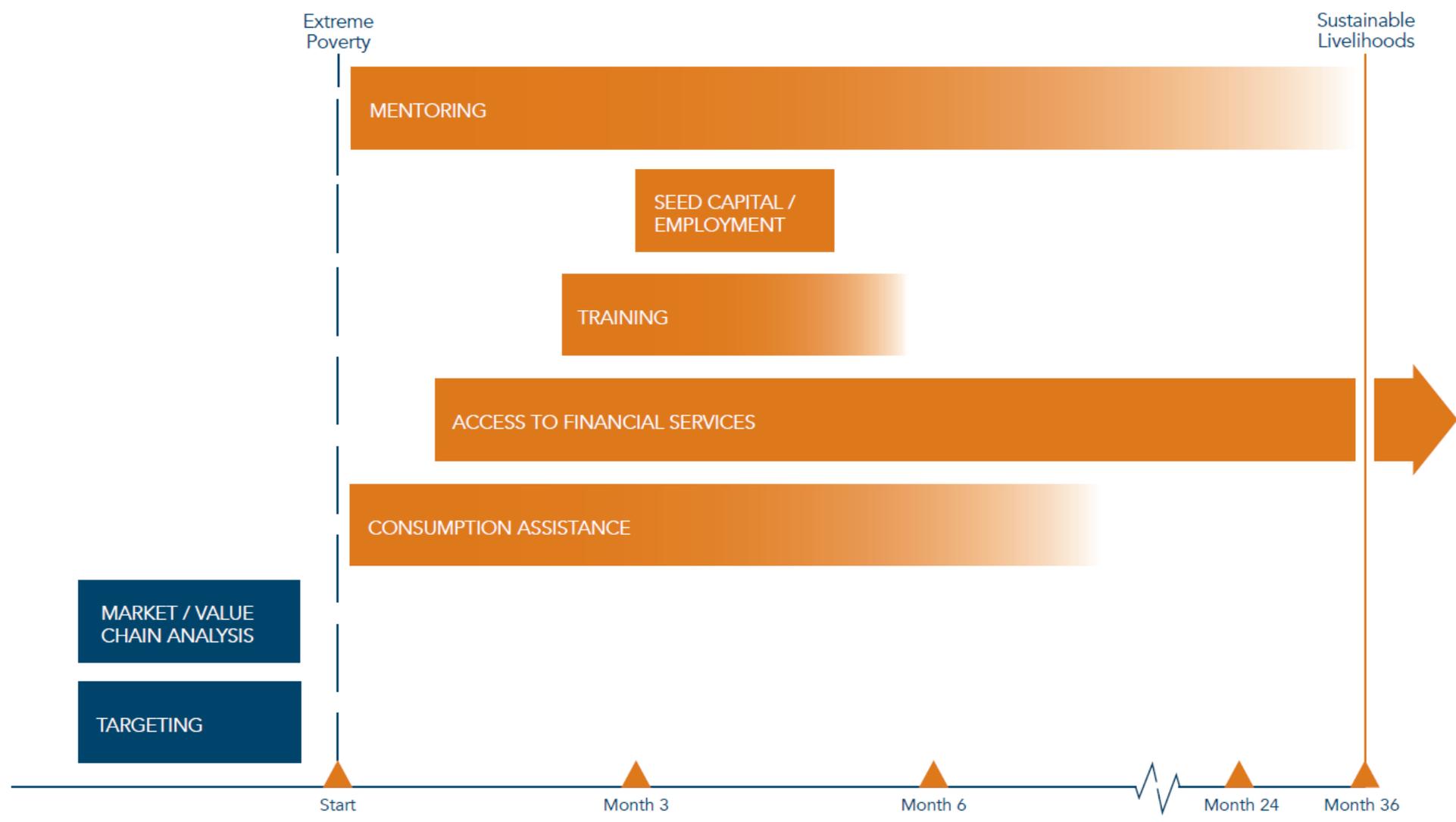# The Graduation Approach
Looking Back and Looking Forward

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Graduation: A Holistic and Sequential Approach

Impact of the Graduation Approach

The approach proven as one of the most effective means of addressing extreme poverty. Driving impacts across diverse indicators…

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

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%
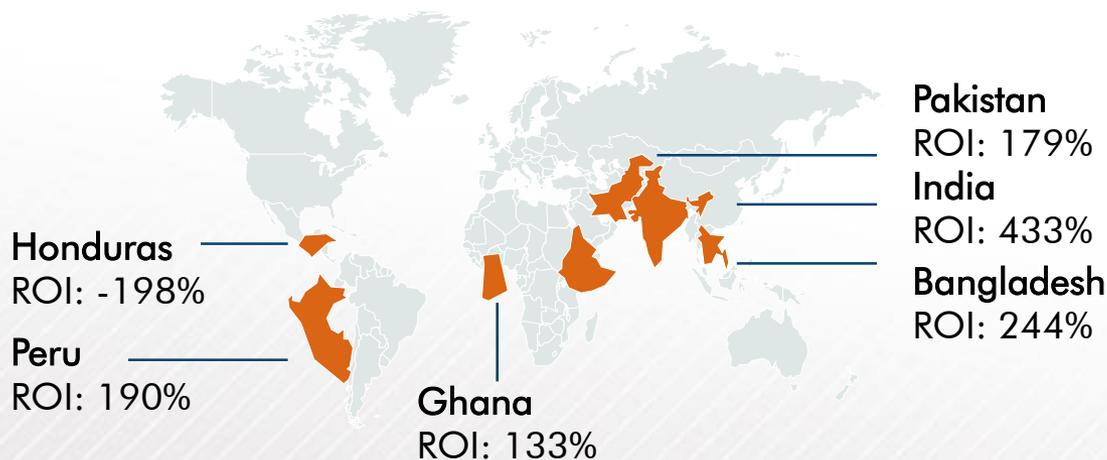
- Graduation participants reported **working, earning, and eating more** than counterparts who did not participate in programs a year after program completion

- Project outcomes are 1.33 – 4.33 times what was spent on the intervention

CGAP

The Growth of Graduation Approach

Adopted in nearly 60 countries, with a third run by Governments (2017)
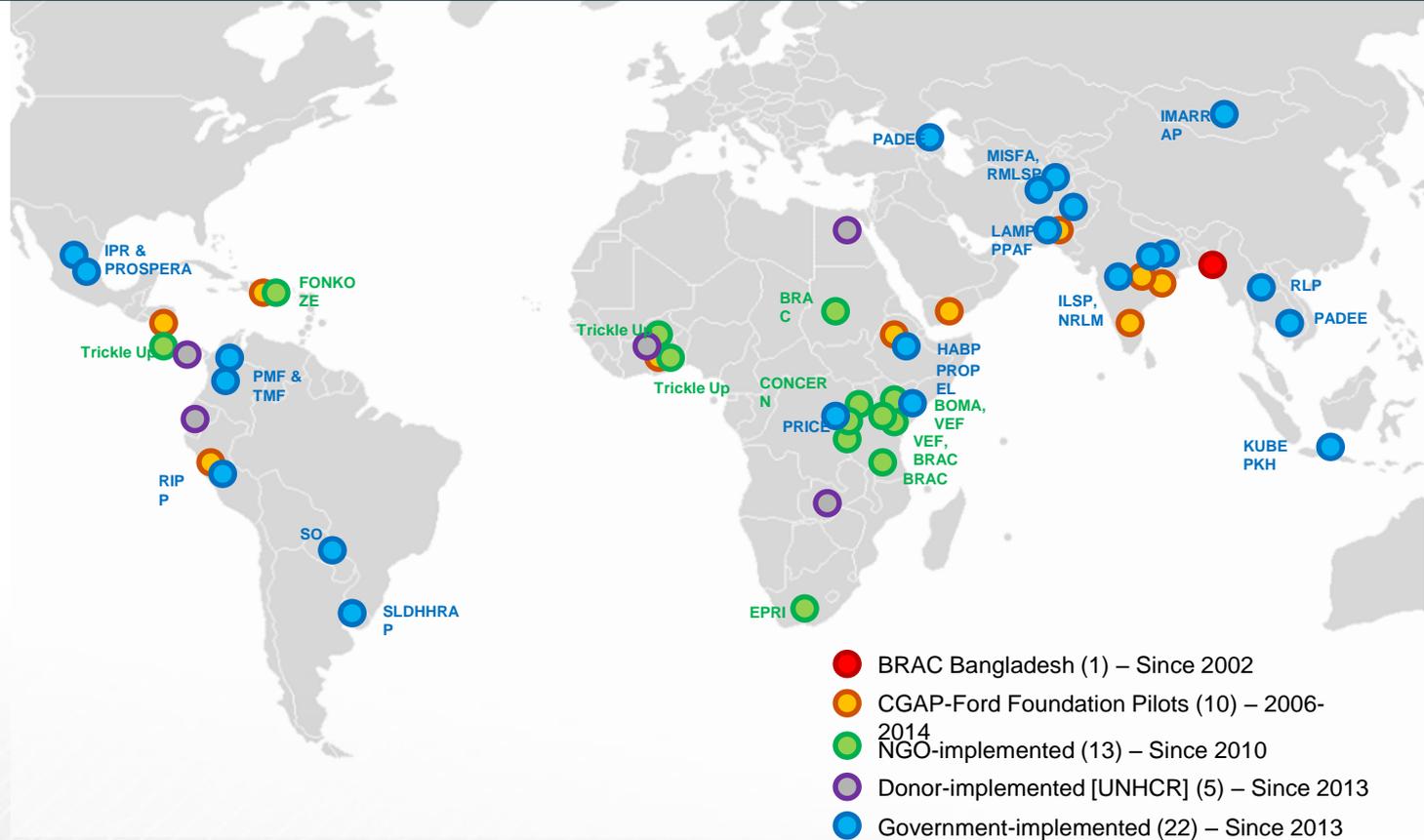
- 🔴 BRAC Bangladesh (1) – Since 2002
- 🟠 CGAP-Ford Foundation Pilots (10) – 2006-2014
- 🟢 NGO-implemented (13) – Since 2010
- 🟣 Donor-implemented [UNHCR] (5) – Since 2013
- 🔵 Government-implemented (22) – Since 2013

The Graduation Approach:
Tenant and Small Holder Farmers
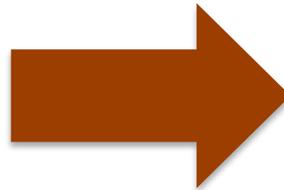
Constraints

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

Interventions

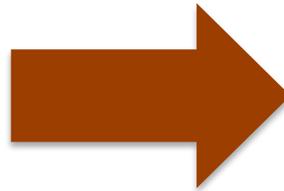time-bound safety net consumption transfers

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

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

Meso Level Constraints/ Opportunities

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

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

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PARTNERSHIP FOR ECONOMIC INCLUSION

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

PARTNERSHIP FOR ECONOMIC INCLUSION

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

- 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

"Accelerate and support countries' interests in sustainably addressing extreme poverty at scale"

- 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

THANK YOU