

## Reaching the Ultra-Poor with the Graduation Approach

### Introduction:

The Graduation Approach is a multifaceted livelihood programme that provided ultra-poor households with a productive asset, training, regular coaching, access to savings, and consumption support. It was designed by BRAC and adapted in eight countries with support from the Consultative Group to Assist the Poor (CGAP) and the Ford Foundation.

### Background:

This initiative aims to alleviate constraints of the poorest and most vulnerable in securing livelihoods. This comes in a context where income is often irregular or seasonal, putting laborers and their families at risk of hunger. Self-employment is often the only solution, which bears limitations in access to finance and skills to boost income through entrepreneurship.

### Details of the Intervention:

The Graduation Approach fosters a transition to more secure livelihoods for the poorest. By combining complementary approaches, it seeks to boost a sustainable shift to self-employment. It aims to increase the standard of living through six complementary components, each designed to address specific constraints facing ultra-poor households. These components are:

- Productive asset transfer: One-time transfer of productive assets, such as cows, goats, or supplies for petty trade.
- Technical skills training: Training to manage the productive asset.
- Consumption support: Regular cash or food support for a few months to a year.
- Savings: Access to a savings account, or encouragement to save.
- Home visits: Frequent home visits by implementing partner staff to provide accountability, coaching, and encouragement.
- Health: Health education, health care access, and/or life skills training.

### Impact:

The Graduation Approach led to large and lasting impacts on their standard of living. The approach has been scaled up by BRAC to support over 580,000 families in Bangladesh and by Bandhan Konnagar to over 75,000 families in India. In the short run the programme increased households' consumption relative to the comparison group after two years, and households experienced similar improvements in food security, asset holdings, and savings. In addition, improvements in economic well-being were the result of a shift from menial labor to more stable self-employment.

*Source: Abdul Latif Jameel Poverty Action Lab (J-PAL). (2015). "Building stable livelihoods for the ultra-poor." J-PAL Policy Insights. Last modified September 2015.*