

# Creating Sustainable Pathways For The Poorest

## *Through the Graduation Approach*

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*Kate McKee*

*Senior Advisor*

*CGAP*

*June 16<sup>th</sup>, 2015*

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# The Graduation Approach



# The Graduation Program

- State of Evidence
- State of Practice
- Graduation Approach 2.0 Learning Agenda
  - Synergies and Tradeoffs
- Moving Forward

# State of Evidence

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# Evidence from Six Randomized Evaluations

RCTs conducted by IPA & J-PAL in:

- Ethiopia
- Ghana
- Honduras
- India
- Pakistan
- Peru

The screenshot shows the Science journal website interface. At the top, there is a navigation bar with the Science logo, AAAS.ORG, and various utility links like FEEDBACK, HELP, and LIBRARIANS. A search bar is also present. Below the navigation bar, there are tabs for NEWS, SCIENCE JOURNALS, CAREERS, MULTIMEDIA, and COLLECTIONS. The main content area displays the article title "A multifaceted program causes lasting progress for the very poor: Evidence from six countries" by Abhijit Banerjee, Esther Duflo, Nathanael Goldberg, Dean Karlan, Robert Osei, William Parienté, Jeremy Shapiro, Bram Thuysbaert, and Christopher Udry. The article is categorized as a RESEARCH ARTICLE. On the left side, there are sections for "Article Views" (listing options like Abstract, Full Text, etc.) and "Article Tools" (listing options like Leave a comment, Save to My Folders, etc.). On the right side, there are advertisements, including one for "STAY PLUGGED IN" with Science PODCAST and another for "Science Signaling" with the text "KEEP UPDATED ON KEY ADVANCES IN CELL SIGNALING".

# What We Have Learned So Far

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

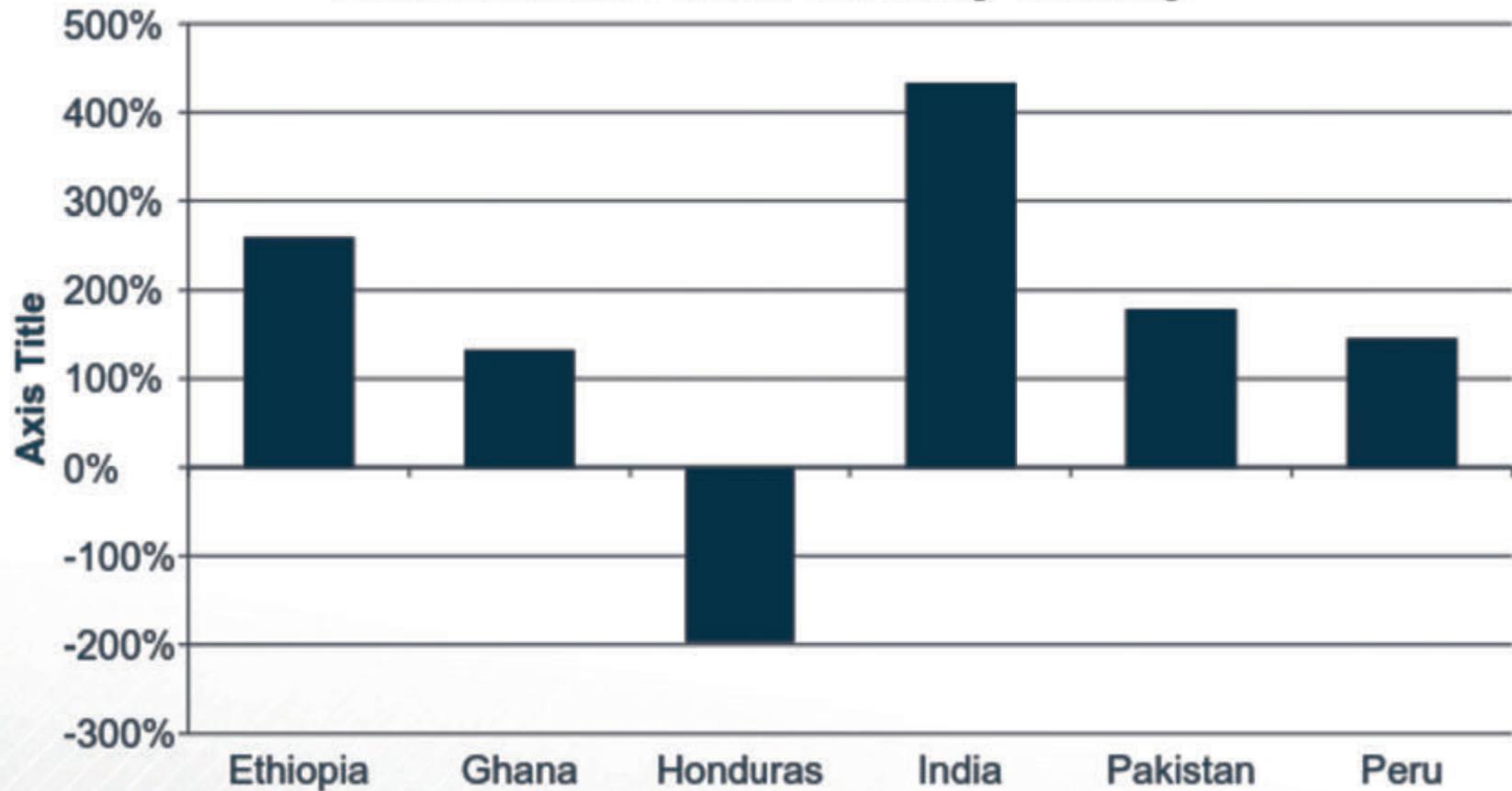
- Income and Consumption
- Food Security
- Savings and Access to finance
- Productive Assets
- Non-economic benefits (health and happiness)

## Comparison to BRAC results

Variable	Multi-Site Results (Three Years)	BRAC Results (Four Years)
Total consumption per capita, month	\$3.36 (control \$68.80)	\$4.31 (baseline \$51.16)
Food consumption per capita, month	\$2.62 (control \$41.20)	\$1.71 (baseline \$5.44)
Non-food consumption per capita, month	\$0.83 (control \$25)	\$2.60 (baseline \$45.72)
Household savings	\$75 (control \$78.40)	\$5.42 (baseline \$0.63)
Productive asset value	\$215 (control \$1576)	\$55.38 (livestock only) (baseline \$4.85)
Benefit/cost	159%	244%

# Cost Effective?

## Total Benefits / Total Costs by Country



# State of Practice

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# 10 Pilots, 8 Countries



# Multiplying the Graduation Experience



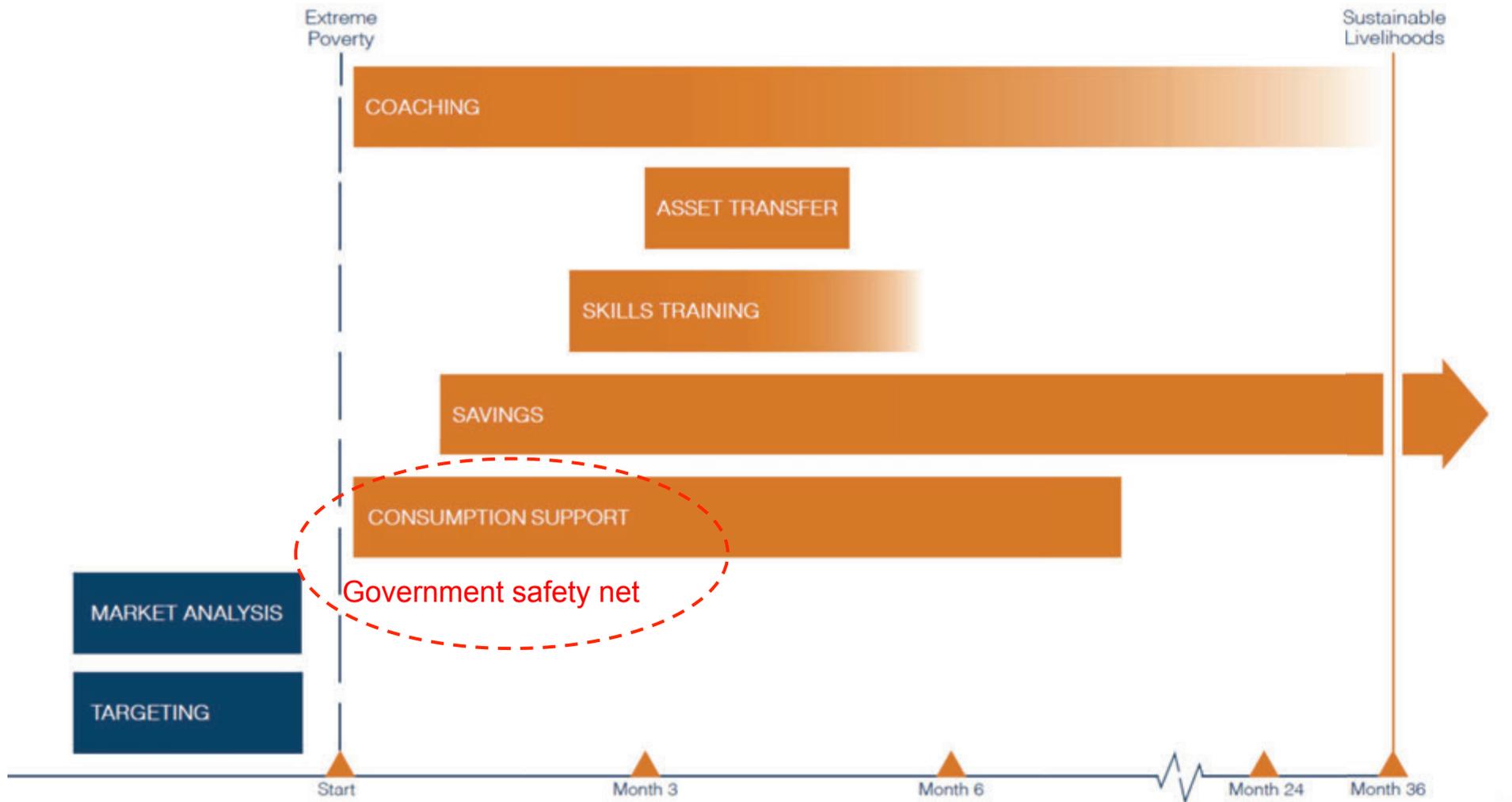
# **The Graduation Approach 2.0**

## **Learning Agenda**

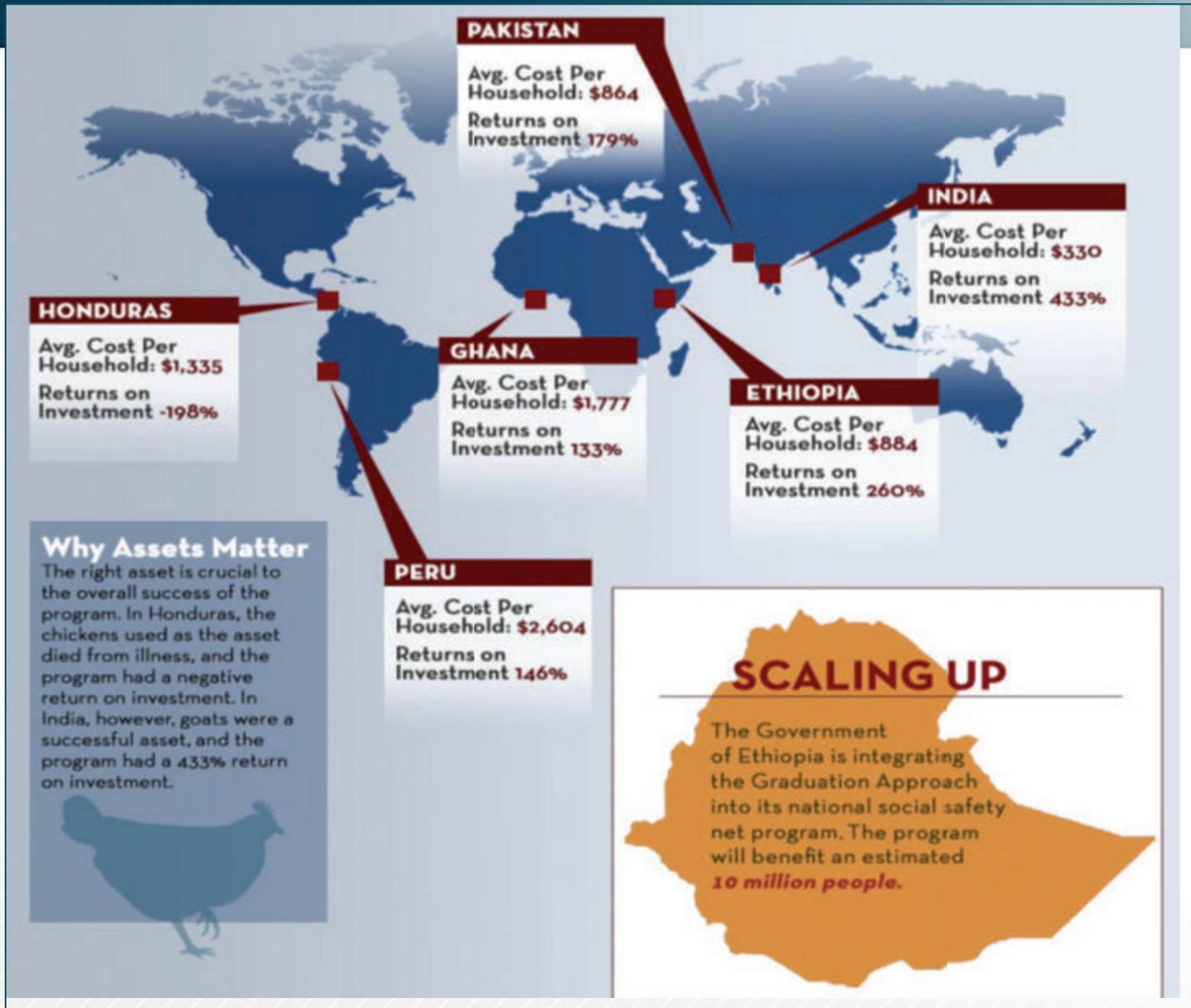
**Scaling Up Lessons From the Graduation Program  
Through Government Social Protection Programs**

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# Creating Links With Social Safety Net Programs



# A Cost Effective Model



# Key Questions for Generation 2.0 Learning Agenda

## Targeting and Tailoring by Segment

- Who benefits the most?
- What to do for those who benefit less?

## Streamlining

- Are all the components essential?

## Cost effectiveness

- How can the model be delivered more cost-effectively?
- How to achieve coordination and efficient linkages?

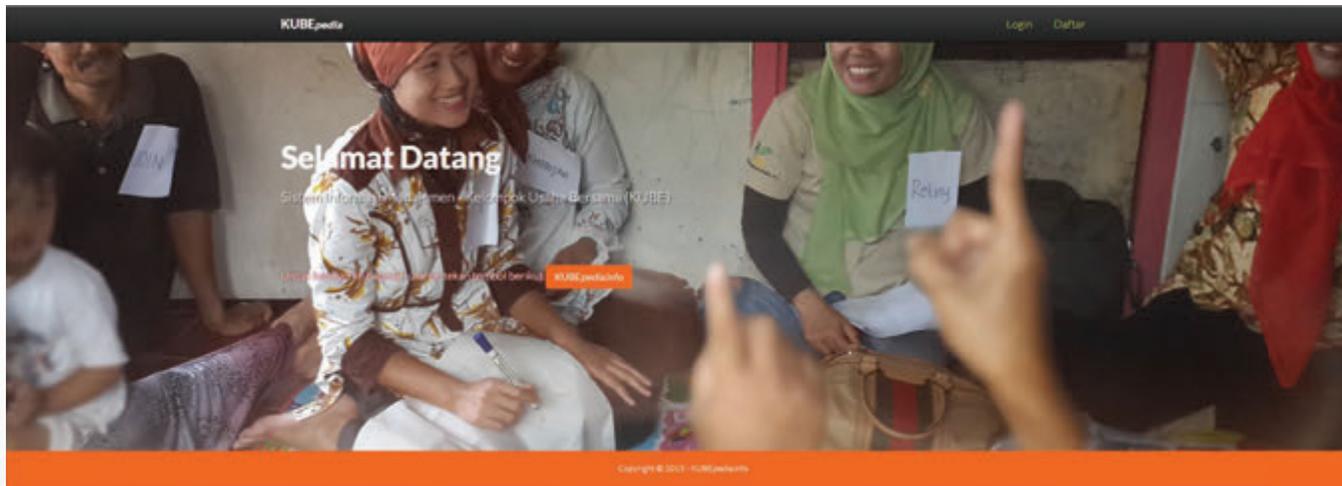
## Sustainability and Spillovers

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

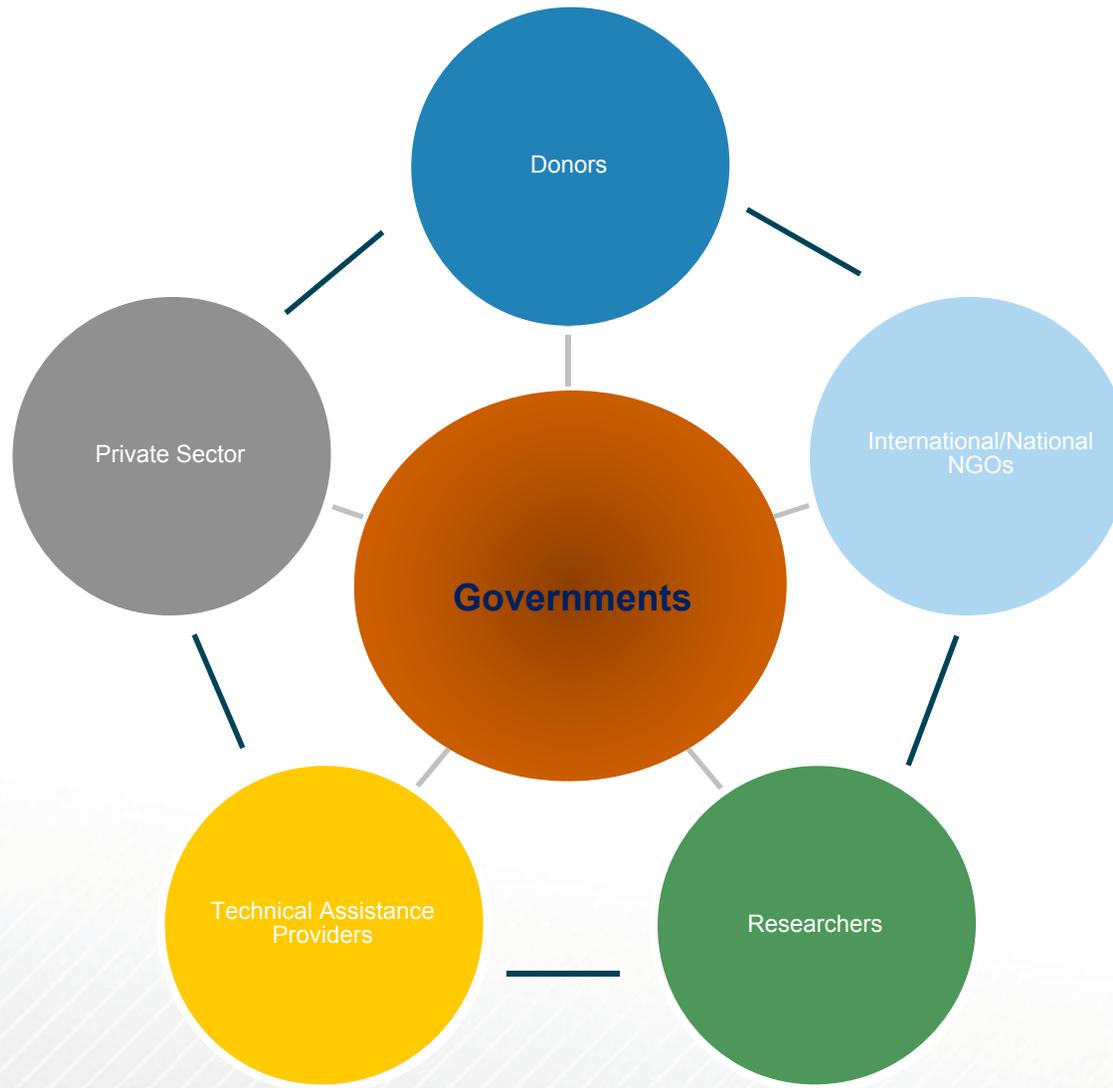
# Government-Led Model: *KUBE-Program Keluarga Harapan (PKH)*



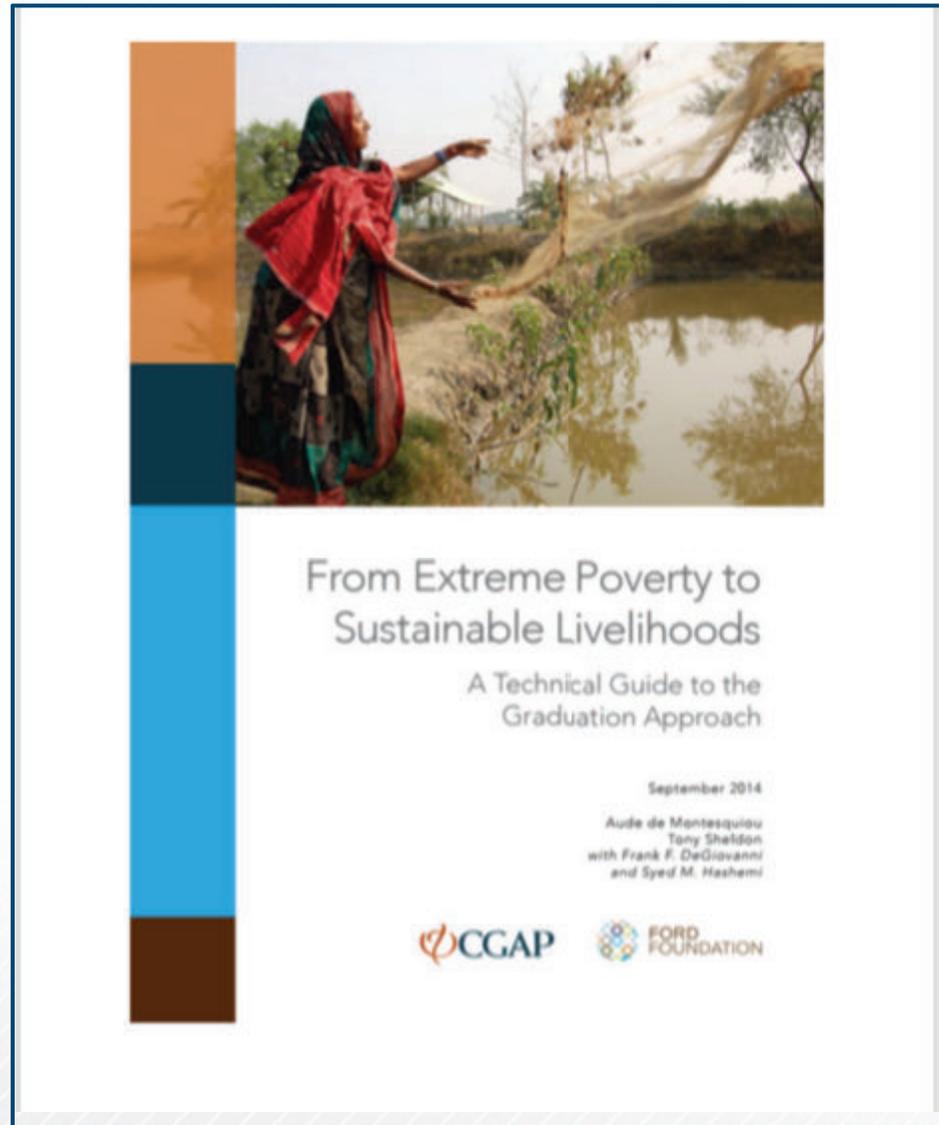
Led by Ministry of Social Affairs (MoSA)  
Group Business Grants (10 people)  
E-coaching  
Digital Financial Services



# Stakeholders: Synergies and Tradeoffs



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



## Knowledge and Tools

- Policy Brief #1 – Impact Evidence and Implications
- Policy Brief #2 – Comparative Cost-effectiveness/ Sustainability of Graduation vs other Productive Safety Net Interventions (livelihoods, productive transfers) from IPA research
- Global Learning Event (late 2015?) with Ford and MasterCard Foundations

# Policymakers Weigh In on the Graduation Approach

[Video](#) ( full video)

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

(partial)

## Key Questions for Generation 2.0 Learning Agenda

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### Client Level Impact:

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

## **Performance/Evolution of the Graduation Community?**

**THANK YOU**





## Advancing financial inclusion to improve the lives of the poor

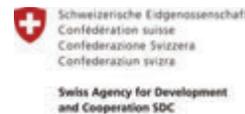


Foreign Affairs, Trade and  
Development Canada  
Affaires étrangères, Commerce  
et Développement Canada



BILL & MELINDA  
GATES foundation

ON  
OMIDYAR NETWORK™



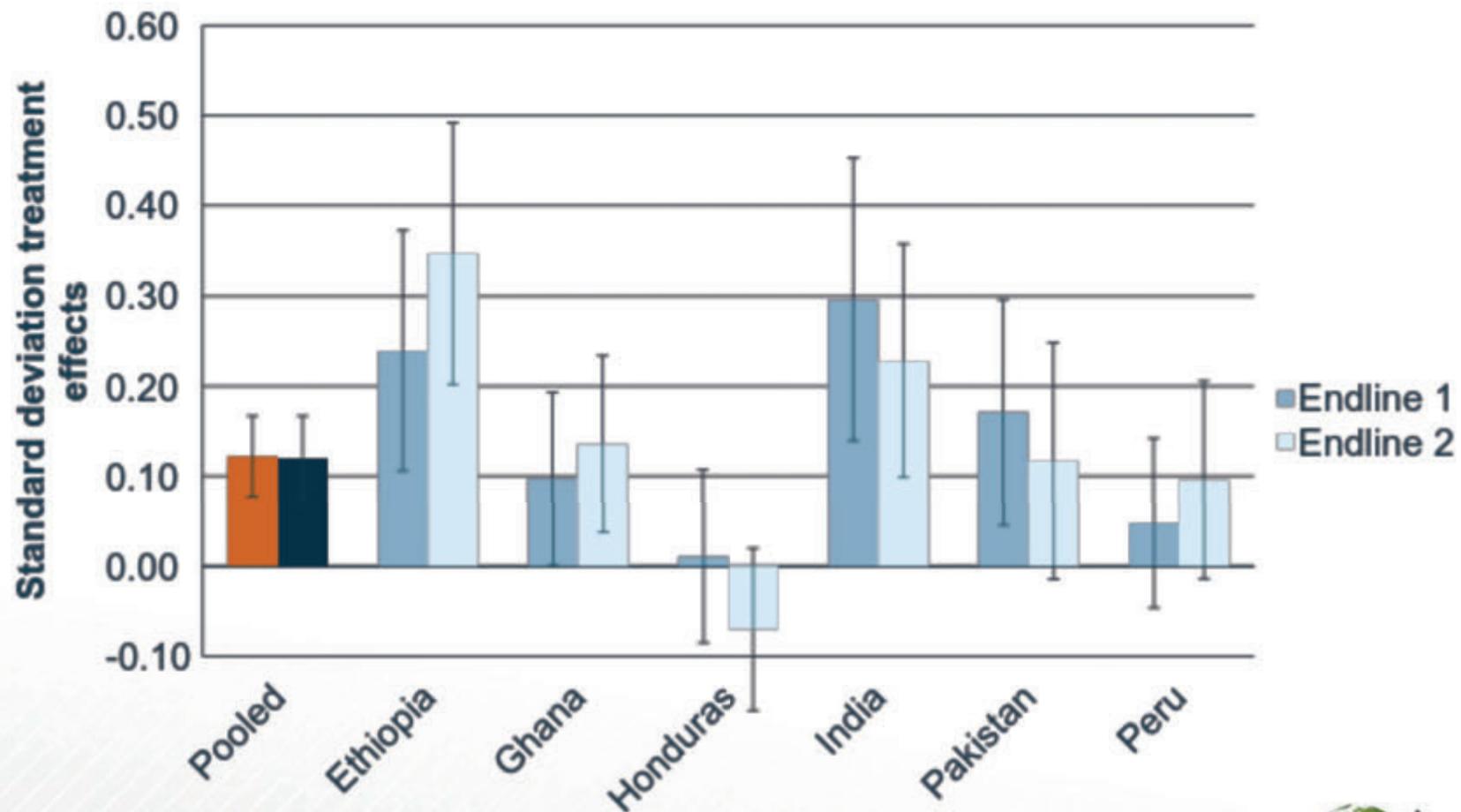
MetLife Foundation  
Ensuring Access. Empowering Communities.



[www.cgap.org](http://www.cgap.org)

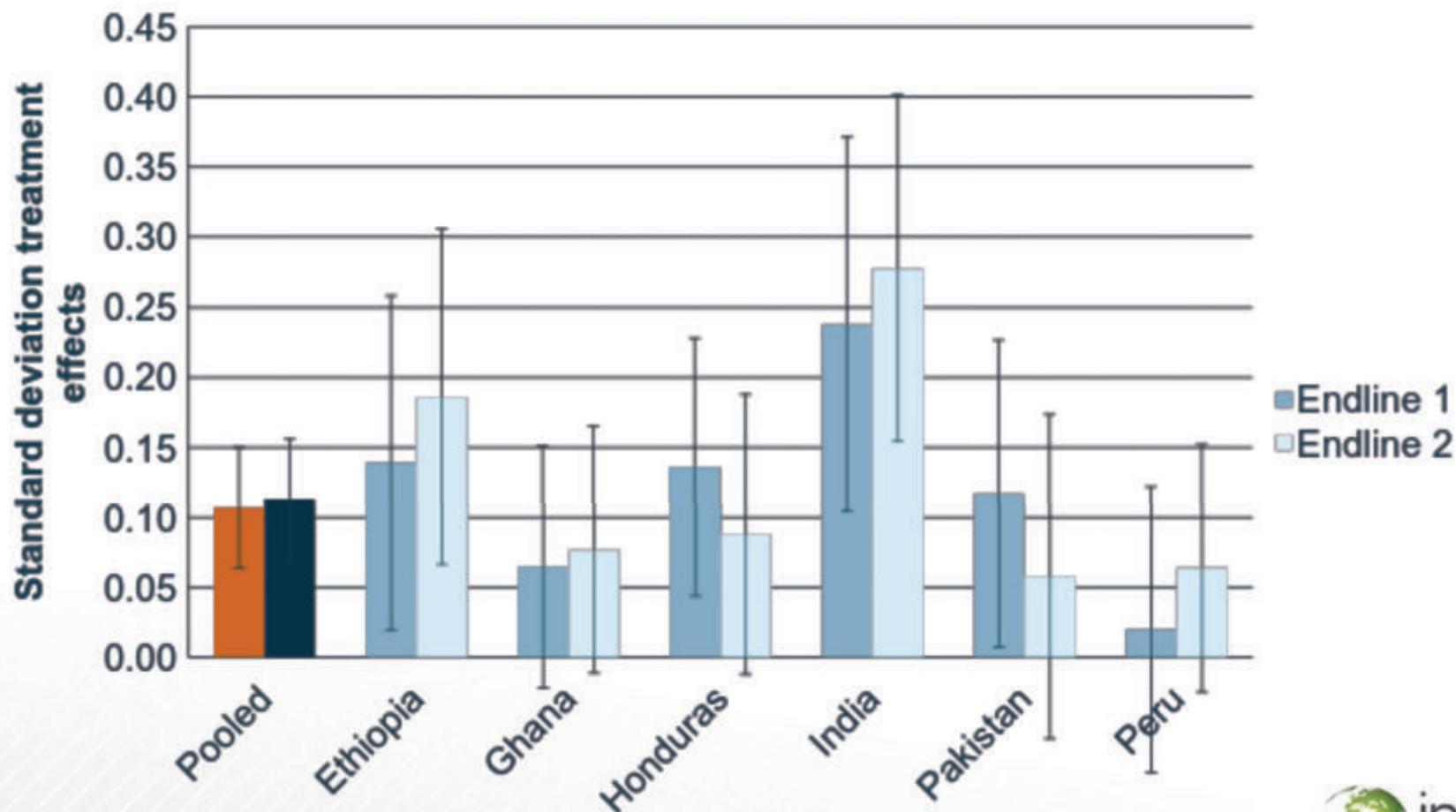
# Annex

# Per Capita Consumption



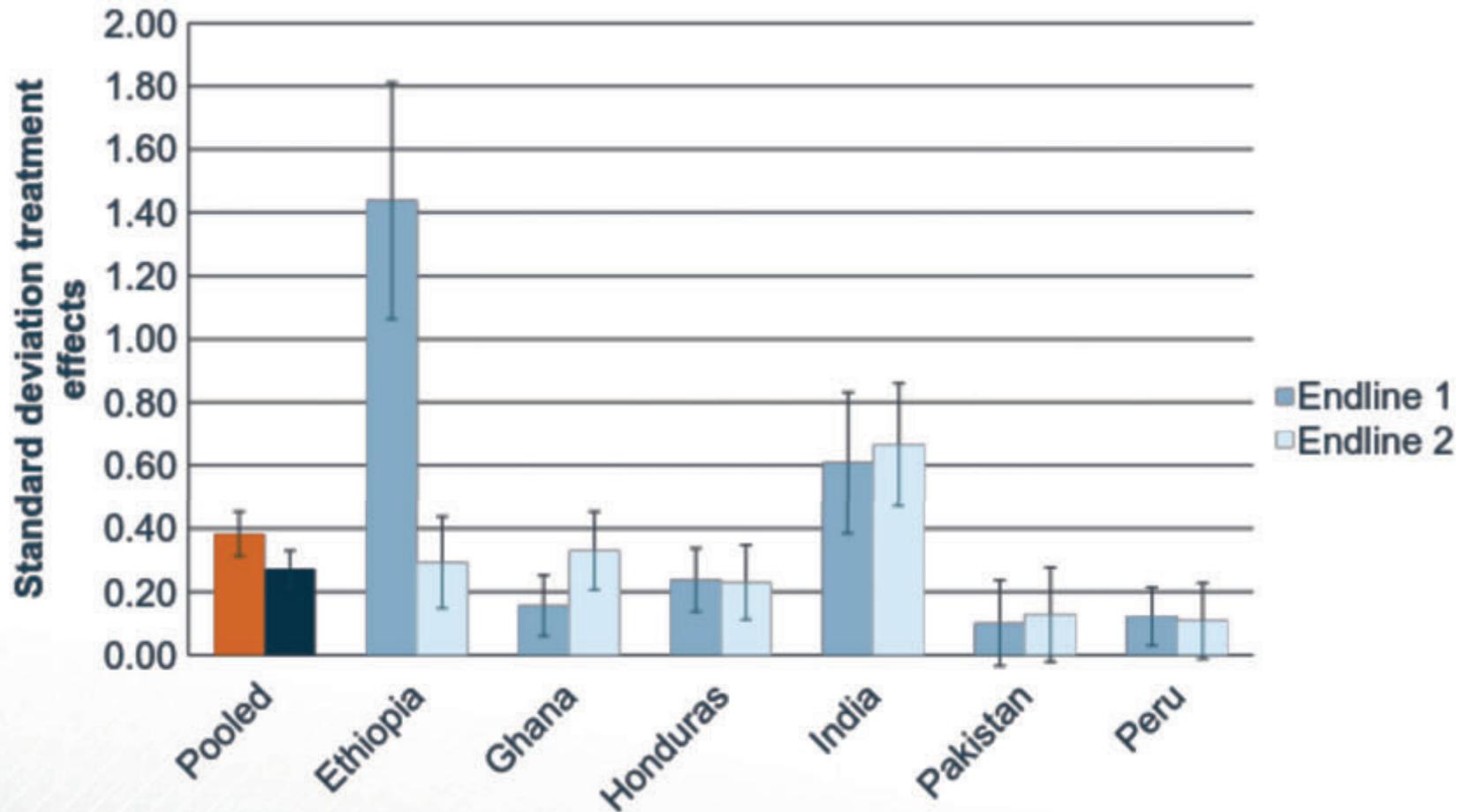
Per capita consumption, month  
 Pooled endline 1: \$4.55 (control mean \$78.80)  
 Pooled endline 2: \$3.36 (control mean \$68.80)

# Food Security



Everyone gets enough to eat each day  
Pooled endline 1: treatment 47%, control 42%  
Pooled endline 2: treatment 45%, control 40%

# Income and Revenues

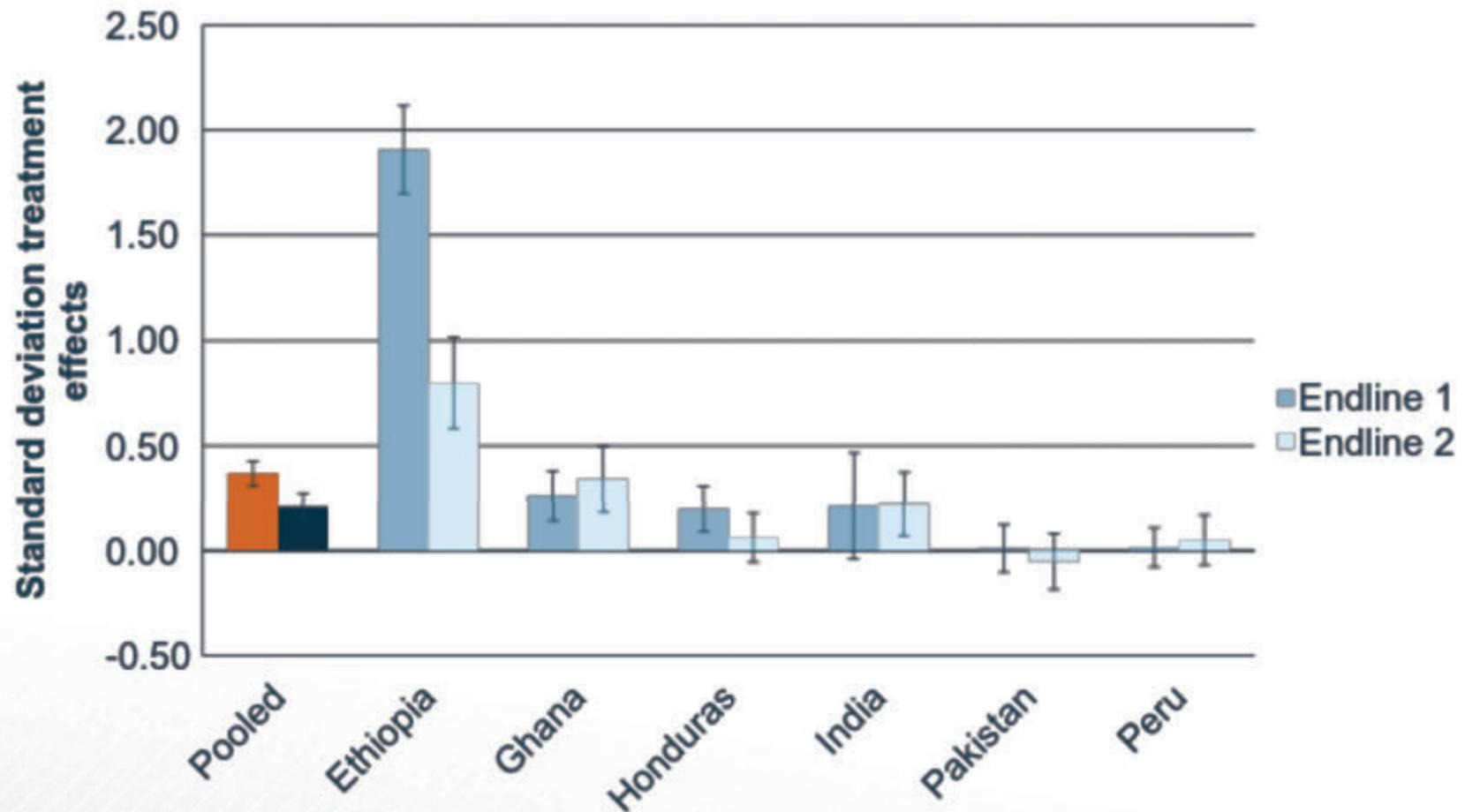


## Monthly livestock revenues

Pooled endline 1: \$85.81 (control mean \$73.52)

Pooled endline 2: \$55.50 (control mean \$80.62)

# Financial Inclusion



Total savings balance  
Pooled endline 1: \$159.41 (control mean \$97.07)  
Pooled endline 2: \$58.38 (control mean \$78.38)

# Reaching the Poorest through Different Implementation Models

## NGO & Donor-Led Implementation

BRAC; Fundacion Capital; Concern Worldwide; Trickle Up; Bandhan; PPAF; Fonkoze; WFP; UNHCR; DFID; BOMA Project;

## Government-Led Model

Ex: Colombia; Peru; Ethiopia; Indonesia; Paraguay; Mexico; Brazil;

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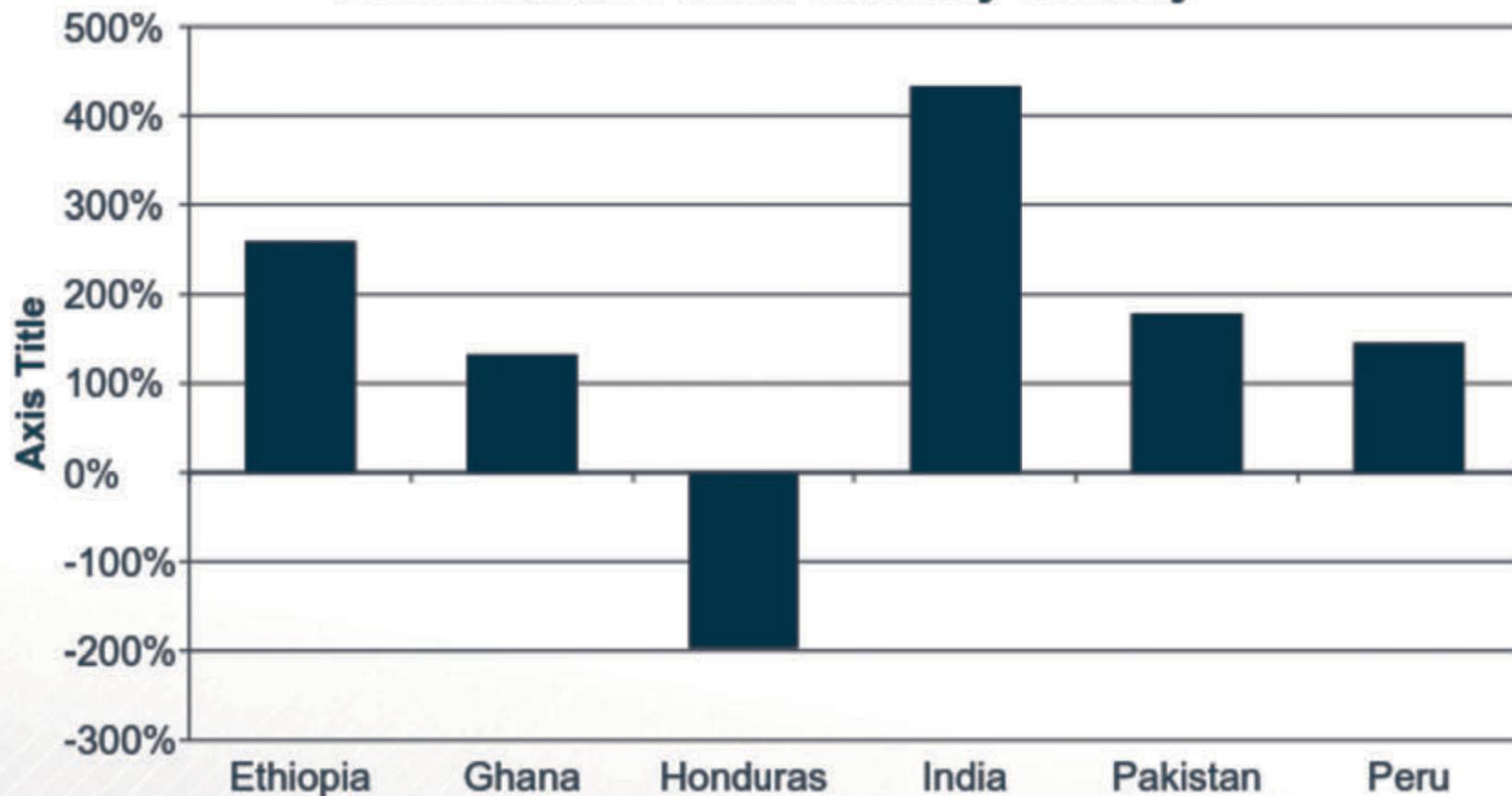
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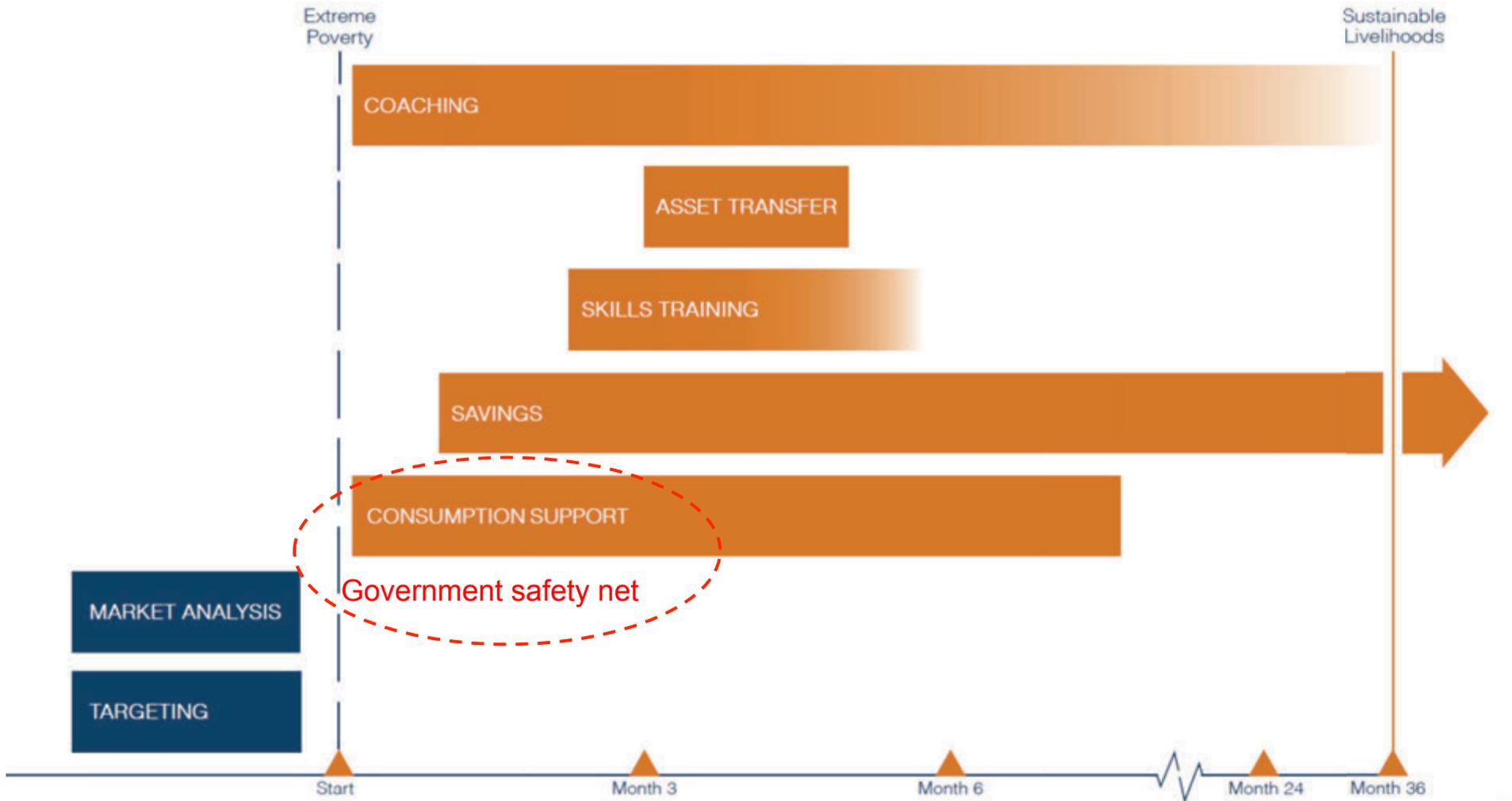
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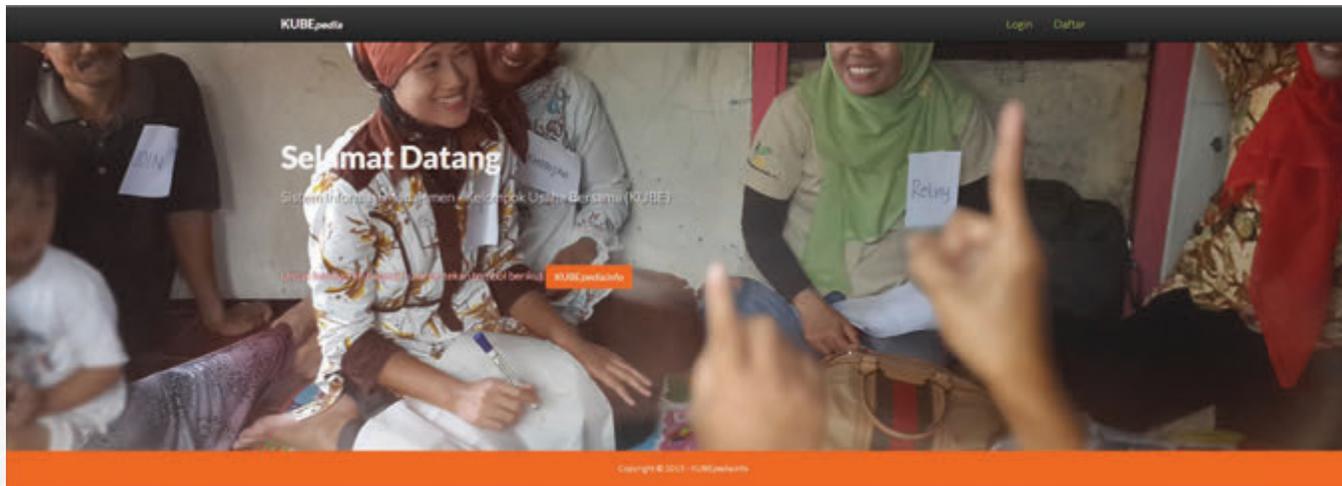
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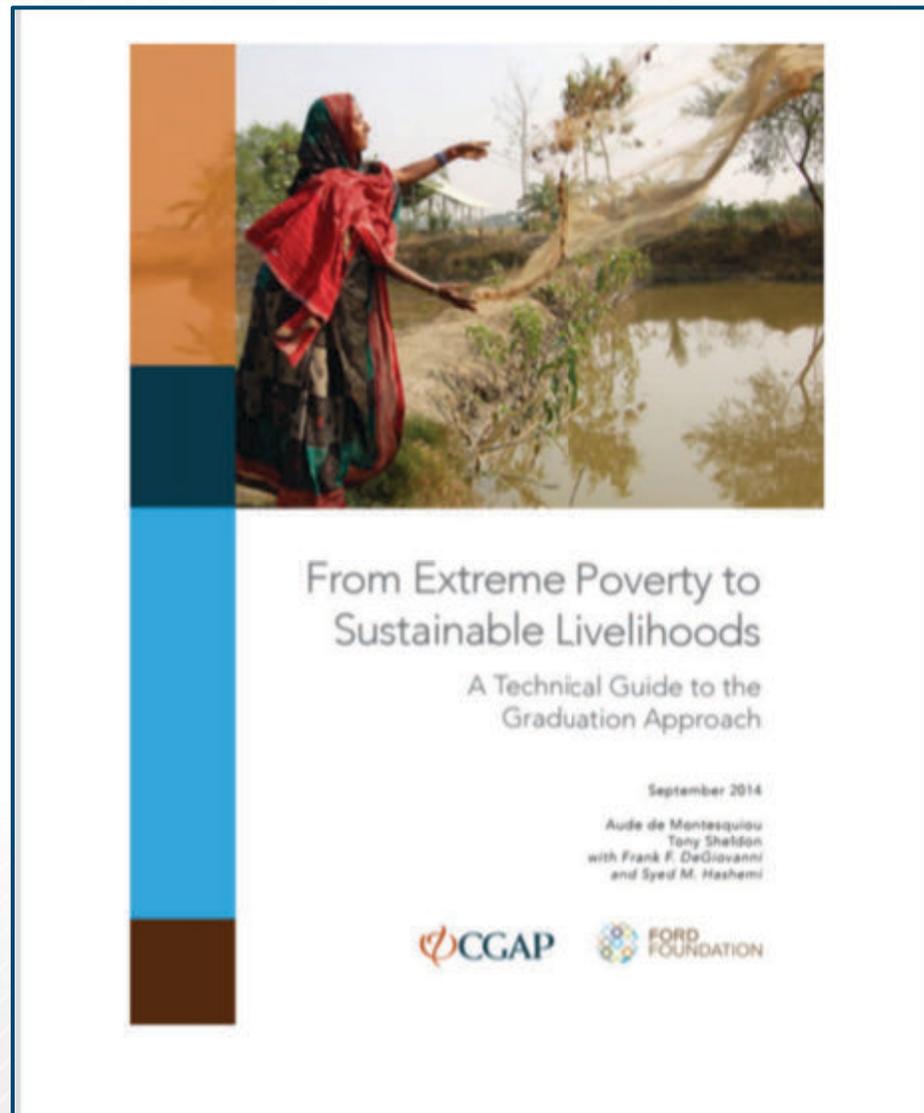
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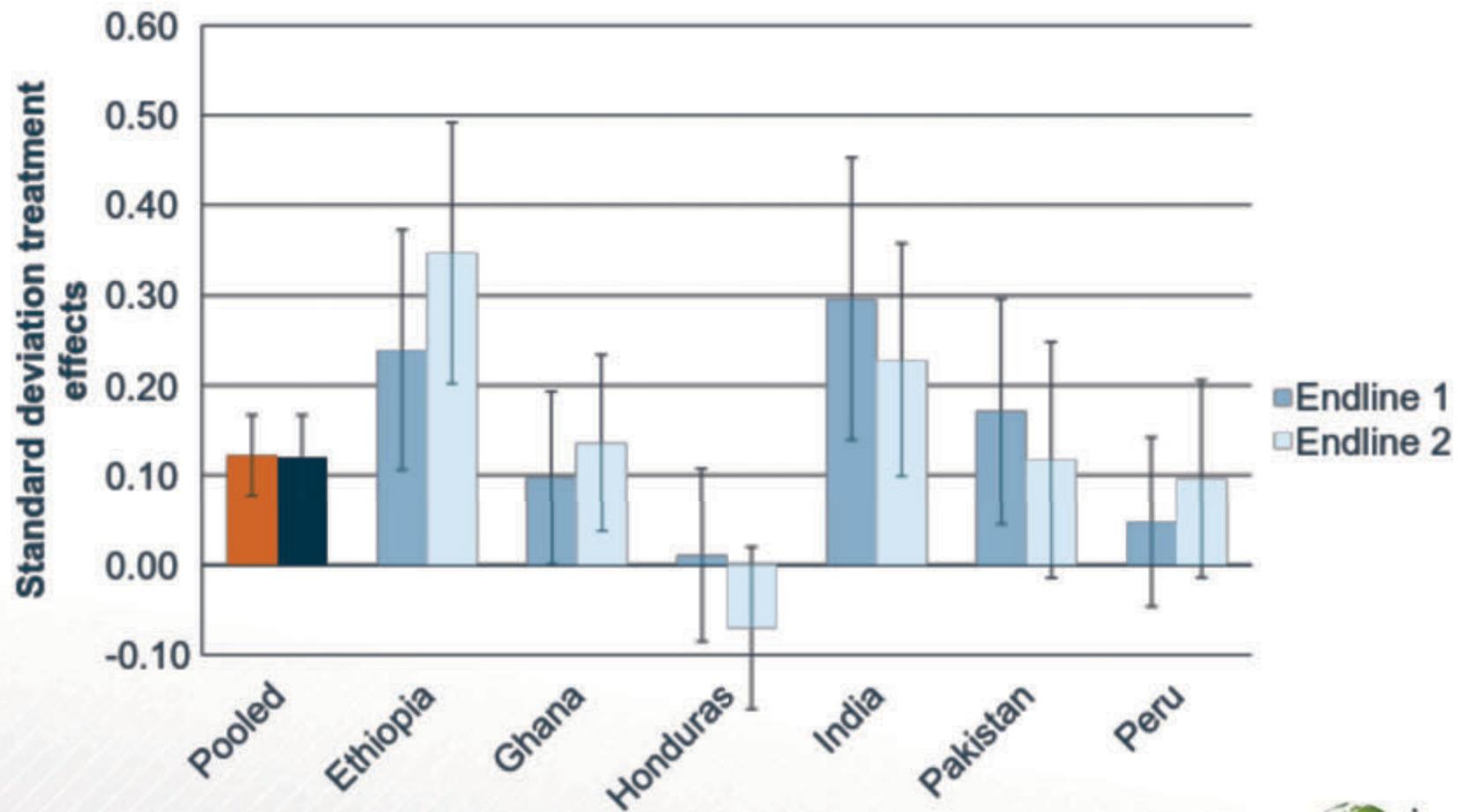


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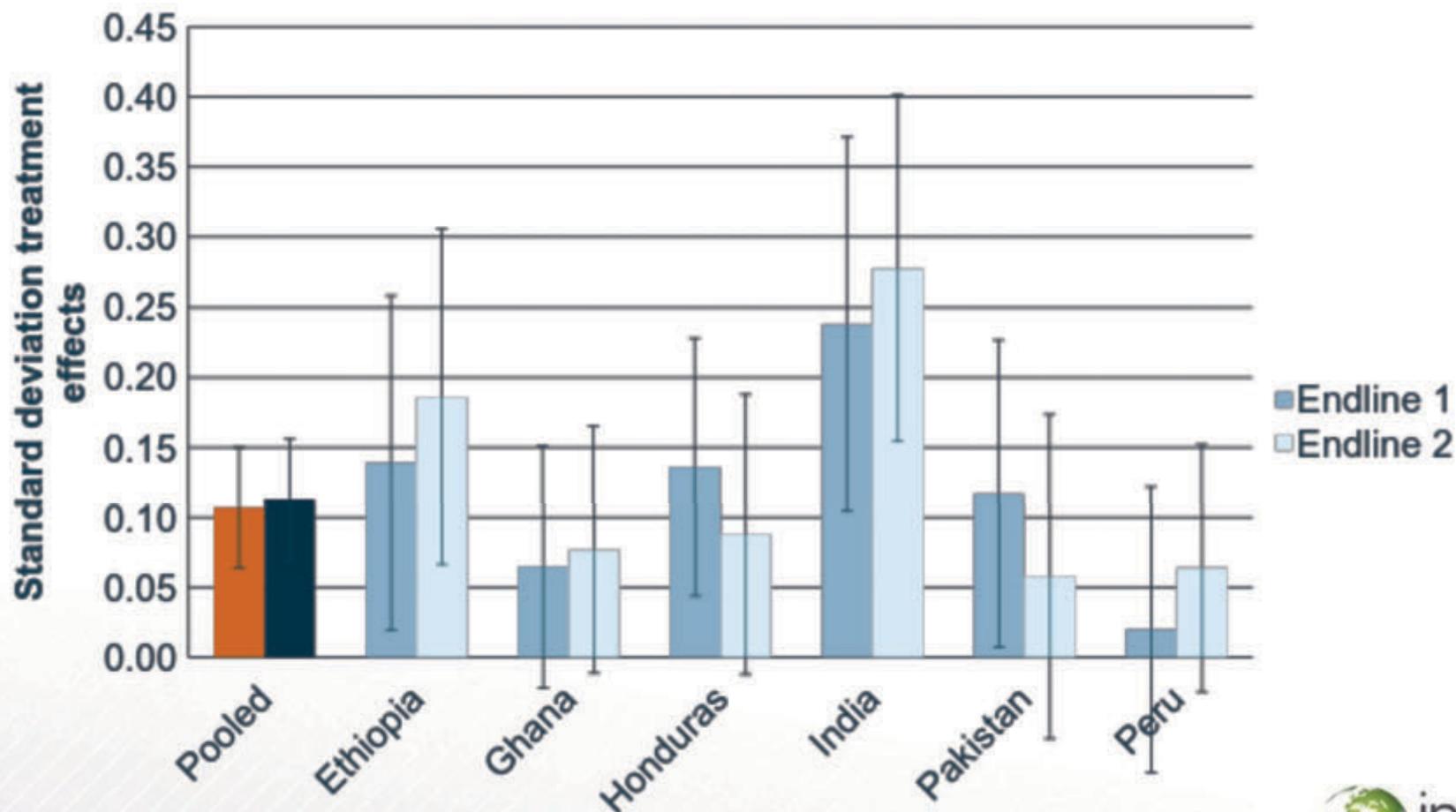
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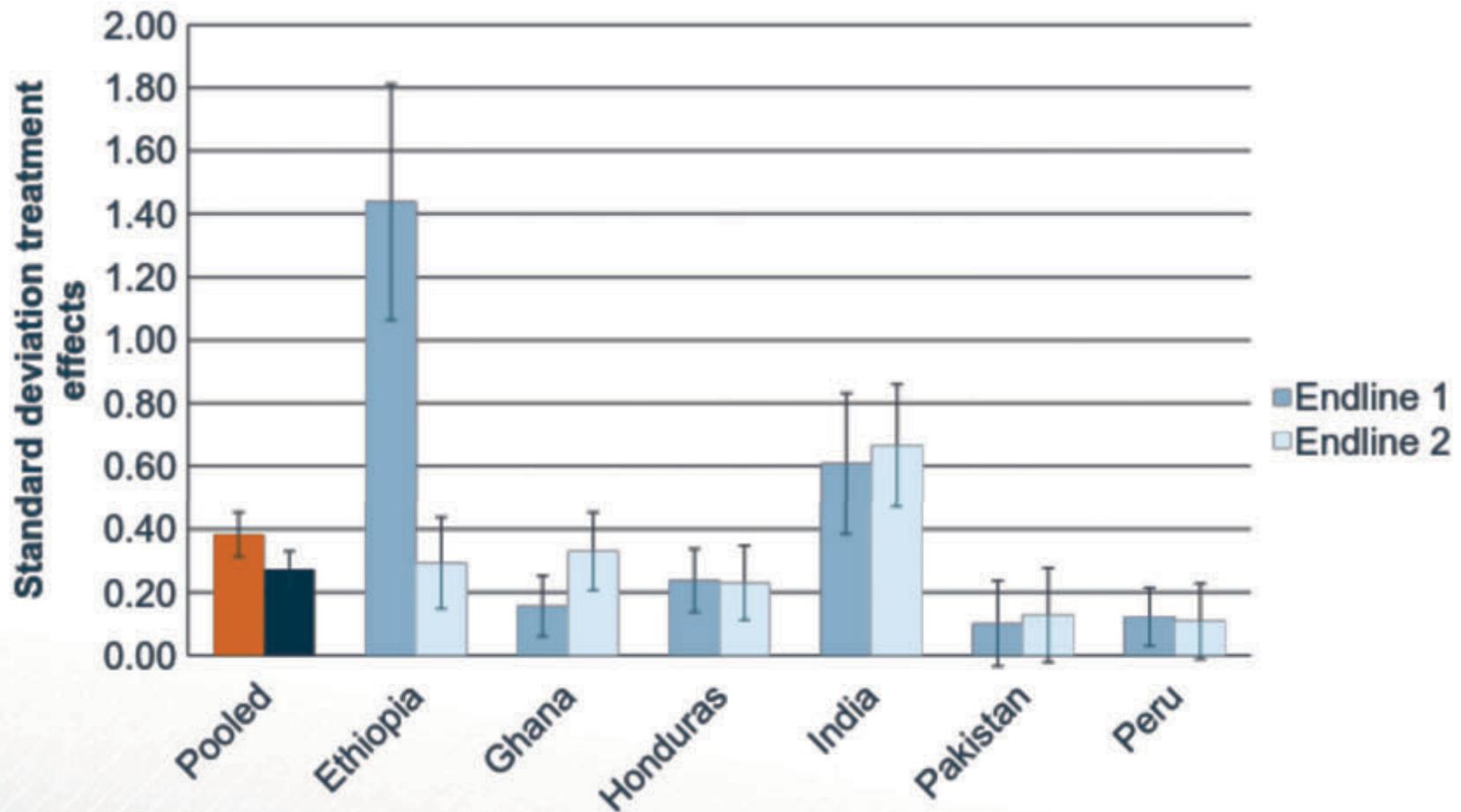
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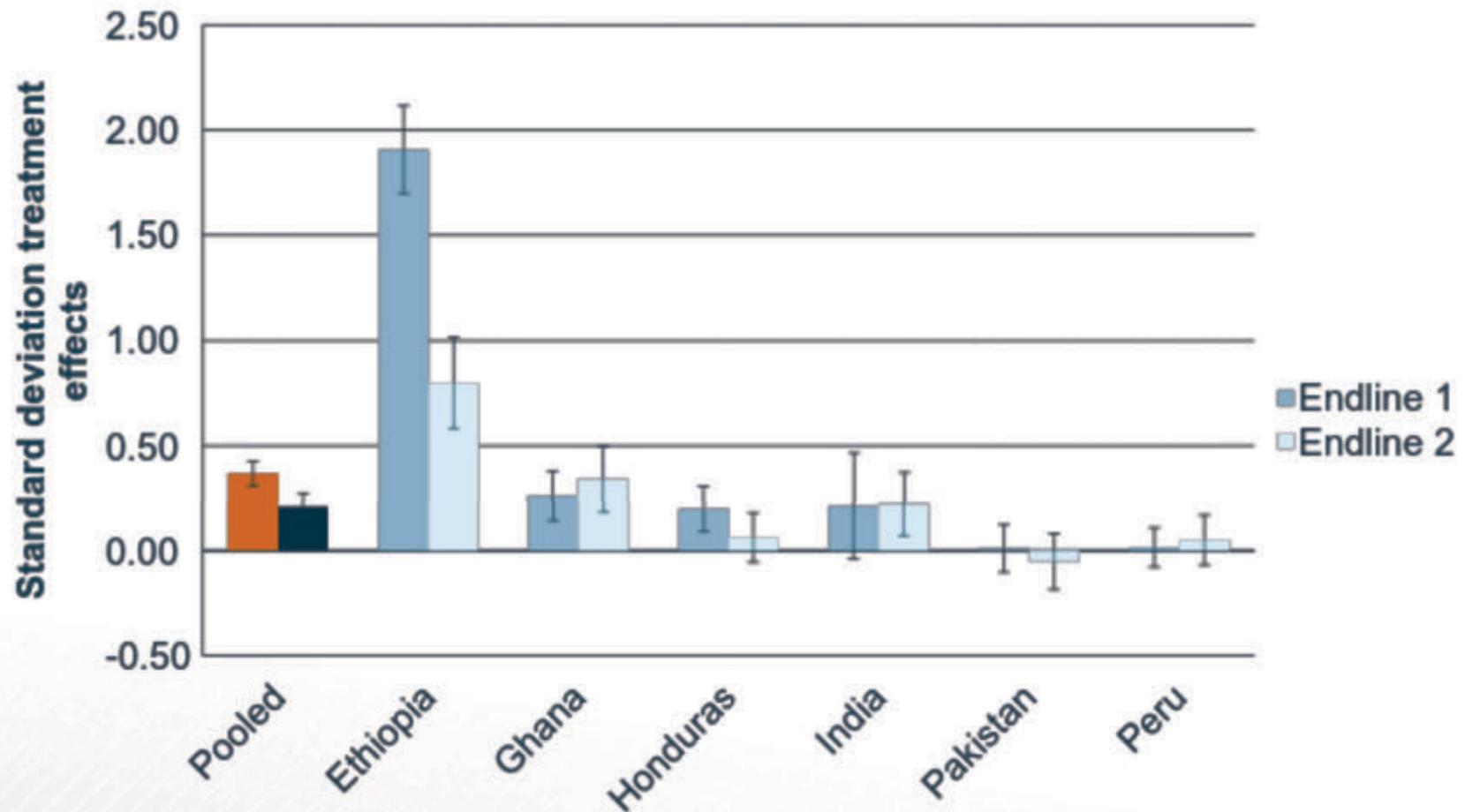


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