

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 displays the Science journal website. The top navigation bar includes the Science logo, AAAS.ORG, and links for FEEDBACK, HELP, and LIBRARIANS. A search bar is present with the text 'All Science Journals' and a 'SEARCH' button. Below the navigation bar, the Science logo is repeated with the tagline 'The World's Leading Journal of Original Scientific Research, Global News, and Commentary.' The main content area shows the article 'A multifaceted program causes lasting progress for the very poor: Evidence from six countries' by Abhijit Banerjee, Esther Duflo, Nathanael Goldberg, Dean Karlan, Robert Osei, William Parienté, Jeremy Shapiro, Bram Thuysbaert, and Christopher Udry. The article is dated 15 May 2015, Vol. 348 no. 6236, DOI: 10.1126/science.1260799. The abstract states: 'We present results from six randomized control trials of an integrated approach to improve livelihoods among the very poor. The approach combines the transfer of a productive asset with consumption support, training, and coaching plus savings encouragement and health education and/or services. Results from the implementation of the same basic program, adapted to a wide variety of geographic and institutional contexts and with multiple implementing partners, show statistically significant cost-effective impacts on consumption (fueled mostly by increases in self-employment income) and psychosocial status of the targeted households. The impact on the poor households lasted at least a year after all implementation ended. It is possible to make sustainable improvements in the economic status of the poor with a relatively short-term intervention.'

What We Have Learned So Far

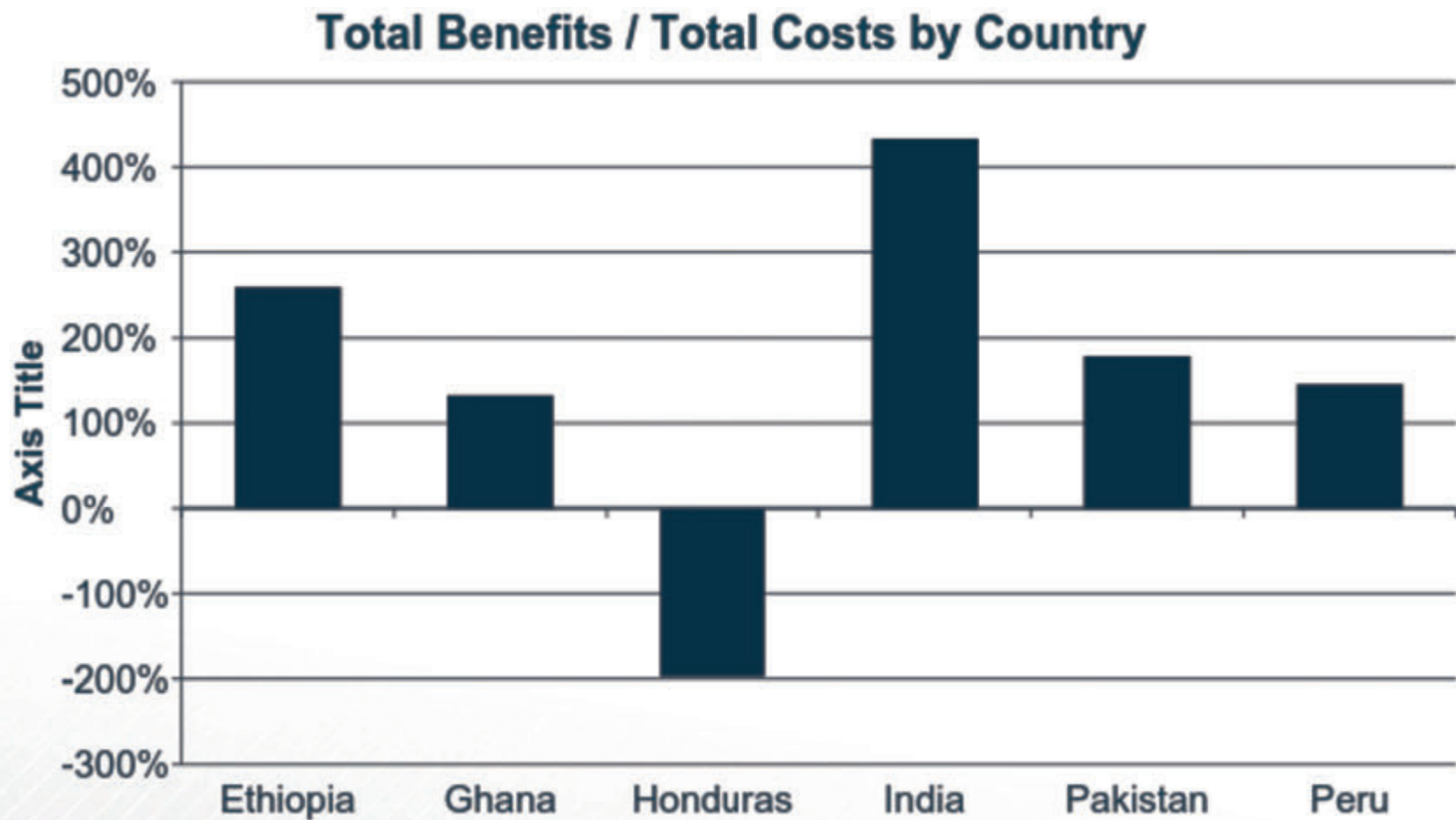
In comparison with control households, treatment households achieved gains in:

- 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)
Non-food consumption per capita, month	\$0.83 (control \$25)	\$2.60 (baseline \$45.72)
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?



State of Practice

10 Pilots, 8 Countries



Multiplying the Graduation Experience

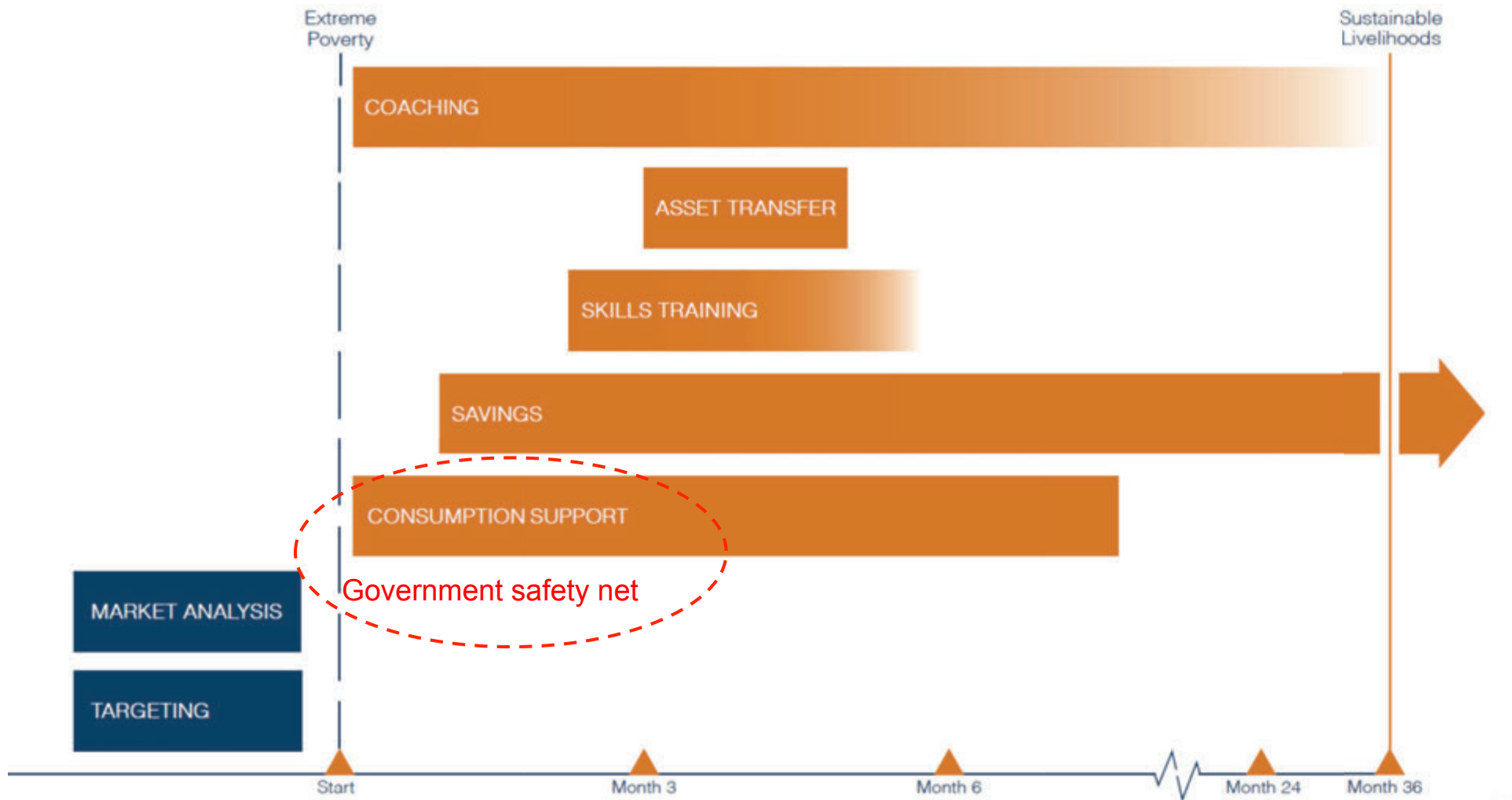


The Graduation Approach 2.0

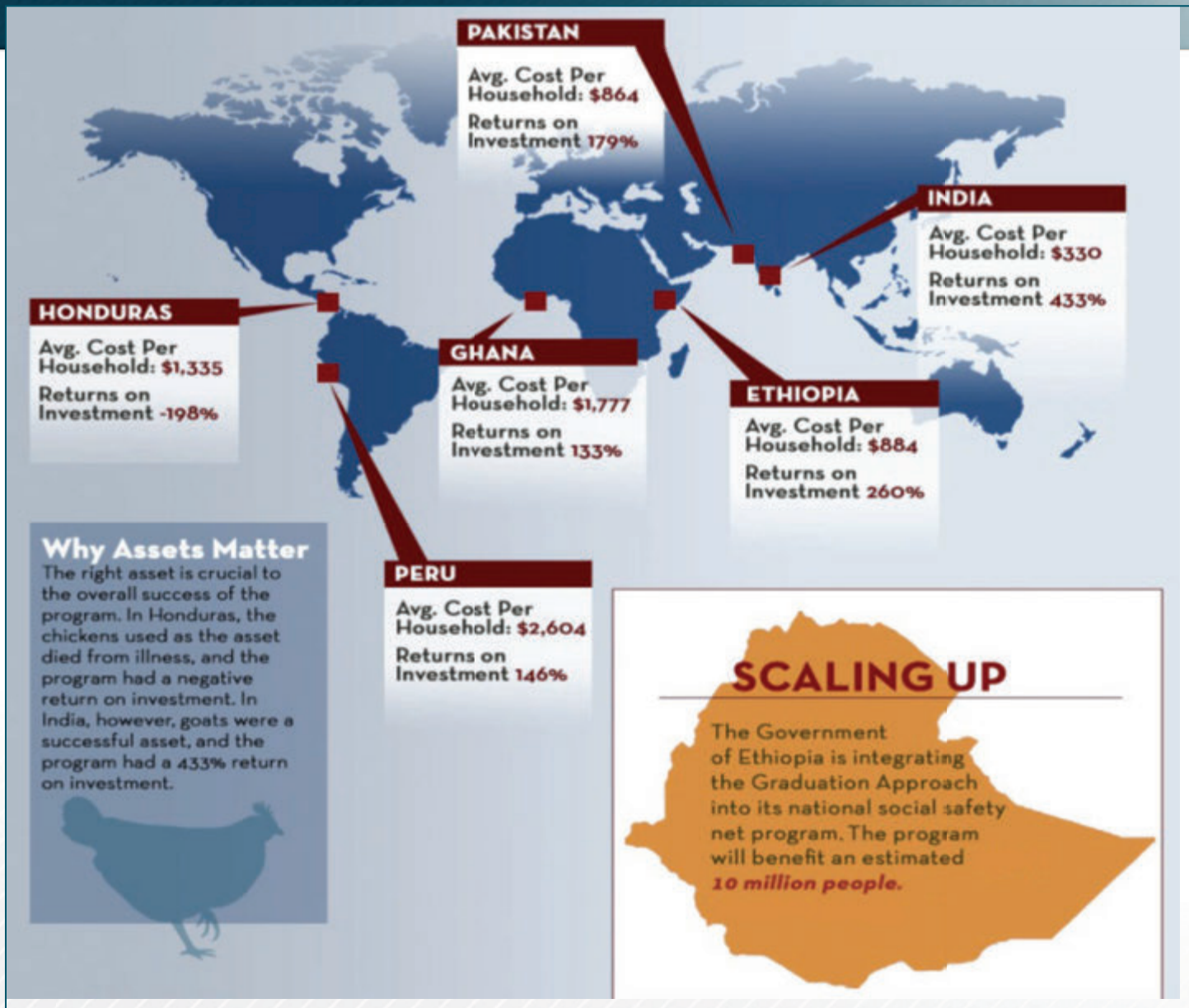
Learning Agenda

**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?

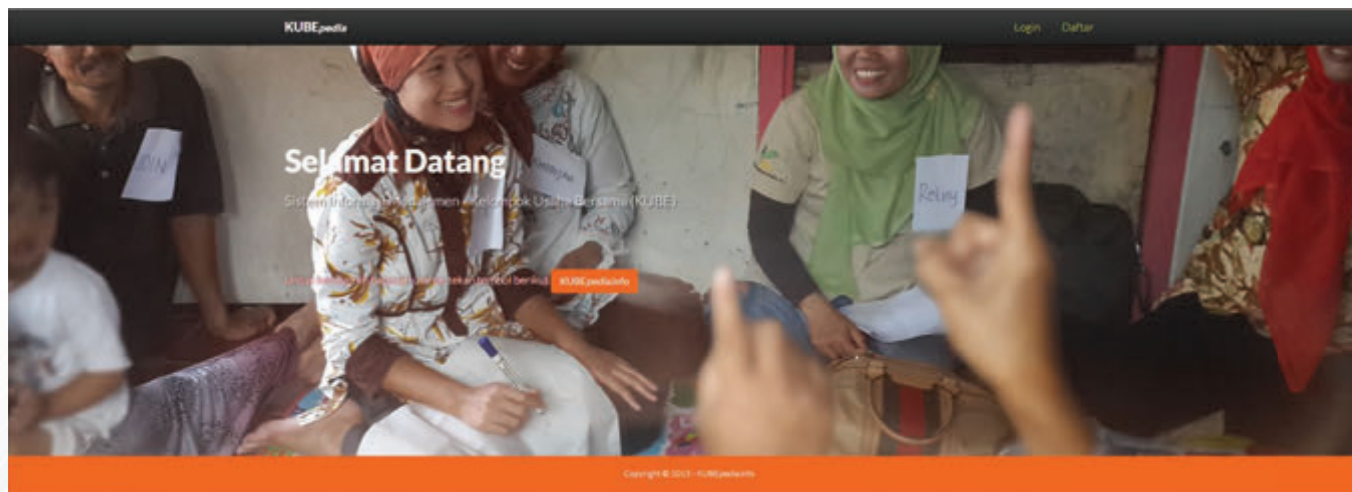
Sustainability and Spillovers

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

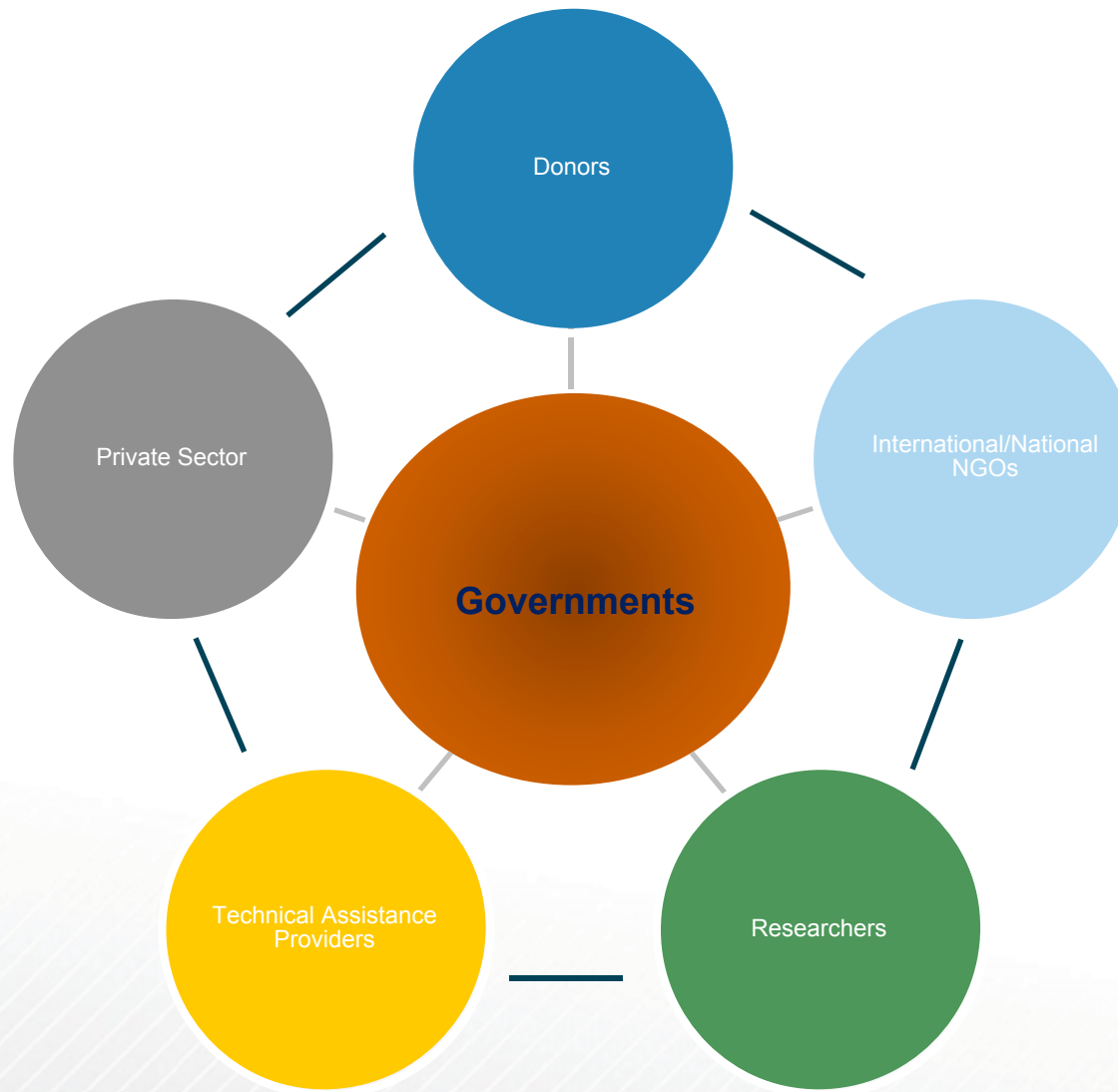
Government-Led Model: *KUBE-Program Keluarga Harapan (PKH)*



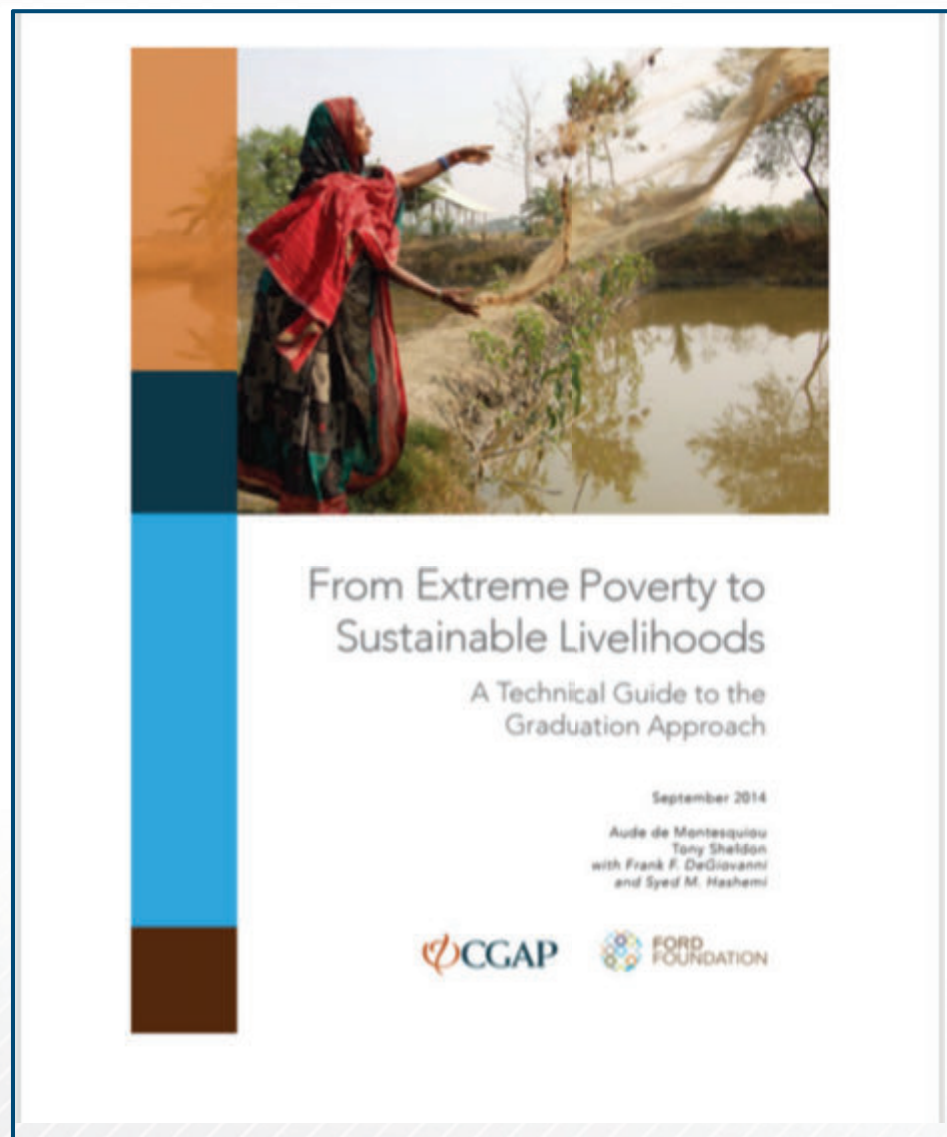
Led by Ministry of Social Affair (MoSA)
Group Business Grants (10 people)
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Stakeholders: Synergies and Tradeoffs



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



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)

<https://youtu.be/XWQn2W9ZDvE?t=42s>
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Client Level Impact:

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

Performance/Evolution of the Graduation Community?

THANK YOU





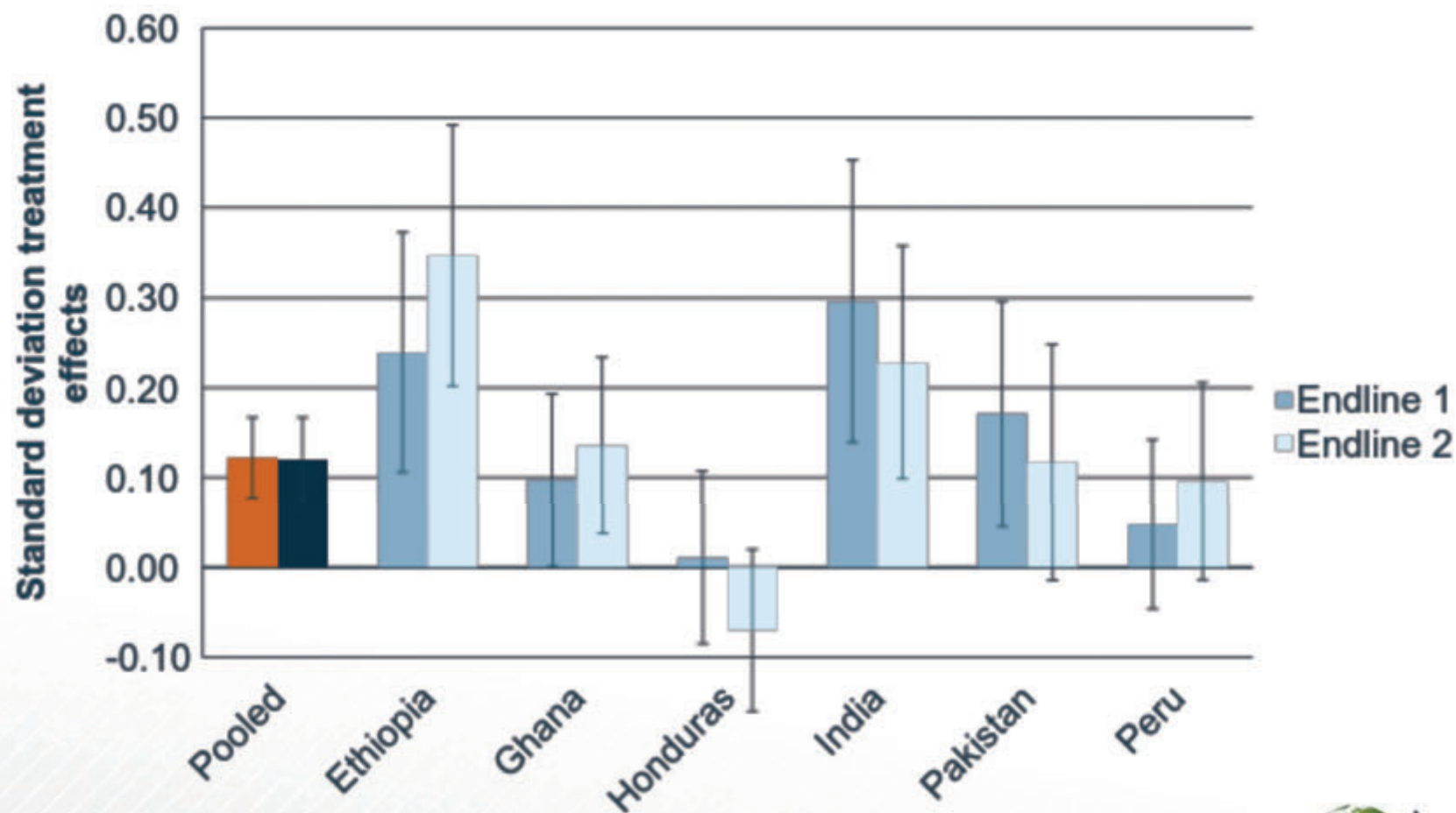
Advancing financial inclusion to improve the lives of the poor



www.cgap.org

Annex

Per Capita Consumption

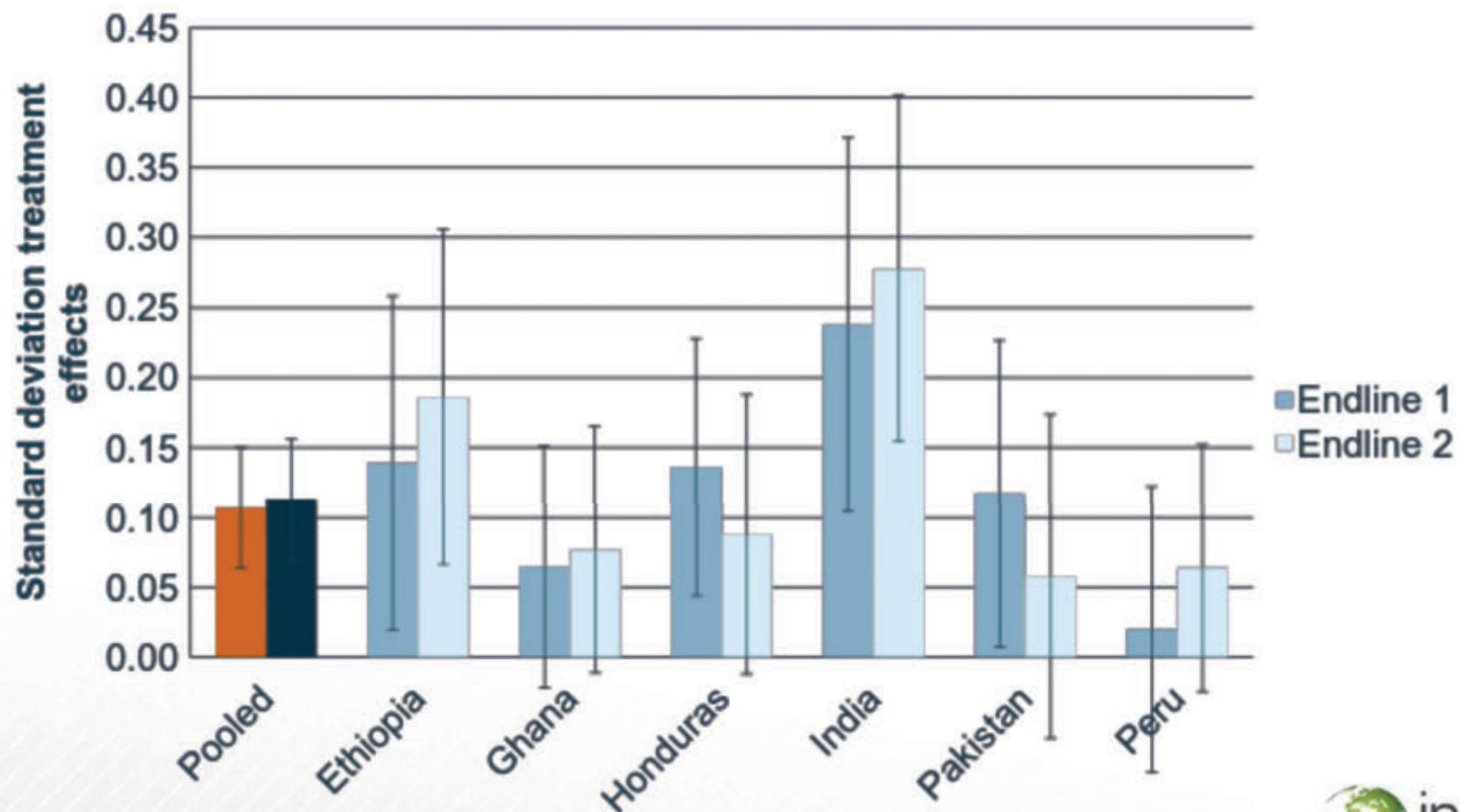


Per capita consumption, month

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Pooled endline 2: \$3.36 (control mean \$68.80)

Food Security

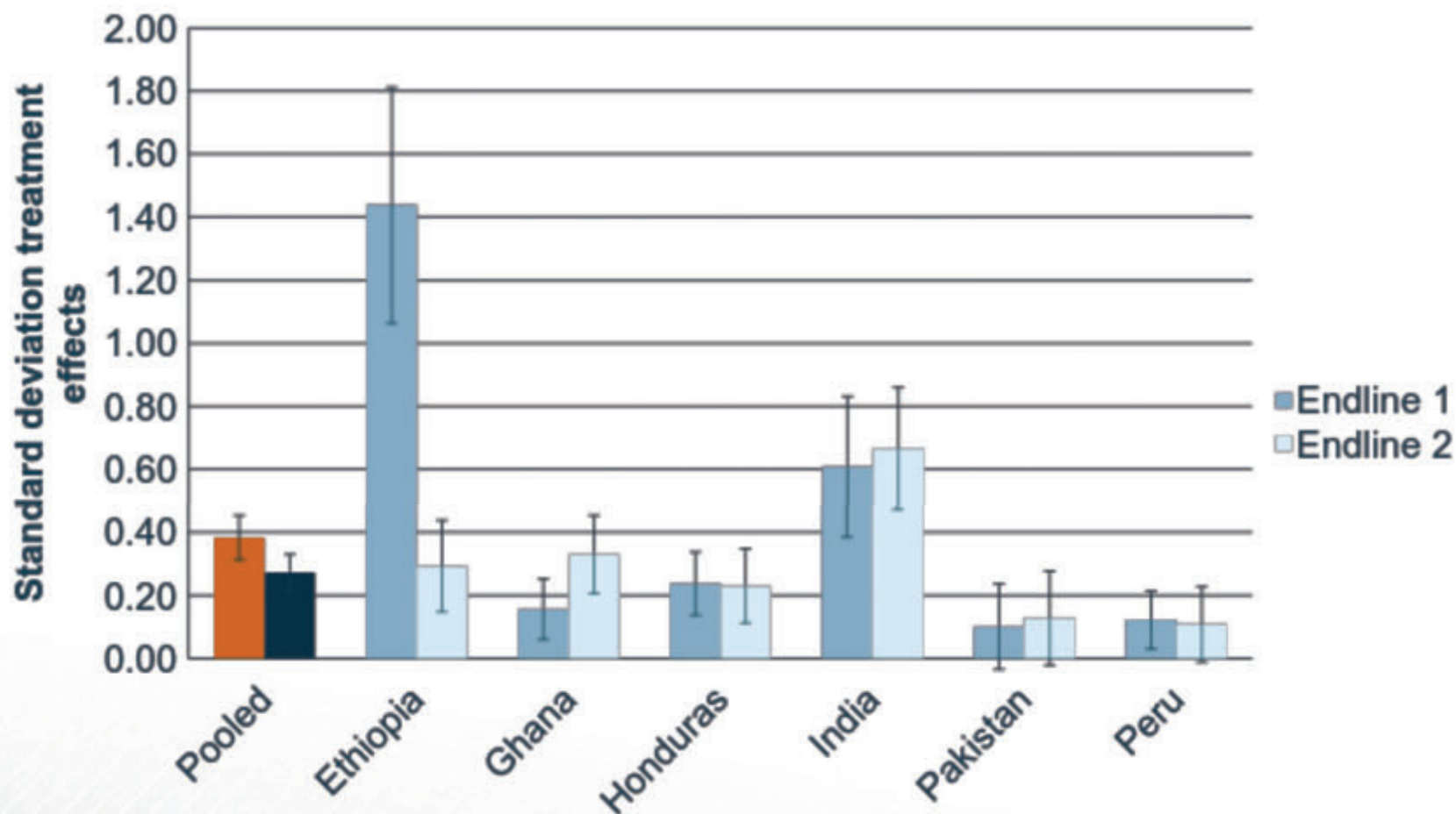


Everyone gets enough to eat each day

Pooled endline 1: treatment 47%, control 42%

Pooled endline 2: treatment 45%, control 40%

Income and Revenues

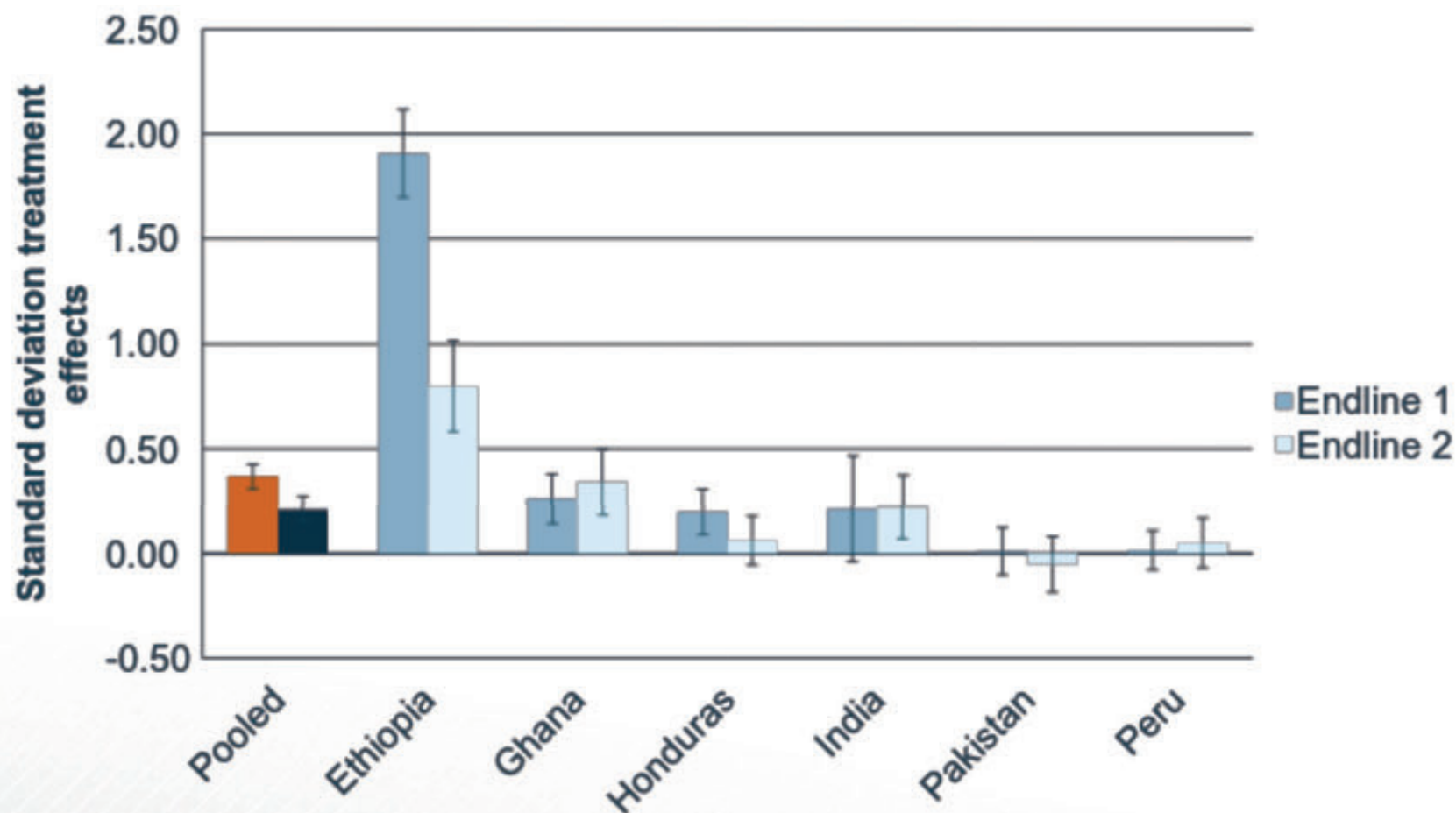


Monthly livestock revenues

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)

Pooled endline 2: \$58.38 (control mean \$78.38)

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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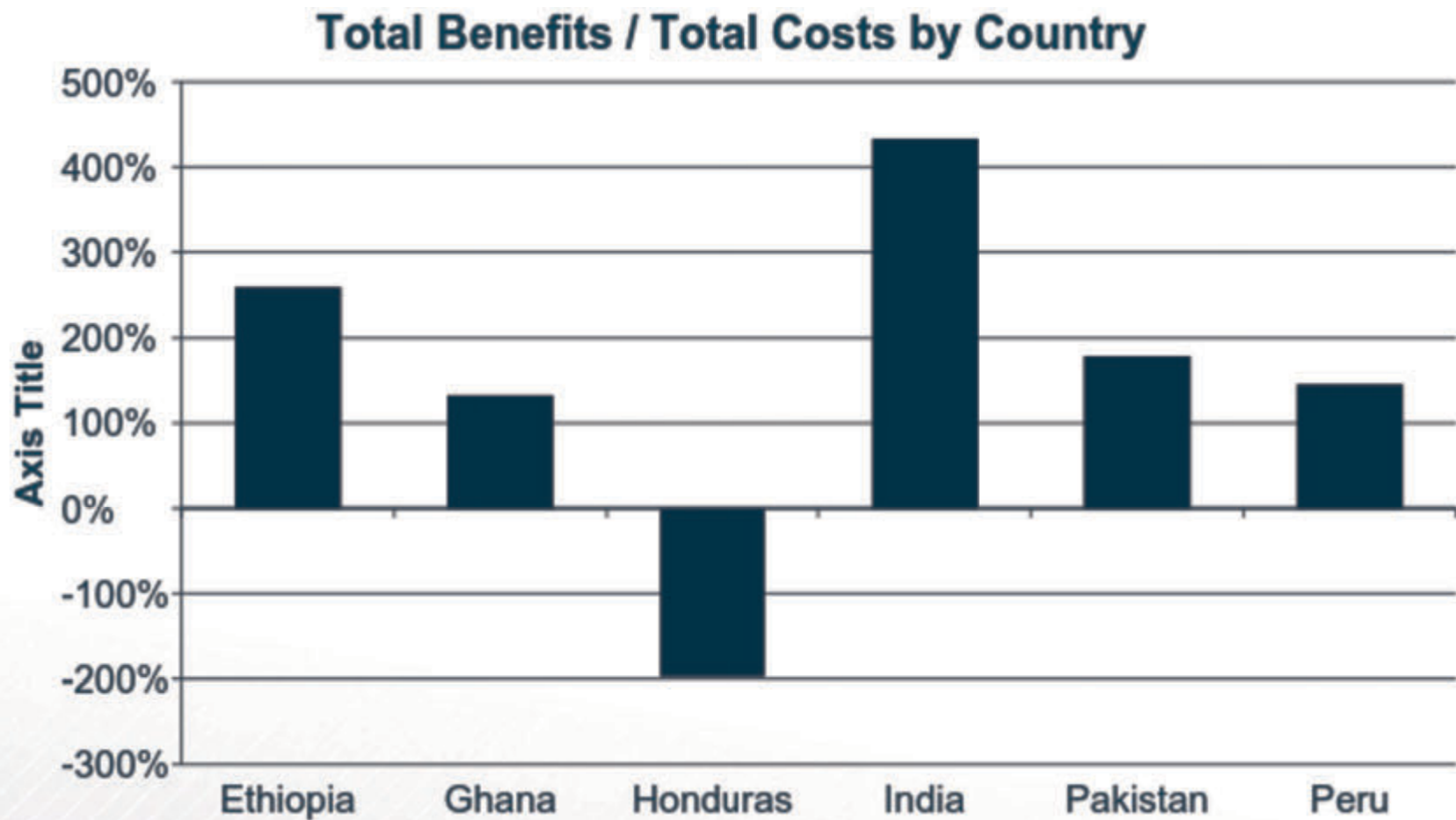
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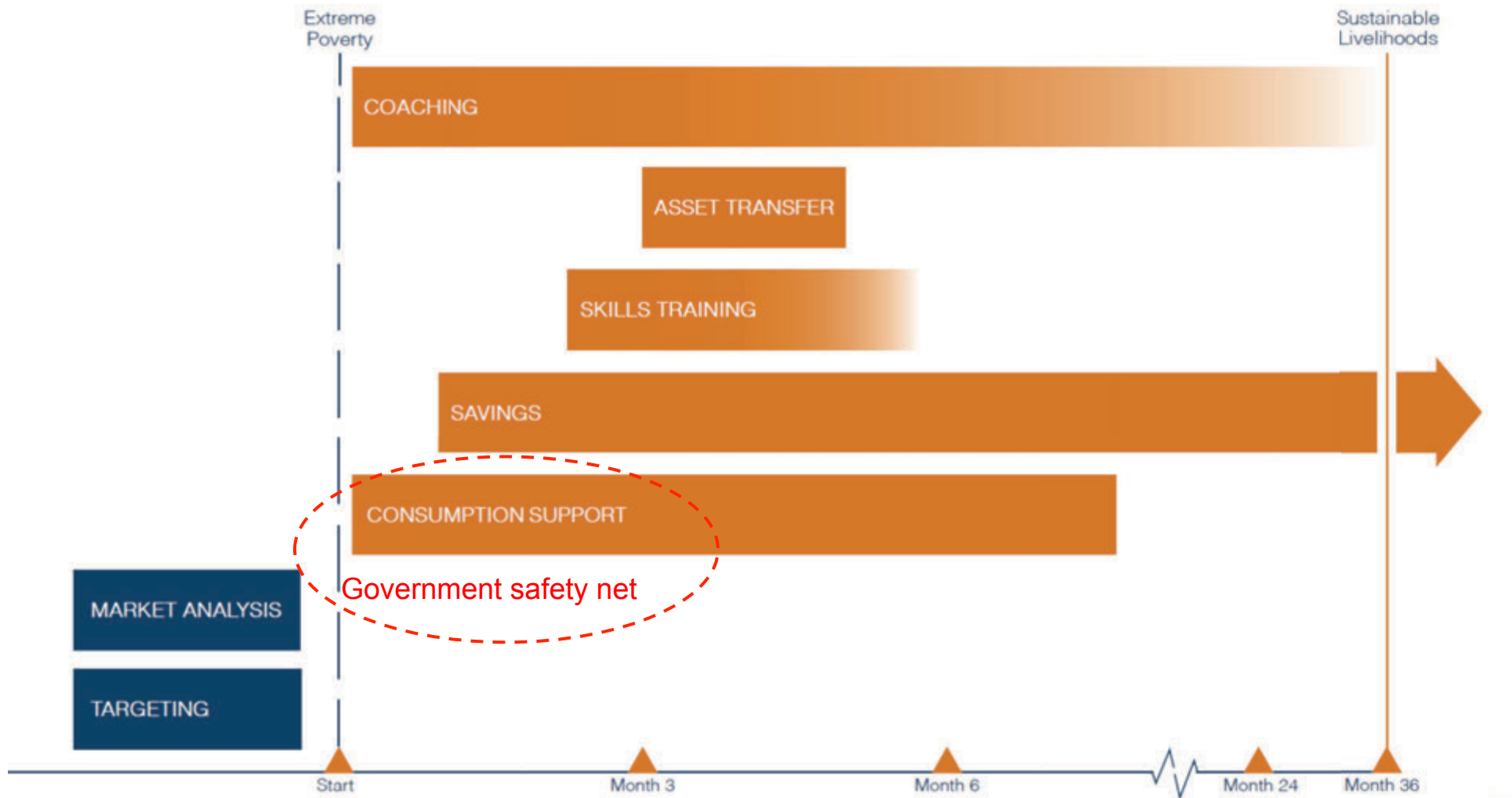


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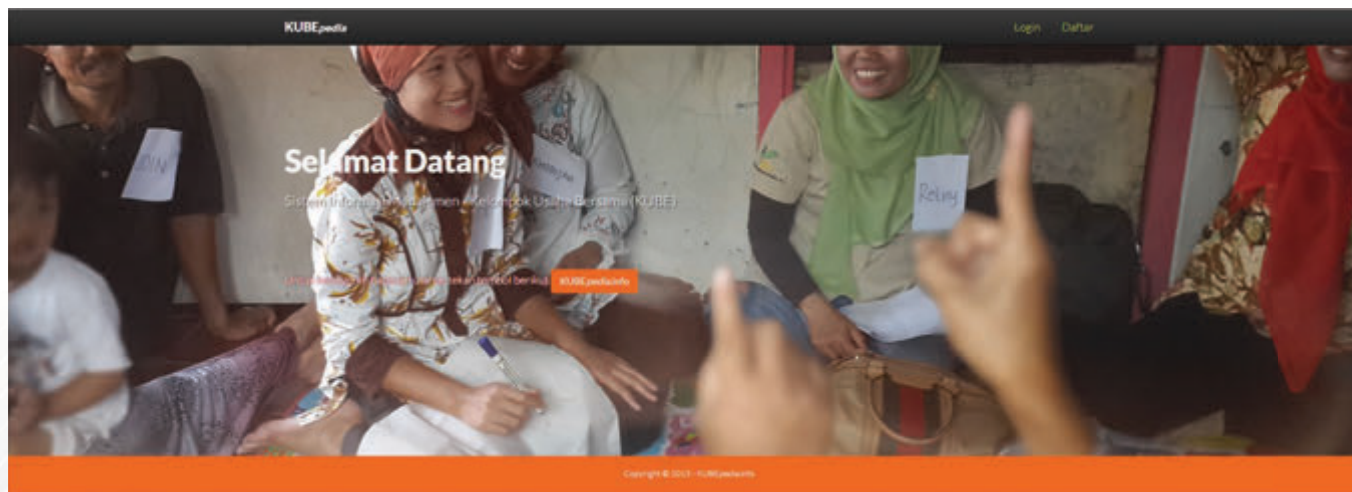
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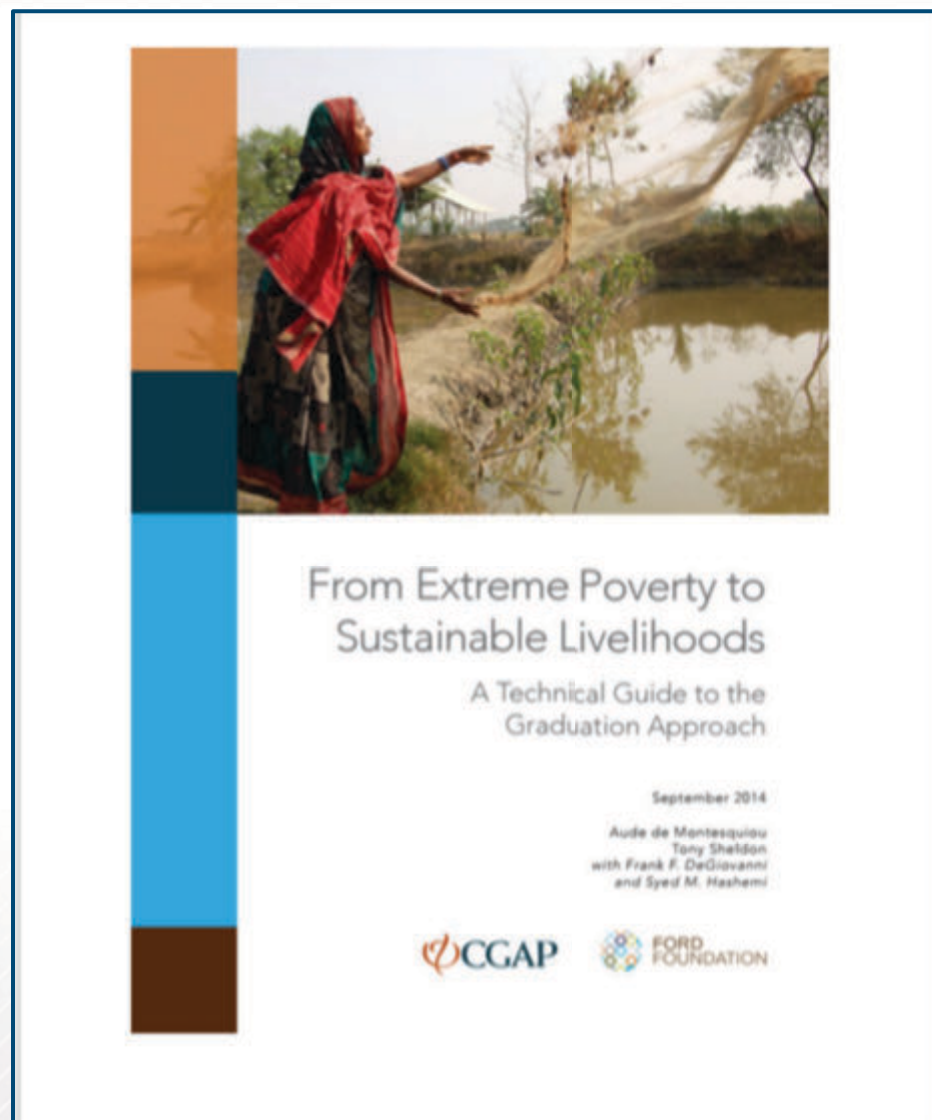
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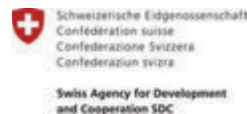
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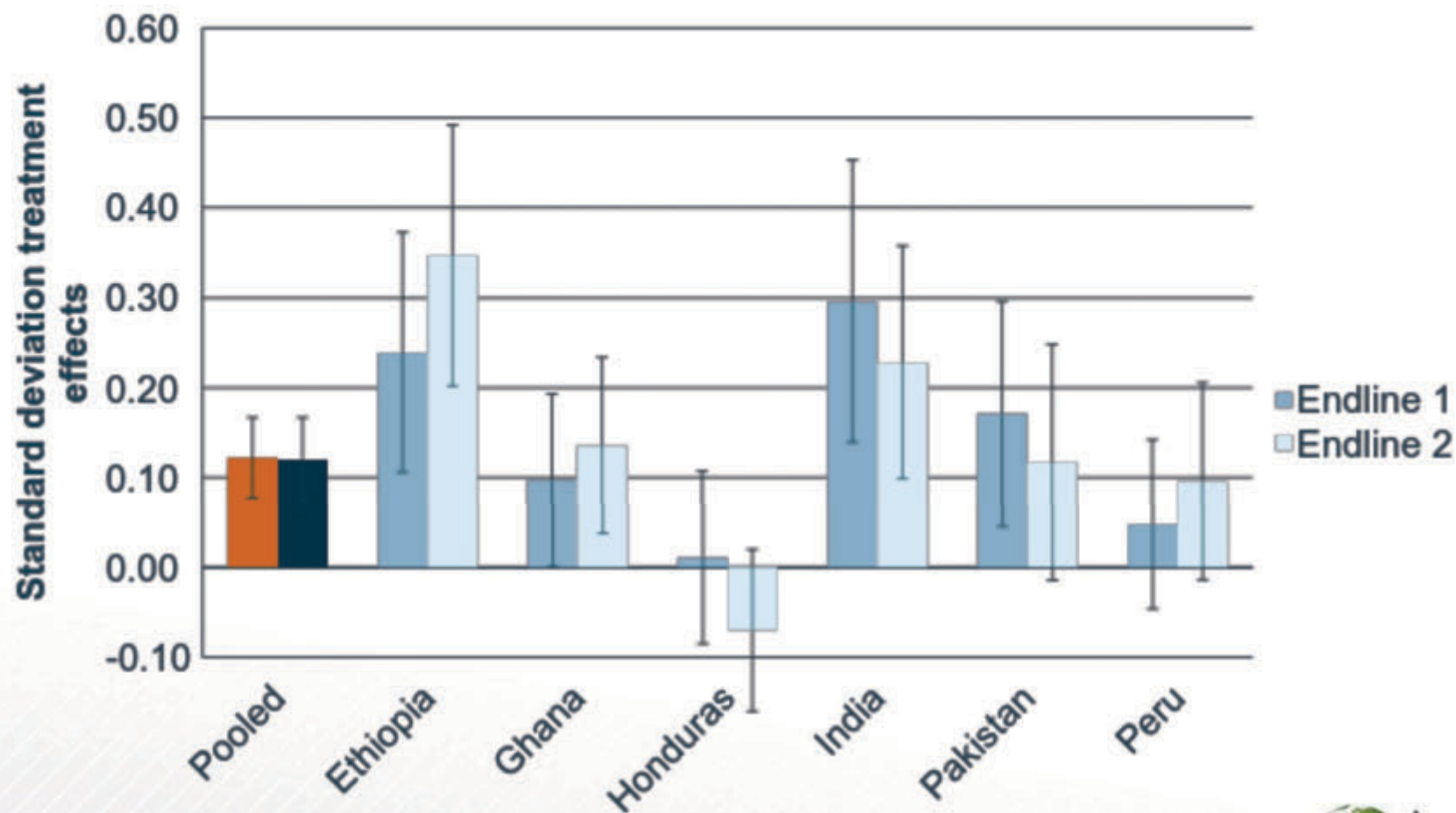
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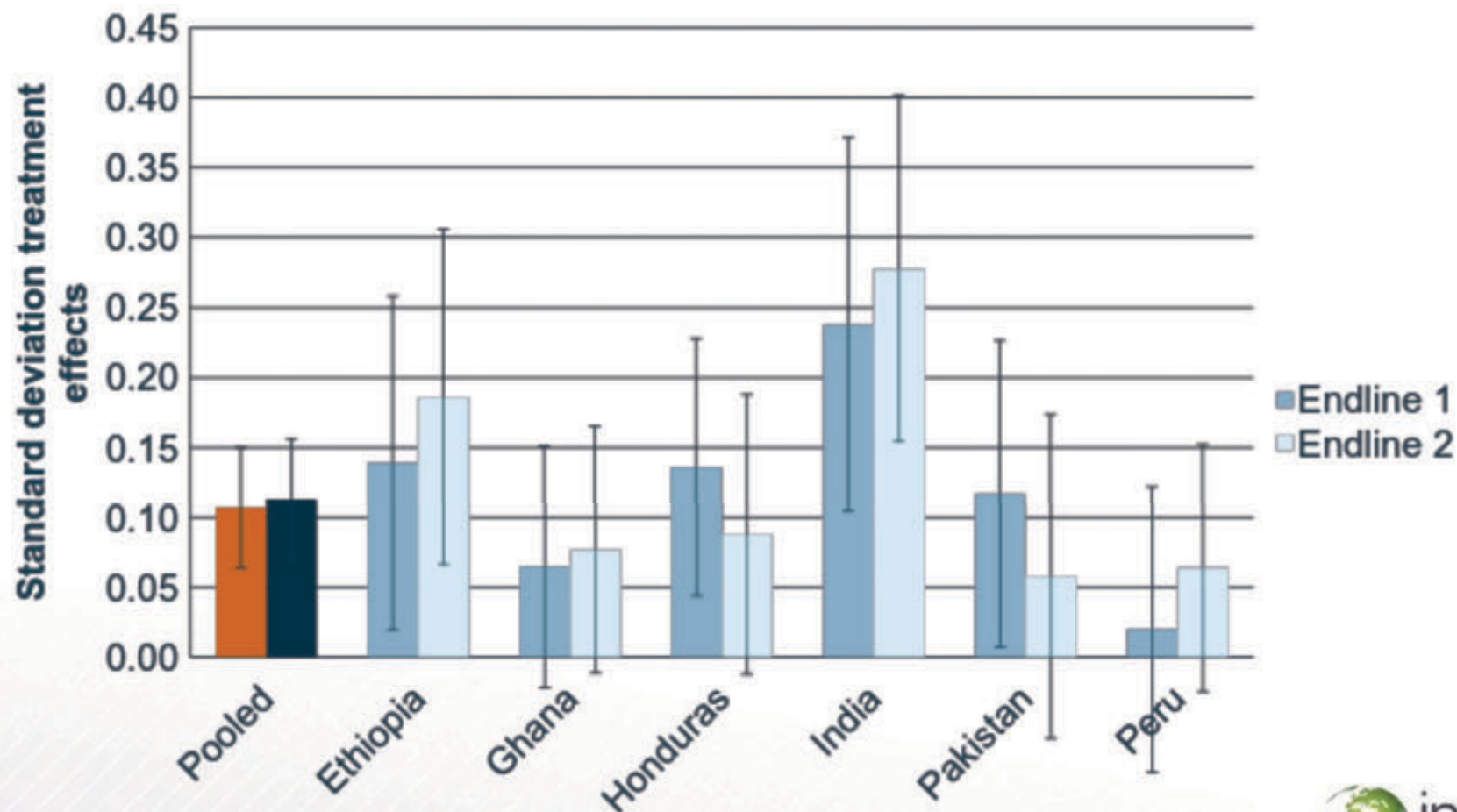


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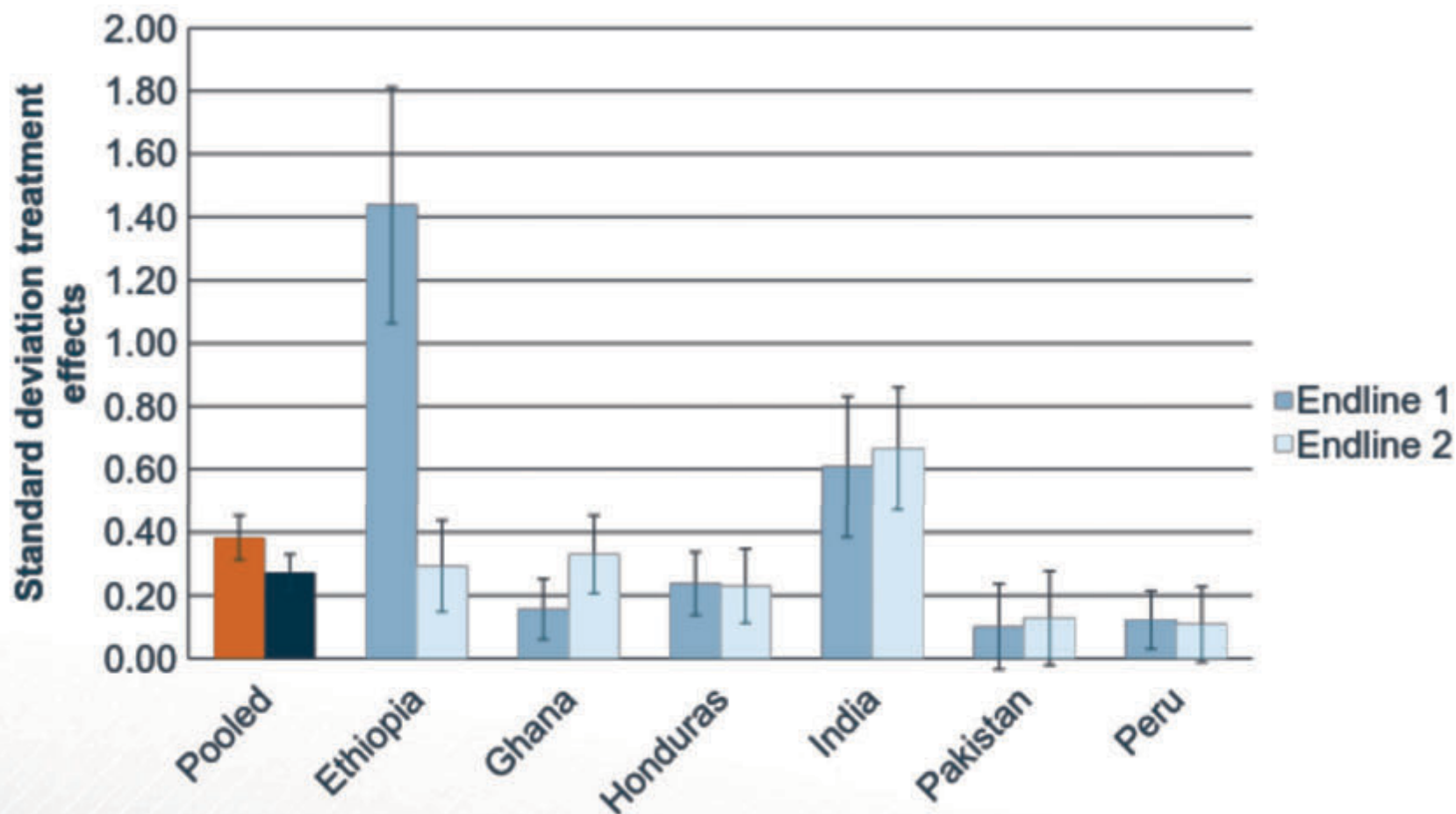


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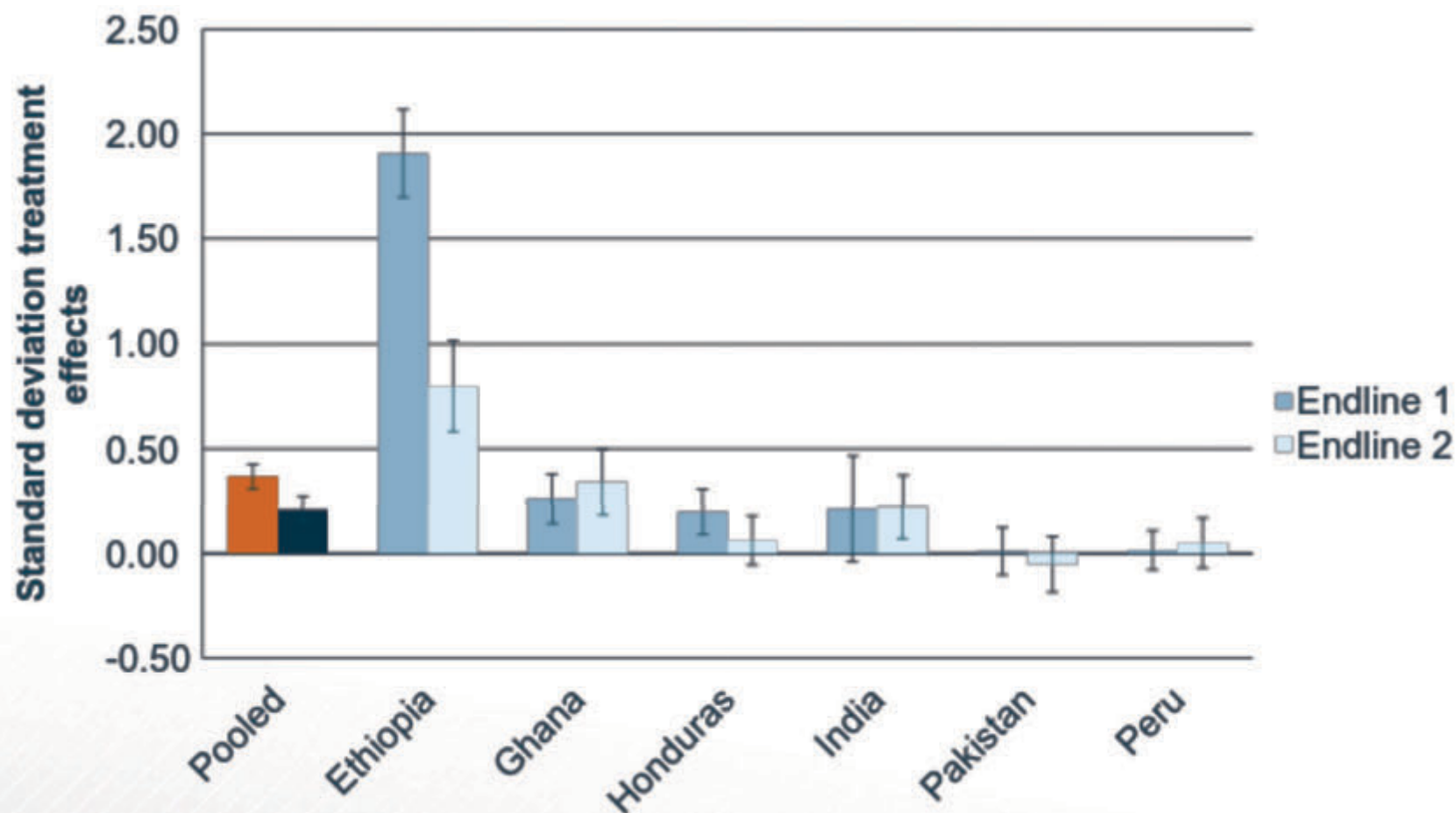


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