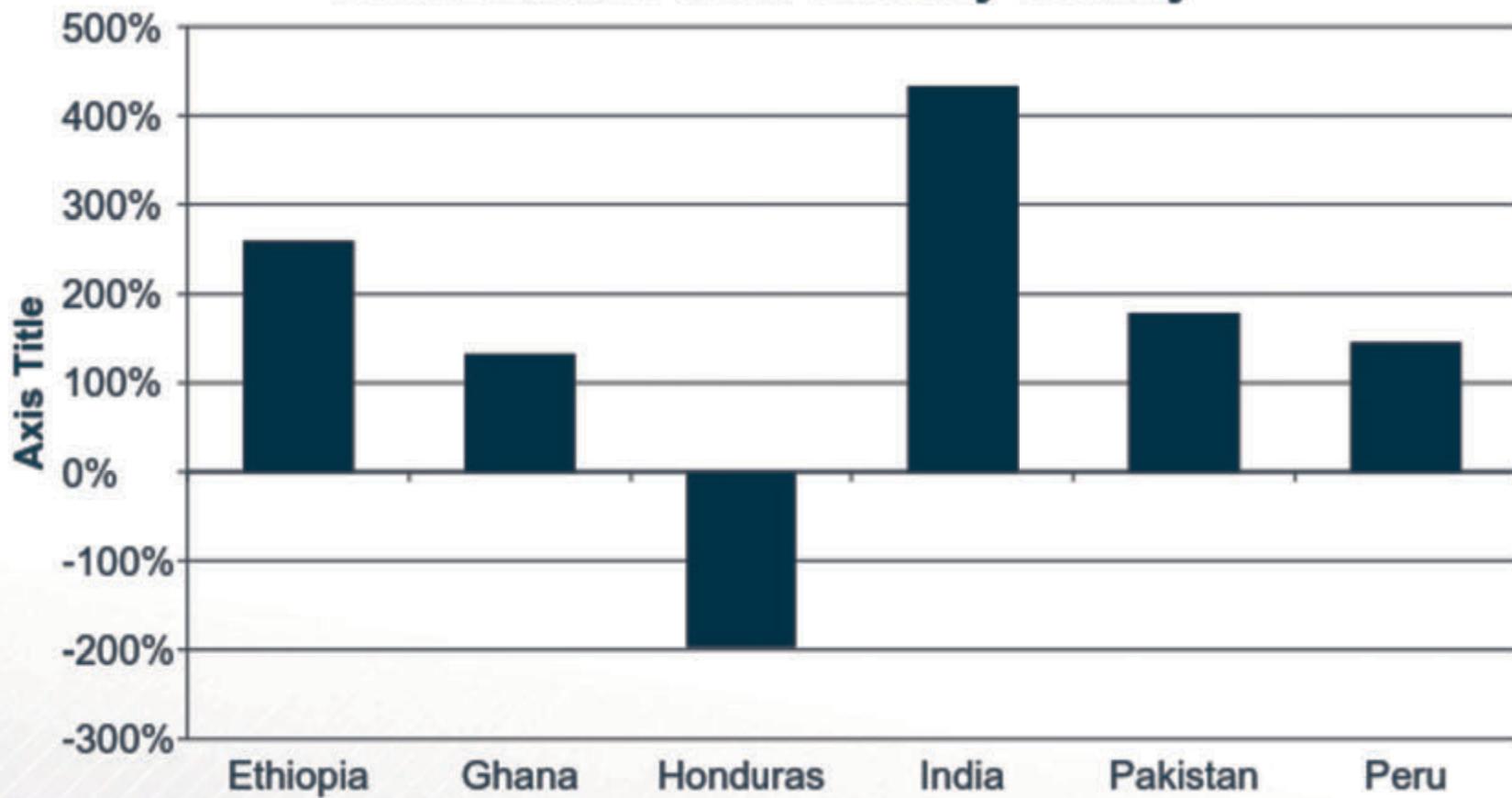
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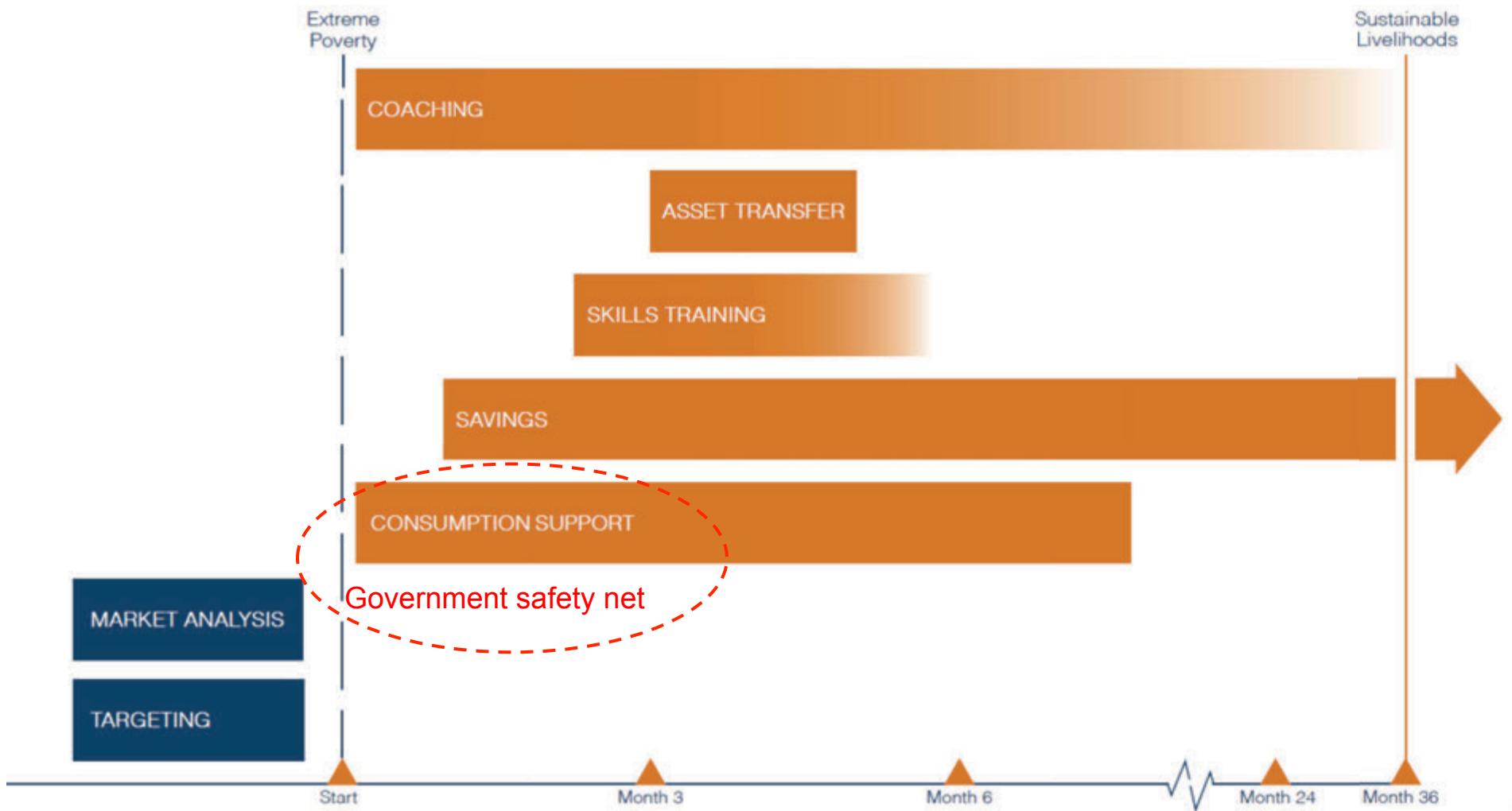


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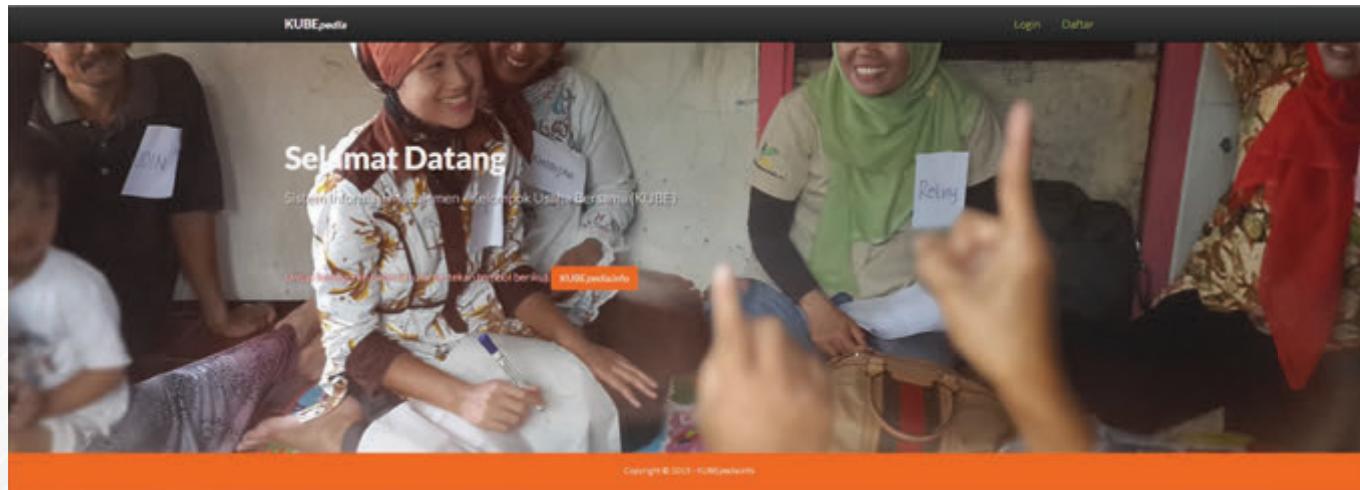
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ON
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Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
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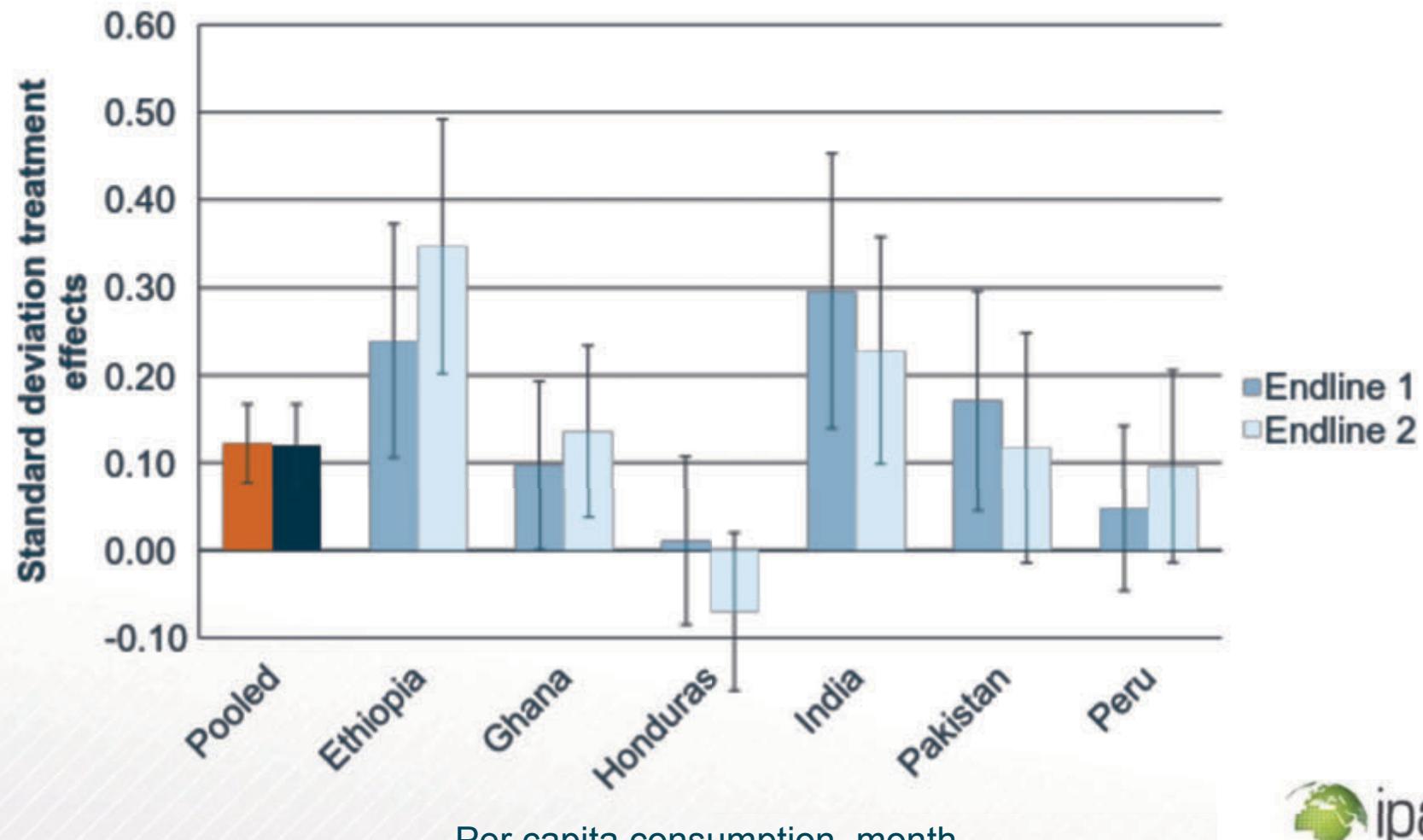
FORD FOUNDATION



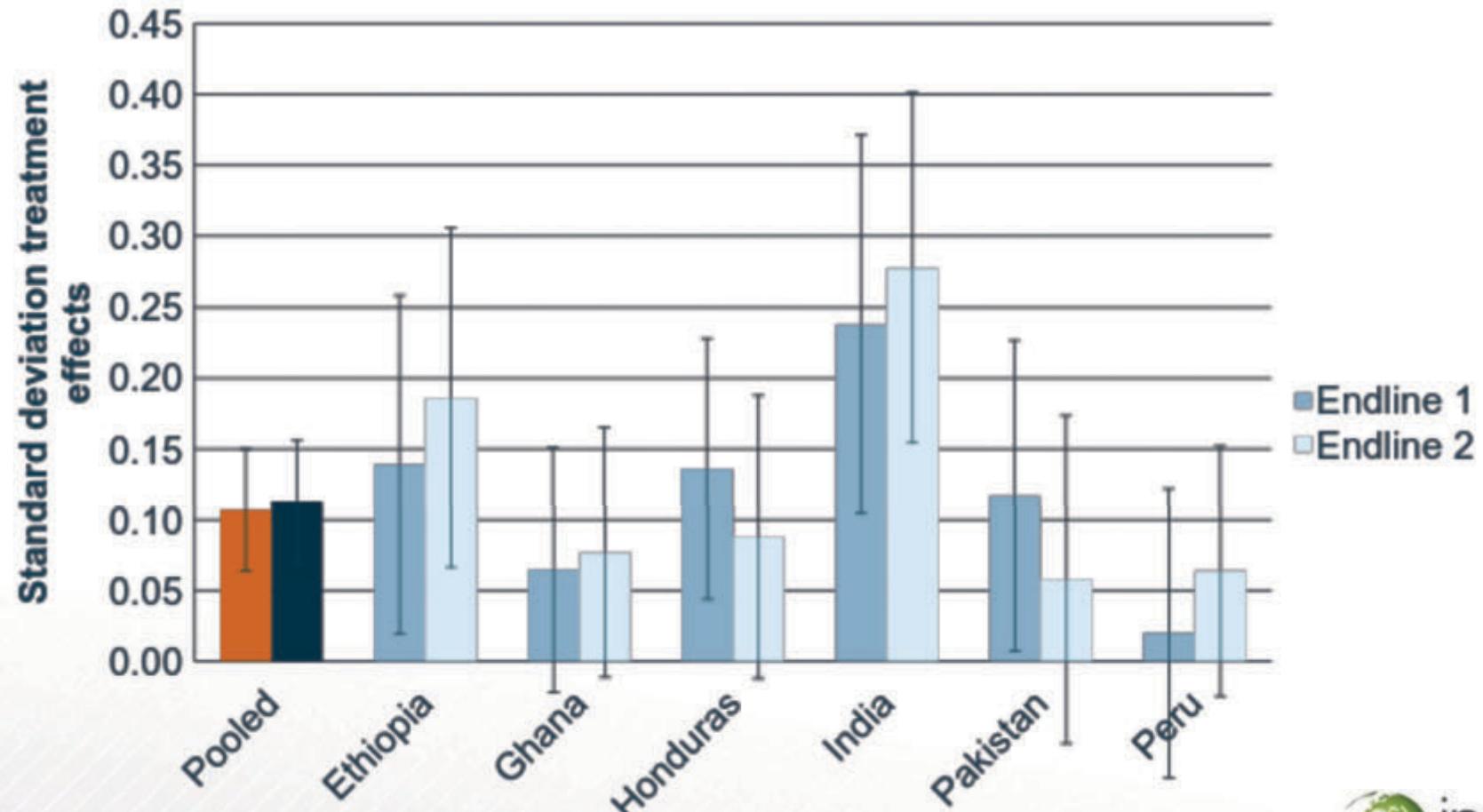
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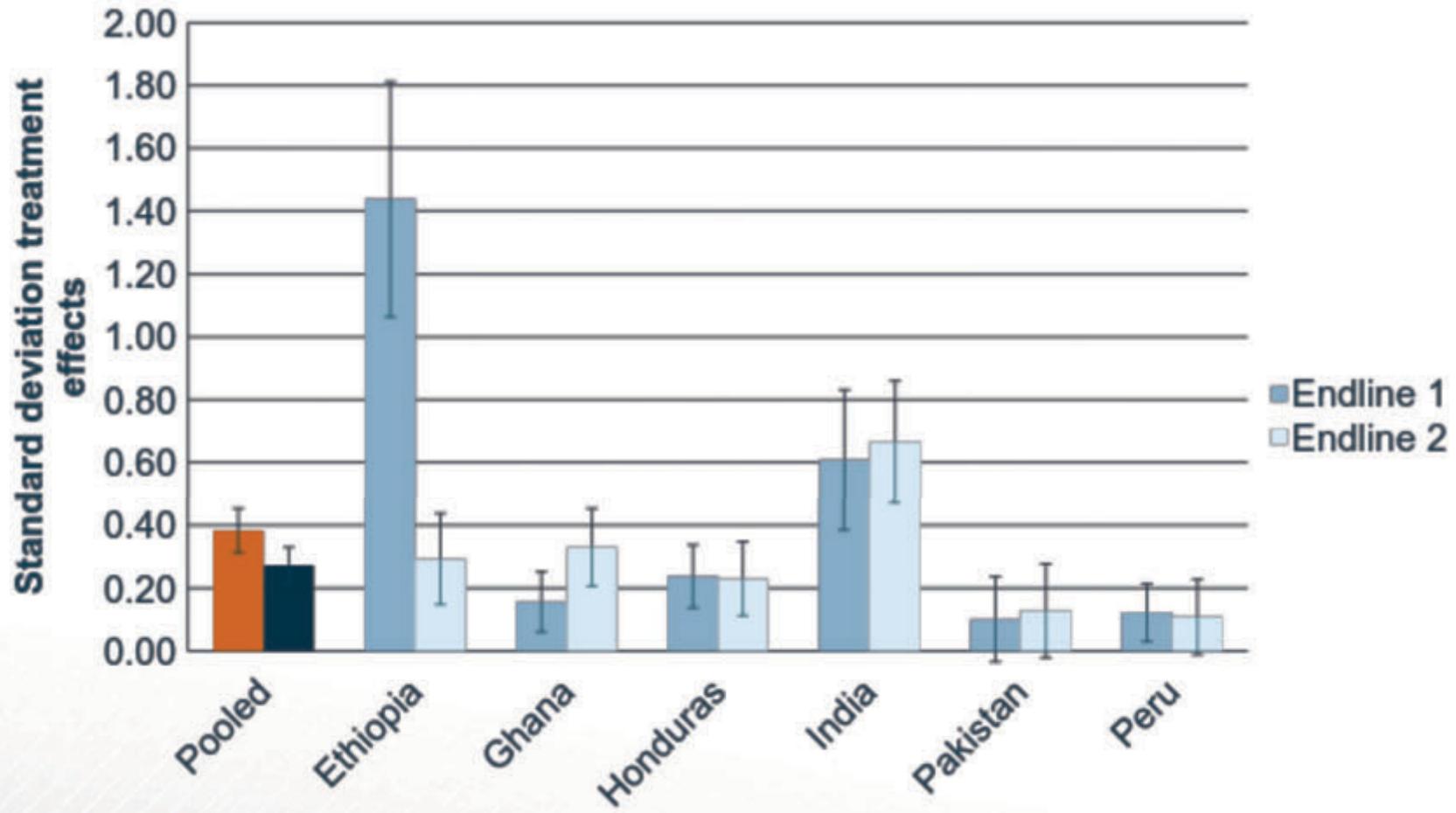


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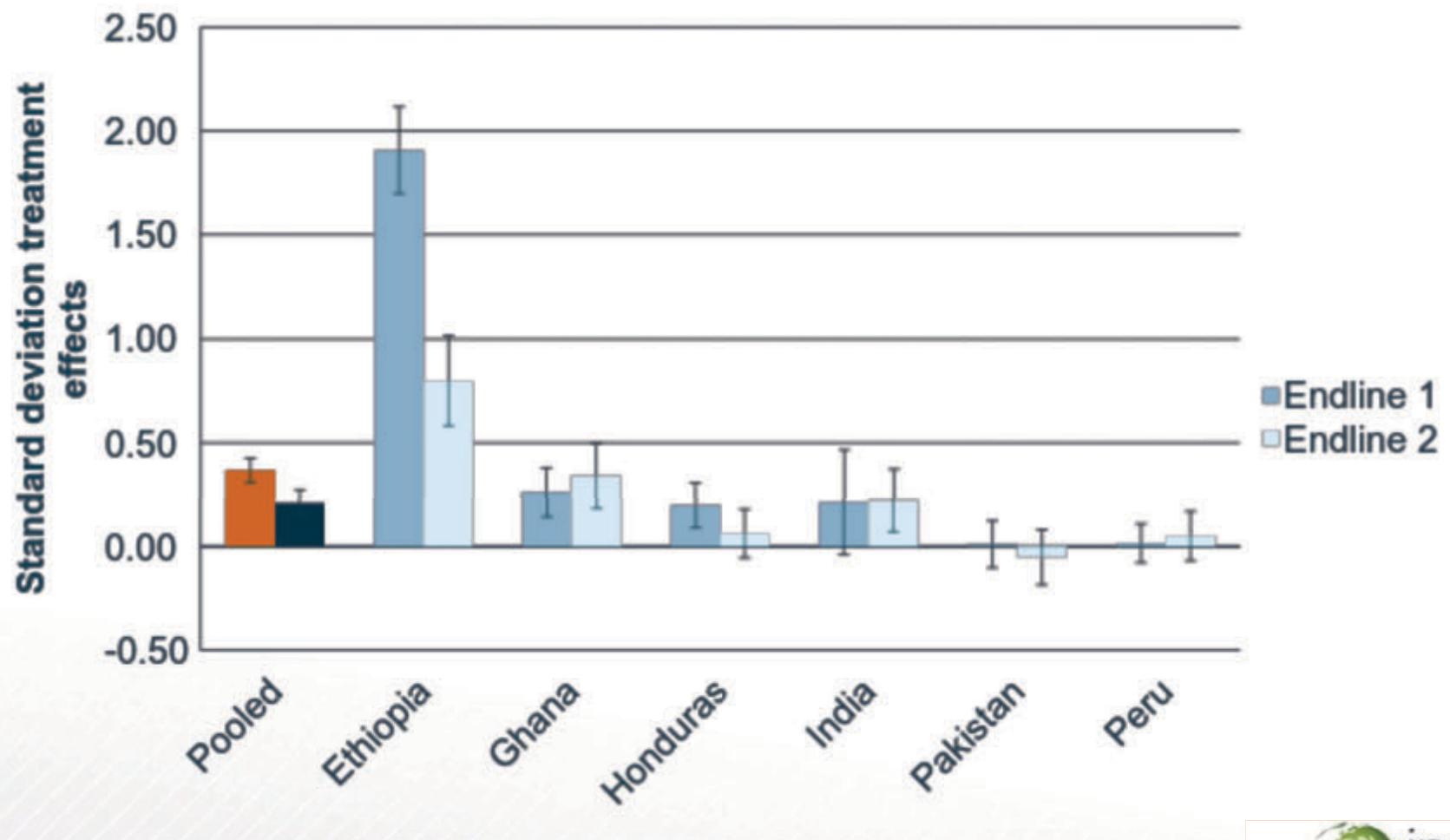


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