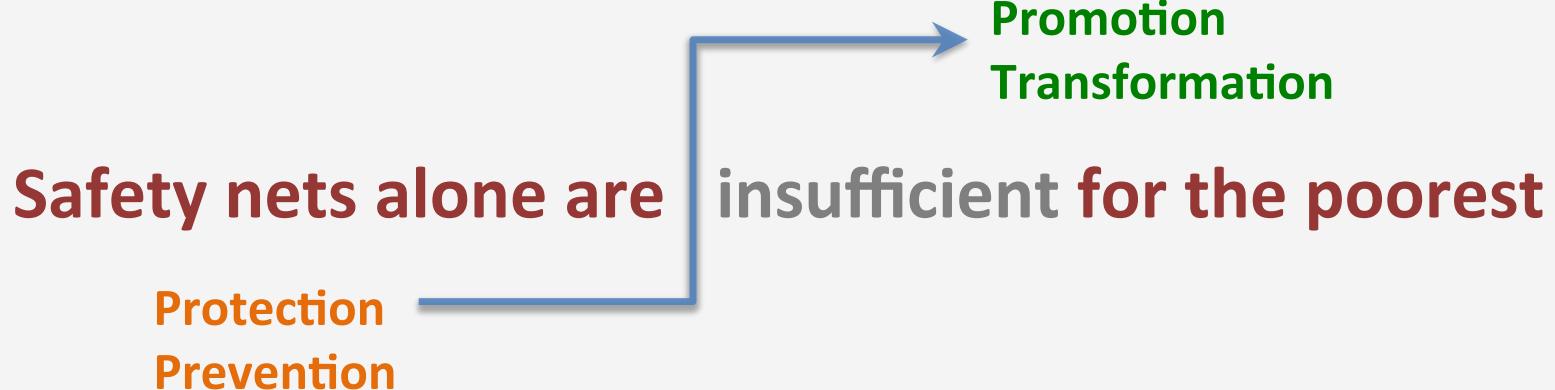




brac

Ultra-Poor
Graduation

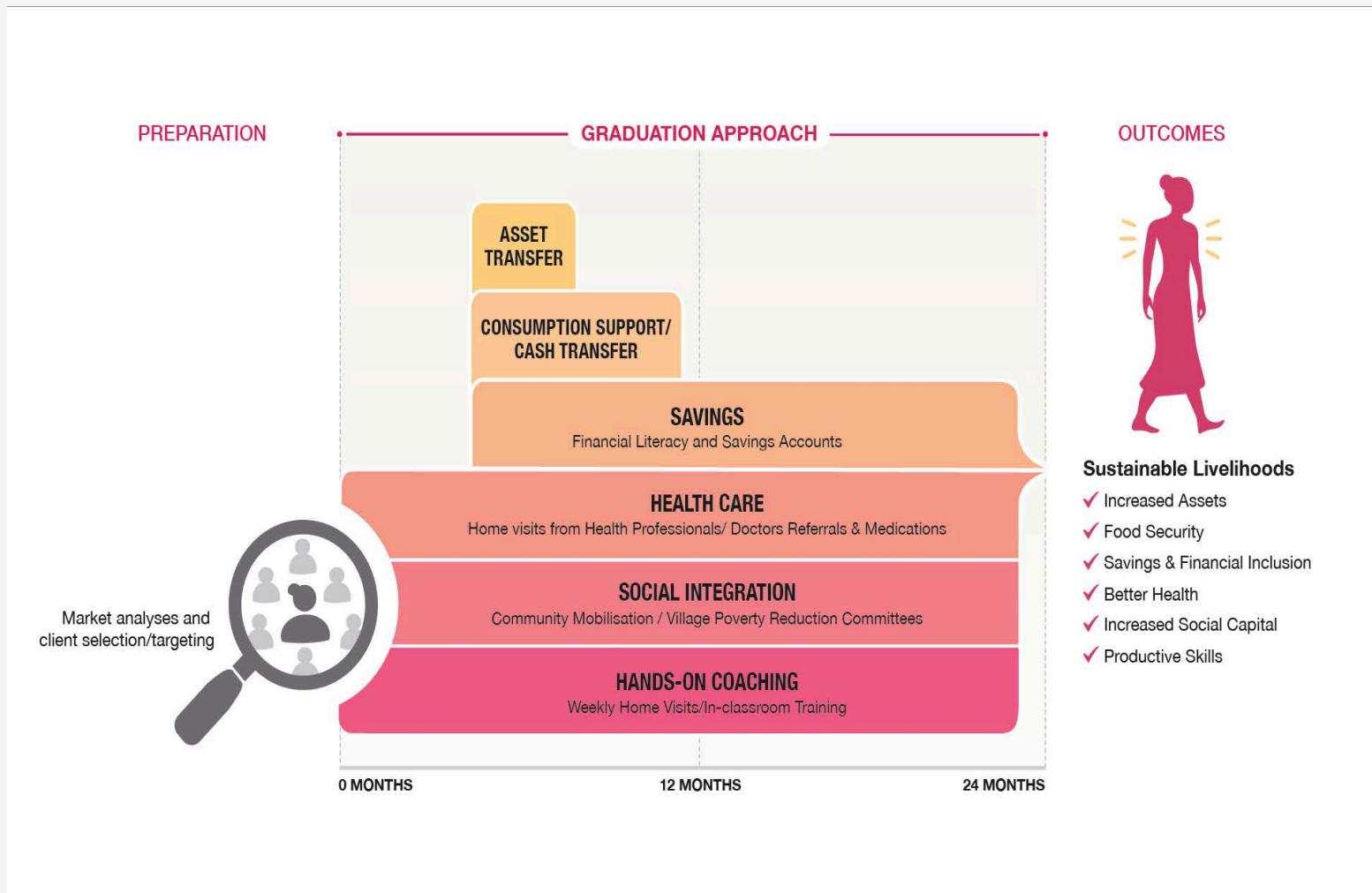
ULTRA POOR GRADUATION



(BRAC University / CGAP)

- Pathways out of poverty
 - Access to finance (microfinance)
 - Mainstream development programs
 - Self employment /formal employment
- Two variations of TUP programming:
 - Cash transfer (stipend) plus **physical asset(s)** (STUP)
 - Cash transfer (stipend) plus **soft loan for asset procurement** (OTUP)

ULTRA POOR GRADUATION





Component 1 **Targeting**

Community participates in a spatial mapping and wealth ranking exercise to identify community members in the most need



Comonent 2 **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.



Component 3 **Asset Transfer**

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



Component 4

Coaching/ Training

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



Comonent 5 **Savings**

Clients are encouraged to save and track their savings



Component 6 **Healthcare**

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

Component 7 **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.



RESULTS AND IMPACT



- In **Bangladesh**, more than 95% of participants achieve graduation with 92% crossing an ultra-poverty threshold of 50 cents per day and maintaining their improved conditions for the next 4 years
- Internationally, reports from the various CGAP and Ford Foundation funded pilots show that in 18-36 months, 75% to 98% of participants meet the country specific graduation criteria

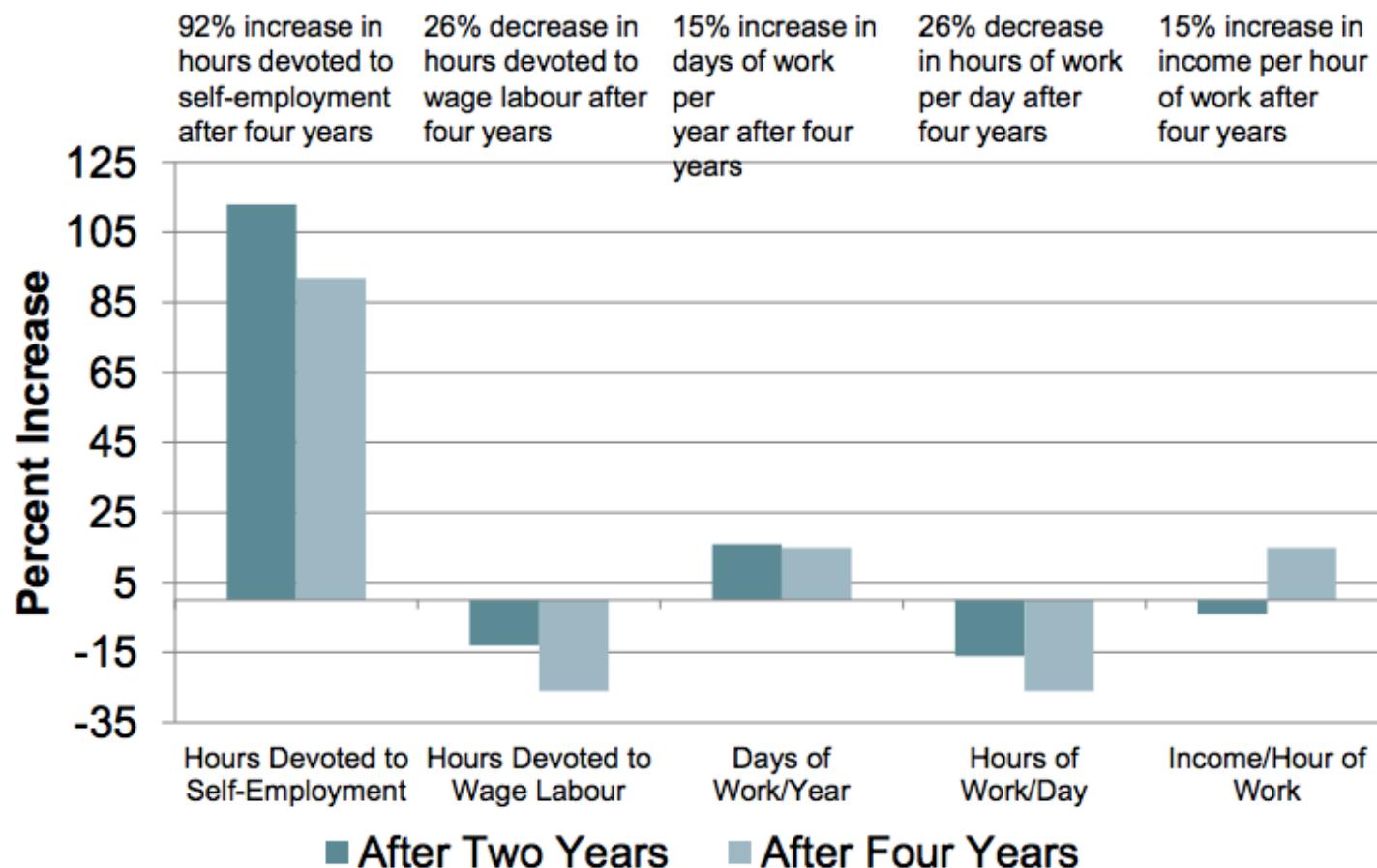
RESULTS AND IMPACT : RCT

(credit Robin Burgess (LSE and IGC)

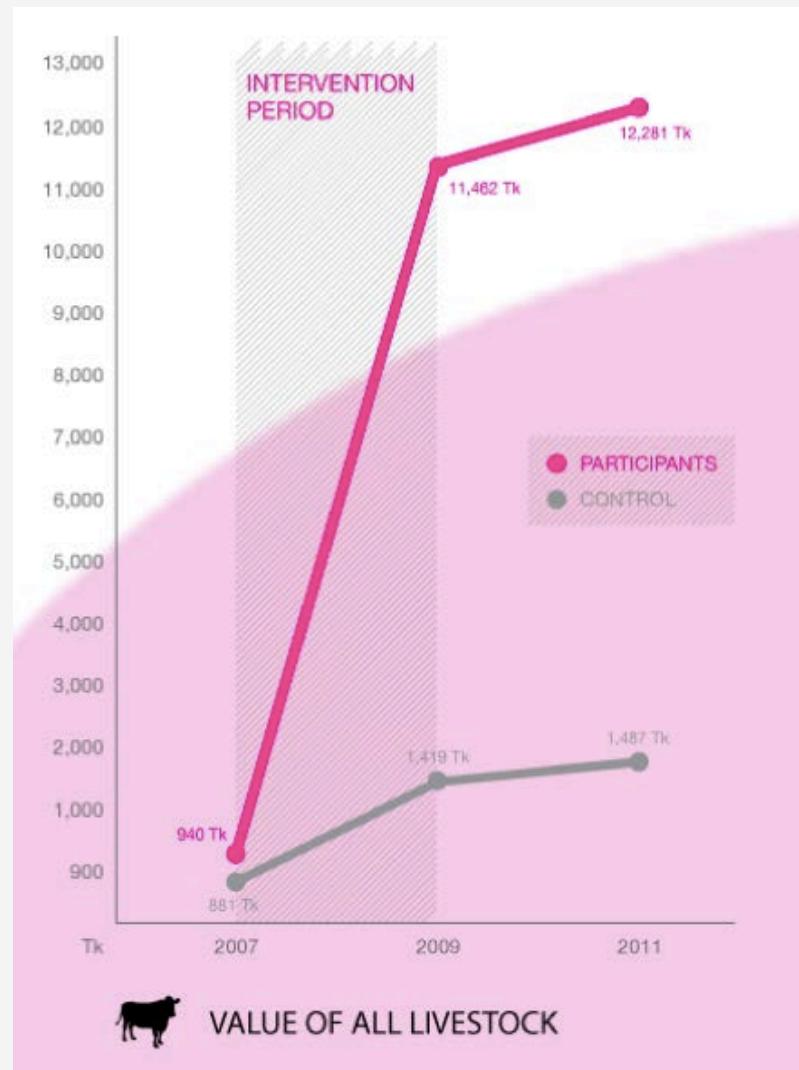
- Randomized Control Trial using panel data on 3,795 treatment households and 2,801 control households: Baseline survey 2007; follow-up 2009, 2011
- Randomize the program roll-out across 40 BRAC branch offices (1409 communities) in the poorest areas of the country (20 treated in 2007, 20 in 2011)
 - Randomly chose 2 branches within each upazilla, one treatment, one control
 - Randomize at the branch rather than community level to minimize contamination
 - Attrition over the four years is 15%, both in treatment and control communities
- Snapshot at baseline:
 - targeted poor have fewer productive assets and are employed in low return, insecure wage labor
 - correlation between assets, occupational choice and poverty holds across households
 - can asset transfers transform the occupational choices of the poorest women?

RESULTS AND IMPACT : RCT

- Program transforms occupational choices (credit Robin Burgess (LSE and IGC))



RESULTS AND IMPACT



- Most participants increase or maintain their livestock assets

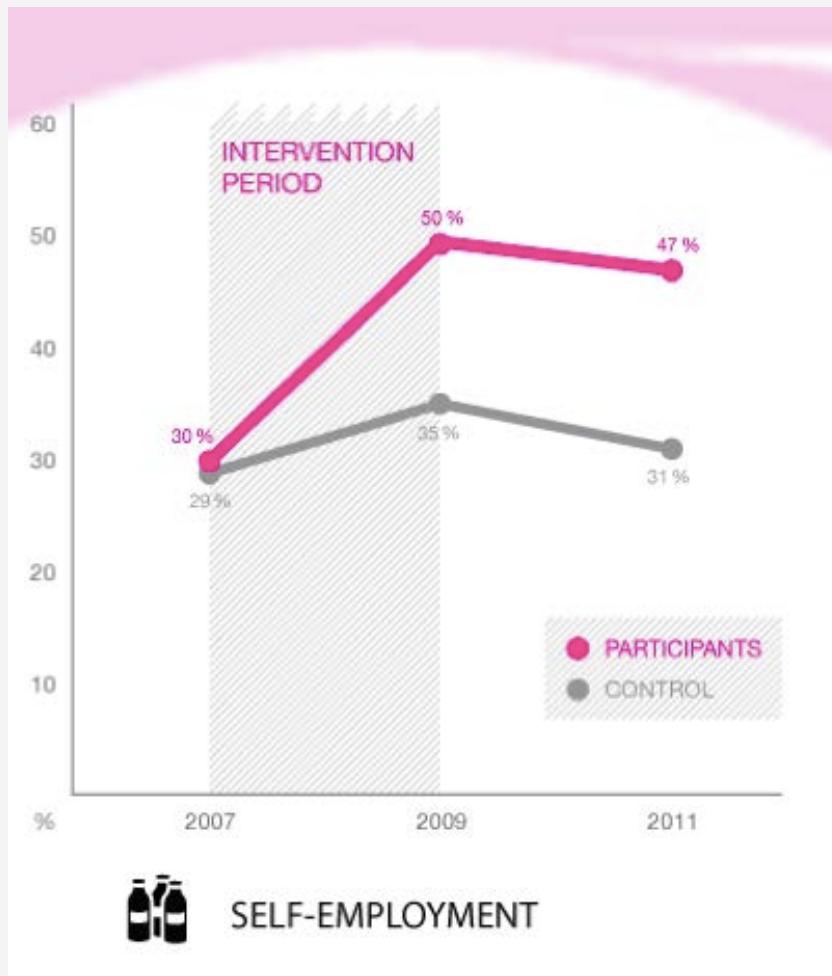
Livestock Asset Breakdown

(credit Robin Burgess (LSE and IGC)

Share of UP who receive	2 cows	1 cow + 2 goats or 10 chicks	2 goats + 10 chicks	5 goats OR 40 chicks
	36%	52%	8%	4%

BRAC: Briefing Note, based on Robin Burgess (LSE and IGC)

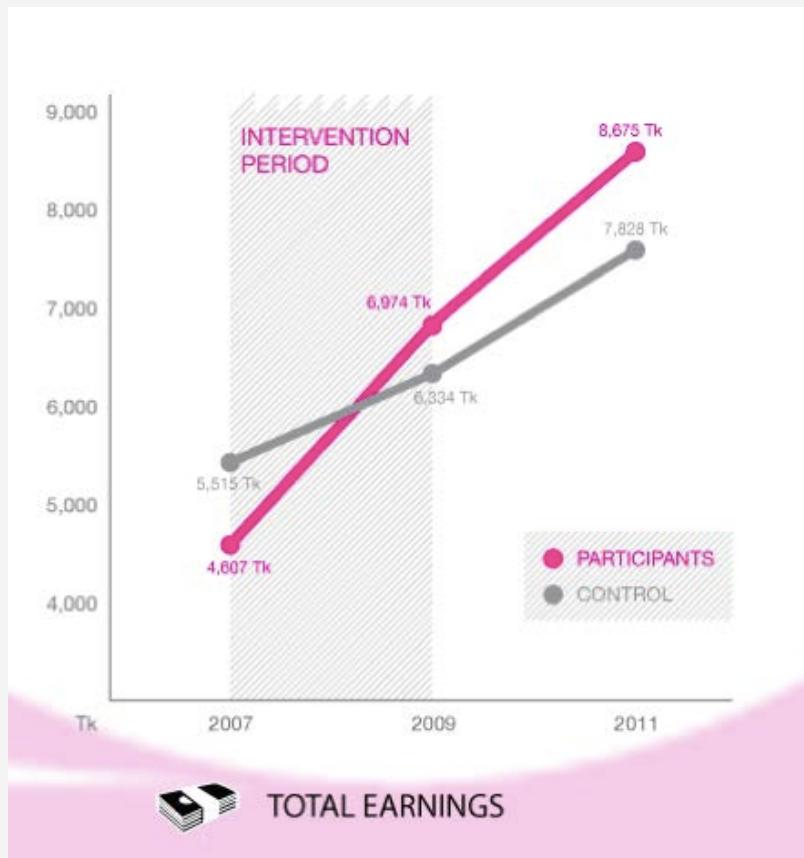
RESULTS AND IMPACT



- 4 years after the start of the programme (2 years after its end) the portion of participants entirely self employed increases from 30% to 47%
 - no notable change among control
- Percentage of participants relying solely on wage labor declined from 26% to 6% over the same period
 - little change among control.
- Reduction in seasonality
- More even allocation of hours across days

BRAC: Briefing Note, based on Robin Burgess (LSE and IGC)

RESULTS AND IMPACT



- Among participants, a 33% increase in earnings within 2 years (period of intervention)
- Among participants, 38% increase in earnings within 4 years
- Higher gains than control
- Savings Increases:
818% after 2 years
875% after 4 years
- Consumption Increases:
8% increase after 2 years
15% increase after 4 years
- Investment in land: 38% increase after 4 years
- Changes in occupational choices were accompanied by increase in income, expenditure and food security achieved

RESULTS AND **IMPACT**

- The program succeeds in transforming the occupational choices of the targeted poor
- Changes from wage labor and day labor to small enterprises
- Compared to other programs the asset transfer is more significant (roughly half the intervention cost in Bangladesh).
- **Significant transfer plus intensive training** is the critical intervention
- Implication: capital and skills constraints together drive the occupational choices of poor women in rural Bangladesh
- Graduation approach accomplishes a change in occupational choices accompanied by increase in income, expenditure and food security achieved.

(credit Robin Burgess (LSE and IGC))

TECHNICAL ASSISTANCE

- Helping others to implement the Graduation approach:
 - Creating implementation guides, tools and resources and training materials for new implementers
 - Technical assistance and consultation
 - Feasibility studies, organizational assessment and budget development
 - Program Design, Research Design
 - Staff Training, Immersion Visits, Staff Secondment
 - Learning events

TECHNICAL ASSISTANCE

- Previous engagements:
 - CGAP- Ford Pilots
 - Kenya/ IFAD:
 - Feasibility Assessment
 - Program Design and Procurement related inputs
 - Mozambique: NGO engagement
 - Pre-feasibility
 - Tanzania
 - Immersion visit
 - Exploring program design and execution options

NEW FRONTIERS IN GRADUATION

CORE to the BRAC's success in Graduation

- Hands-on coaching and high touch approach
- Consumption stipend, to smoothen household cash flow and increase food security
- Enterprise training has to be closely linked to assets, training must be repetitive/rigorous.



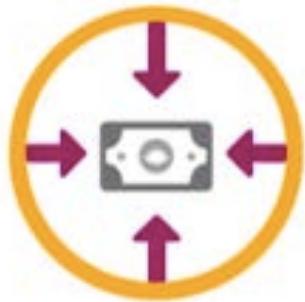
NEW FRONTIERS IN GRADUATION

What is and should be ADAPTED?

- Targeting mechanisms need to be tailored to local contexts, but should include community input/buy in.
- Cash or asset, depending on local context. We have proven that soft loans are viable as long as other wrap-around services are strong. Continued success requires strong segmentation of clients.
- Health component must be locally tailored, depending on available resources, partnership opportunities and insurance offerings available. Key relevant education nutritional messaging.
- Savings component must be locally tailored, leveraging locally appropriate savings practices and services
- Social integration and what is possible depends on ethos and commitment of implementers and community dynamics.

NEW FRONTIERS IN GRADUATION

The Debate over Assets or Cash



OR



- Some say cash alone is the answer.
- BRAC position: Cash can help in some ways. **It depends on what outcomes you seek?** If sustainable livelihoods, and transformative change is the goal, more holistic approaches are proven to be more effective. The most destitute in Africa and Asia will need **assets**.
- Current debate ignores OTUP and Consumption Stipends
- Whether cash can scale more efficiently than assets depends on who is implementing and in what environment

NEW FRONTIERS IN GRADUATION

Mobile Financial Services

- Increase in mobile payment platforms and agent banking models will mean changes in program design. These trends should be leveraged.
 - Include Phones in Asset transfer?
 - Remit cash transfers or consumption stipends through mobile money?
 - Invest in agent banking services?
 - Disseminate health and behavior change messaging through SMS?
 - Will these changes cause us to lose the high touch nature of the approach and compromise outcomes?

NEW FRONTIERS IN GRADUATION

Addressing New Vulnerable Target Populations



- Youth populations who seek jobs, not necessarily the ability to run small enterprises.
- Displaced populations, long-term refugees, Internally Displaced People (IDPs) without support systems, often discriminated
- Other discriminated populations due to race, caste, ethnicity, religion or other characteristics
- Populations vulnerable to and affected by climate change and disasters



Join us in the movement to end ultra-poverty.

Contact us to learn more.

BRAC Centre
75 Mohakhali
Dhaka 1212
Bangladesh

BRAC USA
110 William Street, 29th Floor
New York, NY 10038
USA