PARTNERSHIP FOR ECONOMIC INCLUSION

2018 STATE OF THE SECTOR

SYNTHESIS REPORT

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ABOUT THE PARTNERSHIP FOR ECONOMIC INCLUSION

The Partnership for Economic Inclusion (PEI) is a new global multi-stakeholder initiative hosted by the World Bank's Social Protection and Jobs Global Practice that brings together leaders of the global graduation movement and those working in similar targeted economic inclusion programs. PEI provides policy guidance, innovation testing, tools, technical assistance and capacity building based on emerging good practices and standards. It also works to ensure a strong evidence base on impact, sustainability, and cost-effectiveness.

PEI's mission is to accelerate the innovation and large-scale adoption of effective, scalable household-level economic inclusion programs including the "graduation approach," which provides an intensive, time-bound package of support enabling poor and vulnerable households to build sustainable livelihoods and increase their income, assets, and resilience.

ABOUT THE AUTHORS

Inés Arévalo *is PEI's research consultant and leads the landscaping survey;*
Michelle Kaffenberger *leads PEI's Innovation & Learning work; and*
Aude de Montesquiou *is Director of Programs for PEI.*

November 2018

ACRONYMS AND ABBREVIATIONS

CGAP	Consultative Group to Assist the Poor
CoP	Community of Practice
FSP	Financial Service Provider
IPA	Innovations for Poverty Action
OLM	Odisha Livelihood Mission
JSLPS	Jharkhand State Livelihood Promotion Society
J-PAL	Abdul Latif Jameel Poverty Action Lab
LAC	Latin American and the Caribbean
MISFA	Microfinance Investment Support Facility for Afghanistan
NGO	Non-governmental organization
OECD	Organisation for Economic Co-operation and Development
PEI	Partnership for Economic Inclusion
PSNP	Productive Safety Net Program
RCT	Randomized control trial
SA	South Asia
SSA	Sub-Saharan Africa
TA	Technical Assistance
TUP	Targeting the Ultra Poor
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees

What is the graduation approach?

The "graduation into sustainable livelihoods approach" consists of a sequenced set of interventions aimed at tackling the multifaceted constraints faced by the poorest and most vulnerable households. It typically includes five main components:

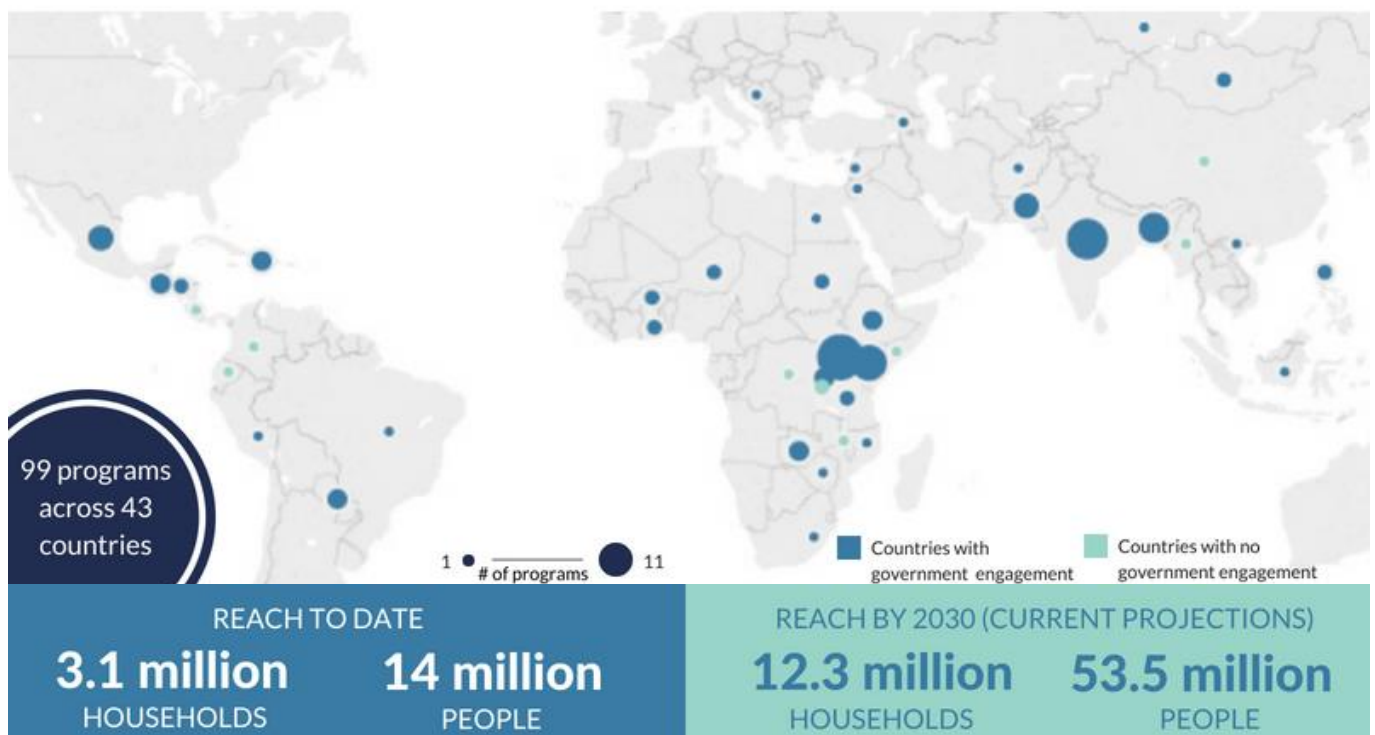**CONSUMPTION SUPPORT**   **ACCESS TO SAVINGS**   **TECHNICAL SKILLS TRAINING**   **SEED CAPITAL/ JOB PLACEMENT**   **COACHING/ MENTORING**

What is the scale of the graduation approach?*

99 programs across 43 countries

1 ● # of programs ● 11

■ Countries with government engagement   ■ Countries with no government engagement

REACH TO DATE

3.1 million HOUSEHOLDS   **14 million** PEOPLE

REACH BY 2030 (CURRENT PROJECTIONS)

12.3 million HOUSEHOLDS   **53.5 million** PEOPLE

How are governments engaged?*

Governments from 34 countries are engaged in graduation programming – nearly double the number in 2016. Government engagement includes leading, funding, and providing services. Most programs reaching over 100,000 households are led by governments.
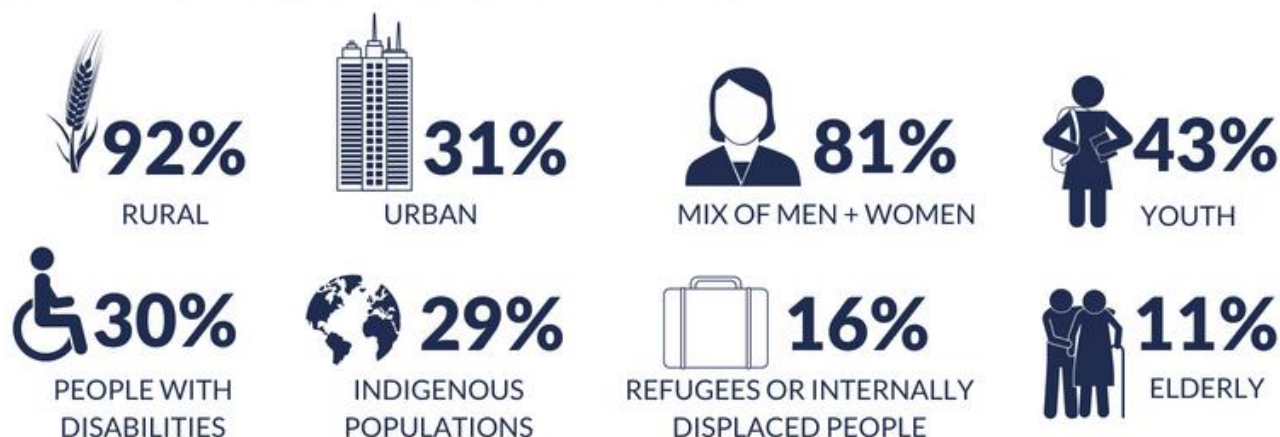
AMONG GRADUATION PROGRAMS, GOVERNMENTS...

LEAD
35%

PROVIDE COMPONENTS FOR
57%

FUND
31%

* Data as of mid-2017

Who do these programs serve?*

PERCENT OF PROGRAMS SERVING THESE SEGMENTS

92% RURAL

31% URBAN

81% MIX OF MEN + WOMEN

43% YOUTH

30% PEOPLE WITH DISABILITIES

29% INDIGENOUS POPULATIONS

16% REFUGEES OR INTERNALLY DISPLACED PEOPLE

11% ELDERLY

What do these programs provide?

PERCENT OF PROGRAMS PROVIDING CORE COMPONENTS

The five components of the original graduation approach are still the most frequently provided.

92% SEED CAPITAL/ JOB PLACEMENT

85% ACCESS TO SAVINGS

93% COACHING/MENTORING

91% TECHNICAL SKILLS TRAINING

79% CONSUMPTION SUPPORT

PERCENT OF PROGRAMS PROVIDING ADDITIONAL COMPONENTS

93% financial capability training

83% market linkages (e.g. to value chains, markets, etc.)

75% healthcare (directly or linked to health centers)

66% credit

32% links to wage employment

23% psychosocial support

43% of programs deliver at least one component digitally

77% of programs have a research component

* Data as of mid-2017

SECTION 1
INTRODUCTION

The *graduation into sustainable livelihoods approach* (hereafter referred to as "graduation") consists of a sequenced set of interventions aimed at tackling the multifaceted constraints faced by the poorest and most vulnerable households. [1] Pioneered by BRAC in Bangladesh in the early 2000s and further tested through a series of pilots conducted by the Consultative Group to Assist the Poor (CGAP) and the Ford Foundation, the graduation approach has increasingly been adapted and implemented in low-income and middle-income countries. [2]

Since 2011, CGAP has regularly surveyed graduation programs being implemented around the world as part of its work to accelerate practice and knowledge in the field and build the global graduation Community of Practice (CoP). In mid-2017, the CGAP Graduation Initiative transitioned into the Partnership for Economic Inclusion (PEI), hosted at the World Bank's Social Protection and Jobs Global Practice (see Box 1). Regularly surveying graduation programs is core to PEI's mandate to identify trends and innovations in design and practice, share knowledge, and track progress, as graduation expands and scales globally.

From July to September of 2017, PEI conducted a survey of graduation implementations through an online structured questionnaire. The questionnaire built on CGAP's past surveys (which ran from 2011 through 2016) in order to identify trends and expand knowledge about adaptations of the graduation approach. Wider in scope than previous surveys, the most recent round gathered data on locations of programs, types of organizations involved, costs and size of implementations, target segments, contexts for implementation, components included in the graduation package.

Most survey respondents were existing members of the CoP and self-identify their programs as "graduation." There is variation in program design as organizations have adapted the approach to meet different context, segment, and organizational needs. [3] Data was self-reported by program staff or key partner staff via an online survey and through follow-up phone calls to obtain additional information or clarification, as needed. [4] The survey captured data from programs that are in the advanced design or pilot phase, completed pilots for which scale-up is planned, current ongoing programs, and programs that were completed in 2016 or later.

This report presents findings from the 2017 graduation landscaping survey and presents an overview, identifies trends, and provides analysis of implementations. PEI intends that these survey results serve as a resource for policymakers, funders, and implementers of government, international agency and non-governmental organization (NGO) programs, as well as for researchers, technical assistance (TA) providers, and others involved in graduation programming. Data on all programs are being made publicly available in conjunction with this report. PEI will continue collecting data on a regular basis, to maintain an up-to-date, searchable database.

BOX 1

The Partnership for Economic Inclusion

PEI is a new multi-stakeholder initiative, uniting leaders of the global graduation movement that have been working together for more than a decade through the CGAP-facilitated Community of Practice; these include leading NGOs such as BRAC, Fundación Capital, Trickle Up, Bandhan Konnagar, Concern Worldwide, and the Pakistan Poverty Alleviation Fund (PPAF), world-class research organizations such as Innovations for Poverty Action (IPA) and Abdul Latif Jameel Poverty Action Lab (J-PAL), the World Bank (PEI's host), and other funders and global poverty advocates.

PEI's mission is to accelerate the innovation and large-scale adoption of effective, scalable household-level economic inclusion programs including the "graduation approach," which provides an intensive, time-bound package of support enabling poor and vulnerable households to build sustainable livelihoods and increase their income, assets, and resilience.

PEI provides policy guidance, innovation testing, tools, technical assistance, and capacity building based on emerging good practices and standards. It supports the development of a strong evidence base on impact, sustainability, and cost-effectiveness.

PEI facilitates the graduation Community of Practice comprised of over 100 members, including policy champions, government program managers, non-governmental organizations that specialize in economic inclusion programming and experts with experience in designing, implementing, funding, and researching such programs.

GRADUATION LANDSCAPING OVERVIEW

The Graduation landscaping survey was completed for a total of 118 programs in 2017. Of these programs, there are 73 ongoing, 26 in the last stages of pre-launch planning (including four completed pilots now in the planning phase for scaling up), and 19 programs that ended in either 2016 or 2017 without plans to continue.[5] In order to ensure this Synthesis Report provides a rigorous overview of the current landscape of graduation programming, PEI focuses analysis and reporting on the 99 programs that, at the time of data collection, were ongoing or about to launch, and has excluded past or closed programs. Annex 1 lists all the 99 programs.

The number of ongoing graduation programs identified in 2017 represents a substantial increase from the number of implementations mapped in 2015 and 2016 (32 and 55, respectively). Among the programs included in the 2017 survey, fewer than 10 programs reported a start date prior to 2011, about 30 reported a start date in the 2011-2015 period, and over 50 implementations reported a start date in 2016 or later. Most of the programs that started in 2016 and onwards are pilots, while seven are scale-ups. Five of the scale-ups are in Sub-Saharan Africa (SSA).

Non-governmental organizations continue to lead most graduation programs (57% of all programs)—with a wide range of program size, from pilots serving hundreds of households to BRAC's program with over 1.7 million households. Today, governments are increasingly building graduation-type programs into their social protection systems: governments lead 35 graduation programs in 23 countries, which represents a near doubling in the number of government-led programs from the previous survey.

Figure 1: Number of programs by start year and lead organization
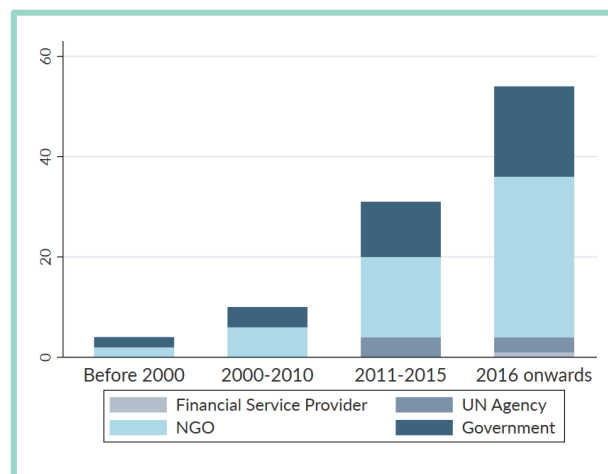
The survey shows that there is graduation programming currently underway in 35 countries, with graduation programs about to launch in an additional eight countries. In total, this means graduation programs will be active in 43 countries worldwide (see Figure 2 below).

Figure 2: Graduation program locations

No. of programs
- ○ 1
- ○ 2
- ○ 4
- ○ 6
- ○ 8
- ○ 10
- ○ 11

Note: The size of the circle indicates the number of programs in a given country, as shown in the legend.

SCALE AND GEOGRAPHICAL SCOPE OF GRADUATION PROGRAMS

- Current graduation programs have served over 3.1 million households to date (nearly 14 million people in total)[6], up from 2.5 million households reported in 2016.[7,8] Programs expect to reach an additional 1.3 million households with current funding and nearly eight million households more by 2030 if additional funds are secured.

- Graduation programs will soon be in 43 countries on four continents, mostly concentrated in low- and lower-middle-income countries (34% and 50% of programs, respectively).

- Seventy-five percent of graduation programs surveyed are in fragile or conflict-affected countries, where extreme poverty is concentrated.[9]

- Forty-seven percent of all graduation programs are in SSA, followed by Latin America and the Caribbean (LAC) and South Asia (SA) with 20% and 19% of programs, respectively (Figure 3). However, programs in SSA tend to be smaller than SA and LAC programs so they make up a smaller proportion of the households and individuals reached. SA has the most households and individuals reached, with the highest number of people reached in Bangladesh (where over 1.7 million households have been served to date, mostly by BRAC). Annex 2 includes a list of the five largest programs, overall and by region.

- Overall, 92% of programs operate in rural areas, 31% in urban, and 23% operate in both, with some interesting regional differences. For example, programs in SA are almost all exclusively rural. Half of the programs that operate exclusively in urban areas are in LAC.

- On average, the duration of the graduation interventions for the participating individual or household ranges from 21 to 27 months (median duration is 24 months), regardless of whether the program is government- or NGO-led.

Figure 3: Graduation programs, households reached to date, and extreme poverty, by region

Source: World Bank's Poverty and Equity Database
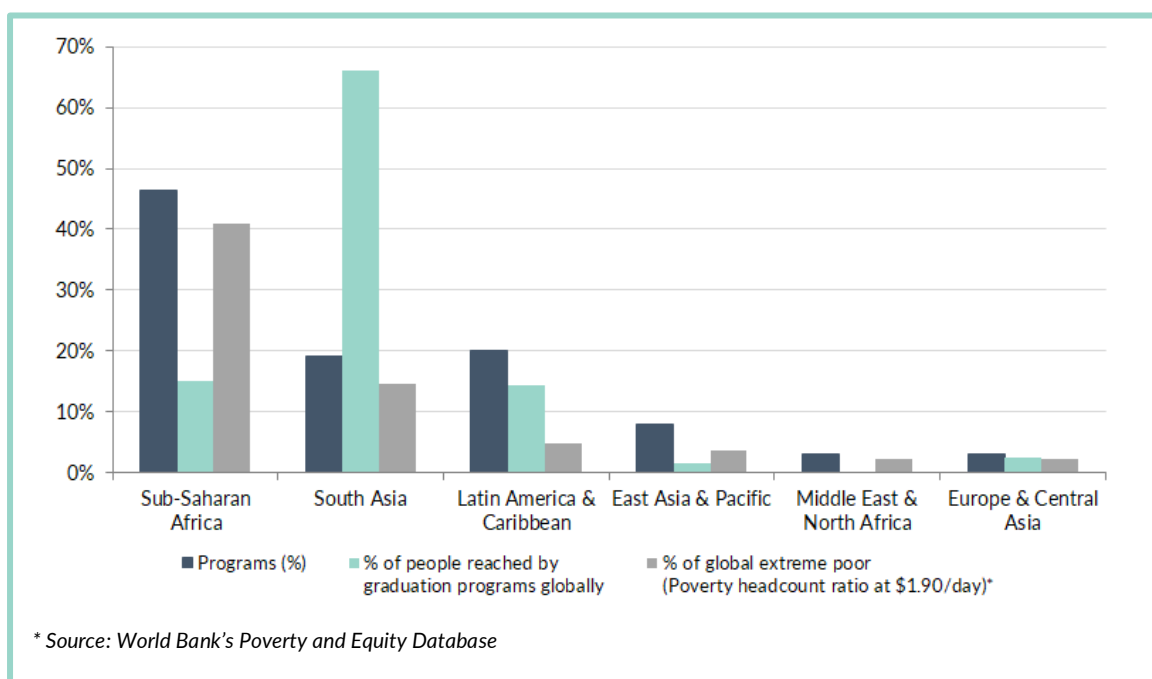
Seventy-five percent of graduation programs in the survey are in fragile or conflict-affected countries, where extreme poverty is concentrated.

GRADUATION ACTORS

LEAD ORGANIZATIONS AND OTHER PROVIDERS

In most cases, graduation programs are implemented by several organizations that come together to implement the various components included in the program. The types of partnerships established for the implementation of the graduation approach vary from program to program, but often involve different types of organizations, including NGOs, governments, and financial service providers (FSP). A typical partnership model for a graduation program is depicted in Figure 4.
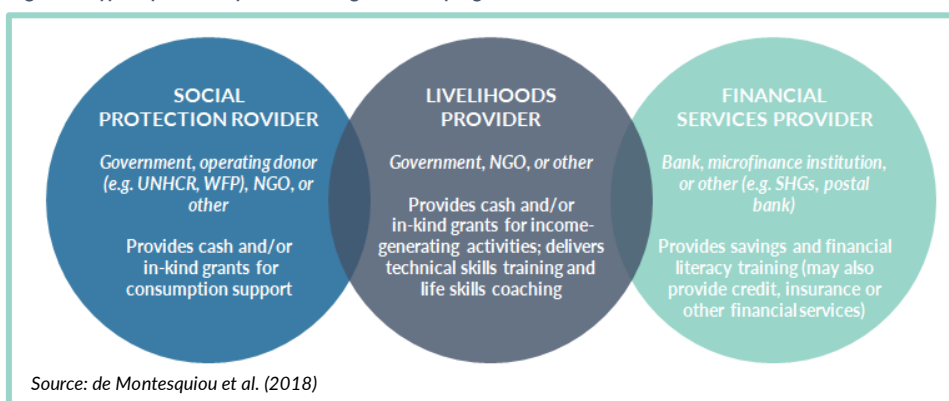
Graduation programs typically have a lead organization, which coordinates the efforts of other partners and plays an active role in delivering services on the ground. Graduation programs that were part of the survey are led by NGOs (57%), governments (35%), UNHCR (7%), and FSPs (1%).

The survey also asked respondents to identify the type of organization implementing each of the individual components included in the program, in addition to identifying the type of lead organization. Since the first step of a graduation program is typically a cash stipend to help smooth consumption, programs are often built on existing government safety nets or other cash transfer programs. The survey shows that 32 programs build on existing government initiatives in this way (Annex 3 includes a list of these). Twenty-five of these are government-led programs, that is, 71% of all government-led programs are built on an existing government social protection program.

At the same time, most government-led programs involve NGOs in the provision of program components (57% of all programs where the government is the lead organization). For example, Microfinance Investment Support Facility for Afghanistan (MISFA), a government-led public-private entity, leads a program that is implemented in different regions by several NGOs, including BRAC, Coordination of Afghan Relief, Welfare Association for the Development of Afghanistan, and Coordination of Humanitarian Assistance.

Figure 4: Typical partnership model for a graduation program

SOCIAL PROTECTION ROVIDER

Government, operating donor (e.g. UNHCR, WFP), NGO, or other

Provides cash and/or in-kind grants for consumption support

LIVELIHOODS PROVIDER

Government, NGO, or other

Provides cash and/or in-kind grants for income-generating activities; delivers technical skills training and life skills coaching

FINANCIAL SERVICES PROVIDER

Bank, microfinance institution, or other (e.g. SHGs, postal bank)

Provides savings and financial literacy training (may also provide credit, insurance or other financial services)

Source: de Montesquiou et al. (2018)

> *71% of all government-led programs are built on an existing government social protection program.*

The survey also shows that NGO-led programs often partner with local or regional governments in the provision of services at the community level. For example, the NGOs Fundación Lachua in Guatemala and Ko'ox Taani in Mexico work with their respective local municipalities, which provide some of the program components, including, depending on location, coaching, health services, and financial capability training.

Figure 5: Type of organization providing technical assistance

*Percentage of programs receiving TA (N=74)*
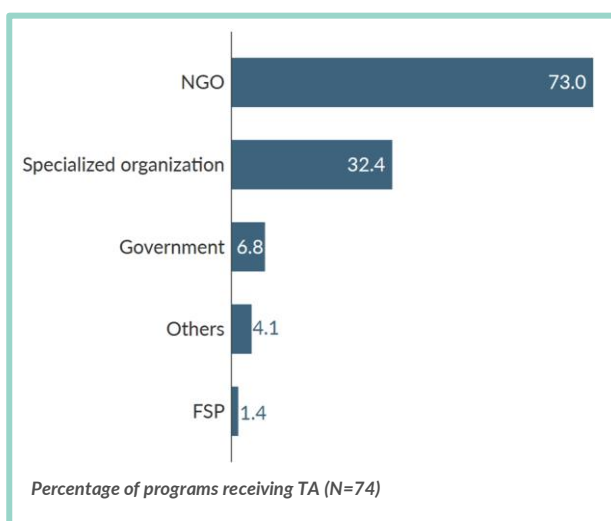
TECHNICAL ASSISTANCE PROVIDERS

Three quarters of programs received TA, mostly from NGOs (73% of the programs receiving TA), followed by donors or other specialized organizations (including universities and research institutes), which served 32% of programs receiving TA (Figure 5).[10] In five programs, governments provided TA (6.8% of programs receiving TA). For example, the *Integrated Graduation Approach for Indigenous Communities* program in Paraguay, led by the Technical Secretariat of Economic and Social Development Planning, receives technical support from various ministries, including the Ministry of Women's Affairs, the Ministry of Agriculture and Livestock, and the Ministry of Education and Culture. Sometimes, specialized units in the headquarters of an organization (e.g., Concern, Fundación Capital, BRAC USA) provide TA to country staff. The main areas where programs

received technical support are in program design, including initial assessments (85% of programs that received TA), training of program staff (81%), as well as the design and implementation of monitoring and evaluation systems (77%). Thirty-one percent of programs received support for the overall management of the program, either provided by NGOs or specialized organizations, such as universities, research institutes, and external consultants.

Figure 6: Sources of external funds

Percentage of programs with external funds (N=86)
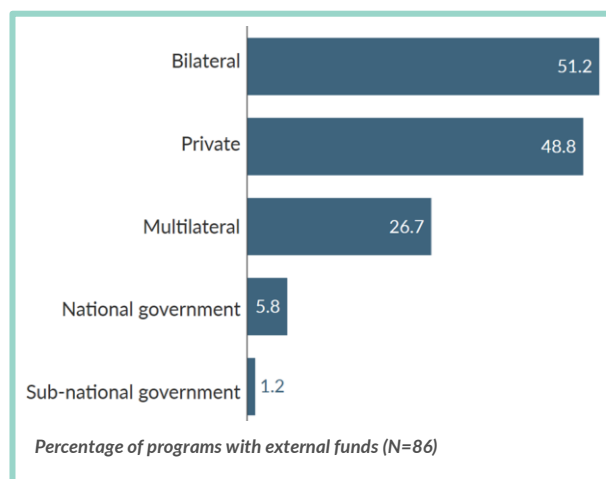
FUNDERS

Graduation programs are mostly funded with external funds (such as donor funding), either alone (56% of all programs) or combined with funds from the lead organization (31%).[11] External funders include bilateral and multi-lateral donors, private foundations and individuals, and governments at national or sub-national levels (Figure 6). Generally, NGO-led programs are more likely to rely exclusively on external funding than government-led programs (75% vs. 23%).

RESEARCH PARTNERS

Programs that feature a research component typically opt to partner with other organizations that will support or undertake research activities. In particular, programs utilizing experimental or quasi-experimental designs are more likely to work with research partners than those employing non-experimental research designs. Typical research institutions engaged in graduation investigation include universities, specialized research institutions, and multilateral organizations.

GOVERNMENT ENGAGEMENT

As the number of graduation programs has increased, so has the engagement of government agencies. In 62% of programs and 34 out of the 43 countries where graduation programs operate, governments are involved in some way. Governments lead 35% of all programs, with varying delivery models, as described in Box 2. For 57% of programs, governments are directly implementing select program components. Governments help fund 31% of programs and, not surprisingly, are more likely to act as funders if they are also leading the program or implementing specific components within it. Figure 7 shows the different roles governments play across countries.

Government agencies are increasingly adding on graduation components to existing government initiatives. Thirty-two of the surveyed programs, for example, link to an existing government initiative, including cash transfers or other forms of consumption support (e.g., food voucher), insurance schemes, or public works programs.

A number of programs are conducting research on how best to integrate graduation with government programs. In Paraguay, research is underway to examine the ability of a graduation program to strengthen the government's outreach to indigenous populations. In India, J-PAL is leading a randomized control trial (RCT) to assess the implementation of the *Targeting the Hard-core Poor* program, led by the Bihar Rural Livelihoods Promotion

Society (local government) and supported by Bandhan Konnagar (local NGO) through TA provision. The research will capture data to assess the process of implementation and inform how the program may be scaled up in the future.

Local governments have also become engaged in graduation when NGOs and other organizations (e.g., UNHCR) partner with them to incorporate existing government services in programs. Because of the physical isolation of some program participants, graduation can provide an opportunity to link participants to government services for which they qualify but have not accessed in the past. This has led some graduation programs to coordinate with the government to link participants to services such as health care or technical support for participants engaged in livestock production. For example, Concern Worldwide's *Enabling Sustainable Graduation out of Poverty for the Extreme Poor* program in southern Malawi, links participants to services provided by the local government. In Bangladesh, BRAC links participants to services provided by various government departments, including agriculture and forestry, youth, women, and children's affairs department. Some programs also coordinate with the government to enhance the provision of essential social services for the poor. For example, UNHCR supports the government in coordinating the assistance and protection of asylum seekers and also advocates for the elimination of barriers for refugees to access social services. Informal engagement with the government is also important to increase the visibility and local buy-in for the program.

Figure 7: Government's role by country

BOX 2
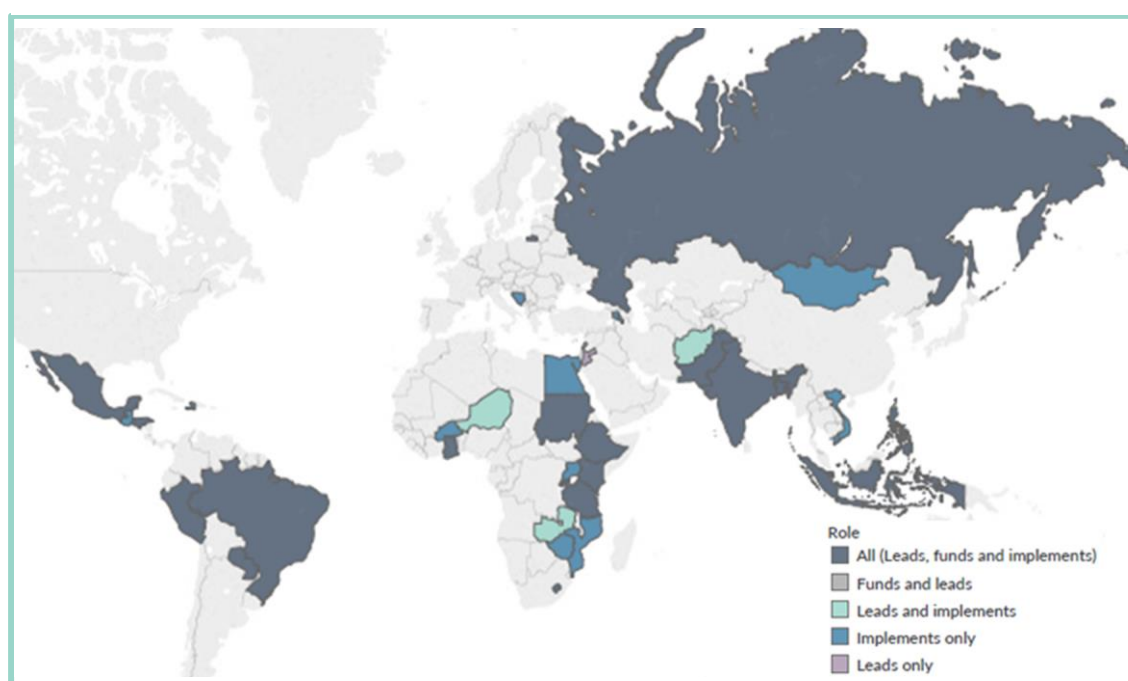
Delivery models for government-led programs

Among government-led efforts, the delivery models implemented to date fall into three main categories:

(1) **Adding productive livelihoods features onto existing social assistance schemes:** Ethiopia, Peru, Paraguay, and Colombia are adding graduation-inspired productive livelihoods components onto existing social assistance programs. For example, the Peruvian Ministry of Development and Social Inclusion created Haku Wiñay by adding elements of the graduation approach (including asset transfers, skills training, savings mobilization, and life skills coaching) onto an existing conditional cash transfer scheme (Juntos program).

(2) **Using the graduation approach to converge existing social protection interventions and services:** Building social protection systems is administratively very complex, especially when it involves linking existing schemes that are managed by separate institutions. Several countries are using the graduation approach to build linkages among social assistance programmes for the poorest. Indonesia and the Philippines, for example, are working towards integrating their poverty-targeted programmes so that people can access comprehensive packages of services, which are intended to help them move out of extreme poverty. UNHCR is pursuing this model as well combining services it already delivers (shelter and food aid, psychological support, productive livelihoods or job training) to displaced persons into comprehensive, graduation-like packages of services.

(3) **Graduation programmes as the seed for future social protection systems in fragile contexts:** There has been much discussion about ways of linking social protection and humanitarian aid in fragile settings. Government schemes in these settings can be implemented in coordination with NGOs to overcome capacity challenges and/ or accessibility issues. If designed with (future) social protection system-building in mind, identification process, data-bases and monitoring arrangements can become building blocks for larger programs. The Social Safety Net pilot program in Sudan, led by the Ministry of Welfare and Social Security (MoWSS) with TA from the World Bank, is testing a productive safety net approach that provides predictable transfers and livelihood services to the poor households in selected regional states. Different government agencies, at national and state level, such as the Ministry of Finance and Economic Planning, state-owned Sheikan Insurance Co. and the MoWSS, as well as local NGOs, are involved in the delivery of the graduation components.

Source: Adapted from OECD (2018)

Figure 8: Main actors in graduation

External funders

Governments
Australia
Canada
China
Denmark
France
Germany
India
Ireland
Italy
Japan
Mexico
Netherlands
Norway
Pakistan
Paraguay
Philippines
Spain
Sweden
Switzerland
United Kingdom
United States of America

Multilateral orgs.
Asian Development Bank
European Union
Food and Agriculture Organization
Interamerican Development Bank
United Nations High Commissioner for Refugees
United Nations Children's Fund
World Food Programme
World Bank

Private Foundations
Arcanum Foundation
Arcus Foundation
Areva Foundation
Augusa Foundation
Axis Bank Foundation
Cartier Charitable Foundation
Dorothea Haus Ross Foundation
Ford Foundation
Fonds pour Eux
Fundacion Nutrinfantil
Get in Shape for Women
Greater Impact Foundation
Haiti Timoun Foundation
IKEA Foundation
King Baudouin Foundation
Mastercard Foundation
MetLife Foundation
Rising Tide Foundation
Sinopec Addax Foundation
The Bill and Melinda Gates Foundation
UNFCU Foundation
Vibrant Village Foundation
Vista Hermosa Foundation
W.K. Kellogg Foundation

Others
Global Communities
Heifer International
Uplift

TA providers

Universities & Research orgs.
Harvard University
Human Sciences Research Council
Instituto Nacional de Investigación Agraria
Institute of Statistical Social and Economic Research
Innovations for Poverty Action
Instituto Tecnológico y de Estudios Superiores de Occidente
Oxford Poverty and Human Development Initiative
Tec de Monterrey
Tufts Univeristy
Tulane University
University of Ghana's Centre for Social Policy studies
University of Pennsylvania
Center for Health Education and Appropriate Health Technologies

Donors
Asian Development Bank
Department for International Development (United Kingdom)
German Development Agency (GIZ)
International Fund for Agricultural Development
Japan International Cooperation Agency
United Nations High Commissioner for Refugees
United States Agency for International Development
World Food Programme
World Bank

NGOs
Bandhan Konnagar
BRAC
BRAC USA
Care International
Concern Worldwide
Instiglio
Opportunity International
RefugePoint
Relief Society of Tigray
The BOMA Project
TPO Uganda
Trickle Up
World Vision International

Private orgs.
FHI 360
Food Economy Group
Fundación Capital
Lattanzio Learning
Oxford Policy Management
ProSociedad

Lead organizations

Government
Microfinance Investment Support Facility for Afghanistan (MISFA)
Ministry of Women and Children Affairs (Bangladesh)
Ministry of Social Development (Brazil)
Ministry of Agriculture, Food Security Coordination Directorate (Ethiopia)
Department of Social Welfare (Ministry of Gender, Children and Social Protection, Ghana)
Subsecretaria de Integración Social
Secretaría de Desarrollo e Inclusión Social (Honduras)
Bihar Rural Livelihoods Promotion Society (India)
Life Education and Development Support (India)
Jharkhand State Livelihood Promotion Society (India)
Odisha Livelihoods Mission (India)
Department of Rural Development (Jharkhand, India)
Ministry of Social Affairs (Indonesia)
Ministry of Agriculture (Jordan)
The Government's National Treasury (Kenya)
Ministry of Social Affairs / Presidency of Council of Ministers (Lebanon)
Lesotho Ministry of Social Development
PROSPERA (Mexico)
Municipality of Chahal, and of Cahabon (Mexico)
Projet Filets Sociaux du Niger
PPAF (Pakistan)
Secretaría Técnica de Planificación (Paraguay)
Secretaría Nacional de la Niñez y Adolescencia (Paraguay)
Technical Secretariat of Economic and Social Development Planning (Paraguay)
Programa Fondo de Cooperación para el Desarrollo Social – FONCODES (Peru)
Department of Social Welfare and Development (Philippines)
Ministry of Labor and Social Protection (Russia)
Government of Rwanda
Ministry of Welfare and Social Security (Sudan)
Tanzania Social Action Fund
Ministry of Community Development and Social Services (Zambia)

NGO
Association d'Aide aux Enfants et aux Familles Démunies
Alliance Internationale pour le Développement et la Solidarité en Afrique
Association Monde Rural
AVSI Foundation
Banco de Alimentos Cáritas del Estado de México
Bandhan Konnagar
BRAC
CARE International
Caritas Czech Republic
Catholic Relief Services
Concern Worldwide
Fondasyon Kole Zepòl (Fonkoze)
Fundacion Lachua
FXB
Heifer Project International
Ko'ox Taani
Kulima
Mercy Corps
Plan International
Relief Society of Tigray
Save the Children
The BOMA Project
Trickle Up
Village Enterprise
World Vision

UN Agencies
United Nations High Commissioner for Refugees

FSP
Alalaya Sa Kaunlaran Inc

Research partners

Universities & Research orgs.
International Initiative for Impact Evaluation (3ie)
Center for Economic Research in Pakistan
Centro de Análisis y Difusión de la Economía Paraguaya
Duke University
Asociación Ecología, Tecnología y Cultura en los Andes
Grupo de Análisis para el Desarrollo
Higher School of Economies
Human Sciences Research Council
Institute of Development Studies
International Food Policy Research Institute
Innovations for Poverty Action
Institute of Statistical Social and Economic Research
Abdul Latif Jameel Poverty Action Lab
Lahore School of Economics
London School of Economics
Makerere University
Massachusetts Institute of Technology
National University (Costa Rica)
Nova School of Business and Economics
Oxford Poverty and Human Development Initiative
SmartStart Evaluation and Research
The International Center for Research on Women
Trinity College Dublin
Tufts University
Tulane University
Universidad de los Andes
Universidad Iberoamericana
University College of London
University of Bath
University of Carolina
University of Leogane
University of Pennsylvania
Utkal University
World Bank's Africa Gender Innovation Lab

NGOs
BRAC
Budongo Conservation Field Station
Food Economy Group
Helen Keller International
HIAS
Lwala Community Alliance
Mercy Corps
Trickle Up

Donors
Consultative Group to Assist the Poor
Food and Agriculture Organization
Organisation for Economic Co-operation and Development
United Nations Children's Fund
World Food Programme
World Bank

Governments
Central Bureau of Statistics in Ethiopia
Ministerio de Economía y Finanzas Públicas (Perú)
Ministry of Social Affairs and Labor (Haiti)
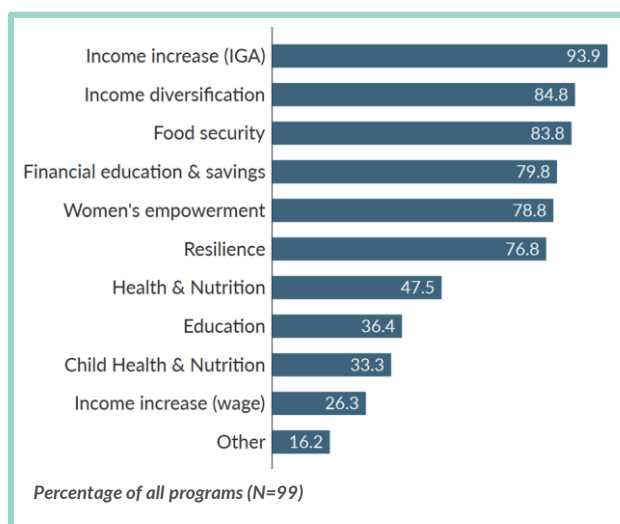Odisha Livelihoods Mission (India)

GRADUATION AS DRIVER OF CHANGE

PROGRAM OBJECTIVES

While the reduction of extreme poverty is the overarching goal in graduation programs, each pursues a range of objectives that respond to the varying needs of households living in extreme poverty. The range of objectives reflects the multidimensional nature of poverty and how graduation programs seek to address the many challenges participants face (see section 0). Ninety-four percent of all programs have an explicit focus on increasing incomes through self-employment or income generating activities (IGA), and a large portion also focus on income diversification (85%). While the original graduation approach focused only on self-employment livelihoods, given that the initial ten pilots were based in rural areas, the graduation field is evolving, with 26% of programs now also focusing on increasing incomes through wage employment. Improving households' food security is the third most cited program objective (84%), followed by enhanced financial capabilities (80%) and women's empowerment (79%).[12]

Building resilience, an objective for 77% of programs, is more often pursued by programs located in SSA.[13] In Niger, for example, a research study by IPA is examining whether diversification of livelihoods or intensification of economic activities (which could produce specialization, economies of scale, etc.) is most effective at facilitating resilience.[14] The Somalia Resilience Program, led by World Vision, is seeking to determine appropriate metrics for measuring resilience.

> *79% of programs explicitly aim to improve women's empowerment.*

Figure 9: Program objectives

Income increase (IGA)	93.9
Income diversification	84.8
Food security	83.8
Financial education & savings	79.8
Women's empowerment	78.8
Resilience	76.8
Health & Nutrition	47.5
Education	36.4
Child Health & Nutrition	33.3
Income increase (wage)	26.3
Other	16.2

Percentage of all programs (N=99)

Defining context-specific Graduation Criteria

The landscaping survey asked respondents to list the criteria they use to determine whether a household has "graduated" from the program.[15] *"Graduating out of the program"* requires that participants reach a point or threshold defined by locally determined criteria that ensure that he or she can sustain an economically viable livelihood and has lower risk of reverting back into extreme poverty.[16]

Seventy-four percent of programs define specific *graduation* criteria (and an additional 4% of programs are still in the process of defining them), choosing indicators that are closely aligned to the specific characteristics of the poor in the local context. Nearly all programs defining graduation criteria use multiple indicators, often combining qualitative and quantitative measures.[17] The

most commonly used indicators are assets (including savings), food security, diversification of livelihoods, and income (Figure 10). Other graduation indicators used to define (and assess) graduation, include empowerment, which is used by 70% of programs, and whether participants' children go to school.

Figure 10: Graduation indicators

Percentage of programs defining graduation criteria (N=73)
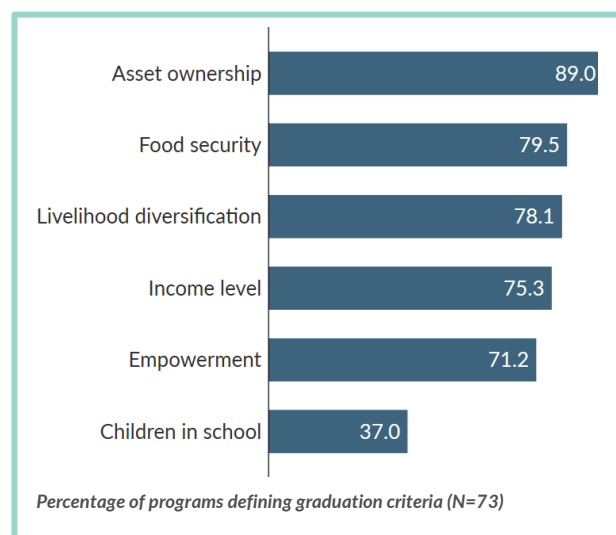
Programs whose graduation indicators include empowerment define it mostly in terms of participants' voice and influence (decision-making power) within the household, the community, and within their own lives, particularly for female participants. Definitions of empowerment also encompass participants' involvement in community institutions and local governance, their capacities to access and effectively make use of increased economic opportunities, their increased self-esteem, and increased knowledge about their rights and their motivation to exercise them.

Some graduation programs include additional indicators that may be linked to specific objectives pursued by the organization leading the program. For example, Fundación Lachua's *Inclusive Ixcan* program in Guatemala aims to achieve the financial inclusion of people with disabilities. Another objective of the program is to enhance the knowledge of sexual and reproductive health and rights for their target population, which they pursue through the implementation of training sessions on those topics. The program's graduation criteria include, among other indicators, participants' level of savings and knowledge of sexual and reproductive health and rights.

IDENTIFYING PARTICIPANTS

Graduation program designers must decide whether to target the household or individuals as recipients of graduation program inputs. Forty-six percent of programs target households, 8% target specific individuals within households, and 46% target both. While there continues to be a focus on targeting rural and extremely poor women, particularly for government-led interventions, programs are increasingly targeting other segments, including, youth, people with disabilities, and indigenous populations.

Poverty profile

Programs most commonly target participants based on their poverty status.[18] Seventy percent of all programs target households living below the $1.90 a day poverty line (the World Bank's extreme poverty line).[19] This poverty line is often used in combination with other poverty measures (described below), and augmented with other non-income criteria for targeting. However, typically participants do not need to meet all of the selection criteria to qualify for the program. For example, BRAC's *Targeting the Ultra Poor* (TUP) program targets participants who meet three out of five criteria.[20]

Almost two-thirds of programs identify participants using other poverty measures, including other poverty lines (e.g., national income-based poverty lines, multidimensional poverty indexes) or characteristics identified by the community or program staff as a key poverty characteristic (e.g., food insecurity, lack of assets, women-headed households, etc.). About 10% of programs adopt or build from the definition of poverty used by another (usually government-run) initiative to which the graduation program is linked.

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BOX 3

Evidence-based graduation in Ethiopia's Productive Safety Net Program

In the fourth and current phase of the Productive Safety Net Program (PSNP IV), the Government of Ethiopia expanded its original consumption assistance and food for work safety net that had started in 2005, incorporating the core principles and components of the graduation approach. PSNP IV targets chronically and transitorily food insecure rural households and aims to enhance resilience to shocks and livelihoods, and to improve food security and nutrition.

PSNP IV components include consumption support (cash and/or in-kind transfers), technical skills training, a one-time asset transfer, links to wage employment (for participants who opt for the employment pathway instead of self-employment), savings facilitation, technical skills training relevant to the livelihood pathway chosen by participants, coaching, links to credit from financial service providers (e.g. rural credit and savings cooperatives), linkages with health and nutrition services, and linkages to other social protection services. All PSNP IV components are open to all participants, but some components are adapted to different participant profiles. For example, households deemed able to provide labor must work on public infrastructure projects in exchange for the consumption support they receive over six months, while households deemed unable to provide labor to public work activities do not and receive consumption support for a year. Less poor participants must save an amount equivalent to the value of the asset transferred to them to avoid dependency, while the poorest do not have this requirement even if they are encouraged to save and take part in the savings facilitation activities.

PSNP IV's participants exit the program when they have built a level of assets sufficient to meet their household food needs for a year without PSNP IV support, and to weather mild shocks. There is not a predefined timeline for exiting the program, to ensure people do not stop receiving PSNP IV support before they are ready to do so. To assess and decide whether participants meet the above-mentioned graduation criteria, and shall therefore leave the program, the PSNP IV combines a Graduation Prediction System (GPS) with an individual assessment of a participant's assets. The GPS uses existing data, including on crop production rates, public works projects, disaster risk management, and food security to estimate the likely graduation rates by region and on a livelihood-by-livelihood basis. GPS-calculated rates are shared with Community Food Security Task Forces (CFSTFs) who decide, in coordination with the community, which local participants exit the program on an annual basis.

The CFSTFs, who also lead the selection of PSNP IV participants through a participatory wealth ranking at the outset of the program, will conduct another wealth ranking exercise with the community to produce a list of PSNP IV participants in the community. CFSTFs assess each individual in the list, starting from the wealthiest participant, and will determine who is ready for exit until the local GPS rate has been met or until they reach a person in the list who is deemed to not meet the graduation criteria. Participants that are put forward for program exit are given a 12-month grace period in which they will still receive consumption support.

Source: Adapted from PSNP's factsheet and Sheldon (2016)

Nearly all programs targeting a broader group of the poor, those living below $3.10/day, also target people living on less than $1.90/day or those identified using another poverty definition (i.e., the other two categories in Figure 11), suggesting that these more broadly targeted programs also intend to include people living in extreme poverty. NGO-led programs are more likely than government-led interventions to use an international poverty line, either the $1.90/day line (80% of NGOs vs 57% of governments) or the $3.10/day (32% of NGOs vs 14% of governments) to define their target population. Governments programs are more likely to use national poverty lines.

Figure 11: Programs by poverty group

Percentage of all programs (N=99)
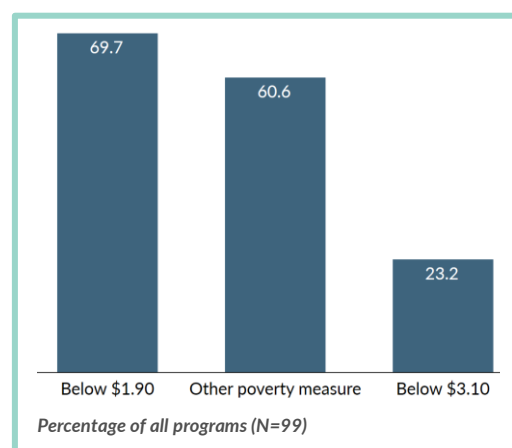
Programs use a variety of tools to identify potential participants who meet the program's poverty targeting criteria (Figure 12). Most of them use community-based targeting (65% of programs), a participatory process whereby community members identify the poorest households within the community or those that meet other eligibility criteria, as defined by the project.[21] Despite the difficulties associated with using income to determine the level of poverty, 32% of programs use direct measures of (income) poverty for targeting.[22] Twenty-nine programs use scorecards, such as proxy means test or other similar tools. Of these, 15 use the Poverty Probability Index (or PPI).[23]

Figure 12: Main poverty targeting tools

Percentage of programs using poverty measures (N=96)
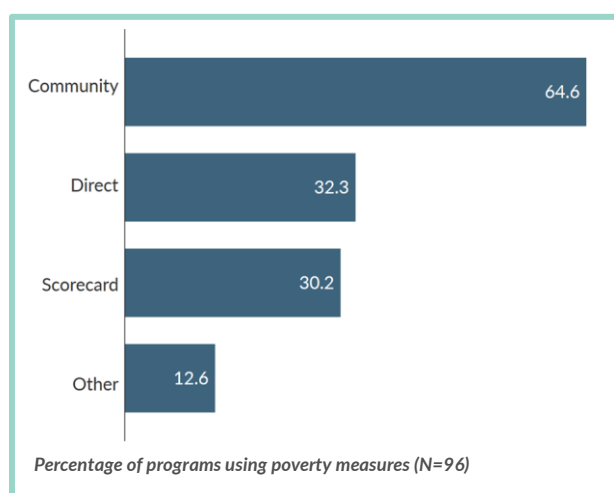
In most cases, programs use a combination of these tools (over 70% of programs), rather than relying on any single one of them, to identify poor participants. For example, Tanzania Social Action Fund's *TUP Programme*, a government-led initiative in Tanzania, triangulates the results of applying a poverty scorecard, geographic mapping, and participatory wealth ranking. Some programs are experimenting with varying targeting techniques to improve their participant targeting strategy. For example, MISFA's TUP program in Afghanistan is examining how well the program's targeting tools, such as community-based or means tests, identify the poorest households in each location, and how the targeting systems could be improved, such as by adding or modifying the variables that are considered in the targeting process.[24]

A part of the graduation CoP's innovation and learning agenda examines how targeting can be enhanced to identify individuals and households living in extreme poverty who require all of the graduation components in order to succeed, and within a program to identify those who require different sets of services or at different

intensities – so that the program can be tailored according to their needs (for example, more or fewer coaching visits). Improvements and enhancements in targeting can also increase cost-effectiveness through more precisely targeting participants and linking them with needed services.

Women

Most programs target both men and women but tend to serve more women. Figure 13 shows the percentage of female participants that current programs have reached to date.[25] The majority of ongoing programs (80%) serve more women than men. Similar to the gender breakdown reported in 2016, 29% of current programs target women only. However, when it comes to ongoing government-led programs, nearly half of them target women only.

There is substantial experimentation underway on program designs that benefit women and enhance women's empowerment. For example, the *Programme for Rural Outreach of Financial Innovations and Technologies (PROFIT) Financial Graduation*, led by the government of Kenya, is examining the effects of a graduation program on women's autonomy, decision-making capabilities, social capital, healthcare access, and psychosocial well-being. Multiple programs are studying graduation's impact on intra-household dynamics and women's decision-making roles within a household (*Enabling Sustainable Graduation out of Poverty for the Extreme Poor* in Malawi; TUP in Afghanistan; and *Measuring Change in the Decision-Making Role of Pastoral Women as a Result of their Financial and Social Empowerment* in Kenya). *Jóvenes Empoderadas - Empowered Youth* program in Guatemala, led by Fundación Lachua, is working to identify adaptations to the graduation intervention, in particular the training materials and techniques that allow it to best support and meet the needs of young women, as part of a youth-focused program. See also Box 4.

Figure 13: Female outreach

Percentage of ongoing programs (N=65)[24]
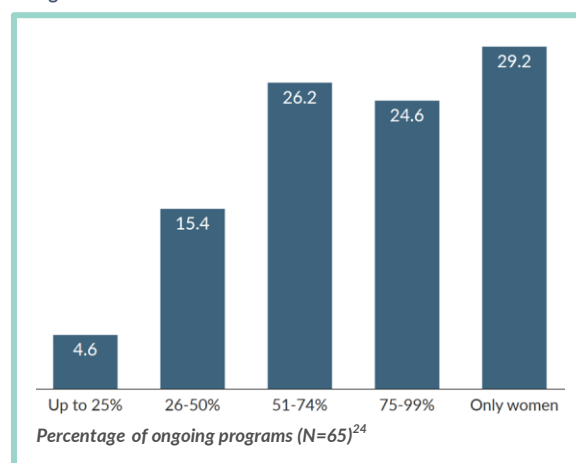
Designing graduation with a gender lens

Programs that seek to foster the economic inclusion of women must tailor their programs to meet the specific needs of women and improve their overall quality of life. Past research suggests that the graduation approach, when carefully designed with a gender-sensitive lens, creates self-employment opportunities and skills, improves women's access to income, helps them better manage their money through financial education, savings and provision of credit and insurance, and increases mobility in public space. It also contributes to improving their status within the household. This is achieved not just through different material inputs they receive but through regular meetings with field staff designed to provide health, nutrition and educational information, access to public services, and to improve their confidence in themselves and plan for their futures – see Kabeer et al. (2012). Some graduation programs take this empowerment further, going beyond the economic, to developing women's voice and agency, which are key drivers to women's empowerment, as noted in section 4.1 above. The following are some examples of programs designing specific interventions aimed at improving women's status:

- **BOMA**, in East Africa, sees the graduation approach as a behavioral change model addressing gender inequities. Their group-based model builds group identity and social capital through emphasizing the power to be different, power to control and own assets and build business and savings, the power to travel, and the power to collectively stand up for members experiencing domestic abuse. Beyond the program's interventions focused on increasing and diversifying income and assets, BOMA focuses on empowering women participants through training in family planning, rights and leadership, political empowerment, and girls' education. BOMA also includes interventions to address men and boys and reduce community-level sociocultural barriers. They address ideological values of masculinity and femininity that are deeply internalized to address the gender-based division of labor, unequal control over political and economic resources, and domestic and public violence.

- **Trickle Up** promotes gender justice through collective action in India by fostering women's groups and training participants in gender rights and encouraging them to develop and strengthen their own context- and culture-relevant initiatives. Trickle Up assists them in documenting their own gender justice experiences to share with and motivate others in their communities. Trickle Up also promotes sexual and reproductive rights for girls and young women, and child protection and rights to girls' schooling in Guatemala and other countries.

- **BRAC** has a special gender program, Gender Quality Action Learning (GQAL) that is assisting their graduation program (TUP) to identify challenges of gender subordination and develop new training and community-based outreach to address these issues. The training incorporates avoiding early marriage and dowry, adopting family planning, legally registering marriages, combating domestic violence and human trafficking, and accessing legal services for defending rights of women. BRAC is also considering integrating staff from the gender unit into their graduation programming, to ensure greater women's empowerment. They are working to enhance women's voice and agency by fostering village committees with large female representation.

Other vulnerable groups

As also noted in the 2016 *State of Graduation Programs*, there has been a shift from an almost exclusive focus on rural women to targeting a broader range of beneficiary groups, with graduation programs increasingly adapting their approach to meet the particular needs of these groups.[26] Participants of graduation programs come from a number of potentially vulnerable groups (Figure 14). Forty-three percent of programs target youth, up from 18% in 2016. Most programs targeting youth are led by NGOs rather than governments. Many programs targeting youth are experimenting with program adaptations, such as including elements to improve social capital and psychosocial wellbeing. Several of the programs targeting youth, such as *Empowered Youth* in Guatemala, also focus specifically on young women, combining elements of women's empowerment with investment in youth.

About 30% of programs each target people with disabilities, and indigenous populations. There is also an increase in the percentage of programs targeting refugee populations (16% versus 9% in 2016), with eight new programs targeting refugees or internally displaced populations. UNHCR has been implementing graduation programs with refugees since 2014, with seven programs submitting information for this report. [27] Several programs are adapting their design to better serve these groups, and PEI's learning agenda includes a focus on understanding the best ways to meet the needs of each group (See Box 5).

Programs in multiple countries also seek to identify the impact of graduation on children in participant's households, including FXB *Village Programs* in India, China, Burundi, Uganda, and Rwanda and the program led by the Ministry of Labor and Social Protection in Russia. While children are not directly targeted as part of the interventions, there are likely to be spillover effects for children as well-being in a household improves.[28]

Figure 14: Programs that target other beneficiary profile groups

Percentage of all programs (N=99)
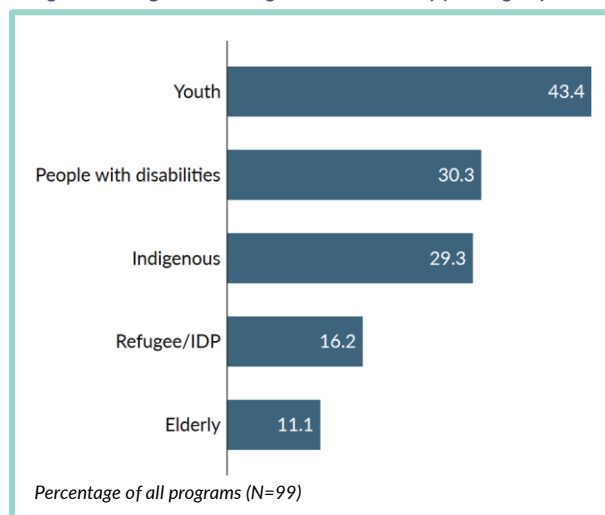
BOX 5

Adapting and innovating the graduation approach

The original graduation model, which was tested through six RCTs by CGAP and the Ford Foundation, included a similar set of interventions, administered to a similar set of participants (largely rural women), in ten pilots in eight countries. As graduation expands to target additional poor and vulnerable groups, there is recognition that the model will need to be adapted to meet the varying needs of these groups.

PEI's research agenda outlines a number of critical questions relating to the adaptation of the approach for particular segments. Some of these questions include:

- What are the unique needs of each segment, and how can those be incorporated into program design?
- How can the program be adapted to improve women's empowerment, both within the household and in the community?
- How can the program be adapted to meet the unique needs of refugees?
- How can the program be adapted to promote wage employment, such as for urban youth?
- Can the program be adapted in real-time for those progressing more quickly and more slowly, to provide the needed level of support to participants?
- With what segments has graduation not worked well, and why?
- How can implementers iterate and adapt the program to make needed adjustments for different groups as they roll out and scale?

SECTION 5

PROGRAM DESIGN AND IMPLEMENTATION

COMPONENTS OF GRADUATION PROGRAMS

The graduation programs in the CGAP-Ford Foundation pilots incorporated a consistent set of carefully sequenced components: consumption assistance to ease beneficiary households' cash flow shortages and meet their basic needs; access to financial services (mostly savings) to instill financial discipline and increase households' ability to cope with risk and shocks; seed capital, in-kind asset transfer, or wage employment, coupled with technical skills training, to build income-generating capacity; and mentoring to build confidence and self-esteem (Figure 15).

Since the initial pilots, graduation programming has adapted to meet the varying needs of the extreme poor, and adapted to different geographic and market contexts. For example, programs have incorporated crop insurance in drought-prone areas, and linked participants to wage employment rather than providing productive assets. The 2017 survey shows how graduation programming is evolving, with programs dropping some of the traditional components and/or adding new ones.

Figure 15: The Graduation into Sustainable Livelihoods Approach - "Graduation classic"
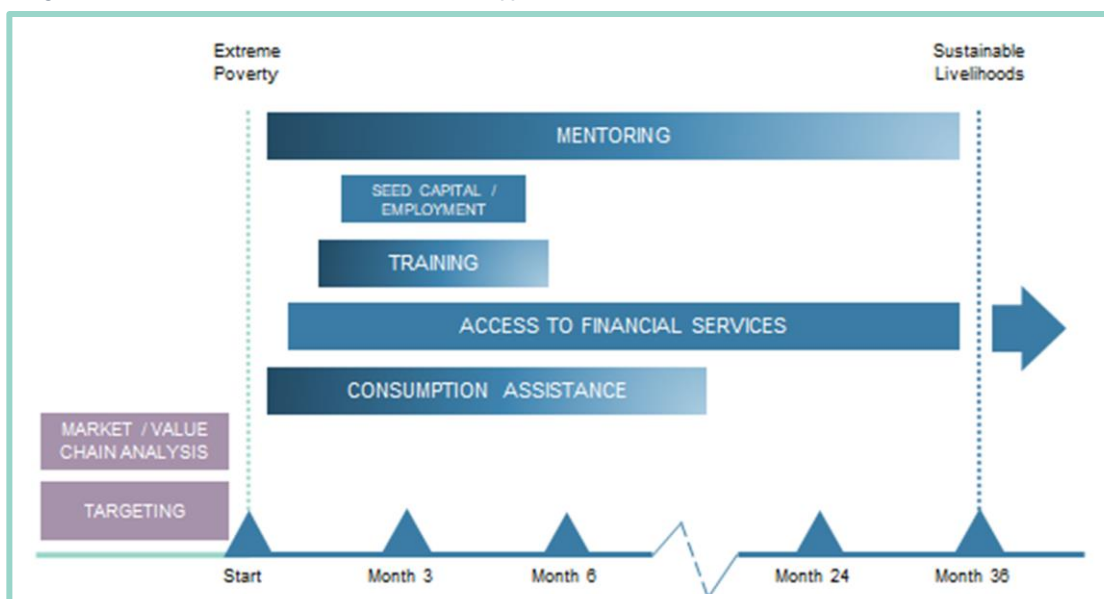
Figure 16 shows the types of graduation components provided by the graduation programs mapped by the survey. The five core components of the original pilots are still the most frequently provided services but, similar to what was observed in 2016, programs are broadening and adapting the range of components provided. For instance, BRAC no longer provides consumption support in its Bangladesh program; and for the Other Targeted Ultra-Poor Programme (OTUP), one of its target groups, it delivers asset loans instead of grants. Examples of the types of components that are added to graduation programs include healthcare, legal support, and psychosocial support services. Adaptations are also increasing in the provision of some program components utilizing a digital platform (see Box 6).

In 2017, 57% of programs provided all five of the components of the original graduation pilots (compared to 64% in 2016). There is not a statistically significant relationship between the type of organization leading the program and whether it provides the full package of services. However, smaller programs are more likely than larger programs to provide the full package (median program size for those that provide the full package is 2,700 households, while median size for those that do not include all elements is about 5,000 households), suggesting that as programs scale up it may become more challenging to provide the full package.

Figure 16: Graduation program components, overall and by lead organization (NGO and government only)

Overall

Component	Value
Financial Capability Training	92.9
Coaching	92.9
Asset Transfer	91.9
Technical Skills Training	90.9
Savings	84.8
Consumption Support	78.8
Credit	65.7
Links to Wage Employment	32.3
Others	29.3
Healthcare Services	28.3
Psychosocial Support	23.2
Legal Services	15.2
Insurance	15.2

Percentage of all programs (N=99)

Government

Component	Value
Technical Skills Training	94.3
Financial Capability Training	88.6
Coaching	88.6
Asset Transfer	88.6
Consumption Support	85.7
Savings	65.7
Credit	57.1
Links to Wage Employment	42.9
Healthcare Services	34.3
Insurance	28.6
Others	25.7
Psychosocial Support	14.3
Legal Services	5.7

NGO

Component	Value
Savings	96.4
Financial Capability Training	94.6
Coaching	94.6
Asset Transfer	94.6
Technical Skills Training	87.5
Consumption Support	75.0
Credit	73.2
Others	30.4
Psychosocial Support	25.0
Links to Wage Employment	23.2
Healthcare Services	21.4
Legal Services	16.1
Insurance	8.9

BOX 6

Digital technology

The global landscaping survey asked whether programs are making use of digital technologies to provide program services. Forty-three percent of programs reported providing at least one component digitally. Government-led programs are much more likely to provide services digitally than NGO-led programs (63% vs 34%). Digitization is more common in programs located in Asia than those in Africa (52% versus 43% of all programs in each region, respectively), but the difference is not statistically significant.

The Mobile Connections to Promote Women's Economic Development (M-POWERED) program, for example, led by the Jharkhand State Livelihood Promotion Society (JSLPS) and the Odisha Livelihoods Mission (OLM) in India and implemented in coordination with Trickle Up, is examining the integration of mobile phones. M-POWERED provides women living in extreme poverty with a smartphone they can use to access information about government schemes and market prices, along with training materials and other resources on demand.

Consumption support is the component that is most frequently delivered digitally (24 programs out of the 54 programs that provide a monetary consumption support, i.e., not in-kind). After consumption support, seed capital and savings are the most common with 34% and 18% of programs delivering these components digitally, respectively. Digital coaching, provided by over 10% of programs that provide coaching, refers to mentoring support that is delivered via phones, tablets, or other technology-enabled e-channel. Half of the programs that include insurance in their graduation package (15 programs in total, mostly government-led) provide access digitally. Despite recent developments in digital financial provision, credit is delivered in digital form by only 11% of programs that facilitate access to loans (CGAP, 2016b).

Digital provision of program components
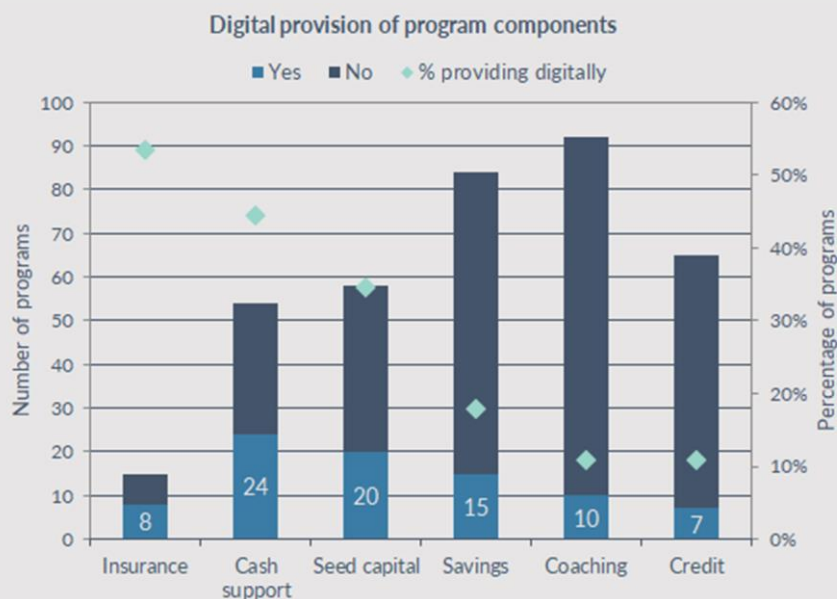
Consumption support is the component from the original approach that is most likely not to be included in graduation programs (21 programs). The decision on whether to include consumption support is likely linked to the characteristics of a program's target groups, and whether those target participants need that type of assistance or can manage without it. Programs that include slightly better-off households (people living on less than $3.10/day) are less likely to provide consumption support than those only targeting the poorest (61% vs 84%). Programs that have food security as an objective are more likely to provide consumption support than those that do not (82% vs 63%). Alternatively, for some programs, particularly government safety net programs, consumption support (or cash transfer) is the key component around which a graduation program is built, as the program seeks to add a productive pathway to increase the effectiveness of the existing intervention. Box 7 describes BRAC's experience adapting this component.

BOX 7

BRAC's experience adapting the graduation program

BRAC is recognized for pioneering the graduation approach in 2002, and in the years since, has scaled to reach over 6.8 million people (1.8 million households). To address the unique and multi-dimensional challenges facing ultra-poor households in Bangladesh, BRAC developed its flagship graduation program, the Challenging the Frontiers of Poverty Reduction – Targeting the Ultra Poor, now known as the Targeting the Ultra Poor (TUP) program. These households typically were not served by either government or NGO services and lacked adequate resources to move out of destitution and into sustainable livelihoods. BRAC's graduation approach is a time-bound and holistic approach that uplifts the ultra-poor by combining four key elements: social protection (including healthcare and consumption support), livelihood promotion, social empowerment (including hands-on-coaching and mentoring) and financial inclusion (including saving). Targeting rural, ultra-poor women and providing a variety of services, BRAC has ensured more than 95% graduate from the program, staying on a positive economic trajectory years after it ends. As the poverty landscape across Bangladesh has changed in the last 18 years, BRAC has continually evolved its program based on research and learning and changes in the local context.

One key evolution was the recognition that the ultra-poor are not homogenous – their needs vary depending on geography, socio-economic, and other factors. In response to this, BRAC has tailored the programme, setting a level of inputs sufficient to graduate different segments of the ultra-poor. For example, slightly better-off households received their assets (e.g. cows, goats, etc.) as soft loans with lenient repayment plans that begin once these participants are in a position to effectively pay off the asset.

A second key adaptation was a modification on consumption support. Recognizing that food security in Bangladesh in 2017 differs dramatically from that of the early 2000s, BRAC's research found that consumption support to combat malnutrition was not needed by most of the ultra-poor as it once was. The consumption stipend was also meant to reduce participants' time spent working to pay for food so they could focus on establishing their new livelihood. But with dramatic decreases in food insecurity, participants were saving the money instead of using it on food and their working hours did not decrease as expected. Seeing these issues, BRAC modified its approach and began providing savings matching, encouraging financial management and planning. Under this component, at the month-end, the programme will deposit in each participant's savings account the same amount of money she saves in that month (1:1). This financial management service enables participants to focus on developing their enterprises and is designed to enhance participant's confidence and ability to managing shocks, such as health or disasters after graduation. BRAC recognizes that not all households have reached a level of food security, and will still incorporate consumption support for particularly vulnerable households, for example living in destitution due to disaster or other contextual vulnerabilities.

Iteration of BRAC's TUP program has been driven by the evolving needs, challenges, capacities and new vulnerabilities faced by ultra-poor households and enables BRAC to adjust the nature and intensity of inputs, ensuring the right package of interventions based on the participant's need and implementation cost. This contextualized and needs-based adaptation is ongoing and has resulted in the redesign of multiple aspects of the program.

Source: Interviews with BRAC staff

About a third of the programs that do not provide the full graduation package do not facilitate access to savings. Most of the programs that do not include savings in the graduation package are government-led programs, and it is possible that some offer separate financial inclusion programming outside their graduation program. Accumulated savings can be a vital resource for vulnerable households to cope with future shocks and, as such, it can be critical to participants' ability to sustain the effects of the graduation program overtime. Therefore, other components or program features could be important to build participants' resilience in programs with no savings components.

Consumption Support

Consumption support is provided by 79% of programs, of which 70% provide it in cash. In some cases, cash is provided together with food (10%) or other types of support, including vouchers for transport, clothes, building materials, school supplies, and hygiene materials, but most often, it is a stand-alone stipend. Government-led programs are more likely to provide cash support than NGO-led programs (80% vs 60%). The amount provided by government programs is, on average, larger than in NGO programs, but the difference is not statistically significant.[29]

> *Nearly 40% of programs that provide consumption support build on an existing government safety net.*

Among those that provide consumption support, the average value of the stipend is US$264 but the median value is US$170, so there are some large outliers. *Prospera*, the government-led program in Mexico, for example, provides US$1,080, while CARE's *Kore Lavi* program in Haiti provides US$1,650. The level of consumption support is larger in LAC than in both African and Asia, on average.[30] Food-based consumption support is also provided, either exclusively (14% of those providing consumption support) or together with other types of consumption support (19%).

Figure 17: Types of consumption support

Percentage of programs with consumption support (N=78)
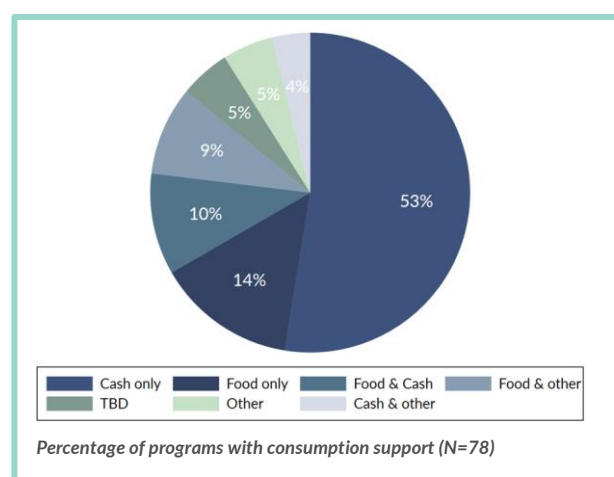
Looking at the types of organizations delivering the support, Figure 18 shows that it is most often delivered by government agencies (47%), even when they are not the lead implementer of the program.

Figure 18: Types of organizations providing consumption support

Percentage of programs with consumption support (N=78)
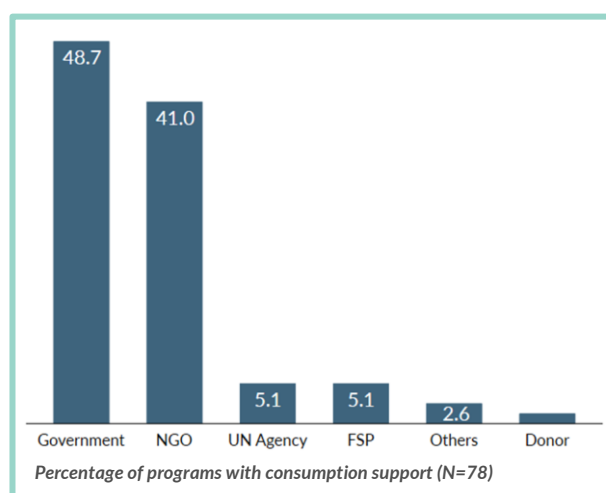
Access to financial services

Nearly 90% of graduation programs facilitate access to financial services for their participants. NGO-led programs are much more likely to provide access to finance than government programs (96% vs 77%). Of the three main financial services considered (Figure 19), savings are most commonly provided (85% of all programs), followed by credit (66%) and insurance (15%). Figure 19 shows differences in the percentage of NGO- and government-led programs that are facilitating access to the three types of financial services considered in the survey.

Seventy-seven percent of the programs that provide access to any financial service deliver services via the community such as by supporting the creation of savings and loan groups, while 44% of the programs with financial service components links participants to formal FSPs, including microfinance institutions, banks, and credit and savings cooperatives, some of which may be state-owned.[31] Access to insurance is the only financial service included in graduation programs that is mostly provided by the government (nine programs out of the 15 which facilitate access to insurance). For example, in Ghana's *Livelihood Empowerment Against Poverty* (LEAP) program, participants are linked to the National Health Insurance Scheme (NHIS) under the Ministry of Health. Similarly, *PROFIT* in Kenya links participants to the government's National Health Insurance Fund.

Ninety-three percent of programs also include a financial capability training (FCT) component in their graduation approach program. Programs that provide or facilitate access to savings or credit are more likely to also provide FCT. Coupling financial education with access to finance aims at allowing participants to make better use of the financial services available to them by helping them better understand product terms and conditions, as well

as their rights and obligations as users of financial services. FCTs are mostly delivered by NGOs (74% of programs offering this component), followed by government agencies (19%) and FSP (10%).

**Figure 19: Financial services provided by type of lead organization**

Percentage of all programs (N=99)

Percentage of government-led programs (N=35) and NGO-led programs (N=56)
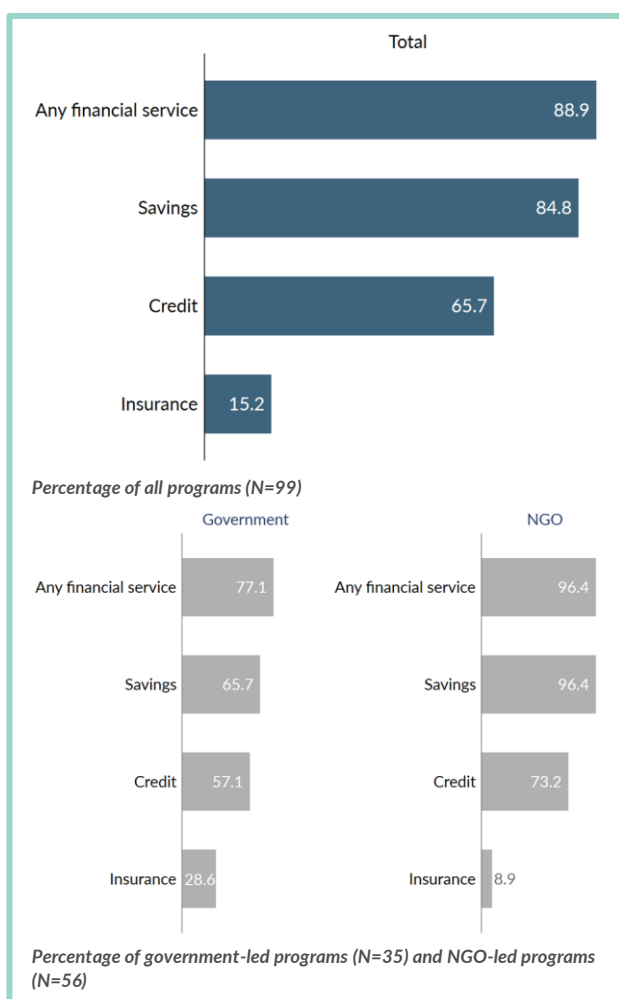
Seed capital, asset transfer or employment

Ninety-six percent of programs promote income generation through self- and/or wage employment. Graduation programs tend to promote self-employment more than wage employment (92% vs 32% of all programs) but the absolute number of programs that provide links to wage employment has risen from 20 in 2016 to 32 in 2017.

The seed capital transferred to kick-start self-employment is provided in one of three manners: only in cash, only in-kind or both (Figure 20). Programs launched more recently (those with a start date 2016 and onwards) are more likely to transfer cash rather than physical assets—in 20 cases this is done digitally (see Box 6). The value of the asset ranges greatly, from US$50 to US$1,700 and, on average, amounts to US$290 (the median value is US$200).

Figure 20: Type of asset transfer

Percentage of programs with asset transfer (N=91)
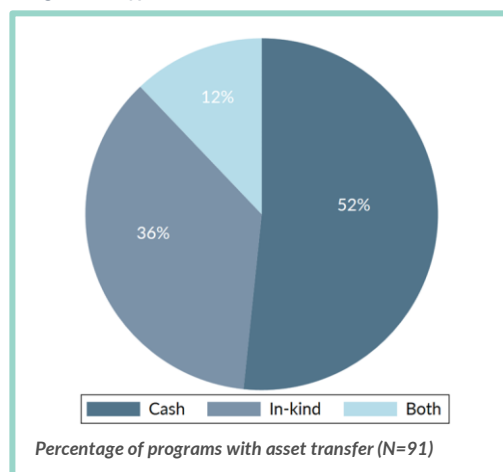
NGOs are most commonly providing asset transfers (Figure 21), particularly if they lead the graduation program (89% of NGO-led programs that transfer an asset). When the program is government-led, the transfer of the asset is typically done by a government agency or a local NGO with which the government has partnered.

A number of programs include additional activities that seek to further support participants' livelihoods and income generating potential (11 programs), for example by providing access to business management and additional technical trainings, value chain programming within the lead organization, business support services, and more.

Figure 21: Type of asset providers

Percentage of programs with asset transfer (N=91)
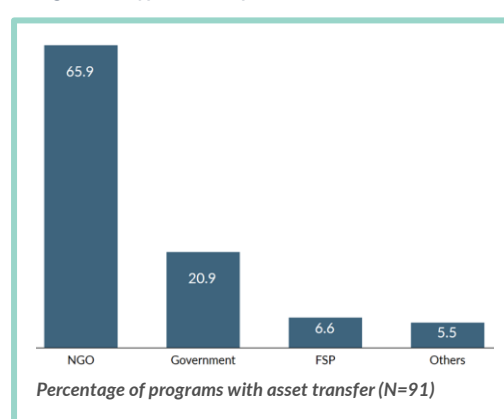
Access to wage employment is more common in government-led programs and those operating in urban areas, where more wage employment opportunities are likely to exist. Programs in SSA are less likely to facilitate wage employment (19%) than those in other regions, while in SA more than half of the programs include it as one of their components. Wage employment is mostly facilitated by government agencies (in 18 out of the 32 programs that have links to wage employment).

Market linkages

Graduation program participants often face constraints to market access (e.g., remote access to the nearest market, prices that leave them with very small margins, etc.) which limits their ability to develop their businesses into profitable enterprises. To help increase participants' profits, programs often seek to facilitate and improve market access for program participants.

Eighty-one percent of graduation programs help participants link to existing value chains and markets and some even support the creation of new value chains (local, regional, national or international). Fifty-nine percent of programs link participants to existing cooperatives (such as producer or marketing cooperatives). Through these market linkages, participants may be in a better position to sell their products and increase their margins. For a more detailed discussion on market linkages, see de Montesquiou et al. (2018).

Technical Skills Training

Ninety-one percent of programs provide participants with technical skills training, and 80% of these include refresher training sessions, as opposed to one-off courses only. Virtually all of these programs provide group training, but 55% also include one-on-one sessions. One-on-one sessions are more likely to happen in programs where coaching is also provided individually. Technical training usually accompanies the transfer of an asset or seed capital; only eight programs provide an asset transfer without technical skill development.

Figure 22: Type of organization providing technical training

Percentage of all programs (N=90)
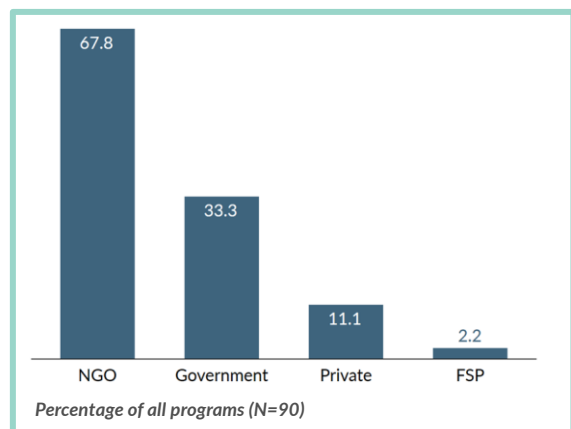
In most cases, training providers are NGOs (Figure 22), but government agencies act as a training provider in about one-third of the programs, in some cases in coordination with NGOs (12% of programs). Private providers are engaged in 11% of programs that offer technical training.   These include private technical training institutes, vocational schools, and micro and small enterprises (e.g., restaurants, tailors, plumbers, etc.).

Coaching

Mentoring or "life skills" coaching continues to be one of the main components of graduation programs, as nearly 93% of them provide it. Qualitative evidence from the BRAC and the CGAP-Ford Foundation pilots suggest that coaching helps overcome the social and emotional barriers that come with a prevalent state of deprivation and which constrain the ability of the extreme poor to move towards sustainable livelihoods.[32] Through coaching, programs seek to address a wide range of issues; coaches can help track progress in participants' income generating activities, reinforce concepts introduced in other parts of the program (e.g., technical skills training, financial education, etc.), provide emotional support and personal guidance to boost self-confidence and introduce additional topics that help improve the overall well-being of participants (e.g., health and nutrition practices, children's well-being, etc.).

In the early graduation pilots, coaching was mostly conducted by program staff who would visit participants' households on a weekly basis. In 2017, household visits by program staff continues to be the most prevalent way of coaching participants (82% of programs that offer coaching), but visits tend to be less frequent. Reducing the frequency of coaching visits can substantially reduce program costs. Some programs are experimenting with how to vary coaching to achieve cost reductions while maintaining high levels of impact. Weekly coaching is conducted by 16% of programs with a coaching component, regardless of whether the program is led by an NGO or government agency. Most programs hold coaching sessions either bi-monthly (43%) or monthly (26%) which is less staff-time consuming than weekly coaching.

NGO provision of coaching: An example from Trickle Up

Trickle Up, an NGO, is currently supporting the implementation of over 30 graduation programs worldwide, providing technical assistance to governments, local NGOs, and international organizations, including UNHCR, and delivering some of the program components. In India, Trickle Up has partnered with the JSLPS and the OLM, two state branches of the National Rural Livelihood Mission (NRLM) – India's national flagship program for alleviating poverty in rural areas –, in order to implement the following programs:

- Intervention for Ultra-poor Households in Partnership with Odisha Livelihood Mission
- Mobile Connections to Promote Women's Economic Development (M-POWERED)
- Partnering to Scale up Graduation with Jharkhand State Livelihood Promotion Society

These three graduation programs are built on existing government schemes, including NRLM's Vulnerability Reduction Fund, Mahatma Gandhi National Rural Employment Guarantee Act, Public Distribution System, Indira Awas Yojna, and Widow Pension scheme. Efforts are made throughout the program implementation to link participants to these schemes and, indeed, many of the graduation components are provided by these government programs.

In the graduation programs mentioned above, Trickle Up is delivering the coaching component. To scale the number of participants reached, Trickle Up utilizes community resource people (CRPs) as frontline coaches. These CRPs are women from the communities themselves, assisting their neighbors and peers through the graduation process, focusing mostly on community mobilization and capacity building. In most projects, they work under the guidance and supervision of project staff (who are government staff and not part of Trickle Up). The CRP to participant ratio is usually one CRP per 50 women in Trickle Up graduation projects. CRPs receive extensive training in livelihoods appropriate to the poorest and are supported and supervised throughout the delivery of coaching to participants.

Coaching begins at the stage where program participants are identified. Coaches begin building rapport with households during the selection process, which increases through regular interaction. Through coaching, CRPs provide support and advice throughout the entire program, increasing participants' confidence and resilience. CRPs work with participants to identify income-generating activities and market opportunities that best suit their goals, existing skills, and assets. CRPs ensure that participants receive the technical support they require to grow their business and access government programs that may benefit them. Participants get coaching support at the household level and at the group level, which Trickle Up has found is the key to create a pathway to a sustainable livelihood within a project's timeframe. Household-level coaching ensures that CRPs can address a household's vulnerabilities and issues. Ongoing monitoring is embedded in this coaching to ensure participants' success.

Source: Interview with staff from Trickle Up

Programs also tend to use both one-on-one sessions and group meetings (76% of the programs providing coaching). While the household is the most common place where coaching sessions take place (89% of programs providing coaching), they may also be conducted at a communal space, including programs' premises and saving group meetings (52%). Over 90% of programs deliver coaching at multiple locations.

Coaching is mostly delivered by NGOs (75%), government agencies (15%), or both (5%). There are several instances where government-led programs partner with NGOs to deliver coaching sessions. This is the case of some of the programs Trickle Up is supporting in India (Box 9).

> *Mentoring or "life skills" coaching continues to be one of the main components of graduation programs, as nearly 93% of them provide it.*
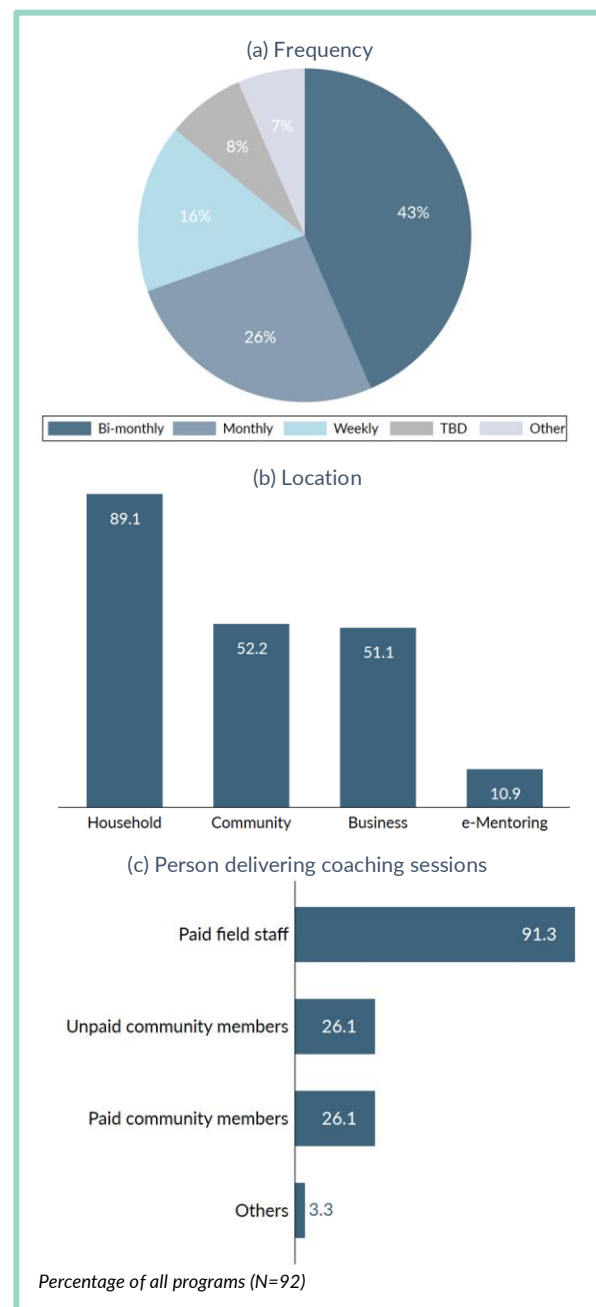
Better understanding coaching and its impact is a common focus of research studies as well. At least six programs are currently studying coaching and its implications for participants. They are seeking to understand the role of coaching in achieving graduation's impact, and experimenting with varying the approach to coaching, such as by engaging community-level agents to provide coaching and testing group-based versus individual coaching. An evaluation of Concern's *Terintambwe* program in Burundi examined the differential impacts between participants receiving high-intensity coaching (consisting of three home visits per month) and participants receiving low-intensity coaching (one home visit per month). The study was carried out by the Institute of Development Studies and combined a quasi-experimental design with qualitative research. It showed no systematic differences in the impact from the graduation program between the two groups. Furthermore, participants greatly valued the experience from the coaching component and this was independent of the number of coaching sessions they received.[33]

Additional services

Programs are increasingly adapting the graduation approach by facilitating additional services (Figure 24) not originally included in the classic approach depicted in Figure above:
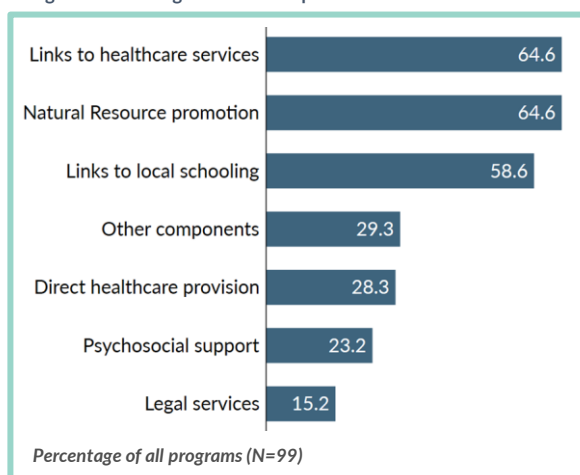
- Seventy percent of programs facilitate access to healthcare services, either indirectly, by linking participants to healthcare provision (41% of all programs), directly, through the program providing healthcare services to participants (5%), or both (23%). Inclusion of healthcare services is more common in NGO-led programs than government-led programs (77% for NGO-led compared to 57% for government-led programs). In programs that provide healthcare services directly, these services are most commonly provided by a government agency. For example, in an NGO-led program, the NGO partners with the government to link participants to public healthcare provision. Similarly, nearly 60% of all programs link participants to local schooling, which correlates with whether the program has education as one of their objectives.

(a) Frequency

- Bi-monthly: 43%
- Monthly: 26%
- Weekly: 16%
- TBD: 8%
- Other: 7%

(b) Location

- Household: 89.1
- Community: 52.2
- Business: 51.1
- e-Mentoring: 10.9

(c) Person delivering coaching sessions

- Paid field staff: 91.3
- Unpaid community members: 26.1
- Paid community members: 26.1
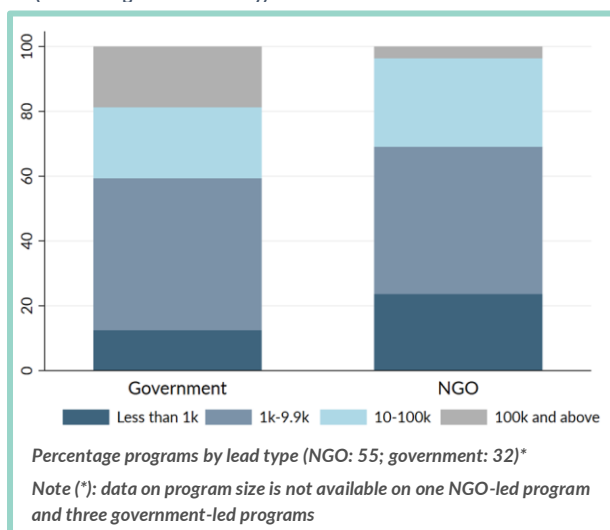- Others: 3.3

Percentage of all programs (N=92)

- Sixty-five percent of programs include natural resource promotion (including through environmental training modules and water harvesting through public works). This is more common in programs that aim to build participants' resilience (70% of programs with resilience as one of their objectives versus 48% of programs without this objective). Village Enterprise's *Integrated Graduation and Conservation* program in Uganda takes a step further and integrates environmental conservation into their objectives and graduation programming, as they aim to develop alternative environment-friendly livelihoods for forest-dwellers.

Figure 24: Other graduation components

Component	Percentage
Links to healthcare services	64.6
Natural Resource promotion	64.6
Links to local schooling	58.6
Other components	29.3
Direct healthcare provision	28.3
Psychosocial support	23.2
Legal services	15.2

Percentage of all programs (N=99)

- Beyond mentoring, some programs also deliver psychosocial support (23 programs), mostly provided by NGOs (19 programs) and, in some cases, by the government when they are the lead organization (four programs). Programs targeting refugees are more likely to include this type of support. There is also considerable research on the effectiveness of these additional psychosocial interventions underway in current programs, including whether improved psychosocial outcomes increases participants' abilities to utilize livelihoods transfers.

- The number of programs offering legal services (15) has nearly doubled since 2016, when eight programs reported providing this component. Of the current 15 programs, nine are NGO-led. Four out of the seven programs led by UNHCR provide legal services, which may be expected as this service is a part of UNHCR regular programming for refugees and internally displaced people.[34]

Figure 25: Programs by size (households) and lead organization (NGO and government only)

Percentage programs by lead type (NGO: 55; government: 32)*

Note (*): data on program size is not available on one NGO-led program and three government-led programs

- Twenty-nine programs provide other components including additional livelihood development activities, as discussed above (11 programs all of which provide seed capital or links to wage employment), local development and governance strengthening activities (nine), WASH interventions (seven), training and support to parents on children-related issues (seven) and health and nutrition trainings and awareness-raising activities (six). The last two components are added by programs that specifically aim to improve children's well-being and participants' health and nutrition outcomes.

PROGRAM COSTS

Total reported cost per household varies across programs and ranges between US$100 and US$4,000 with an average of about $1,200.[35] Costs are self-reported, and agencies and organizations have different ways of calculating total costs. The survey asked for the "total cost per-household for the full program", to include "program costs and administrative costs for all components". Even with this definition it is likely that programs calculated the total in different ways. In particular, when graduation programming is added onto an existing program, such as a government safety net, calculating the total cost per household for the full set of services can be difficult. Costs reported here therefore are considered indicative of total program costs but not perfectly comparable. The average of total costs reported by governments is US$1,181, while the average reported by NGOs is $1,195.[36]

Developing standard metrics for programming costs is a priority for the graduation CoP's joint innovation and learning agenda going forward. This will allow the CoP to better identify variation in costs across programs, ways to improve cost efficiencies through program adjustments, and to obtain standardized measures of cost effectiveness.

PROGRAM SIZE

Graduation programs vary widely in size, with some reaching fewer than 1,000 households (about one-fourth of them) to a few reaching over 100,000 households.[37] The largest program is BRAC's *TUP*, which has served over 1.7 million households since it started in 2002.[38] Yet, most of the large programs (i.e., those reaching over 100,000 households) are led by governments (Figure 25). There is also a greater concentration of small programs (i.e., those reaching less than 1,000 households) among programs led by NGOs, UNHCR and FSPs. The median size of programs is just over 3,000 households.

SECTION 4

RESEARCH AND THE GENERATION OF NEW EVIDENCE

Most surveyed programs include research - 77% of all programs. Research is slightly more likely to take place in programs that are government-led (83% vs 77% of NGO-led programs) and those that are funded by donors (79% vs 62% of programs without external funding), but differences are not statistically significant.

All of the programs that include research seek to examine the outcomes and impact of the program, usually at the individual or household level, and primarily look at the effect of the program on household's income, food security, financial inclusion, asset-building, empowerment, and health and nutrition (Table 1).[39] Forty-three percent of programs with a research component also look at cost-effectiveness (current and/or long-term).

Many programs are conducting research focused on understanding the role of various components in achieving impact. If some components are more effective than others, then the package could potentially be streamlined (for appropriate target groups) to cut down on costs. For example, BRAC is assessing the effect of providing a grant-based support package for specially targeted ultra-poor and a credit-plus-grant support package for other targeted ultra-poor. IPA is conducting research on Heifer Project International's *Escaping Poverty Project* in Ghana to assess how critical the coaching component is to the success of the program. This is in line with research that was conducted on the CGAP-Ford Foundation pilot in Ghana, where research compared the transfer of assets alone (goats) to the receipt of the full graduation package.[40]

Fifty-eight percent of programs conduct "operational research," which involves looking at ways to operate at

Table 1: Research topics

| FOCUS	TOPIC	%*
Effects	Household income	76.3
	Food security	69.7
	Financial inclusion	64.5
	Asset accumulation	63.2
	Empowerment	55.3
	Health & Nutrition	48.7
	Children	28.9
	Individual income	27.6
	When components vary	22.4
	Sustainability of impacts	21.1
	Psychosocial Wellbeing	18.4
	Digital provision	17.1
	Different income groups	14.5
	Timing of outcomes	13.2
	Regional	7.9
	Local economy	7.9
	General Equilibrium	5.3
Cost & Benefits	Cost-effectiveness	39.5
	Long term costs and benefits	15.8
Operational	Operating at scale	34.2
	Preconditions for scale-up	27.6
	Ways to improve components	32.9
	Social Protection integration	30.3

Percentage of programs with research (N=76)

scale, how to improve components or integrate the graduation approach into existing social protection initiatives. FSD Kenya, as part of its *Building Livelihoods* program, is examining the practicalities and cost efficiencies of delivery at scale, and what delivery channels are best placed to work at scale. In Afghanistan, the *TUP* program implemented by MISFA is studying implementation challenges that arise for components when delivered at scale, and the effectiveness of service providers in delivering at scale.

As shown in Figure 26, non-experimental research designs are most commonly used, either alone (46%) or combined with experimental or quasi-experimental designs (29%). A total of 24 RCT are planned or underway. In most cases, programs partner with other organizations to undertake research (72% of programs with a research component). This is even more common when experimental or quasi-experimental research designs are used, as compared with those programs with non-experimental research designs (90% vs 51%, respectively). About a third of programs with research partners will work with universities and/or specialized research organizations. See above for a list of research partners.

Half of the programs that will not conduct research over the course of the program point to the lack of financial and/or non-financial resources as one of the main reasons for not doing so. Lack of donor requirement and research plans at the outset of the program are also amongst the main reasons why programs do not undertake research.

Figure 26: Research designs

Percentage of programs with research (N=76)

BOX 10
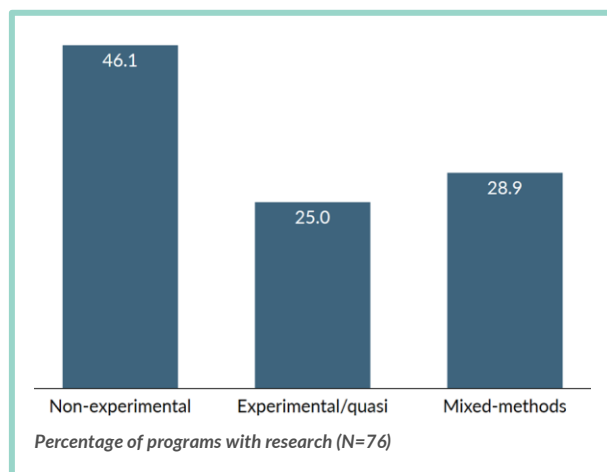
A research agenda for the next five years (and beyond)

Through a consultative process, PEI has developed a research agenda outlining the priority questions to be addressed about graduation-type programs over the next five years and beyond. In the initial graduation pilots, a similar package of services was delivered to a similar segment (largely rural women). As graduation expands, many programs seek to serve additional segments (such as youth and refugees) in different contexts (urban areas, those affected by climate change). And, as governments and others seek to scale up graduation programs, there is increasing interest in understanding how to maintain the quality of service while implementing at scale, and how to operationalize graduation programming as part of government safety nets and other programs. The research agenda identifies critical questions, in two overarching categories, for building the evidence base to facilitate continued adaptation and scaling of the graduation approach.

Overarching question 1: How can the graduation approach be designed to optimize benefits and maximize cost-effectiveness in different contexts and for different segments?

- How to adapt and optimize for varied contexts such as rural vs. urban areas; fragile and conflict-affected; or climate-change-affected?
- How to adapt and optimize for varied segments such as youth, refugees, more explicit women's empowerment?
- How can the model be enhanced to increase impact such as through cash vs. in-kind assets; links to wage employment vs. self-employment; increasing productivity over time; incorporating meso-level interventions; or incorporating explicit risk-mitigation strategies?
- How can cost be reduced while maintaining impact, such as through streamlining coaching; group delivery of services; or digitization of services?
- How can targeting be optimized to identify those who would most benefit from the graduation package?
- How can implementing organizations iterate across the design space to identify the best adaptation for their context and target segment?

Overarching question 2: How can governments and other stakeholders effectively operationalize and scale the approach?

- What is the most appropriate package for scaling in each country/context, and how can governments iterate across the design space as they scale?
- What systems and systems changes are needed for governments and large agencies to implement at scale, including: how can graduation be incorporated into existing safety net programs; how can government entities and others coordinate on service delivery; what are good practices for recruiting, training, overseeing field staff and establishing appropriate incentives; and what monitoring systems are needed?
- What are necessary preconditions for successful implementation and scaling, including what fiscal and political economy issues must be considered; and what are the key barriers to scale?
- How can other stakeholders facilitate implementation and scaling?

SECTION 7

CONCLUSIONS AND LOOKING AHEAD

The 2017 landscaping results show that the momentum around graduation is strong and growing, with government leaders and others testing, implementing, and scaling graduation-inspired economic inclusion programs that reach and serve the poorest. Governments in Peru, Paraguay, and Ethiopia are paving the way adding productive livelihoods features onto their existing social protection programs. Indonesia and the Philippines, as well as UNHCR, are converging existing programs into cohesive, graduation-type packages of interventions. NGOs are providing critical technical assistance and implementation support.

Strong interest by governments is supported by financial commitments from the World Bank, bilateral and multilateral funders, and international agencies, assisting their partner governments to undertake these endeavours. Given the interest and political will, the graduation field is now working to identify successful ways to operationalize the approach at scale, and adapt to new segments and contexts as the approach spreads. Many programs now operate in conflict-affected areas, while others operate in urban contexts, for example, each of which requires adaptations to ensure the approach is successful for alleviating extreme poverty.

The Partnership for Economic Inclusion is committed to accelerating progress towards eliminating extreme poverty and achieving economic inclusion for the poorest. Through its location, hosted by the World Bank's Social Protection and Jobs Global Practice (SPJ), and its management of the graduation CoP, PEI will help advance graduation practice and knowledge globally. PEI will endeavour to work with governments, TA providers, funders, and researchers to provide the evidence, guidance on best practices, innovations, training, tools, and metrics needed to accelerate successful economic

inclusion programming that is targeted to the poorest and most vulnerable people.

The landscaping survey summarized in this report is a critical element of this work. By gathering data and assessing current practice and evidence on graduation programming, the survey sheds light on growth and changes in the field, as well as on new innovations, segments being served, and more. The 2017 survey builds on previous surveys with additional focus on identifying trends and innovations in design and practice, to inform the global graduation movement going forward. It captured more detailed information than the 2016 survey on aspects such as program components and how they are delivered, research questions and methods used by programs, as well as program's objectives, segments targeted and outreach.

SUMMARY OF MAJOR TRENDS IN 2017

- **Growing global movement:** Since the last survey conducted in 2016, there are over 50 new graduation programs and the total number of programs has increased by 80%. Programs are being implemented in 43 countries worldwide (five more than in the past survey) and have reached over twenty percent more households than in 2016. The growing momentum of graduation-type approaches is also reflected in its geographical expansion, as programs now spread across four continents, with the greatest concentration in SSA (47% of all programs) where most of the extreme poor live. Ongoing programs have reached nearly 14 million people to date, and their implementers indicate they could reach nearly four times that many people by 2030 with sufficient funding.

- **Increased government involvement:** While NGOs continue to lead most graduation programs (57% of all programs), the number of government-led implementations – 35 in total – has nearly doubled since 2016. In addition to leading programs, governments also provide components in 57% of all programs (including some led by NGOs), and funding for 31% of programs. Governments, NGOs, international agencies (such as UNHCR), and other implementing partners are creating synergies to scale graduation and deliver program components efficiently. For example, a third of programs were added onto existing government safety nets, while some NGOs partner with municipal governments to link graduation participants to existing local services, such as healthcare and schooling. Overall, governments are involved - in different capacities, as leads, direct providers or funders - in 61 programs across 34 countries.

- **Broadening of targeted segments:** Rural and extreme poor women continue to be the segment targeted by most graduation interventions, but programs are increasingly targeting other segments too, including youth (43% of programs), people with disabilities (30%), indigenous populations (29%), and refugees (16%). Programs are also increasingly operating in varied contexts, for example with 31% operating in urban areas, 92% in rural, and 23% in both.

- **Greater innovation and program adaptation:** The five core components of the original approach (consumption support, asset transfer, access to financial services, technical training and coaching) are still the most frequently provided services and the majority of programs (57%) provide them all. Yet, as programs target different segments, operate in new contexts, and seek to scale up their graduation efforts, the package of components and the way they are delivered is increasingly being adapted. For example, 43% of programs provide at least one component digitally. Some programs are modifying the intensity and delivery of certain program components (e.g. coaching, savings facilitation) to meet the specific needs of different targeted segments and to adapt to different local settings.

- **Expanding evidence base and learning opportunities:** Out of the 99 graduation programs identified, 77% of them are conducting or plan to conduct research. Research focusses on the impact of the program on participants (all programs conducting research listed this as an objective), assessing program cost-effectiveness (43% of programs with a research component),

understanding how effective different components are in achieving impact (22%), and examining operational issues to inform the scaling of programs and their integration into existing social protection initiatives (58%). This will generate an excellent source of knowledge and learning that can inform the future expansion and scaling of graduation programs worldwide.

WAY FORWARD

Even as the graduation field has grown substantially in recent years, much more lies ahead. The landscaping survey in 2017 identified increasing numbers of governments planning and implementing graduation programming, aimed at enabling the poorest and most vulnerable in their populations to enter into sustainable livelihoods and greater economic security. When paired with strong social protection systems and adequate safety nets, the graduation approach can have long-lasting positive impacts, contributing to the 2030 Sustainable Development Goal of eradicating extreme poverty.

The Partnership for Economic Inclusion will continue working with the graduation CoP to deliver on a four-fold mission:

- **Ensure** that large numbers of very poor people benefit from economic inclusion programs delivered through government systems;

- **Accelerate** the pace of government adoption in priority countries and resource a new wave of innovation and adaptive learning, so governments can successfully bring abouta systems shift to incorporate deep-reaching economic opportunity programming within government social assistance and poverty reduction programs;

- **Meet demand** from additional government-led programs for technical expertise, capacity, guidance, and learning, as part of a global movement for good practice-based design and high-quality implementation;

- **Mobilize and leverage funding** from the World Bank, bilateral organizations, UN agencies, and private foundations to back and promote quality economic inclusion programming for the poorest.

As part PEI's efforts to share knowledge, innovations, and build capacity, the PEI team will continue to collect annual graduation landscaping data and analyze and report on trends across graduation programs.

ANNEXES

ANNEX 1: LIST OF PROGRAMS IN THE SURVEY

COUNTRY	PROGRAM	LEAD ORGANIZATION	YEAR STARTED
Afghanistan	Targeting the Ultra Poor (Consolidated)	MISFA	2010
Armenia	Graduation Program – Pilot	World Vision Armenia	2016
Bangladesh	Empowering Women and Youth through Graduation and Financial Inclusion in Bangladesh	Concern Worldwide	2017
Bangladesh	Food Security and Economic Development	World Vision Bangladesh	2012
Bangladesh	Targeting the Ultra Poor	BRAC	2002
Bangladesh	Investment Componant for Vulnerable Group Development (ICVGD) Programme	Ministry of Women and Children Affairs	2015
Bangladesh	Nobo Jatra-New Begining. USAID's Development Food Security Activity.	World Vision Bangladesh	2015
Bosnia and Herzegovina	World Vision Bosnia and Herzegovina, Livelihood and Resilience Program	World Vision Bosnia and Herzegovina	2016
Brazil	Programa de Fomento às Atividades Produtivas Rurais	Ministry of Social Development	2012
Burkina Faso	Milk Solutions for Livelihoods and Self-Reliance of Malian Refugees and Host Communities in Burkina Faso	UNHCR	2015
Burkina Faso	Delivery of Graduation in Burkina Faso	Association d'Aide aux Enfants et aux Familles Démunies (Burkina Faso), Alliance Internationale pour le Développement et la Solidarité en Afrique, & Association Monde Rural	2017
Burundi	Terintambwe: Take a Step Forward	Concern Worldwide	2017
Burundi	FXBVillage Program	FXB Burundi	2009
China	FXBVillage Model	FXB International	2006
Colombia	FXBVillage Model	FXB Colombia	2011

COUNTRY	PROGRAM	LEAD ORGANIZATION	YEAR STARTED
Congo, Dem. Rep.	Supporting the graduation of extremely poor and marginalised households out of extreme poverty in Manono Territory	Concern Worldwide	2017
Costa Rica	Graduation Approach	UNHCR	2014
Ecuador	Graduation Model	UNHCR	2015
Egypt, Arab Rep.	Livelihood Program – Graduation Approach	UNHCR	2014
Ethiopia	Productive Safety Net Program	Ministry of Agriculture, Food Security Coordination Directorate	2005
Ethiopia	REST DFSA Livelihood transfer	Relief Society of Tigray (REST)	2016
Ethiopia	REGRADE (Resiience/GRADuation/Evidence)	Concern Worldwide	2017
Ghana	Escaping Poverty Project	Heifer Project International	2017
Ghana	Livelihood Empowerment Against Poverty (LEAP) Programme	Department of Social Welfare of the Ministry of Gender, Children and Social Protection [MoGCSP].	2008
Guatemala	PAISANO	Save the Children	2012
Guatemala	Inclusive Ixcan	Fundacion Lachua	2017
Guatemala	Jóvenes Empoderadas – Empowered Youth	Fundacion Lachua, the municipality of Chahal, and the municipality of Cahabon	2017
Haiti	Chemen Lavi Miyò	Fondasyon Kole Zepòl (Fonkoze)	2006
Haiti	Enabling sustainable graduation out of extreme poverty in Haiti	Concern Worldwide	2017
Haiti	Kore Lavi (Support to life)	CARE	2013
Honduras	Project on life improvement and livelihood enhancement of conditional cash transfer beneficiaries through financial inclusion	Subsecretaria de Integración Social	2015
Honduras	Empreendiendo una Vida Mejor	Secretaría de Desarrollo e Inclusión Social, but joint initiative with the Inter-American Development Bank (IADB)	2017
India	Mobile Connections to Promote Women's Economic Development (M-POWERED)	JSLPS and OLM	2015
India	FXBVillage Program	FXB India Suraksha	2008
India	Promoting Rural Livelihoods through Transformative Financial Inclusion	Trickle Up	2015
India	Promoting Sustainable Livelihoods and Well-being of Ultra-poor Households in West Bengal with the Bharat Rural Livelihood Foundation	Bharat Rural Livelihood Foundation (BRLF)	2015
India	Targeting the Hard-core Poor (THP)	Bandhan Konnagar	2006
India	Intervention for Ultra-poor Households in Partnership with OLM	OLM	2015
India	Community Engagement for Sustainable Livelihood and Financial Inclusion of the Ultra Poor	Life Education and Development Support (LEADS)	2016
India	Targeting the Hard-core Poor (THP) Program (Gov)	Bihar Rural Livelihoods Promotion Society (BRLPS), Government of Bihar	2017
India	Partnering to Scale Up Graduation with JSLPS	JSLPS, Department of Rural Development, Govt. of Jharkhand, Republic of India	2015

COUNTRY	PROGRAM	LEAD ORGANIZATION	YEAR STARTED
Indonesia	Program Kelompok Usaha Bersama (KUBE)	Ministry of Social Affairs	1982
Jordan	Small-ruminant Investments and Graduating Households in Transition Project	Ministry of Agriculture	2017
Kenya	FSD Kenya: Building livelihoods-graduation project	CARE International in Kenya	2016
Kenya	Mercy Corps Graduation Pilots	Mercy Corps	2017
Kenya	Rural Entrepreneur Access Project (REAP)	The BOMA Project	2013
Kenya	Village Enterprise Graduation Program with Lwala Community Alliance	Village Enterprise	2016
Kenya	Village Enterprise Graduation Program: Kenya	Village Enterprise	2011
Kenya	Village Enterprise Development Impact Bond: Kenya	Village Enterprise	2017
Kenya	Measuring Change in the Decision-Making Role of Pastoral Women as a Result of their Financial and Social Empowerment	The BOMA Project	2016
Kenya	Programme for Rural Outreach of Financial Innovations and Technologies (PROFIT) Financial Graduation	The Government's National Treasury	2016
Lebanon	National Poverty Targeting Program (NPTP) / Graduation Pilot	Ministry of Social Affairs / Presidency of Council of Ministers	2017
Lesotho	Graduation Operationalizing Community Development Model of Lesotho	Lesotho Ministry of Social Development	2018
Malawi	Enabling Sustainable Graduation out of poverty for the Extreme Poor in Southern Malawi	Concern Worldwide	2017
Mexico	Inclusive Livelihood Development in Yucatan with Ko'ox Taani	Ko'ox Taani	2015
Mexico	Hand in Hand with Prospera (De la Mano con PROSPERA)	PROSPERA – Programa de Inclusión Social	2016
Mexico	Modelo Viable de Graduación para BBAA	BANCO DE ALIMENTOS CÁRITAS DEL ESTADO DE MÉXICO	2019
Mexico	Empowering Women and Youth through Graduation and Financial Inclusion in México	Ko'ox Taani	2017
Mongolia	FXBVillage Model	FXB International	2016
Mongolia	36 month Integrated Graduation Approach	World Vision International Mongolia (WVIM)	2015
Mozambique	Enhancing Self-Reliance in a Protracted Refugee Situation (Maratane Refugee Camp, Mozambique)	Kulima	2017
Myanmar	Challenging Urban Poverty	Save the Children	2016
Niger	LAHIA	Save the Children	2012
Niger	Adaptive Social Protection Program in Niger	Projet Filets Sociaux du Niger	2017
Pakistan	Rehabilitation work in Dera Bugti by PPAF	Pakistan Poverty Alleviation Fund – PPAF	2015
Pakistan	Program for Poverty Reduction	Pakistan Poverty Alleviation Fund	2013
Pakistan	Poverty Graduation of Afghan Refugees in Pakistan	Pakistan Poverty Alleviation Fund – PPAF	2017
Pakistan	National Poverty Graduation Programme (NPGP)	Pakistan Poverty Alleviation Fund	2017

COUNTRY	PROGRAM	LEAD ORGANIZATION	YEAR STARTED
Paraguay	Urban Graduation Strategy in Programa Abrazo	Secretaría Nacional de la Niñez y Adolescencia	2017
Paraguay	Integrated Graduation Approach for Indigenous Communities in Paraguay	STP (Technical Secretariat of Economic and Social Development Planning)	2016
Paraguay	Seeding Opportunities Family by Family (Sembrando Oportunidades Familia por Familia)	Secretaría Técnica de Planificación	2015
Peru	Haku Wiñay/Noa Jayatai	Programa Fondo de Cooperación para el Desarrollo Social (FONCODES), linked to the Ministry of Development and Social Inclusion	2012
Philippines	Piloting the Graduation Approach in the Philippines	Department of Social Welfare and Development	2017
Philippines	Livelihoods for Extreme Poor (LIFE) Graduation Philippines	Alalaya Sa Kaunlaran Inc (ASKI)	2017
Russian Federation	Social Contracts	Ministry of Labor and Social Protection	1999
Rwanda	Vision 2020 Umurenge Programme (VUP 2020)	Government of Rwanda	2007
Rwanda	FXBVillage Program	FXB Rwanda	1995
Rwanda	Enhancing the productive capacity of the extreme poor in Rwanda	Concern Worldwide	2017
Somalia	Somalia Resilience Program (SomReP)	World Vision	2013
Sudan	Social Safety Net Project (P148349)	Project Coordination Unit (PCU) at the Ministry of Welfare and Social Security	2016
Sudan	Livelihood and Self-reliance Programme	UNHCR	2018
Tanzania	Livelihoods enhancement component of Productive Social Safety Net (PSSN)	Tanzania Social Action Fund (TASAF)	2017
Tanzania	Targeting the Ultra Poor Programme	Tanzania Social Action Fund	2018
Uganda	RAKAI CLUSTER	WORLD VISION UGANDA	2014
Uganda	FXBVillage Program	FXB Uganda	1990
Uganda	Village Enterprise Mercy Corps DYNAMIC Graduation Model	Village Enterprise	2017
Uganda	Village Enterprise Graduation Program : Uganda	Village Enterprise	2011
Uganda	Village Enterprise Geneva Global Speed School Partnership Program	Village Enterprise	2016
Uganda	Sustainable Comprehensive Responses for Vulnerable Children and their Families	AVSI Foundation Uganda	2011
Uganda	CRS Graduation Pilot in Karamoja	Catholic Relief Services	2018
Uganda	Village Enterprise Development Impact Bond: Uganda	Village Enterprise	2017
Uganda	Village Enterprise Integrated Graduation and Conservation (Budongo Conservation Field Station)	Village Enterprise	2014
Uganda	Targeting the Ultra-Poor: Graduation Programme in Uganda	BRAC Uganda	2016
Uganda	Kamwenge Graduation Pilot	AVSI Foundation	2017

COUNTRY	PROGRAM	LEAD ORGANIZATION	YEAR STARTED
Vietnam	Empowering Women and Youth through Graduation and Financial Inclusion in Vietnam	Plan International	2017
Zambia	UNHCR Zambia Integrated Livelihoods Programme (ILP) – Graduation Pilot	UNHCR	2017
Zambia	Livelihoods Urban Refugees Project-Zambia	Caritas Czech Republic	2017
Zambia	Supporting Women's Livelihoods (SWL)	Ministry of Community Development and Social Services (MCDSS)	2016
Zimbabwe	Graduation Approach: Livelihood Programme Tongogara refugee camp	UNHCR	2017

ANNEX 2: LIST OF LARGEST PROGRAMS, OVERALL AND BY REGION

COUNTRY	PROGRAM	LEAD ORGANIZATION	HH SERVED TO DATE	YEAR STARTED
OVERALL				
Bangladesh	Targeting the Ultra Poor	BRAC	1,770,000	2002
Brazil	Programa de Fomento às Atividades Produtivas Rurais	Ministry of Social Development	232,608	2012
Ghana	Livelihood Empowerment Against Poverty (LEAP)	Ministry of Gender, Children and Social Protection	213,044	2008
Peru	Haku Wiñay/Noa Jayatai	Programa Fondo de Cooperación para el Desarrollo Social	171,313	2012
Russia	Social Contracts	Ministry of Labor and Social Protection	132,300	1999
SSA				
Ghana	Livelihood Empowerment Against Poverty Programme	Ministry of Gender, Children and Social Protection	213,044	2008
Somalia	Somalia Resilience Program	World Vision	53,000	2013
Uganda	Sustainable Comprehensive Responses for Vulnerable Children and their Families	AVSI Foundation Uganda	31,943	2011
Uganda	Village Enterprise Graduation Program: Uganda	Village Enterprise	27,984	2011
Kenya	Village Enterprise Graduation Program: Kenya	Village Enterprise	19,998	2011
SA				
Bangladesh	Targeting the Ultra Poor	BRAC	1,770,000	2002
Pakistan	Program for Poverty Reduction	Pakistan Poverty Alleviation Fund	68,000	2013
India	Targeting the Hard-core Poor	Bandhan Konnagar	64,957	2006
India	Promoting Rural Livelihoods through Transformative Financial Inclusion	Trickle Up	56,185	2015
Bangladesh	Food Security and Economic Development	World Vision Bangladesh	26,654	2012
LAC				
Brazil	Programa de Fomento às Atividades Produtivas Rurais	Ministry of Social Development	232,608	2012
Peru	Haku Wiñay/Noa Jayatai	Programa Fondo de Cooperación para el Desarrollo Social	171,313	2012
Guatemala	PAISANO	Save the Children	24,849	2012
Haiti	Kore Lavi (Support to life)	CARE	18,150	2013
Paraguay	Seeding Opportunities	Secretaría Técnica de Planificación	13,000	2015

ANNEX 3: GOVERNMENT INITIATIVES LINKED TO GRADUATION PROGRAMS

COUNTRY	GOVERNMENT INITIATIVE
Bangladesh	Vulnerable Group Development Programme (safety net)
Brazil	Bolsa Familia
Burkina Faso	Social safety net program "Burkin Naong Sa Ya" under the Ministry of Social Action
Ethiopia	Productive Safety Net Programme
Ghana	The National Health Insurance Scheme, Labour Intensive Public Works
Honduras	Bono Vida Mejor
Honduras	Conditional Cash Transfer program of Honduras Government
India	National Rural Livelihood Mission program (the regional programs in Jharkhand and Odisha)
India	Mahatma Gandhi National Rural Employment Guarantee Act
India	Bharat Rural Livelihoods Foundation
Indonesia	Program Keluarga Harapan
Kenya	Social transfer/ safety net programme
Lebanon	National Poverty Targeting Program
Lesotho	Child Grants Program, Public Assistance, Orphan Bursary Program, Public Works, Small Business Program
Mexico	PROSPERA
Mongolia	Food Voucher and, in some cases, other Government social welfare services
Niger	Projet Filets Sociaux du Niger
Pakistan	Safety net programme under Benazir Income Support Programme
Paraguay	Programa Abrazo
Paraguay	Tekoporã and PRODERS
Paraguay	Programa Conjunto de Seguridad Alimentaria y Nutricional PC-SAN.
Peru	JUNTOS
Philippines	Pantawid Pamilyang Pilipino Program, Sustainable Livelihoods Program, Kalahi-CIDDS National Community Driven Development Program
Sudan	Social Initiatives Program of the Government of Sudan
Tanzania	Tanzania Social Action Fund
Tanzania	Productive Social Safety Net

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[1] The terms "graduating the extreme poor into sustainable livelihoods approach," "graduation approach," and "graduation" are used throughout this document to refer to a range of intensive and targeted economic inclusion programs offering a sufficient "package" and addressing multiple constraints to help program participants achieve sustainable income-earning. This does not refer to a single model (e.g., "the BRAC model"). In some countries these programs are called "productive inclusion." The objective of these programs is to improve income-generating opportunities among the extreme poor. For more information on the graduation approach see CGAP (2016c)

[2] More information on the CGAP-Ford Foundation Graduation Program can be found at CGAP-Ford Foundation (n.d.)

[3] Despite PEI's considerable efforts to identify programs, we may well have been unable to map them all. We would like to thank Trickle Up, Fundación Capital, and BRAC USA who consolidated data from many programs, for which they provide technical assistance.

[4] The online survey is available at https://enketo.ona.io/x/#YVJL

[5] Programs that ended prior to 2016 were not included in this survey, as the focus of the current survey and analysis is on the most recent trends.

[6] The total number of people is calculated using the program's average household size or the country's average household size if the former was not provided.

[7] In 2016, all 55 programs for which surveys were completed reported on the number of participants served, while in 2017 69 of the 73 ongoing programs reported the number of participants served and four did not. Therefore, the total number of households reached will be higher than 3.1 million, if the households of the four that did not report were included.

[8] BRAC has the largest number of households served of any graduation program, at 1.77 million households, and therefore has an outsized effect on these total figures.

[9] This uses the Organisation for Economic Co-operation and Development (OECD) definition of fragile states, which includes five dimensions, namely: violence, the economic foundations, institutions, access to justice, and resilience of the country to shocks and disasters. "The list of fragile states and economies assembled by the OECD results from a compilation of two lists: the countries on the World Bank-African Development Bank-Asian Development Bank Harmonized List of Fragile Situations, and the countries on the Fragile States Index developed by The Fund for Peace which are in the "alert" and "warning" categories (scores above 90)" (OECD, 2015). In total, 50 countries are included in the OECD's list of fragile states, of which 56% are in SSA.

[10] Some programs received technical assistance from multiple providers; hence the percentages in the figure exceed 100%.

[11] External funds refer to those funds provided by an organization other than the lead organization.

[12] Definitions of empowerment used by programs are presented below.

[13] The survey neither provided nor asked for a definition of resilience so its actual meaning as an objective of graduation programs may vary across programs. Nevertheless, within the context of graduation, resilience may be understood as "beneficiaries' ability to withstand future shocks and setbacks without falling deeper (or back) into poverty" (de Montesquiou et al., 2018).

[14] This is part of the research activities of the government's *Adaptive Social Protection Program*.

[15] The questionnaire did not use any specific definition of graduation, therefore, some programs may have interpreted this as the criteria to measure success (i.e., progress in certain indicators) after the program is over, while others may have interpreted it as whether participants have reached a point of graduating out of the program.

[16] Graduating from a program does not mean program participants will not need to be part of other social protection schemes. This distinction is particularly important for government programs, as participants should retain access to appropriate social protection services. Refer to de Montesquiou et al. (2018) for more information on the definition of graduation and the process of defining and using graduation criteria.

[17] The survey did not inquire about ways in which programs track the indicators used as part of their graduation criteria.

[18] Out of the 99 programs mapped through the global graduation landscaping survey, there are only three programs that did not use a poverty measure to define their target group. Two of these are in the planning phase and have therefore not

fully defined their target group. The other case, REGRADE program in Ethiopia, targets communities living in priority watersheds (a priority for the Ethiopian Government).

[19] See World Bank's *Poverty Overview* (2018) website for more information on the extreme poverty line

[20] Within its *TUP* program, BRAC applies different targeting criteria to two distinct target groups: Specially Targeted Ultra Poor (STUP) and Other Targeted Ultra Poor (OTUP). The targeting criteria for STUP participants are: 1) Household depends on manual labor or begging 2) Own less than 10 decimals of land 3) No productive assets in the household 4) No adult active male in the household 5) School age children in paid work. Whereas for OTUP they are 1) Household depends on irregular wage employment 2) Own maximum 30 decimals of land 3) Unable to utilize NGO/financial services, 4) Unable to continue children's education beyond primary, 5) Could not afford meat or egg in 3 days. STUP and OTUP participants must meet at least three of their respective criteria.

[21] Four programs rely exclusively on the targeting done by a government-led program.

[22] Income is believed to be an inappropriate welfare indicator, first, because it does not capture emergency coping strategies available to people (e.g., borrowing, selling assets, consumption smoothing, etc.) and, second, because it is prone to large measurement errors: in economies with large informal markets, people might find it difficult to recall their earnings or might be unwilling to report parts of their income (Haughton and Shahidur, 2009).

[23] Previously known as Progress out of Poverty Index.

[24] Banerjee, A. *et al.* (2007) shows some results of this type of research. They assessed the effectiveness of several targeting tools in identifying extremely poor households.

[25] Eight of the total 73 ongoing programs did not provide this data.

[26] See CGAP (2016a)

[27] See Ayoubi *et al.* (2017).

[28] See Raza & van de Poel (2016) for an earlier study conducted by BRAC that looked at the child nutrition effects of their graduation program.

[29] The amount of consumption support in government-led programs averages US$321 and has a median of US$226, compared to an average of US$224 and a median of US$100 in NGO-led programs.

[30] The average (median) across the three main regions where graduation programs are located is: US$470 (US$307) in LAC, US$157 (US$132) in South and East Asia and Pacific and US$218 (US$170) in Africa (SSA and Middle East and North Africa together).

[31] The reason why the sum of these percentages is greater than 100 percent is because some programs facilitate access to financial services through various FSP types.

[32] de Montesquiou *et al.* (2018)

[33] The full report of this evaluation is available at:
https://www.concern.net/sites/default/files/resource/2016/10/graduation_model_programme_in_burundi_-_evaluation_report.pdf

[34] For more information on how UNHCR, with support from Trickle Up, is adapting the graduation approach to the poorest and most vulnerable segments of refugee populations, see Ayoubi *et al.* (2017)

[35] This is based on data reported from 66 programs.

[36] The median costs are US$1,112 for governments and US$863 for NGOs.

[37] Program size is defined as the number of households reached to date plus the number of households the program will be able to reach with current (secured) funding.

[38] See Annex 1.1 for the list of the largest programs, overall and by region.

[39] With the exception of one program for which research focus is still under discussion

[40] After three years, the value of the assets held by households that received the full package was significantly higher and more diversified than for the goats-only households whose livestock value and total consumption did not increase (A. Banerjee et al., 2015).