



## Lifting People Out of Extreme Poverty through a Comprehensive Integrated Approach

Expert Group Meeting UNDESA

June 2016



# What is BRAC?

BRAC is a development success story spreading **anti-poverty solutions** across Asia, Africa and the Caribbean.

Begun as a limited relief effort for refugees displaced after the 1972 Bangladesh liberation war, BRAC led by founder Sir Fazle Hasan Abed, developed a **metrics-based approach** to pilot and perfect programs before scaling them to reach millions.





## Who do we serve?

Today BRAC is one of the largest development organizations in the world with **120,000 staff** serving **138 million** people in **12 countries**, including Bangladesh.

With an annual budget of \$800 million, **80 percent of which come from BRAC's social enterprises.**

**TUP program takes in approximately 100,000 TUP participants every year** (just a fraction of BRAC activities)



**Countries where we work:** Bangladesh, Philippines, Myanmar, Nepal, Afghanistan, Pakistan, South Sudan, Uganda, Tanzania, Sierra Leone, Liberia, and Haiti.



## What is the Targeting the Ultra Poor Graduation Program?

In 2002, BRAC pioneered the TUP program in Bangladesh to **improve** the **resilience** of the **ultra poor** and effectively address the worst forms of poverty.

Since then, BRAC has **scaled** the Graduation approach, as it is now known, graduating **1.7 million** households (6.8 million people) with a projected reach of **2 million households by 2020**.

BRAC TUP **pilots** have been conducted in Afghanistan, Pakistan, Sri Lanka, and South Sudan, and will expand to Uganda and Tanzania.

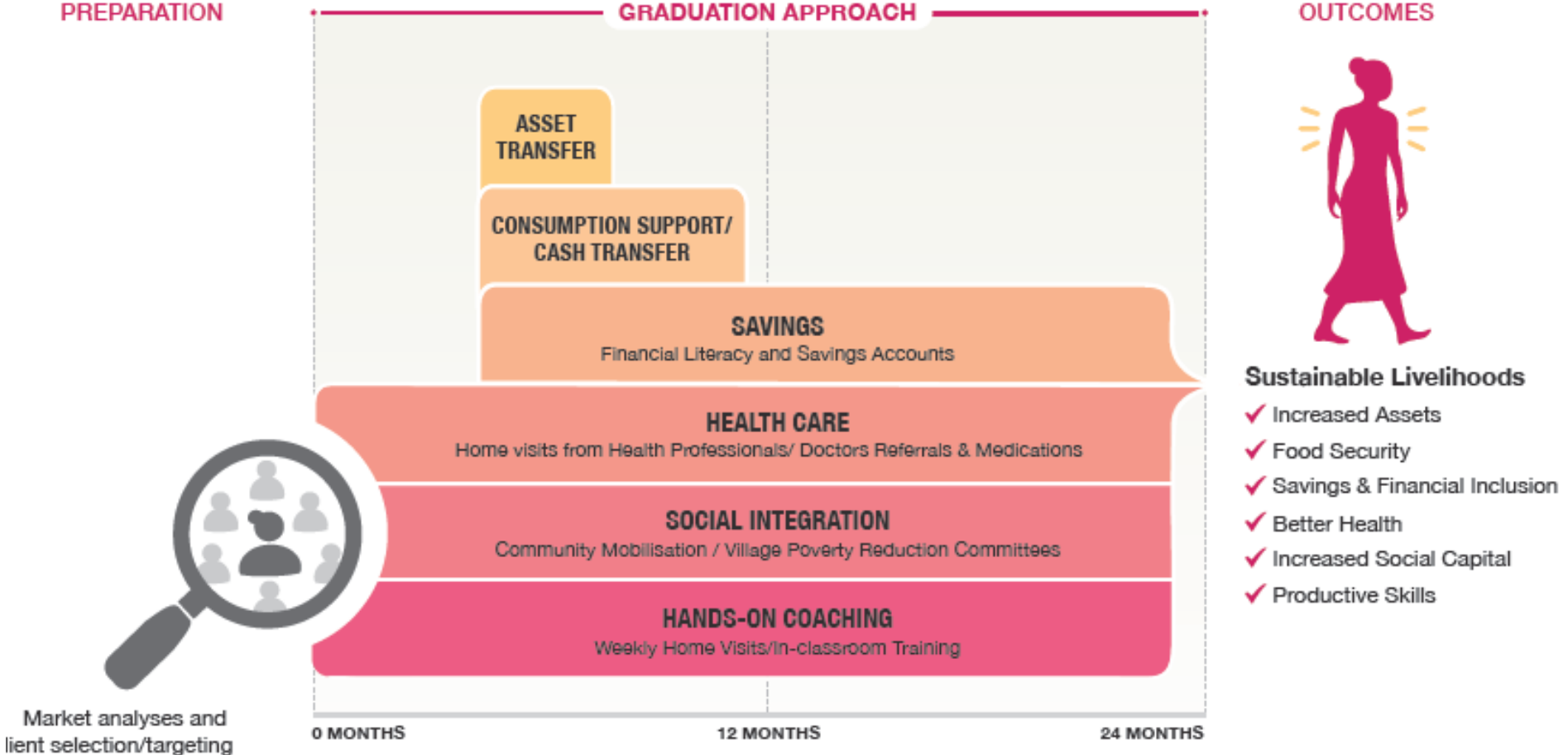


# THE ULTRA-POOR GRADUATION APPROACH

## PREPARATION

## GRADUATION APPROACH

## OUTCOMES



# FROM SAFETY NETS TO SUSTAINABLE LIVELIHOOD

## How Graduation Approaches Complement Social Protection

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### GRADUATION APPROACH

Combines elements of social protection, livelihood development and access to finance to help the ultra poor move into sustainable livelihoods



### SAFETY NETS

Provide vital consumption support and immediate relief for basic needs but often offer few opportunities for the ultra poor to move into economic self-sufficiency.

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Step 01

# Targeting



## Poverty Mapping



Use poverty maps to identify areas with severe poverty and deprivation.

## Wealth Ranking



BRAC helps the community draw a map of all the households, ranking each one from poorest to wealthiest based on their own criteria.

## House Surveys



BRAC visits the lowest ranks of the poorest households to verify the data collected from the community.

## Participation Selection







STEP 02

# Asset Transfer for Income Generation & Livelihoods

Participant receives a package of assets, in this case a goat and a cow, to raise and learn about generating income





STEP 03

# Stipend

To allow the client breathing room, and time to start earning income from her assets, the client receives a cash transfer or stipend, and in some cases a food to supplement their diet.





STEP 04

# Savings

Clients are encouraged to save and track their savings



A group of approximately 10 women and one young child are gathered in front of a red brick wall. They are all holding up bundles of dark, thin sticks or branches. The women are wearing colorful saris in shades of yellow, orange, green, and pink. The child, a young girl, is sitting in the foreground, looking towards the camera. The scene is brightly lit, suggesting daylight.

STEP 05

# Technical Skills Training

Client receives classroom style training on how to use their asset, and refresher sessions to reinforce training and provide additional information on asset management and building a business.





STEP 06

# Hands-on Coaching

Client receives bi monthly home visits and training on how to use their asset, on health and hygiene matters, basic skills and literacy, and general support and counseling





STEP 07

## Healthcare

Client receives healthcare support with access to community medical workers, physicians and medications





STEP 08

# Social Integration

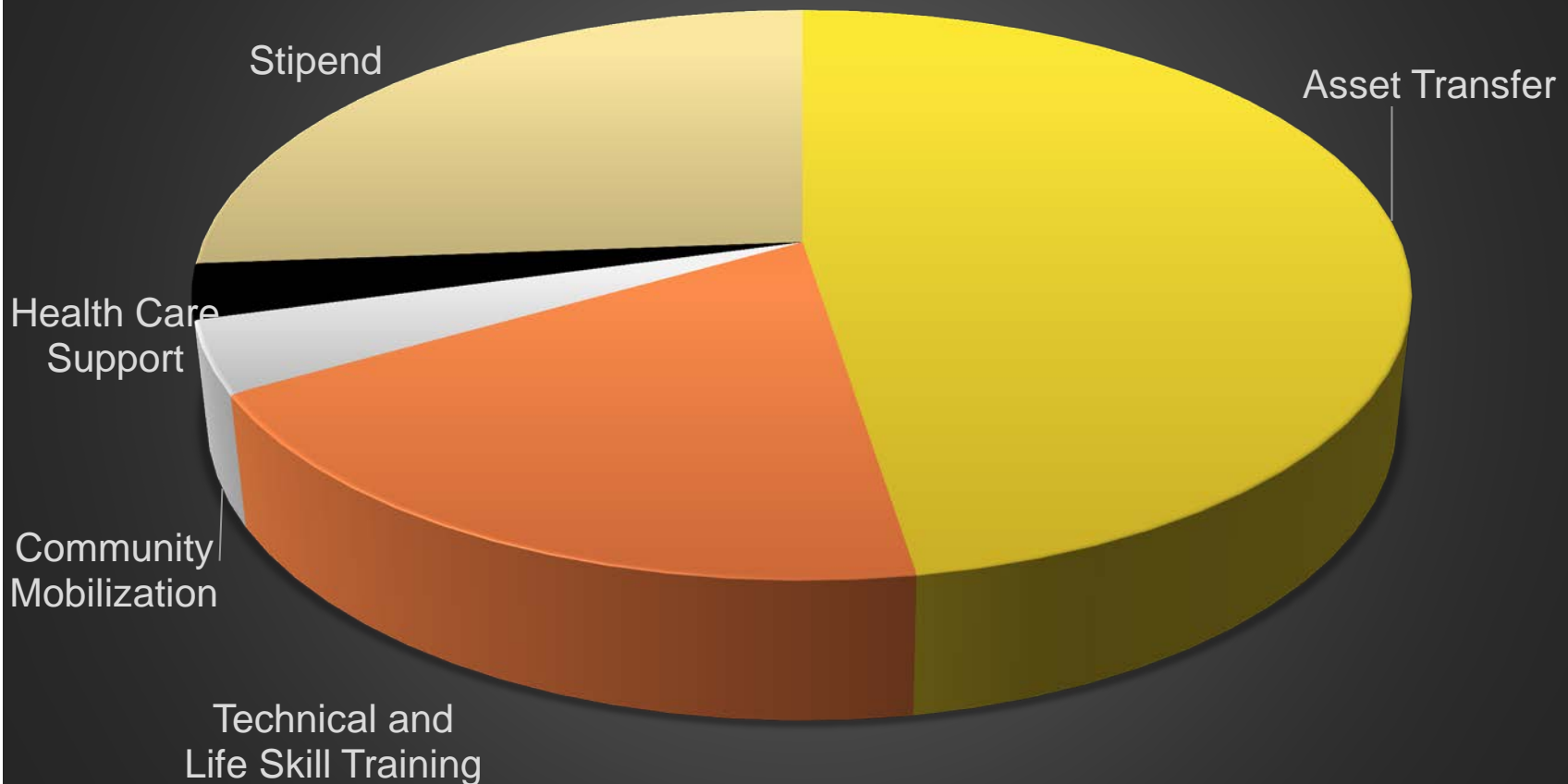
Clients increase their social standing and receive guidance on integrating better with their community. Here, a village poverty reduction committee, organized by BRAC, conducts a regular monthly meeting, after clients have graduated, to help clients address various issues they face.



## TUP Programme costs

Intervention and operational costs in Bangladesh over two years:

- For OTUP, approx. 300 USD
- For STUP, approx. 500 USD



Projections estimated January 2016.

Based on 2016-2020 intake for 564,139 participants in Bangladesh.

Amounts subject to currency fluctuations.



**How successful is Graduation?**





## Graduation criteria in Bangladesh:

- ✓ At least **3 sources of income**;
- ✓ **Asset value doubled** since initial transfer;
- ✓ Household consumes **nutritional meals at least twice/day** with protein (meat/fish/egg) at least once/week;
- ✓ Participant engaged in **household decision-making** (e.g. asset purchase);
- ✓ Improvement in **home condition** (e.g. corrugated roofs );
- ✓ Attends **social or community events**; and
- ✓ Access to **sanitary latrine and clean drinking water**.

### Where applicable:

- ✓ School aged **children attend school**;
- ✓ No **under-age marriages**; and
- ✓ Use of **family planning**.

**Graduation occurs when households achieve economic and social advancement over the course of 24 months.**





# **BRAC Bangladesh** **Graduation Programme** (2002-present)

**1.7 MILLION HOUSEHOLDS**

**AS OF 2015**

**OVER 95% GRADUATION RATE**

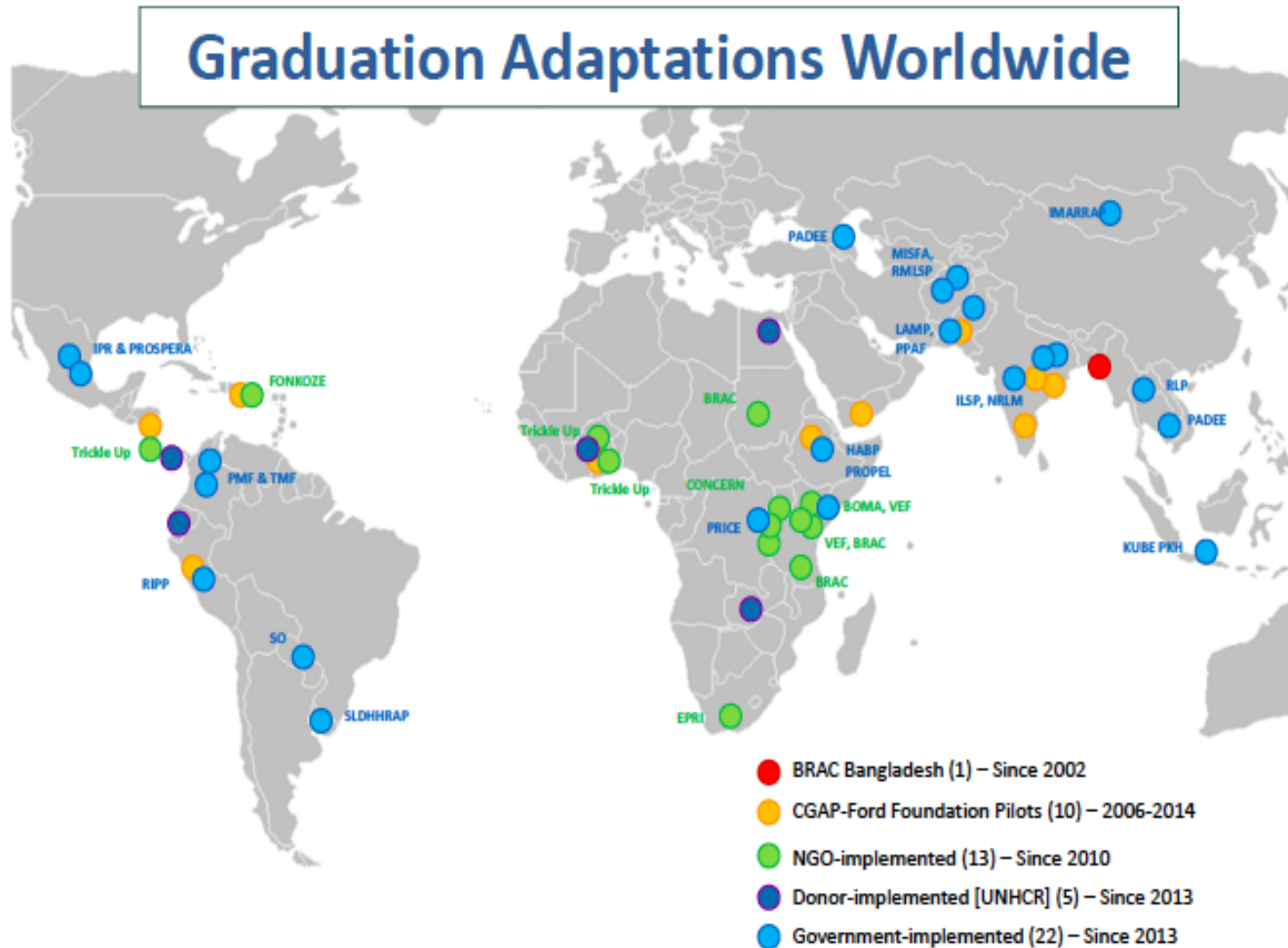


In Bangladesh, roughly 95% of participants achieve graduation at the end of the two year period with the majority maintaining those improved conditions 7+ years later.

**International pilots** by the World Bank's **Consultative to Assist the Poor Group** and the **Ford Foundation** demonstrate similarly high graduation rates for participants meeting country specific criteria.



# The proliferation of Graduation





**What are the long term  
impacts of Graduation?**





## A. TUP Program 4 Years Post Intervention

### What do we know?

- **Occupational change** allows ultra poor women to access higher-paying and less volatile earning streams.
- **Large transfers of capital and skills** connect the ultra poor to labor activities that place them on a sustainable path out of poverty.

### The Study

- A randomized control trial (RCT) conducted by the London School of Economics, University College London, Bocconi University, and BRAC.
- 1,409 communities in 40 regions, half of which were treated in 2007 with controls treated in 2011.





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### The Results

- Decrease low-paying, **volatile wage employment** by 170 hours (26% reduction relative to baseline)
- Increase hours of **self-employment** by 388 hours, including 25% more days worked (92% increase relative to baseline)
- Increase **earnings** by 37%
- Increase **per capita household expenditure** by 8%
- Increase **savings** 9-fold





## B. TUP Program 7 Years Post Intervention

### What do we know?

- **Ultra-poor women are unable** – not unwilling – to do more productive work.
- They are limited to **irregular, poorly paid agricultural & menial labor jobs**.
- Their earnings **would be 2x higher if rearing livestock** as do wealthy classes.

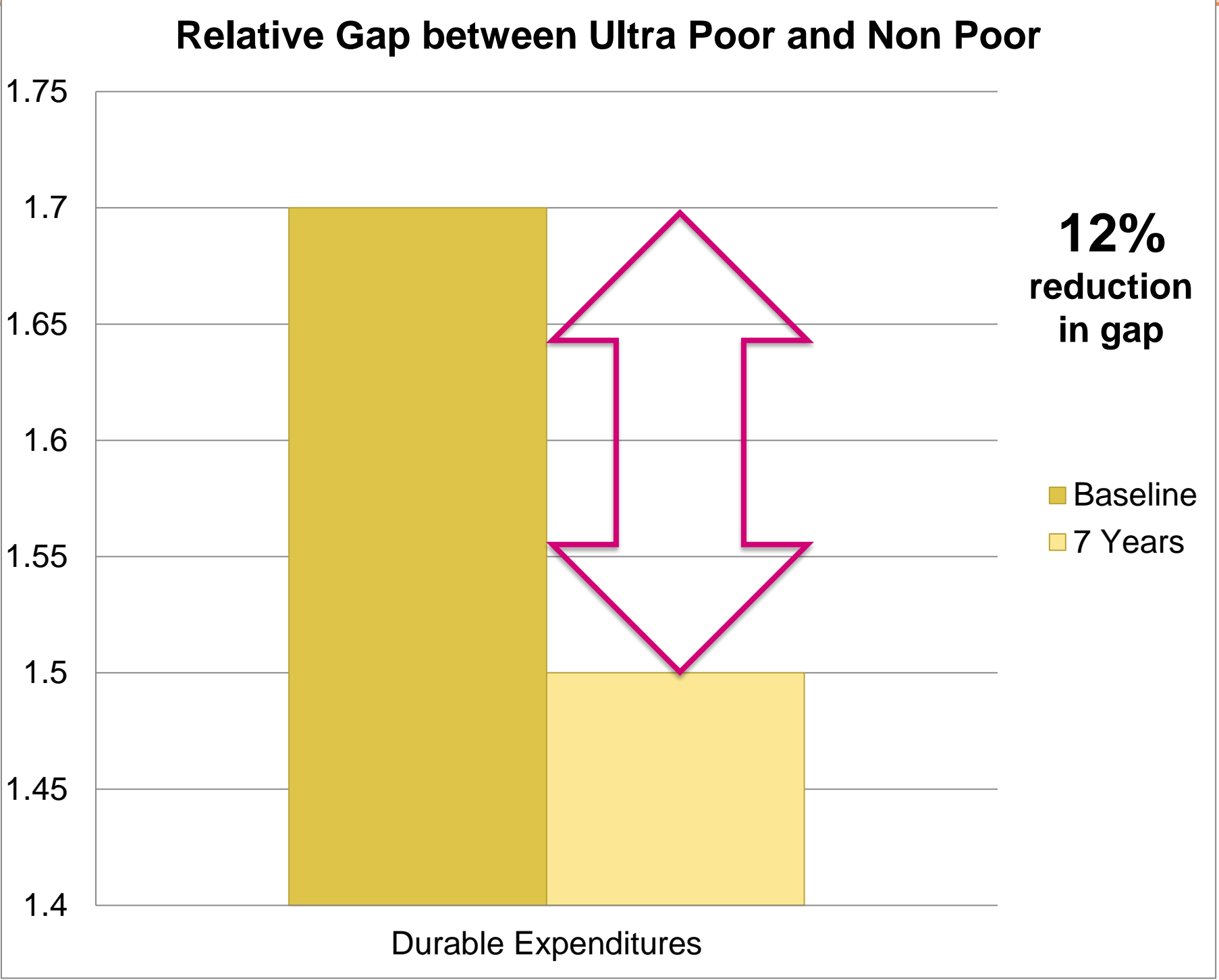


### The Study

- RCT conducted by London School of Economics and BRAC.
- 1,309 communities observed from 2007 to 2014, building on four-year study.

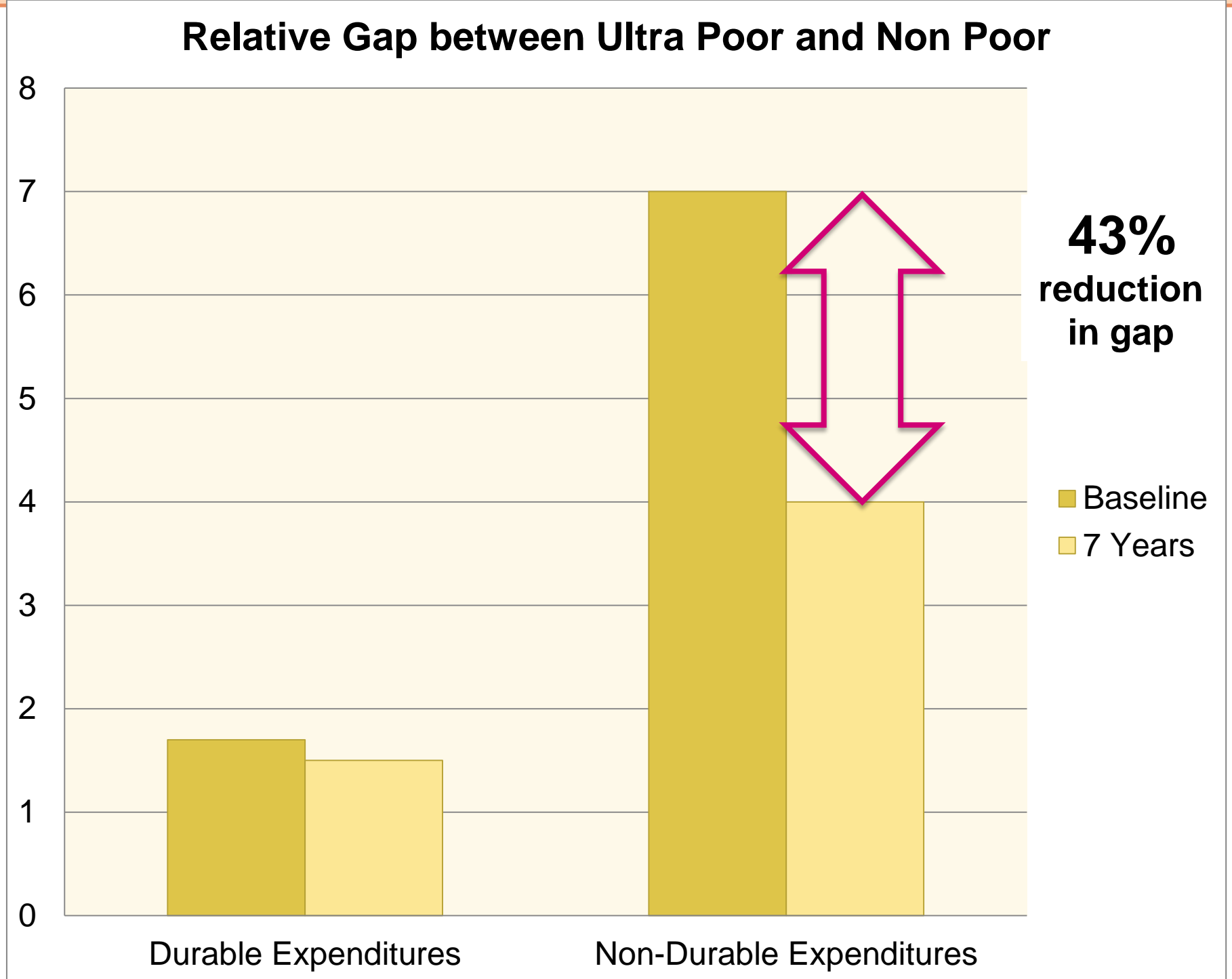


At 7 years, wealthy classes spend 1.5x more than the ultra poor on **durables** compared to 1.7x at baseline.



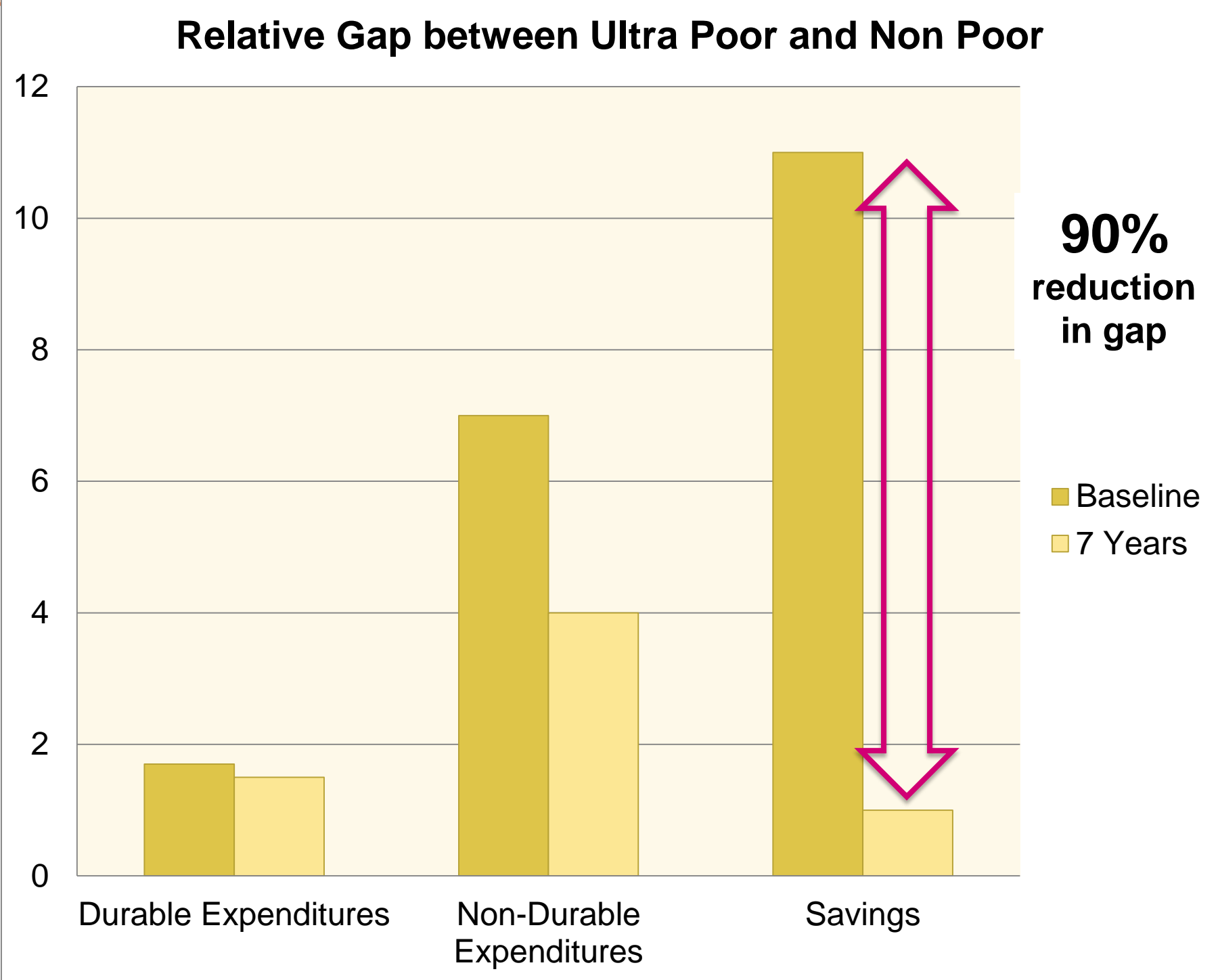


At 7 years, wealthy classes spend 4x more than the ultra poor on **non-durables** compared to 7x at baseline.



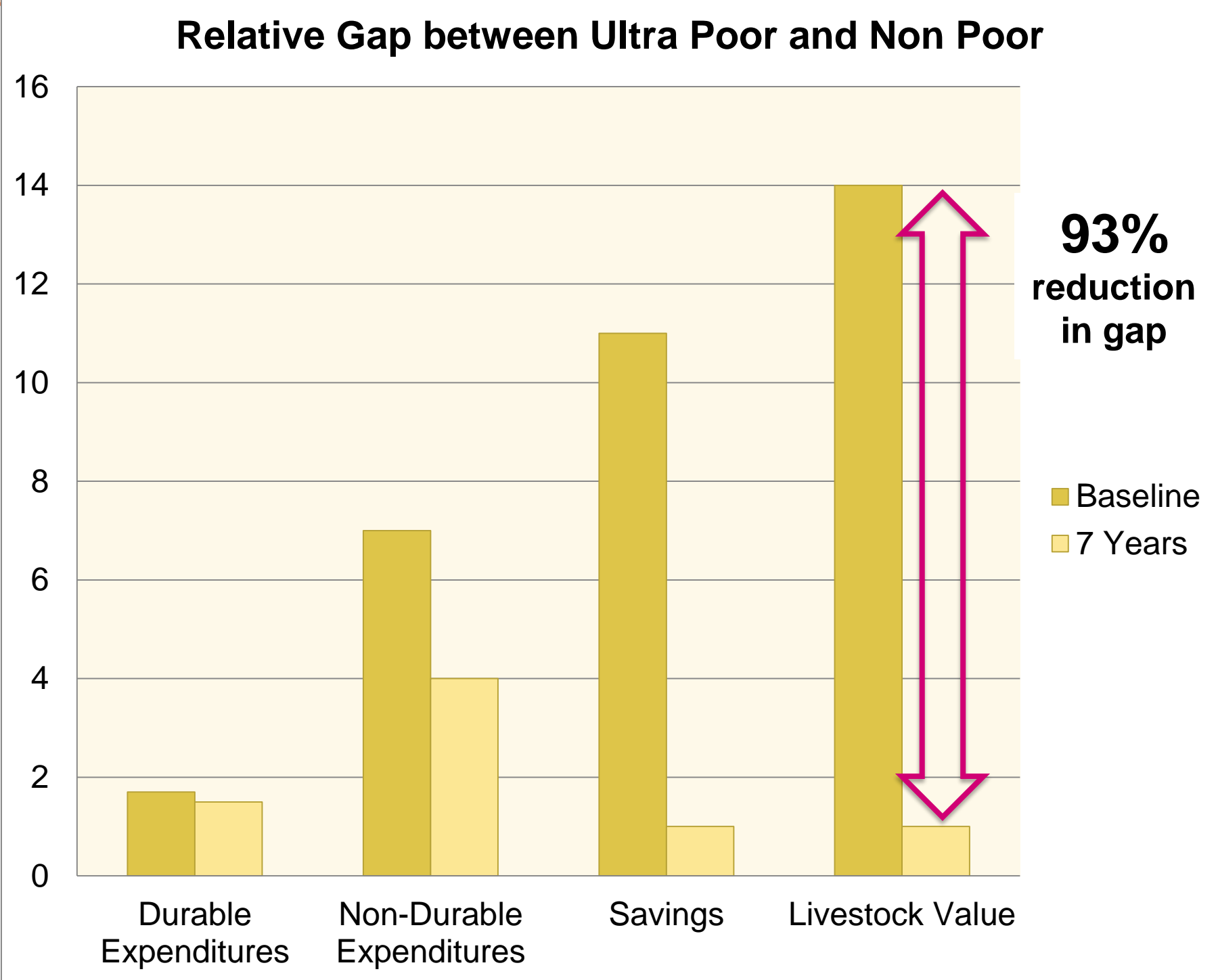


At 7 years, wealthy classes **save** at near parity with the ultra poor compared to 10x more at baseline.



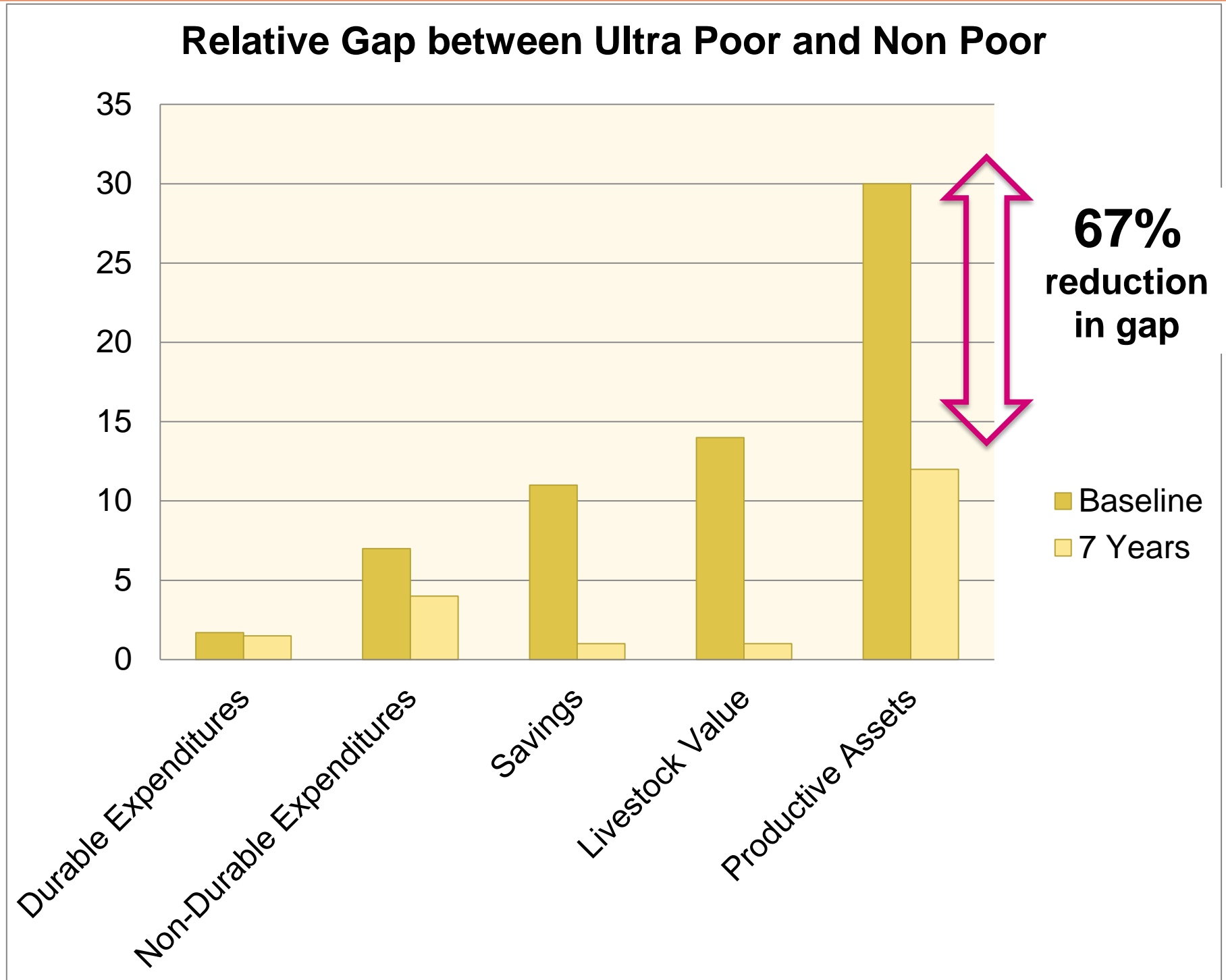


At 7 years, wealthy classes own **livestock** valued at near parity with the ultra poor compared to 14x at baseline.



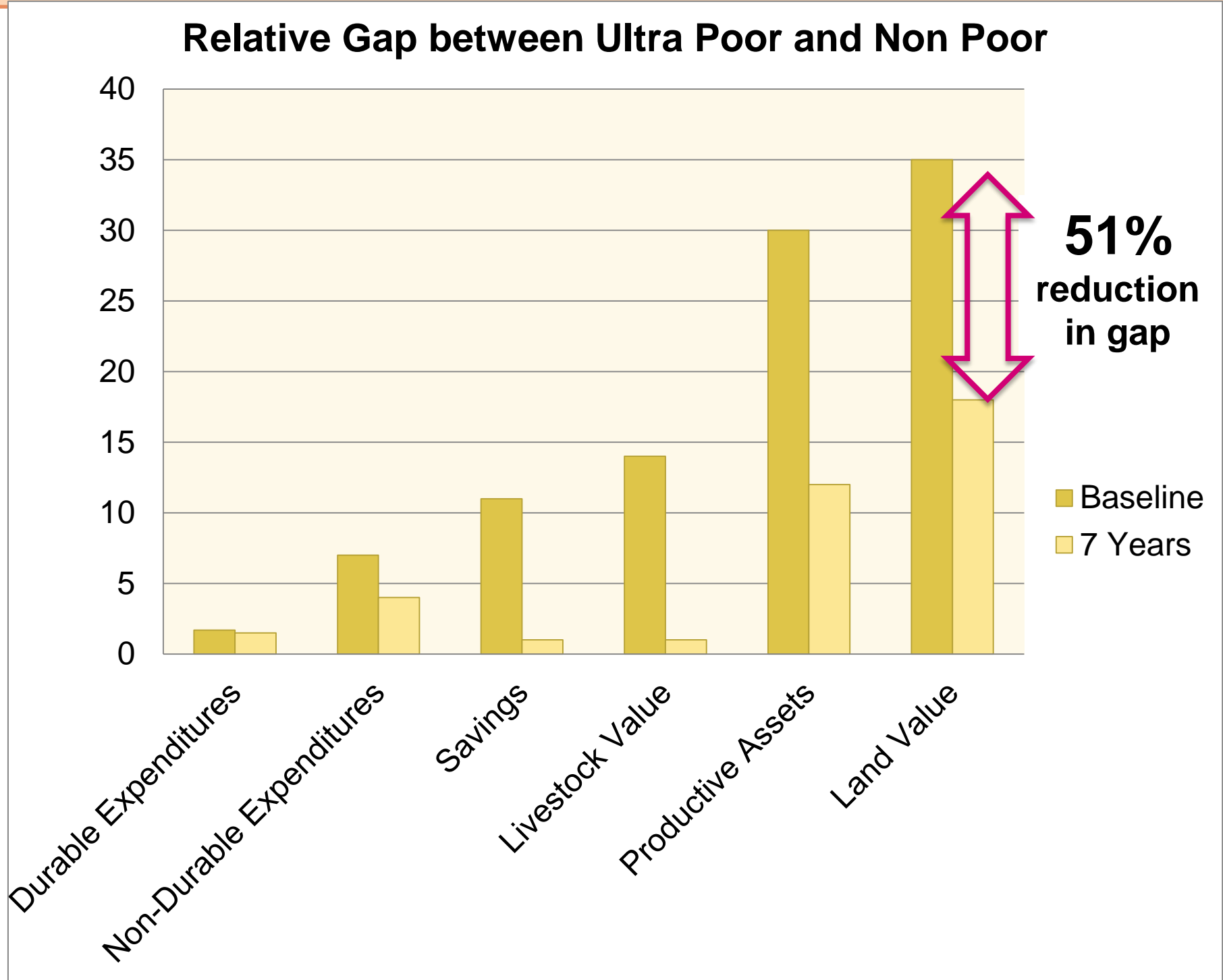


At 7 years, wealthy classes own 10x more **productive assets** than the ultra poor compared to 30x at baseline.





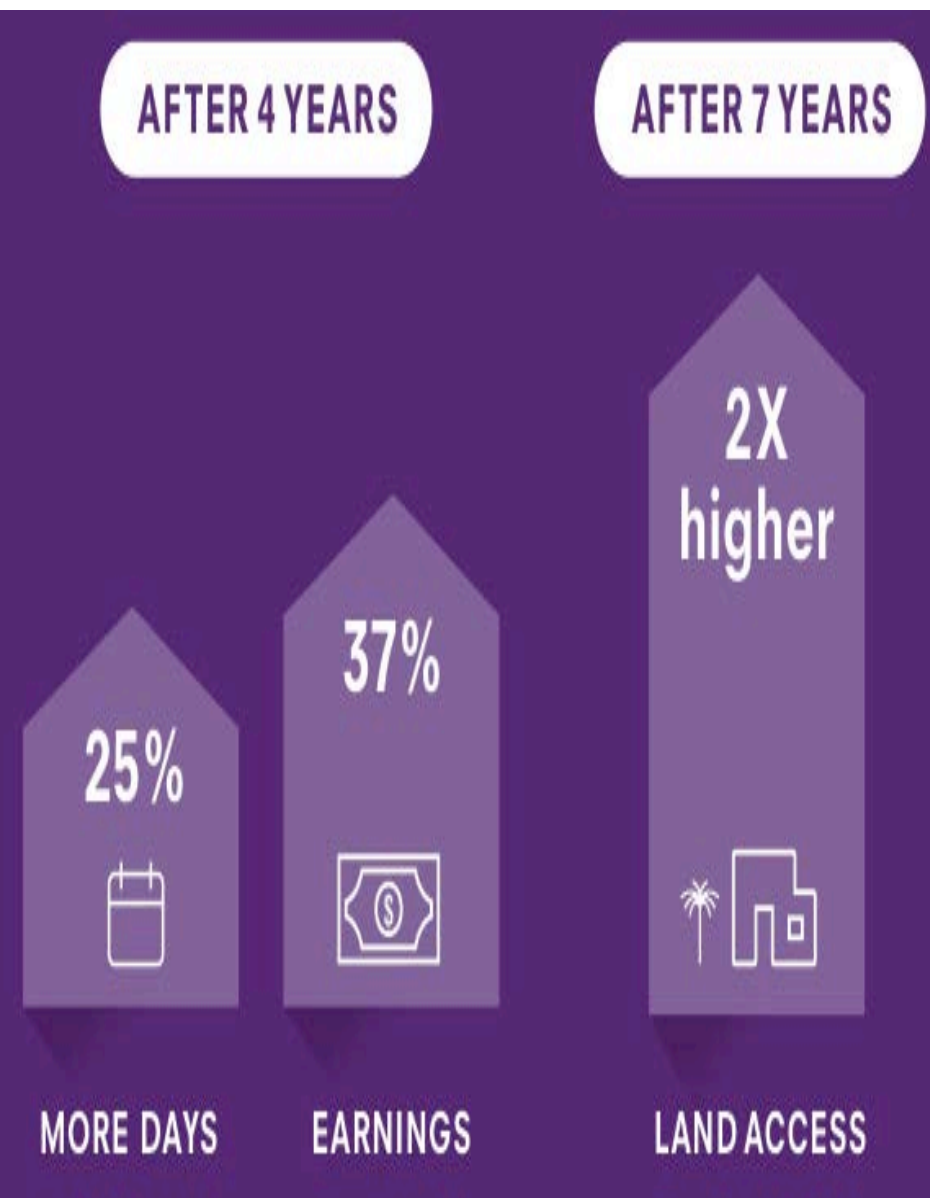
At 7 years, wealthy classes own 17x more **land** than the ultra poor compared to 35x at baseline.





## B. TUP Program 7 Years Post Intervention

### The Results



### Key Research Conclusions

- ✓ Significant increases in work productivity and household assets
- ✓ Access to more stable and secure employment leading to positive expansion of occupation choice
- ✓ Reduction in economic inequality vis a vis the non poor
- ✓ Builds resilience and enables faster recovery from shocks
- ✓ Promotes social cohesion and gender empowerment

**7 years later, ultra poor continue to escape poverty at a steady rate.**



## Implications:

- ✓ For **the bottom-most** on the economic spectrum, a **‘big push’** intervention is required;
- ✓ This needs to be a **high enough value kick over a long enough** term to seed sustainable change;
- ✓ Looking at **X or Y** is of limited value. **This is not an approach that is an alternative to cash transfers, to social protection, or a rights based tradition;**
- ✓ The more valuable question and one we should look to answer is **what are the tradeoffs for intended impacts**
- ✓ Costs need to be looked at with nuance and long term perspective
- ✓ **If you are serious about eradicating extreme poverty, we need to be serious about fighting poverty at its most intractable, and that requires a comprehensive approach.**

# Direct Implementation, Technical Assistance, and Research

Now entering Phase IV, the TUP program in Bangladesh continues evolving, including adaptations for **urban** and **climate change** response, **nutrition**-focused outcomes, and **mobile payment** processes, etc.

**Learning from our flagship program, BRAC has expanded its contribution to:**

## **Direct Implementation:**

- Expansion into BRAC operations in Africa: Uganda, Tanzania, Sierra Leone, Liberia
- Design adaptations of the model: urban, youth, climate change, and fragile states

## **Technical Assistance and Advocacy:**

- Consulting to governments, multilaterals and implementing organizations (e.g. Kenya, Tanzania, Malawi, Indonesia, Lesotho, etc.)
- Creating guides, tools, and training materials and workshops for new implementers (PROPEL Toolkit)

## **Research:**

- Testing new questions for optimizing Graduation 2.0 (e.g. home visits, cash, etc.)





**Join us in the movement to end ultra poverty.**

**Visit [www.ultrapoorgraduation.com](http://www.ultrapoorgraduation.com).**

**Contact [ultrapoorgraduation@bracusa.org](mailto:ultrapoorgraduation@bracusa.org)**

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