The Graduation Approach
Looking Back and Looking Forward

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Graduation: A Holistic and Sequential Approach

- Extreme Poverty
  - Mentoring
  - Seed Capital / Employment
  - Training
  - Access to Financial Services
  - Consumption Assistance

- Sustainable Livelihoods
  - Market / Value Chain Analysis
  - Targeting

Timeline:
- Start
- Month 3
- Month 6
- Month 24
- Month 36
The approach proven as one of the most effective means of addressing extreme poverty. Driving impacts across diverse indicators…

- Income: 37% increase (BRAC)
- Savings: 9x increase (BRAC)
- Food security: 7.5% increase (Ford Foundation)
- Health
- Happiness

And has delivered high returns on investments with sustainable outcomes.

- Honduras ROI: -198%
- Peru ROI: 190%
- Ghana ROI: 133%
- Pakistan ROI: 179%
- India ROI: 433%
- Bangladesh ROI: 244%

- Graduation participants reported working, earning, and eating more than counterparts who did not participate in programs a year after program completion
- Project outcomes are 1.33 – 4.33 times what was spent on the intervention
Adopted in nearly 60 countries, with a third run by Governments (2017)

- BRAC Bangladesh (1) – Since 2002
- CGAP-Ford Foundation Pilots (10) – 2006-2014
- NGO-implemented (13) – Since 2010
- Donor-implemented [UNHCR] (5) – Since 2013
- Government-implemented (22) – Since 2013
The Graduation Approach: Tenant and Small Holder Farmers

**Constraints**
- Poverty and food insecurity
- High costs of production inputs
- Low technology knowledge
- Poor ecological resources
- Risks and uncertainty
- Market linkages

**Interventions**
- Time-bound safety net
- Consumption transfers
- Subsidized loans or inputs
- Training
- Natural resource management
- Crop insurance, savings services, marketing intermediation, access to safety nets
- Group formation, production companies, links to value chains
The Graduation Approach: Theory of Change

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Change
- Consumption smoothening
- New cropping adoption
- Improved natural resource endowments
- Risk mitigation
- Public sphere knowledge
- Access to public resources
- Confidence and agency
- Food security, expanded production, increased incomes
Developing an Analytical Framework for Action: Challenging Extreme Poverty

**Policies for Macro Stability & Growth**

- Building Markets
- Managing Natural Resources
- Healthcare Systems
- Education
- Accountability over local government & resources

**Meso Level Constraints/Opportunities**

**Micro Level Targeted Programs**

- Wage Employment
- Microcredit
- Asset Transfer
- Safety Nets- FFW, CFW, CCT, Transfer Programs
Policy Implications

• Holistic model: integrating micro, meso and macro
• Focus on graduation: multiple pathways
• Consistent and continuous engagement
• Different entry points for different stakeholders
• Categorize poorest: determine diverse pathways
• Agency for poor people

*strengthen government SP and livelihood programming through improved technical capacity and convergence*
PEI enhances existing social protection systems with inclusion programs that enable the very poor to build sustainable livelihoods

Existing system

Many current government social protection programs provide safety nets only and rarely go beyond ‘protection’:

- Welfare and dependency mind-set
- Some “productive” services for beneficiaries but very limited integration of sufficient package including effective economic inclusion activities

System Shift (5yrs)

National social protection strategies and programs **integrate livelihoods and economic inclusion** so very poor and vulnerable people can realize their productive potential and exit extreme poverty:

- Effective ladders to markets and jobs generate increased earnings, wealth, and resilience for participants
- Systems including public budget allocations support sustainable growth in coverage of deeply-targeted economic inclusion programs

Partnership for Economic Inclusion (PEI) is a global multi-stakeholder initiative that works with governments, donors, TA partners and researchers to accelerate and enable a successful shift to social protection systems that help very poor and vulnerable households increase their consumption, income and assets, and build viable ladders to markets:

1) **Nationally** with governments to meet the demand for high quality, evidence based transformation of national social protection systems

2) **Globally** to accelerate CoP building of knowledge, practice and evidence such that global guidance, standards and tools support widespread adoption of best practices
PEI works at both global and country levels

**Global Platform**
Build the global societal platform that underpins shift towards targeted economic inclusion, includes setting the global learning agenda and providing a cohesive and consistent voice for governments and the Community of Practice

- Work with 30-35 countries globally in coordination with CoP
- Map funding flows; influence donors
- Manage infrastructure to enable broad-based knowledge exchange
- Advance innovation and learning agendas to drive down costs, improve targeting, and solve last-mile issues
- Commission research for new evidence on systems change
- Develop global standards and best practices with open-source community access

**Secretariat of 7 people; Hosted at World Bank; supporting a global Community of Practice**
100+ members active for 10+ years; includes leading policymakers, funders, implementers and researchers.

**Country Engagements**
Provide country-level support to the Community of Practice and implementing governments across a diversity of social protection contexts and geographies, driving broad sector engagement

- Support a number of countries with program implementation, in direct coordination with CoP
- Mobilize donor funding
- Co-design programs
- Build management and staff capacity
- Connect with local organizations to provide TA support
- Help adapt approach to country context

“Accelerate and support countries’ interests in sustainably addressing extreme poverty at scale”
THANK YOU