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Preserving the Essence, Adapting for Reach: Early Lessons from Large-Scale Implementations of the Graduation Approach

Synthesis Analysis By Tony Sheldon



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FOREWORD

Inequality remains at very high levels globally, limiting prospects for overall economic growth as well as opportunities for the poor and disadvantaged to get ahead. Combatting inequality in all of its forms is central to the mission of the Ford Foundation, and reducing inequality requires addressing the incomes and assets of the poor *and* addressing the alarming gap between those at the top and bottom of the economic ladder.

In this context, reducing or eliminating extreme poverty worldwide is a critical strategy, encompassed in the United Nations' Sustainable Development Goal #1: "End poverty in all its forms everywhere." A recent World Bank report estimated that close to 900 million people, or about 13 percent of the world's population and 15 percent of the population of developing countries, live on less than \$1.90 per day – the updated international poverty line as of 2015.¹

Unfortunately, most development interventions, including microfinance and livelihood development programs, have not addressed the needs of the extreme or ultra-poor because these populations tend to be the hardest to serve: they are socially and geographically isolated, own few or no assets, have limited livelihood prospects, and often suffer from poor health.

As a striking exception, one of the most promising approaches for promoting the social and economic mobility of the extreme poor has been the "Graduation Approach," originally developed as the "Targeting the Ultra Poor" program by BRAC in Bangladesh. The Graduation Approach is a holistic livelihoods program designed to address the multi-dimensional needs of extreme poor households. The Approach consists of five core components: time-limited

¹ See Cruz, Marcio, James Foster, Bryce Quillin, and Philip Schellekens. October 2015. *Ending Extreme Poverty and Sharing Prosperity: Progress and Policies*. World Bank Group Policy Research Note. Washington, DC: World Bank.

consumption support; a savings component; an asset transfer; training in how to use the asset; and life skills coaching and mentoring. The theory of change underlying the model is that this mix of interventions, offered in the appropriate sequence, would help the ultra-poor to "graduate" out of extreme poverty within a defined time period.

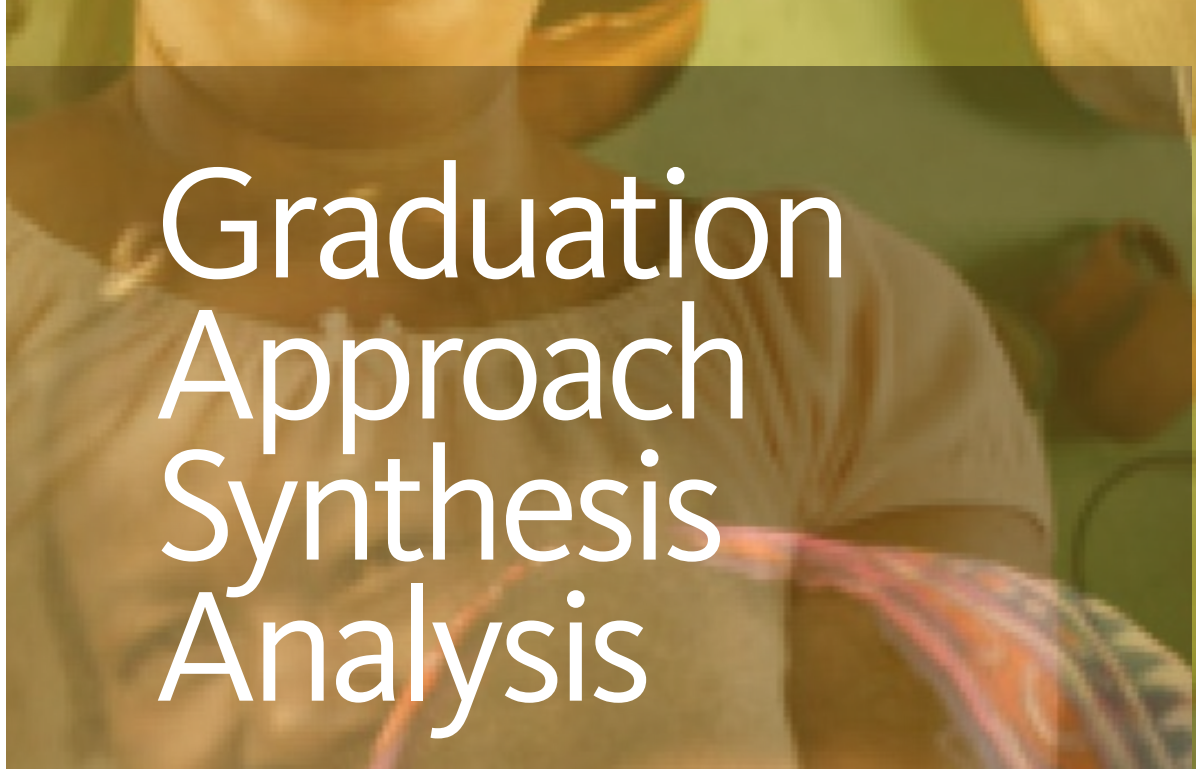
Based on the promising results achieved by the BRAC model, the Ford Foundation partnered with the Consultative Group to Assist the Poor (CGAP), a global partnership of 34 leading development organizations housed at the World Bank that seeks to advance financial inclusion. Together, we decided to adapt and test the Graduation Approach through pilot projects implemented by nongovernmental organizations at 10 sites in eight countries in Asia, Africa, and Latin America between 2006 and 2014. The Foundation and CGAP also put in place an ambitious research and learning program to document the impacts of the pilot projects and to disseminate the results widely. I want to thank our CGAP partners as well as Frank DeGiovanni, former Director of Financial Assets here at the Ford Foundation, who played a vital role in developing this powerful work and documenting its impact.

The findings from the rigorous evaluations of the CGAP-Ford Foundation pilots, as well as from BRAC's ongoing program, have been extremely positive.² Results of the randomized experiments from the pilots show that, compared to control groups, program participants earned increased levels of income and achieved sustained gains in household consumption, assets, and food

² See for example: Banerjee, Abhijit, Esther Duflos et al. "A multifaceted program causes lasting progress for the very poor: Evidence from six countries." *Science*. 15 May 2015. Vol. 349, Issue 6236, p. 12; Balboni, Clare, Oriana Bandiera, et al. December 2015. *Transforming the economic lives of the ultra-poor*. London: International Growth Centre.; Fahey, Alison. 2015. *Building Stable Livelihoods for the Ultra-Poor*. J-PAL and IPA Policy Bulletin. Cambridge, MA: Abdul Latif Jameel Poverty Action Lab and Innovations for Poverty Action.



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security at least one year after the two-year pilot programs ended.³ Renowned economists have in fact characterized these results as among the most powerful and impressive ever achieved by an anti-poverty intervention.⁴

These findings suggest that the Graduation Approach is an effective and scalable intervention with impacts that are sufficiently robust to persist over time.

Based on these interim findings, the Foundation and CGAP designed an ambitious strategy to reach out to government policy makers to help them understand the potential of the Graduation Approach to serve large numbers of extremely poor people develop sustainable livelihoods and move into the market economy over time. The key is embedding the Approach in government social protection or large-scale anti-poverty programs.

The Foundation and CGAP undertook three years of systematic outreach to bilateral and multi-lateral donors and policy makers from 24 developing countries beginning in 2012. In addition, the Foundation funded technical assistance and outreach to governments in Latin America to assist them in adapting and piloting the Graduation Approach. These efforts have borne fruit. A scan conducted by CGAP in December 2015 indicated that 22 governments in Asia, Africa, and Latin America were in the process of piloting or adapting the Graduation Approach within their national social protection strategies, while 13 NGOs and one donor agency also were developing their own versions of the Graduation Approach.⁵ This level of uptake is very encouraging.

³ The evaluations of one of the pilots in India and the BRAC Targeting the Ultra Poor Program tracked the impacts of the Graduation Approach five years after the end of the interventions. In both cases, the improvements in well-being for program participants persisted.

⁴ At the CGAP-Ford Foundation convening on the Graduation Approach held in Paris in June 2014, Yale economist and founder of Innovations for Poverty Action (IPA) Dean Karlan stated: “IPA had been involved in about 500 or so randomized trials over the years. Of these, I could count on one hand those I was confident enough advising policymakers to scale up. The Graduation Program would now be on that list.”

⁵ See CGAP, “Graduation Factsheets”, www.microfinancegateway.org/sites/default/files/graduation_factsheets_overview_december_2015_pdf

We recognize that governments and NGOs will need to adapt the “classic” version of the Graduation Approach as broader integration with social policy happens around the world. Governments face different challenges than NGOs, scaling brings its own set of challenges, and programs must be tailored to address differences in regional contexts. With these factors in mind, we commissioned these case studies of three governments and one large NGO who are scaling the Graduation Approach within their ongoing programs.

The widespread prevalence of extreme poverty across the world is unacceptable. It affects both current and future generations. But beyond being unacceptable, it is unnecessary, as these powerful Graduation results underscore. We celebrate the commitment of governments, NGOs and private sector partners to helping extremely poor households develop sustainable livelihoods. And we hope that the lessons provided—by the case studies and the companion analysis which synthesizes the lessons learned—will embolden other governments and NGOs to adopt, adapt, and scale up an approach that works.

Xavier de Souza Briggs
Vice President, Economic Opportunity and Markets
The Ford Foundation



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INTRODUCTION TO THE GRADUATION APPROACH

Among the development approaches aimed at reaching the extreme poor, one of the most promising has been the “Graduation Approach,” originally developed by BRAC in Bangladesh. BRAC’s theory of change was that with the right mix of interventions, offered in the right sequence, households could “graduate” from extreme poverty into sustainable livelihoods within a defined time period.

The “classic” Graduation Approach begins with consumption support, mindful that part of what it means to be extremely poor is that the person is so overwhelmed by survival-level issues such as food security that she cannot meaningfully tackle any longer-term livelihood strategies. Once those basic needs have been met, participants receive support in saving money (a vital tool in managing risks). They are also helped to identify a sustainable livelihood that is suitable for their interests and aptitudes, and also for the local market (e.g., animal husbandry, shop-keeping, weaving or tailoring). Then they receive an asset to help launch that livelihood (e.g., goats or sheep for animal husbandry; an inventory of goods for shop-keeping) and related technical skills training. Finally, Graduation participants receive intensive personalized life-skills coaching throughout the life of the program.⁶

⁶ CGAP has recently changed the terminology it uses to describe the elements of the Graduation Approach. As the case studies were written before this change, we have kept the original terms. CGAP’s new terminology for each component is: Consumption Assistance; Financial Inclusion; Training; Seed Capital; Mentoring.

BRAC clients who participated in the Graduation Approach appeared to experience improved family nutrition, health, and other well-being indicators and, moreover, to sustain these improvements over time. The question then became whether the BRAC experience in Bangladesh could be replicated by other providers in other geographical and cultural contexts. So from 2006 to 2014, the Ford Foundation, CGAP, and several international and local partners tested and adapted the Approach through 10 pilot programs in eight countries.

The findings from the CGAP-Ford Foundation pilots, as well as from BRAC’s ongoing program, have been extremely positive.⁷ Quantitative and qualitative studies show that, compared to peer groups, program participants were earning more income and achieving stable improvements in their well-being long after the program concluded, with sustained gains in household consumption, assets, and food security. In other words, the answer to the question about whether the successes achieved with the Graduation Approach in Bangladesh could be replicated elsewhere appeared to be a resounding “yes.”

The question remained, however, how to operate the Graduation Approach at scale. The very factors believed to make it so

⁷ See for example: Banerjee, Abhijit, Esther Duflos et al. “A multifaceted program causes lasting progress for the very poor: Evidence from six countries.” *Science*. 15 May 2015. Vol. 349, Issue 6236, p. 12; Balboni, Clare, Oriana Bandiera, et al. December 2015. *Transforming the economic lives of the ultra-poor*. London: International Growth Centre.; Fahey, Alison. 2015. *Building Stable Livelihoods for the Ultra-Poor*. J-PAL and IPA Policy Bulletin. Cambridge, MA: Abdul Latif Jameel Poverty Action Lab and Innovations for Poverty Action.



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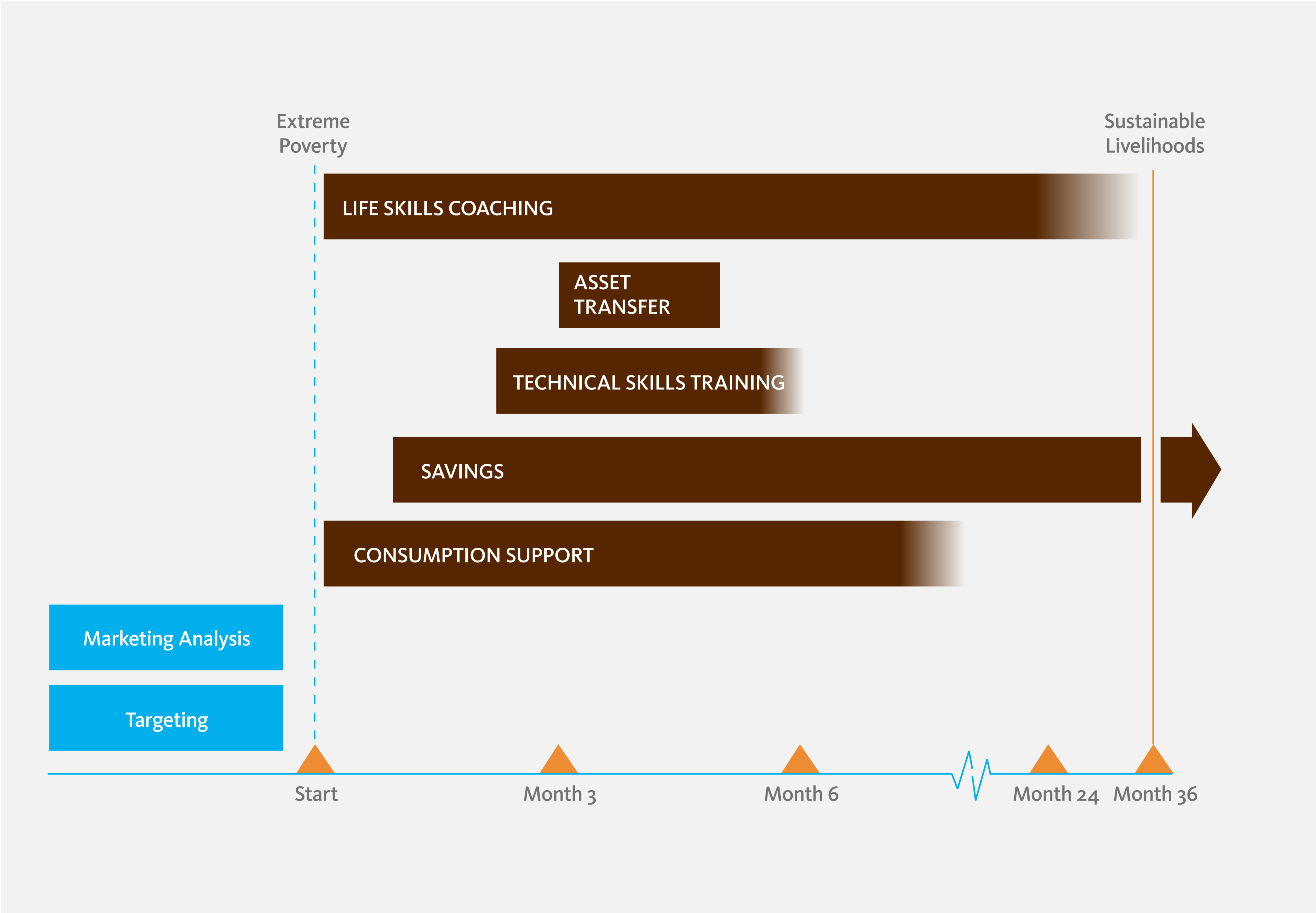
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effective—highly personalized, wrap-around services delivered with compassionate, skilled, and individual attention—also make the “classic” Graduation Approach time- and labor-intensive and costly. So CGAP, the Ford Foundation and their partners next began exploring how best to support large-scale adaptations and implementations of the Graduation Approach, especially by governments. The results of four of those adaptations are the subject of this series of case studies commissioned by the Ford Foundation. Three of the cases (Ethiopia, Colombia and Peru) describe government-led programs; the fourth (India) covers the ongoing Graduation work of Bandhan Konnagar, one of the original 10 CGAP-Ford Foundation pilot programs.

When a government agency or other large-scale organization implements a program as complex, multi-faceted, and cross-sectoral as the Graduation Approach, inevitably some of the “standard” features will need to be adapted, often in innovative and imaginative ways, while still preserving the core elements that make the Approach effective. CGAP and the Ford Foundation originally published *From Extreme Poverty to Sustainable Livelihoods*, a technical guide on the design and implementation of the Graduation Approach, in 2014; an updated version will be released in late 2016. It is our hope that the revised technical guide, together with this series of case studies, will provide valuable insights to those looking to implement the Graduation Approach, especially at large scale.

We are also pleased that policymakers are increasingly recognizing the power of the Graduation Approach to alleviate poverty, and that the community of practice continues to grow rapidly. As of

September 2016, 58 Graduation projects were in operation, an increase of 30 percent since December 2015.⁸ Among the notable features:

Growing government interest. One third of ongoing Graduation projects are implemented by governments, reflecting the trend that Graduation style programming is increasing within national social protections systems.

Less rural. Projects have shifted their focus from predominantly rural (75 percent in December 2015) to 48 percent rural, 25 percent mixed, and 7 percent purely urban.

More diverse targeting. Targeting has also shifted from a predominant focus on the poorest (73 percent in 2015) to a little over half of the projects (56 percent) targeting people below USD 1.90 per day. Projects now target a broader range of excluded groups such as indigenous populations (16 projects), youth (15 projects), people with disabilities (11 projects), elderly people (11 projects), refugees and internally displaced persons (7 projects with 17 more planned by 2018). From a predominant focus on women in the past, only 30 percent of projects solely target women today.

Implementation and innovation. A vast majority of projects still offer the full Graduation package, but there is an increasing number of adaptations. A dozen programs are now offering some element of the package digitally.

Research. Nearly half the projects conduct research and 19 projects have reported ongoing or planned randomized impact assessments.

⁸ Source: CGAP.



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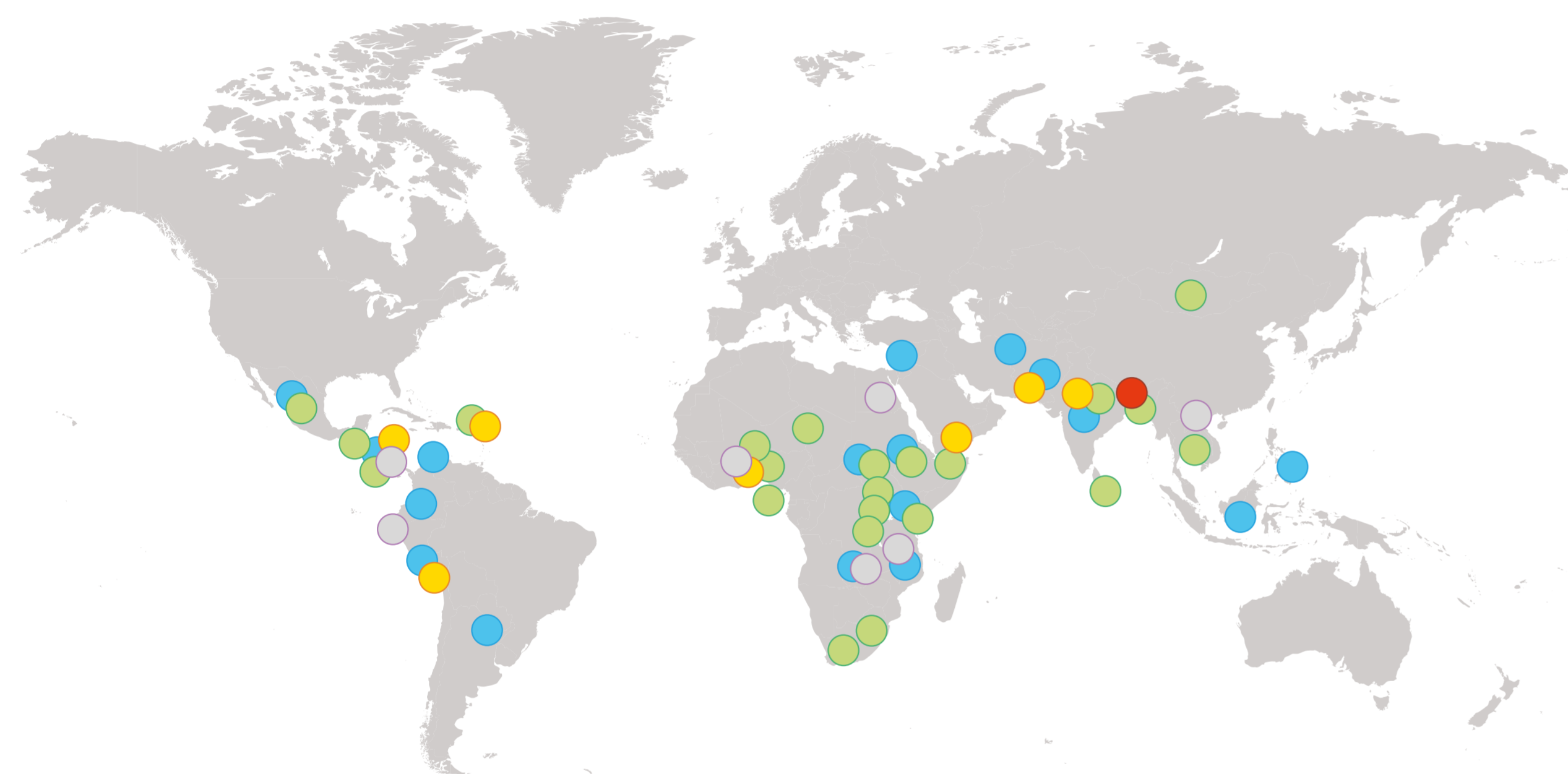
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Graduation Programs as of Sept 2016

(58 programs in 36 countries)



- BRAC Bangladesh (1) – Since 2002
- CGAP- Ford Foundation Pilots (10) – 2006-2014
- NGO-implemented (30) – Since 2010
- Donor-implemented (8) – Since 2013
- Government-implemented (20) – Since 2013



ABOUT THIS SYNTHESIS ANALYSIS

This synthesis analysis provides an overview of these four programs' initial efforts in scaling up the Graduation Approach. It focuses primarily on lessons learned that may be valuable for other institutions and agencies implementing, or considering implementing, a large-scale Graduation program. But first, the synthesis analysis treats some general observations about the evolution of the Graduation Approach and some of the priorities of the community of practice that has grown up around it.


Documenting and Disseminating Lessons Learned

One of the most important of those priorities is to ensure that implementers whose Graduation programs include significant adaptations to the design and delivery of the “classic” Graduation Approach also devote the necessary resources for systematic learning. That means two things: first, a rigorous assessment of the modified program to evaluate whether it still delivers a high degree of positive outcomes, and then, thorough documentation—and dissemination to the community of practice—about the lessons learned. Along with influencing other implementers' ongoing and future programs, a thorough assessment can of course be a valuable tool for making any necessary mid-course corrections to the assessed program itself.

Government-implemented Graduation programs offer great promise, and may well prove to be the most effective and efficient way of scaling up the Graduation work. Ongoing and expanded work by non-governmental organizations (NGOs) and other implementers also show great promise. But it is only by continuing to capture, document and share learnings – as government and NGO implementers adapt the core elements of the Approach – that we will be able to realize that promise. We hope that the lessons gleaned from the case studies on these four pioneering programs will contribute to this broader learning effort.



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Governments around the world are increasingly recognizing that the Graduation Approach can be a powerful complement to their existing social protection programs. Often, those programs also have access to existing resources that can be leveraged for the needs of the Approach. For example, many large-scale social protection programs already make use of robust government databases with critical information about their poorest populations (useful for Graduation targeting), the programs have extensive experience with conditional cash transfers (which can serve as the Graduation Approach's consumption support component), and their leaders are strong conveners who can help coordinate government efforts across ministries and agencies (a vital success factor, for a complex and multi-sectoral effort such as the Graduation Approach which depends on effective partnerships).

Governments are often uniquely positioned to deliver the Graduation Approach's key elements at significant scale for many reasons:

- Government policy objectives are often closely aligned with those of the Graduation Approach—to help provide a route out of extreme poverty and into sustainable livelihoods.
- As noted, in many cases governments have wide-reaching social protection programs, including the provision of consumption support in the form of conditional cash transfers (“CCTs”). CCT programs operate at significant scale, reaching extremely poor households – often including those targeted in the Graduation Approach. The existing infrastructure of staffing and fund-transfer mechanisms can provide a strong foundation on which to develop a broader Graduation program.
- By offering a clear route for their poorest citizens to move into sustainable livelihoods, governments can leverage their investment in social protection to help extremely poor

households enter into productive ongoing economic activities. Policymakers in many countries have already seen the potential that integrating a Graduation Approach into their existing social protection programs can offer. Their experience can influence other governments, probably more persuasively than the experience of non-governmental actors could do.

- In a number of countries, government commitment to scaling up a Graduation Approach is coinciding with national financial inclusion initiatives aimed at increasing the availability and use of financial services. The Graduation Approach can be a first step toward financial inclusion for the hardest-to-reach segments of the population.

Adapting the Graduation Approach

The four programs profiled in these case studies are located in four very different geographical, political, and cultural contexts.

Colombia

“Producing For My Future” is being implemented by Colombia’s Department of Social Prosperity (DPS) with extensive technical assistance from Fundación Capital.⁹ DPS, as the nation’s lead agency on programs for social inclusion and reconciliation, is responsible for programs aimed at benefitting vulnerable populations, including the extreme poor, through capacity building and access to opportunities and assets. Overall management was undertaken jointly by a project manager from DPS and a small implementing team from Fundación Capital, the program partner and technical assistance provider. Launched as a pilot program in 2013, “Producing For My Future” began major scaling up in 2015. It is designed to last two years at each site and to reach 35,000 families by 2018.

⁹ Fundación Capital is an international social enterprise organization aimed at building the assets of the poor on a massive scale. Fundación Capital partners with governments in 12 countries, including Colombia, to scale initiatives and promote exchange among policymakers about pro-poor and inclusive social policy.



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Peru

The Graduation program in Peru, Haku Wiñay (“We are going to grow” in the Andean Quechua language) is based on an earlier program, “My Entrepreneurial Farm,” which offered a flexible menu of assets and technical training. Haku Wiñay is led by a central oversight body of the responsible Peruvian government ministry, FONCODES (*Fondo de Cooperación para el Desarrollo*, or the Fund for Cooperation for Development, a division of the Ministry of Development and Social Inclusion, MIDIS) with decentralized field operations that incorporate long-standing grassroots governance structures and that also recruit local people to deliver technical support. Aspiring to be a nationwide program to promote social and economic inclusion of extremely poor rural families, Haku Wiñay has four components: improving productivity of family farms, upgrading sanitation and health practices in homes, promoting rural businesses, and training in financial literacy. Haku Wiñay is also linked with other government initiatives, such as efforts to strengthen infrastructure (e.g., roads and telecommunications), so that the program’s household-level interventions are reinforced by public services that those households also need. The program was launched in 2012 and lasts for three years at each site. By 2015 the program had reached 90,000 families.

Ethiopia


The Graduation Approach in Ethiopia began as a small NGO pilot project in northern Tigray province implemented by the Relief Society of Tigray (REST) from 2010 to 2012. The Approach is now included as an integral part of the national Productive Safety Net Program (PSNP IV) – the fourth iteration of this extensive food security-focused program. Up to ten million social protection clients will be eligible for access to elements of the Approach between 2016 and 2020, with the poorest 30 percent specifically designated to receive asset transfers. This case study was completed shortly before implementation of Ethiopia’s PSNP IV was scheduled to begin. It will be valuable to revisit many of the program’s key components a year or two after they have been put into practice to help shed light on how other large-scale government-implemented programs can best grapple with similar challenges.

India

Bandhan Konnagar, an NGO affiliated with Bandhan Bank in West Bengal, implemented one of the 10 original sites of the CGAP-Ford Foundation Graduation pilots. Their Graduation program, known as Targeting the Hard Core Poor (THP), worked with 300 female participants in Murshidabad, one of the poorest districts of West Bengal, for 24 months between 2007 and 2009. Since 2009, Bandhan Konnagar has expanded its portfolio of interventions to include education, health, youth skills development, ethical trade, and energy renewal, but its core focus remains the Graduation program. As of early 2016, it was operational in seven states and had reached nearly 40,000 participants, of whom over 22,000 had “graduated” (that is, had become financially independent and achieved a set of social and economic criteria that indicate holistic improvement in household well-being).



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KEY LESSONS LEARNED

As noted elsewhere, the Graduation Approach consists of five core elements: consumption support; an asset transfer; savings/financial literacy; livelihood skills training; and life skills coaching. The process of designing and planning a Graduation program takes time and expertise and involves, at a minimum, deciding how to target and select participants; how to recruit, retain, and supervise staff; how to identify and manage the necessary partnerships to carry out the work; and—not least—how to define success: what criteria to use for “graduation.” This synthesis analysis begins with the lessons learned during the planning stage and then moves on to those related to the elements of program delivery.

PROGRAM PLANNING

Targeting and selecting participants

Many government-implemented Graduation programs target households (generally the poorest) who are served by their country’s conditional cash transfer (CCT) program, as well as other populations identified as national priorities (such as ethnic minorities or displaced persons). Many Graduation programs have increasingly relied on existing public databases to select eligible households. Several of the programs profiled here also include an element of community engagement in the household selection process, which increases community buy-in and acts as a cross-check for database-generated targeting.

Colombia’s “Producing For My Future” program relies on a government database that categorizes and ranks Colombia’s poorest citizens according to certain criteria including health, housing, education, and vulnerability levels. Selecting participants from that database yielded a list of eligible households comparable to the one

generated by a participatory mapping exercise but at much lower cost. However, the Colombia implementers found that some of the information in the database was outdated – for example, some records had old addresses and contact information. As noted, the database-generated list of families is cross-checked by the mapping exercise as extra assurance that extremely poor households are being included. A home visit is the final step to ensure that the target population is being reached.

In order to focus on areas with a high incidence of poverty, Peru’s Haku Wiñay centers its efforts on areas where *Juntos*, the national CCT program, operates. In these areas, 75 percent or more of the homes lack at least one basic necessity (water, sanitation, electricity, or telecommunications). Many of these settlements are located two to eight hours by road from a mid-sized city or district center.

For the Ethiopia program, Graduation program targeting is part of the broader national Productive Safety Net Program (PSNP) process. Food-insecure districts are determined at the federal level, and then specific districts and wards are selected based on whether they have received food assistance or emergency relief in the past three to five years. The selected communities then utilize wealth-ranking techniques to determine the poorest 30 percent of households, which will be eligible for asset transfers, with priority given to female household heads, landless youth, the poorest households, and those for whom credit is not an option. This community-based process includes dissemination of clear criteria to help ensure that the communities themselves view the process as both transparent and fair.

Targeting for Bandhan Konnagar takes several considerations into account. One important factor is the feasibility of establishing a branch office for implementing the Graduation program in a particular area. Bandhan Konnagar also evaluates the cultural context: for example, implementing such an intensive program may



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prove impractical in extremely conservative areas that are resistant to change. Like other Graduation implementers, Bandhan Konnagar targets the most vulnerable populations it believes it can effectively serve: households without able-bodied male members are deemed among the most vulnerable and so are given priority. Local village assistance committees (VACs) also play a crucial role in developing and maintaining a relationship of transparency and trust within the community as targeting proceeds. Staff have found that contextual differences from one area to another can play an important role, and that staff must be alert to these nuances and exercise discretion during the selection process. For example, they take care not to exclude a large number of vulnerable households on the basis of what may be technicalities. Appropriate weight must be given to contextual factors to gauge with accuracy the extent and nature of household poverty.

Recruiting, training, and motivating staff


Government-led Graduation programs often leverage existing resources—not only in-place distribution networks and databases but also existing staff. The Graduation Approach usually entails a significant extension of staff’s responsibilities, both in terms of time demands and professional expertise, so providing the right degree of supervision becomes crucial. Managers need to recognize this and offer appropriate training and ongoing support. As Bandhan Konnagar learned, an NGO-led scale-up poses different staffing challenges, mainly to do with recruiting and retaining talented people.

In Colombia, government “municipal coordinators” manage field staff responsible for coaching, one of the most important program components. The coaches’ bi-monthly in-person visits to each household have proved critical to building participants’ trust in the program and to ensuring that they stay on track with their business development. Coaches were hired locally to increase the likelihood


that participants would build the necessary rapport with them. But due to the rural nature of the pilot sites, finding qualified people (who meet the requirements of education level and work experience) has been a challenge.

Turnover among the coaches in Colombia was high between the first and second years of the pilot, requiring time and resources for orientation of each new team member. However, this issue also inspired Fundación Capital to create on-line, virtual classrooms to train new coaches, a technology solution now being implemented as part of coach training as the program continues to scale up. For the coaches themselves, meeting the demands of the coaching schedule has also proved challenging. Time-management training to help coaches realistically plan their visits, as well as to make any needed changes in the visiting schedule, is now included in staff training. Time-management skills become especially critical when participant families live in very remote rural areas, adding the element of significant travel time to what are already very demanding schedules.

In Peru, Haku Wiñay has addressed staffing constraints in a very innovative way. Field-level staff are recruited from local and nearby communities to serve as peer-to-peer resources for program participants. These *Yachachiqs* (“teachers” in the local Quechua language) are selected based on their agricultural expertise and business experience. Their own knowledge is supplemented with training in the ecological technologies that the program promotes, including irrigation systems, organic fertilizers, raising chickens and guinea pigs, installing improved stoves, and preparing safe drinking water. The *Yachachiqs*, in turn, then train program participants in these techniques as the participants’ chosen livelihoods may warrant. The *Yachachiqs* also serve as de facto coaches, as discussed below in the Life Skills Coaching section. Frequent contact between regionally-based FONCODES technicians and local Haku Wiñay communities provides technical support to field staff and participating farmers, as well as monitoring of program progress.



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The current phase of Ethiopia’s PSNP relies for staffing on a network of existing government development agents (DAs), whose role is expanded to cover the additional programmatic elements of the Graduation Approach. The government recognizes that a major challenge ahead will be managing the DAs’ increased workloads. Those DAs supporting the livelihoods component may already possess the technical skills associated with livelihoods but typically undergo training in new skills such as coaching and monitoring, which are necessary for the Graduation Approach. Along with finding ways to avoid overworking the DAs, the critical staffing challenge in Ethiopia involves balancing Graduation participants’ need for personalized attention with the realities of large-scale implementation. PSNP IV is grouping participants into cohorts for training sessions that also emphasize peer-to-peer learning, and is employing a range of government ministries and other partner organizations to deliver structured technical training as well. Other measures—such as a set ratio of 50 households per DA, scheduling group meetings every two weeks but household visits just once a month, and prioritizing struggling households over those doing well for the coaching and mentoring—are also designed to mitigate demands on the DAs.

During its scaling up in India, especially during the initial months of a new program cycle, Bandhan Konnagar faced high turnover among field staff due to the physical and emotional demands of the job and the difficult living conditions. Bandhan recognized the importance of providing field staff with the incentive of a long-term career trajectory, by providing the scope for growth through promotions. The staff’s psychological well-being, through these career mobility paths and other means, has proved crucial for staff retention. Bandhan also provides staff with classroom training spread over a period of seven to eight months after recruitment, and refresher courses conducted on an as-needed basis. To increase staff capacity rapidly, Bandhan Konnagar has adjusted its minimum qualifications (for example, to find suitable candidates in states with lower levels of

literacy). It is also hiring new local management teams where fluency in the local language is a decisive factor, illustrating how staffing procedures have to be flexible and adapted to different contexts. Given the cultural context of West Bengal, however, Bandhan has found it difficult to recruit women due to the long work hours, their frequent inability to relocate, and a lack of appropriate housing facilities.


Building partnerships and alliances

Given the varied and complex nature of the interventions included in the Graduation Approach—which span social protection, livelihoods development, and financial services – often no single agency is able to implement the full range of services. The lead implementing agency must often serve as the focal point for partnerships and alliances with other agencies and organizations, including NGO advisers and co-implementers.

The Graduation program in Colombia, “Producing For My Future,” partnered not only with multiple other government agencies but also with the NGO Fundación Capital as its key technical services provider. The program design process was led by the Department of Social Prosperity (DPS), with the participation of the Department of National Planning and the National Agency to Overcome Extreme Poverty (ANSPE). ANSPE facilitates social welfare programs to poor families across the country, providing consumption support in addition to other “safety net” options, allowing DPS to leverage this support for most of the families targeted for “Producing For My Future.” Other DPS departments, including the Unit for Integrated Attention and Reparation of Victims (serving families displaced by Colombia’s internal conflict) were involved in the selection of program sites. After the program was launched in 2012 as a pilot within DPS, Colombia’s National Learning Service Agency (SENA), a government initiative focused on capacity building to foster employment readiness, provided additional technical assistance.



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Peru's Ministry for Development and Social Inclusion (MIDIS), the lead implementer of Haku Wiñay, is supported by partnerships with other federal government agencies, as well as with municipal governments, bilateral aid organizations, development NGOs and coalitions, and citizen groups. The program is implemented through a formal agreement between MIDIS' Cooperation Fund for Social Development (FONCODES), municipal governments, and local "Implementing Groups" made up of representatives of the communities served. FONCODES provides funding, technical assistance, and program supervision, while municipal governments contribute financial and in-kind support such as transportation and office space. Peruvian and international NGOs and bilateral aid agencies provide technical assistance and funding that support specific Haku Wiñay activities. For example, a German development agency provided the cleaner burning cook stoves that were a major feature of Haku Wiñay's healthy homes component.

Ethiopia's Productive Safety Net Program (PSNP) brings together a number of donors, government ministries, NGOs, and microfinance institutions in support of the livelihoods component. Eleven donors support PSNP, including the World Bank, the UK Department for International Development, the United States Agency for International Development, the European Commission, UNICEF and the World Food program. The Government of Ethiopia provides the consumption support, asset transfers, technical skills training, and life skills coaching. NGOs, including regionally based organizations, play a number of roles at the local level, such as providing financial literacy training and supporting savings through establishment of Village Savings and Loan Associations. Financial institutions are a key program partner during the asset transfer, when savings plans are established for participants. In addition, a range of Ethiopian government agencies, such as the ministries of Women, Youth, and

Children's Affairs, are taking on expanded roles in this next phase of PSNP. In short, a multitude of partners is involved in the process, providing the opportunity for program participants to receive tailored support from the specialized institutions and ministries, but also creating significant coordination challenges.

For an NGO like Bandhan Konnagar, developing new funding partnerships has been especially crucial, including with non-traditional funders such as companies that focus on supporting micro-entrepreneurship and the development of local markets. Bandhan has found that corporate donors often prioritize narrowly defined quantitative metrics, such as increases in monthly income, over more qualitative indicators of holistic development, and furthermore, that private and philanthropic sources will not be sufficient to take the program to massive scale. Bandhan has identified two options for mobilizing the level of funds required: public-sector companies and state administrative departments and ministries. Public-sector companies, such as the Oil and Natural Gas Corporation, have corporate social responsibility funds that are much greater than those available from the private sector. However key personnel in those public companies have proven difficult to approach, a common problem in the Indian government bureaucracy, and approval for funding is an extremely lengthy process. Large-scale government funding could translate into multi-regional or even nationwide operations, but securing such funding would require a major policy change by the central government. So Bandhan has focused its efforts to reach out to various regional governments with a proposal to work with the poorest 1 to 2 percent of target populations. At the time of writing the case study, these discussions were in the preliminary stages, and possibilities of partnering with the regional governments were still speculative.



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Graduation Exit Criteria

It is challenging yet crucial to define “graduation”—to develop clear, context-specific criteria to gauge whether participants have succeeded in moving out of extreme poverty and into sustainable livelihoods within the time parameters set. These criteria are generally a mix of quantitative and qualitative indicators. “Graduating” does not necessarily mean that participants are no longer eligible for other government services, such as conditional cash transfers, as eligibility criteria for such programs may be distinct from Graduation criteria. Indeed, participants’ capacity to continue increasing their economic and social resilience may depend on their continued eligibility for government services, such as conditional cash transfers and healthcare.

Colombia’s “Producing for My Future” program did not mandate specific graduation criteria but did set certain expectations at the outset for each participating family. To complete the program successfully, participants had to complete all capacity-building modules and be present for the coaches’ home visits. If the registered participant was unable to be present on a specific day, someone else from the family was expected to meet with the coach, complete the training module (using the tablet), and pass along the information. All participants were also required to attend group activities that promoted team building and cooperation to strengthen community connections and to encourage savings plans.


The vision for Peru’s Haku Wiñay is that, by the time they complete the program, participants will have more diversified sources of income, be better planners, have money saved, and make use of other financial services. Haku Wiñay tracks and evaluates several key indicators to gauge household progress, such as annual change in household income, average spending in the household, and change in value of agricultural production.

Ethiopia’s PSNP IV does not use a predetermined set of standardized benchmarks to evaluate graduation. Rather, local committees are tasked with determining context-specific criteria for program exit, relying on their knowledge of the communities they serve. To reduce any pressure households may feel to exit before they are ready, Ethiopia does not impose a specific timeline for graduation. While the Government of Ethiopia ultimately wants to ensure greater exit from the PSNP program (because it wants to achieve the goals of reducing extreme poverty and increasing sustainable livelihoods), it is also undertaking a pragmatic approach. Employing the knowledge of local-level officials, evaluating households on a case-by-case basis, and not imposing a deadline are all efforts to reduce the odds that households will exit before they are ready and thus that they might backslide.

Bandhan Konnagar has established two sets of metrics or “progress indicators” – mandatory and optional – to gauge both household graduation and to maintain comparability of outcomes across operational sites. These graduation criteria encompass a range of context-relevant achievements (economic and non-economic) at the end of the program cycle. Participants must achieve 75 percent of all the indicators including five of the eight mandatory criteria.



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Bandhan Konnagar's Graduation Progress Indicators

MANDATORY CRITERIA	OPTIONAL CRITERIA
Income and working capital of family will be increased significantly (to USD 75 and 377, respectively)	Eligible couple in the family practicing family planning method
At least two sources of income in the family	Household has access to basic medical services and facilities
Growing savings habits and deposits	Household has proper access to safe drinking water
Residential house of the family is safe	All children below 5 years are immunized
Beneficiaries can write their names and numbers (1-10) properly	All school-aged children are attending school
All members of the family are getting at least two full meals every day	All members of the family wear clean clothes and keep their house clean
Family members are using safe and hygienic latrines	Beneficiary has a voter identity card
Beneficiary planted at least two fruit plants or cultivates two types of vegetables in her own garden	Beneficiary has a ration card

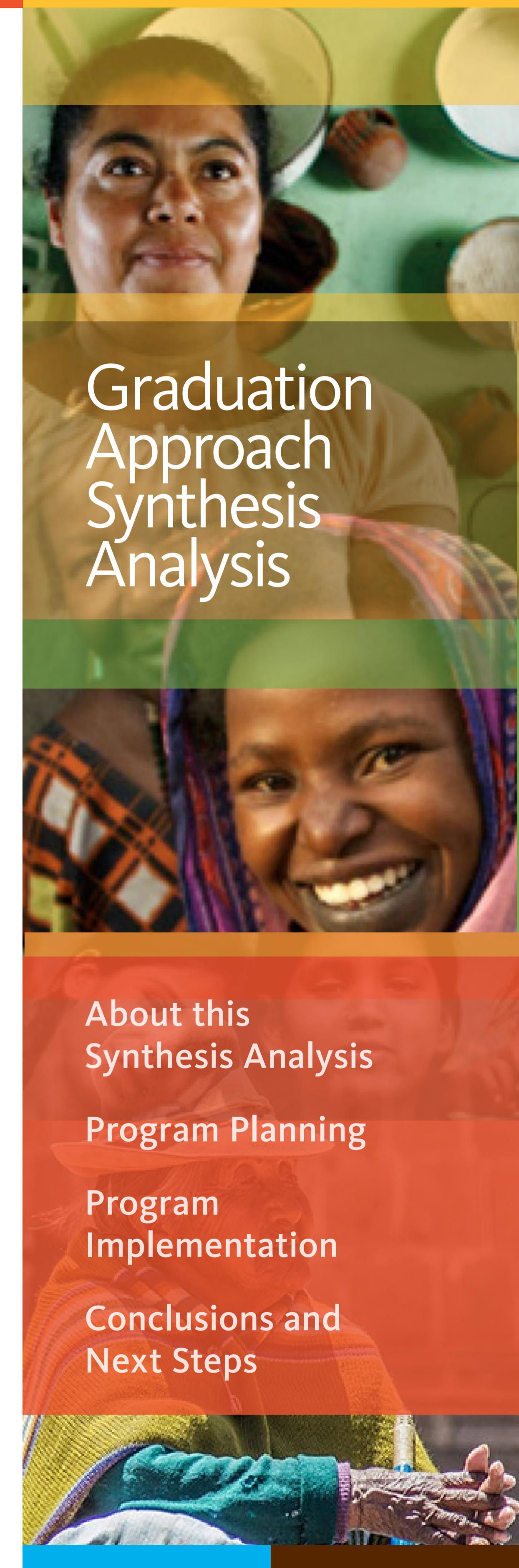
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Each of the four programs profiled in the case studies has made innovative and potentially replicable modifications to the “classic” Graduation Approach in order to adapt the core elements to local context or in response to funding or other resource constraints.

Consumption Support

Leveraging existing government cash transfer programs is a cost-efficient way to deliver the Graduation Approach’s consumption support component without duplicating effort and resources. However, it is important to note that not all families participating in the Graduation program may be receiving full consumption support from the government. Eligibility criteria between the two programs may be different. In the case of NGO implementers, finding sufficient funding for consumption support can often be a major hurdle, especially as programs scale up.

In Colombia, the government leverages existing social welfare initiatives that include a consumption support component to serve as the foundation for “Producing for My Future.” A conditional cash transfer program (“More Families in Action”) provides a consumption stipend to extremely poor households and to families displaced by the country’s long-standing internal conflict. This existing program was used as the channel to provide consumption support to families in the Graduation program. However, about 40 percent of Graduation participants were not eligible for this CCT program, and so did not receive consumption support in the course of the Graduation pilot. (The Graduation implementers believed that if their program directly delivered consumption support to some families but not others [that is, not delivering it directly to the families who were already getting such support via the CCT program], then the Graduation program would be perceived as unfair even if the



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intention was to bring the non-CCT-eligible families to parity.) An important outcome to be explored from the Graduation pilot is to compare the well-being of families who received consumption support with the families that did not.

Peru's Haku Wiñay program was also designed to build on an existing national CCT program, *Juntos* ("Together"). A stipend worth about USD 70 is given every two months to poor mothers in rural areas to help them buy more food to improve family health and welfare. In return, the women are required to keep their children in school and take them to regular health check-ups. Participation in (or completion of) Haku Wiñay does not disqualify families from ongoing access to CCTs or other government social protection programs.

All of Ethiopia's PSNP participants receive consumption support from the Ethiopian government, regardless of whether they choose to participate in the broader livelihoods component, and whether or not they are among the poorest 30 percent who are eligible for an asset transfer. Each household receives food, or a cash equivalent, for six to 12 months of the year. This support is based on a "food-for-work" model, wherein able-bodied adult household members provide five days of work per month per PSNP household recipient. The food-for-work model aims at benefiting the local community as a whole and also reflects the Government of Ethiopia's determination to avoid fostering dependency among recipients of government benefits.


During the pilot phase, Bandhan Konnagar provided a cash stipend of approximately USD 1 per week, given for 30 weeks for farm livelihoods and 13 weeks for non-farm livelihoods. Staff observed that cash consumption stipends were not always used for the purpose intended (household consumption). For many participants, it was the first time they had what was for them a significant and steady income stream, and they seized the opportunity to funnel it toward productive investment. To encourage participants to use the consumption support for their own food needs, the amount was increased from USD 1 to approximately USD 2.50, so that some

of the money could still be set aside while the majority used for consumption purposes. The consumption support time period was also reduced, to 14 weeks for farm livelihoods and six weeks for non-farm livelihoods, so that households would know that the asset transfers for their livelihoods would be available sooner than in the original design.


Savings and Financial Literacy Training

In Colombia, the pilot encouraged formal savings, but in the end participants saved primarily at home and through savings groups. Training modules stressed the importance and value of savings—each participant received a small *alcancia*, or piggy bank, and was encouraged to set aside a portion of earnings. Each family had its own process for deciding the percentage they wanted to save, and for many, Producing for My Future facilitated the first-ever household savings plan. The participants who reported saving did so with obvious pride. The savings enabled them to meet their personal and family goals, including sending their children to school, as well as expanding or improving their homes. In general, though, participants expressed hesitation about using banks. Many were wary of formal banking because of a lack of experience with the banking system, limited financial education, and negative customer service experiences including high transaction fees. For the project's next phase, the savings groups are being prioritized and group capacity-building begins earlier in the implementation process. The savings groups are again voluntary, but coaches will spend more time helping establish the groups, and providing mentoring and guidance to ensure their sustainability.

FONCODES, the government ministry overseeing the Graduation program in Peru, reports that from 2012 to September 2015, 22 percent of Haku Wiñay participants (over 15,000 families) used formal financial services including deposits, withdrawals, microloans, and insurance; about 6,700 opened savings accounts. Compared



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to a control group of *Juntos* beneficiaries, an additional 14 percent of Haku Wiñay participants expressed a preference for saving in a financial institution over informal savings options. Haku Wiñay's financial education uses standardized modules taught by peer trainers to expand knowledge of financial services and increase confidence in using the financial system.

In the Ethiopia program, the savings component is mandatory (as it was in the REST Graduation pilot in Tigray), but implementers are aware that this may be difficult to ensure in the future, given the realities of expanding the program to scale across the nation. It is important to remember the Government of Ethiopia's general determination to avoid fostering dependency. Government planners recognize that the development of successful, context-specific mechanisms to ensure clients save sufficiently will be a key factor in reducing those concerns.

In India, Bandhan Konnagar's savings approach consisted of daily mandatory savings and "capital" savings (the remainder of profits after reinvestment). Mandatory savings is intended to inculcate a regular savings habit and is set at a minimum level (the equivalent of USD 0.45 cents a day) so as to not create a strain on household consumption. Participants are expected also to make a bank deposit of "capital" savings of about USD 1.50-2.20 at least once a month. Capital savings are normally utilized for household purposes, especially housing repair, healthcare costs, and children's education.

Market Analysis

Based on the "Producing For My Future" pilot, the Colombia program has built into its next phase of expansion several key lessons:

A comprehensive market analysis is necessary to help participants understand the potential opportunities and competition for their proposed small enterprise.

Businesses are more likely to succeed when they build on participants' existing skills, knowledge and resources. Coaches must provide guidance and encourage participants to focus on past experiences and knowledge, as well as existing resources, to build out their businesses.


Investing sufficient time in each participant's business plan helps ensure a higher success rate. While the program's training methodology teaches general concepts (e.g., the upfront costs, revenues and expenses of running a small business), more individualized planning and projections are necessary to ensure that participants take a longer-term view of their entrepreneurial investments.

If a comprehensive market analysis is not possible, efforts should be made to help participants diversify the range of economic activities undertaken based on a general understanding of the existing landscape of businesses.

The Peru program does not carry out formal market or value chain analysis. Haku Wiñay staff describe that discipline as one that is as yet generally underdeveloped in the country as a whole, so market researchers and analysts possessing the necessary skills are difficult to find. But in addition to supporting and advising participants' household-level microenterprises, the local *Yachachiqs* encourage participants to form groups of four to six "partners" interested in working together to develop ideas for larger businesses. *Yachachiqs* provide guidance about how to produce and market the goods or services the group has in mind. With the *Yachachiqs*' help, each group prepares business proposals and pitches them to a local committee, which selects the business plans that seem most feasible and awards them start-up funds of about USD 2,500. These judgments are informed opinions but are not equivalent to a market study. When the business is running, the partners receive ongoing training from their *Yachachiqs* and from Haku Wiñay technical advisors to identify and connect with potential markets. Haku Wiñay is working to develop stronger expertise in value chains that can link rural areas with larger markets as the program continues to expand.



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The Ethiopia program integrated key lessons from the earlier REST pilot in Tigray. One of those was that livelihoods pathways are more effective when they combine market demand with participant choice (from among viable community-specific options) based on his or her own aptitudes and past experiences. Careful explanation of each livelihood option enables clients to understand and fully engage in the process, and to select an appropriate pathway. The combination of local knowledge with participation at all levels is one of the key lessons from REST influencing PSNP IV's design, but implementers recognize that it will also be a challenge to replicate across all districts throughout the diverse nation.

Bandhan Konnagar does not consider an extended market or value chain analysis relevant for its Graduation program because participants operate at a commercially insignificant scale. Instead, Bandhan Konnagar conducts an analysis of the local market via discussions with community members during the enterprise selection phase, during which each participant decides which livelihood he or she will pursue. Enterprise selection is one of the most critical and challenging parts of the program. After experimenting with different approaches, Bandhan Konnagar now emphasizes non-farm livelihoods unless participants insist on purchasing livestock, in which case mixed livelihoods are encouraged (e.g., livestock and petty trade).


Asset Transfer

Rather than delivering in-kind physical assets (e.g., livestock for those pursuing animal husbandry; an inventory of goods for those opening small shops), the program in Colombia transfers the assets' cash value instead. DPS and Fundación Capital wanted to test the operational efficiency of this strategy. They also find that receiving cash (which is transferred in two installments) provides an opportunity for participants to increase their confidence with cash management, which was low for most households. Finally, DPS and Fundación Capital wanted to help stimulate the local economy so


the broader community could receive the secondary benefits of the increased circulation of the funds. The financial transfer was difficult during the pilot for some participants, particularly those who had never received a digital wire transfer before and those who were illiterate. They had to ask for help from their coach, family members, or neighbors to access the transfer, which in most cases worked well. Although the Graduation Approach focuses on building skills of individual households, many small business owners, in order to succeed, need to work with others to save on common business expenses and to improve their access to markets. For future phases, the Colombia program is assessing how to emphasize the benefits of cooperation among participants, including creating alliances to make asset purchases, sales, and even technical assistance more cost-effective.

Asset transfers in Peru's Haku Wiñay program are managed by participants through a collective implementing group called the "executing nucleus." Members get three price quotes on the assets to be bought and any equipment that is purchased for rural businesses. The group makes the purchases and keep records of how the government funds were spent, reporting regularly on program accounts to FONCODES. Local control over the purchase of assets is intended to empower residents of Haku Wiñay communities. The community-based model for asset transfer has long precedent: it builds on more than two decades of experience in Peru with elected committees of local farmers administering government funds.

To balance costs with impact as it expands to massive scale, the Ethiopia program is lowering the value of the asset transfer compared to that of the Tigray pilot project. Although this means it will not be possible for recipients to undertake a major project immediately, the asset transfer process is designed to allow participants to get comfortable with investments, savings and credit, and to move to larger projects gradually. The impact of the reduced amount of the asset transfer will be a key element to monitor during the pilot phase in Year 1 and may require adjustments further on.



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In India, Bandhan Konnagar also conducts the asset transfer in cash. As in Colombia, the program transfers working capital in installments so as to not overwhelm participants inexperienced in cash management. The cash amount transferred takes into account local prices for the assets and builds in a contingency to cover any asset loss in the initial months of the program. Local market dynamics and their impact on the confidence and performance of participants are other considerations in identifying the appropriate assets.

Technical Skills Training

Technical skills training (as distinct from life skills coaching, discussed below) refers to the training a participant receives to prepare for the specific livelihood he or she has chosen.

In the Colombia program, Fundación Capital developed a tablet-based application which delivers training modules on financial education, entrepreneurship, and soft skills (such as communication and negotiation). The application allows participants to direct their own learning, at their own pace, in their own homes, repeating lessons that are most relevant to their needs, and sharing knowledge with their families. **The tablets are distributed to participants on a rotating basis**, a cost-effective way to facilitate the curriculum's dissemination throughout the community (and to increase comfort with technology). The Colombia program has also found that technical assistance is most effective when it is delivered steadily over the life of the project, rather than just during the livelihood start-up phase.

Haku Wiñay's strategies for technical skills training draw from long experience with rural and agricultural development programs in Peru. As noted earlier, the *Yachachiqs* (the trainers who work directly with participating families) are selected from among farmers who live in Haku Wiñay communities, allowing for peer-to-peer communication and skills transfer. In their on-site visits, the *Yachachiqs* discuss the families' priorities, develop a training plan, and then deliver the relevant training during twice-monthly home visits.

In Ethiopia, the efforts of local “community facilitators” are supplemented with those of a range of technical experts who can provide participants with more specific advice based on the livelihood chosen. An emphasis on group and peer-to-peer learning decreases the demands on staff, an important consideration given the large-scale implementation. The Ethiopia program has developed a checklist of required steps so that training modules are rolled out in the proper sequence, and so that clients are adequately trained before receiving an asset transfer. As with other elements of the Graduation Approach at scale, the development of pathway-specific training involves a range of actors, and coordinating all their efforts will be a key ongoing challenge.

Bandhan Konnagar provides three-day skills-building: two days on building participants' technical business skills and one day devoted to confidence-building and motivational training, drawing on success stories from past participants. In addition to this upfront training, Bandhan has found that systematic refresher training proved necessary for all participants, farm and non-farm livelihoods alike. These refreshers take place every three months.

Life Skills Coaching

The concern that governments and NGOs implementing the Graduation Approach at scale raise most frequently has been the complexity of the life skills coaching element. The operating model for most government-led Graduation scale-ups depends upon leveraging existing staff members rather than hiring new ones. Few government workers come to the new task already possessing the skills typical of “coaches” and they are also unlikely to have the time available for intensive weekly visits with each Graduation participant household. In short, of all the elements of the Graduation Approach, the life skills coaching element is the one most ripe for creative adaptations.



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The Colombia program is using computer tablets to supplement bi-weekly coaching visits, as a tool both to reduce costs and to improve quality. (As noted above, Colombia also delivers technical skills training via tablet-enabled modules.) To streamline the coaching, DPS and Fundación Capital designed a standard Graduation coaching curriculum of 22 modules that can be delivered consistently and are thus less dependent for success upon the interpersonal style or abilities of each coach. As noted above, the tablets circulate among participants, allowing the community to share these technical resources. Families who are “fast climbers” and who are active technology users absorb the material quickly. This allows the coaches to move through the modules with them at a swifter pace and, more importantly, it also allows the coaches to allocate more of their time to the “slow climbers” who need it most. Even with the use of tablets, the Colombia program has found that the one-on-one home visit is still a critical component of life skills coaching. Group activities also help strengthen both economic and social connections among participants through trust-building and cooperative activities.


For the next phase of the program, Fundación Capital has made several updates to the tablet-enabled life skills coaching modules:

- Improving the technology to minimize glitches.
- Including more interactive activities and stories, based on the feedback and observations of what “sticks” with the participants.
- Including the extended story of one person who makes the metaphoric journey with the participants—this greater personalization helps bring the material alive and makes it easier for participants to relate to it.


Peru’s Haku Wiñay does not include a separate life skills coaching component. The program implementers describe the life skills coaching goals (e.g., building participants’ self-confidence, future orientation and ability to plan, social capital) as being achieved as a natural outcome of the program’s design. The *Yachachiqs* engage intensively with participant households as they guide the enterprise selection and oversee the related training. The thought is that the *Yachachiqs* are uniquely well positioned to embed life-skills lessons (along with performing their other duties) by virtue of their relatability (they are themselves local farmers), the respect they inspire (they are the most skilled in the community), and the frequency and intensity of their interactions. Haku Wiñay’s program design also invests a great deal of decision-making and financial administration with local implementing committees, an operating model that contributes to the social capital building that is among the life-skills coaching’s goals.

Ethiopia’s program is aiming for a ratio of 50 households per Development Agent (DA) in order to reach a very large number of participants while maintaining quality control over the coaching and the program as a whole. The government recognizes the importance of investing in the development of DA skills particularly in terms of coaching, given that it is a new role for them and will be added to their other ongoing responsibilities.

Bandhan Konnagar has found that the coaching component is indeed scalable. To preserve effectiveness, the ratio of field staff to participant is maintained at 1:50 to 1:75 households. Weekly group meetings with participants are also important. They create a sense of solidarity amongst group members and provide a forum for easier discussion of issues that may be too sensitive to address in one-on-one coaching sessions.



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The Graduation Approach has thus far shown strong promise of being adaptable enough for implementation at significant scale, both by governments and by NGOs. Challenges of course lie ahead in adapting the program design to suit local contexts, participant needs, and resource constraints. But the scale-ups documented in the four Ford Foundation-commissioned case studies indicate that such adaptations can be managed successfully; initial results are quite positive.¹⁰

The experience of government-led Graduation programs has demonstrated that the Approach can be successfully integrated into existing social protection initiatives, especially conditional cash transfer programs. Such an integrated strategy combines the breadth and depth of outreach that the existing programs already achieve with new and potentially life-changing economic opportunities for the populations served. As described in these case studies, government-implemented programs have already adapted and innovated on many elements of the “classic” Graduation Approach, often in response to the unique demands and constraints that publicly-funded initiatives face. This kind of experimentation presents important opportunities to deepen our understanding of how adaptable different elements of the Graduation Approach may be without sacrificing positive results.

Successfully striking that balance—between preserving the essence while adapting for scale—is probably the most critical overarching challenge facing the Graduation community of practice. The very

¹⁰ Escobal, Javier y Carmen Ponce (Eds.) 2016. *Combinando protección social con generación de oportunidades económicas: una evaluación de los avances del programa Haku Wiñay*. Lima, Peru: GRADE.

factors that make the Graduation Approach so powerful—its intensive, skilled, and compassionate one-on-one intervention, sustained over time—are also the factors that make it complex and expensive.

Perhaps unsurprisingly, the promise of technology has particularly captured the hopes of many who believe that technology-enabled efficiency gains can dramatically reduce the Graduation Approach’s operating costs. These case studies detail specific instances where that promise was, at least partially, fulfilled. As noted earlier, in Colombia, the existence of a national database used for targeting and client selection made the cost- and labor-intensive alternative of community ranking exercises unnecessary. Tablet-delivered modules for technical skills training and life-skills coaching also provided a more efficient (and more engaging) learning experience for participants. However, the implementers also concluded that the in-person coaching was still integral to the Approach’s success in reaching and truly serving the needs of the extreme poor.

A key challenge for the Graduation community of practice is to isolate which elements of the Approach—a high-touch, holistic approach that recognizes the psychological as well as material dimensions of extreme poverty—can be automated without compromising results, and which cannot. These are not easy questions. And there may be no practical way to answer them other than by trial and error, making it all the more important to document and disseminate the lessons learned.

Whether they involve technological automation or some other kind of adaptation, it is indeed vitally important that programs that make significant changes to the Approach’s methodology are both thoroughly documented and then assessed to determine whether they still deliver a high degree of positive outcomes. These



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assessments should be shared among the broader Graduation community of practice to inform other governments and NGOs implementing, or considering, Graduation programs with significant adjustments in program design. Otherwise we will be missing a crucial opportunity to learn from one another about what works and what doesn't and to allocate resources accordingly.

Initial results from these four programs indicate that the Graduation Approach significantly changes the lives of participants. The incentive provided by the asset transfer, however modest, provides a much-needed capital infusion for the participants to build their businesses. In combination with the development of savings discipline and the technical training and life skills coaching, participants experience significant improvements in income, assets, and self-confidence. And after years of seeing themselves as poor and with little ability to change their circumstances, the Graduation program helps instill a sense of hope and self-esteem. It provides participants not only the opportunity to achieve gains in their family's material well-being—but to see themselves on a pathway to a better future.

Much work remains ahead to adapt, document, and share experiences about scaling up the Graduation Approach. These case studies represent one effort in that ongoing process. CGAP and the Ford Foundation heartily hope that readers of these cases will contribute their perspectives and experiences to the [Graduation Community of Practice's online portal](#) so that we can all continue to learn from one another's work. ■

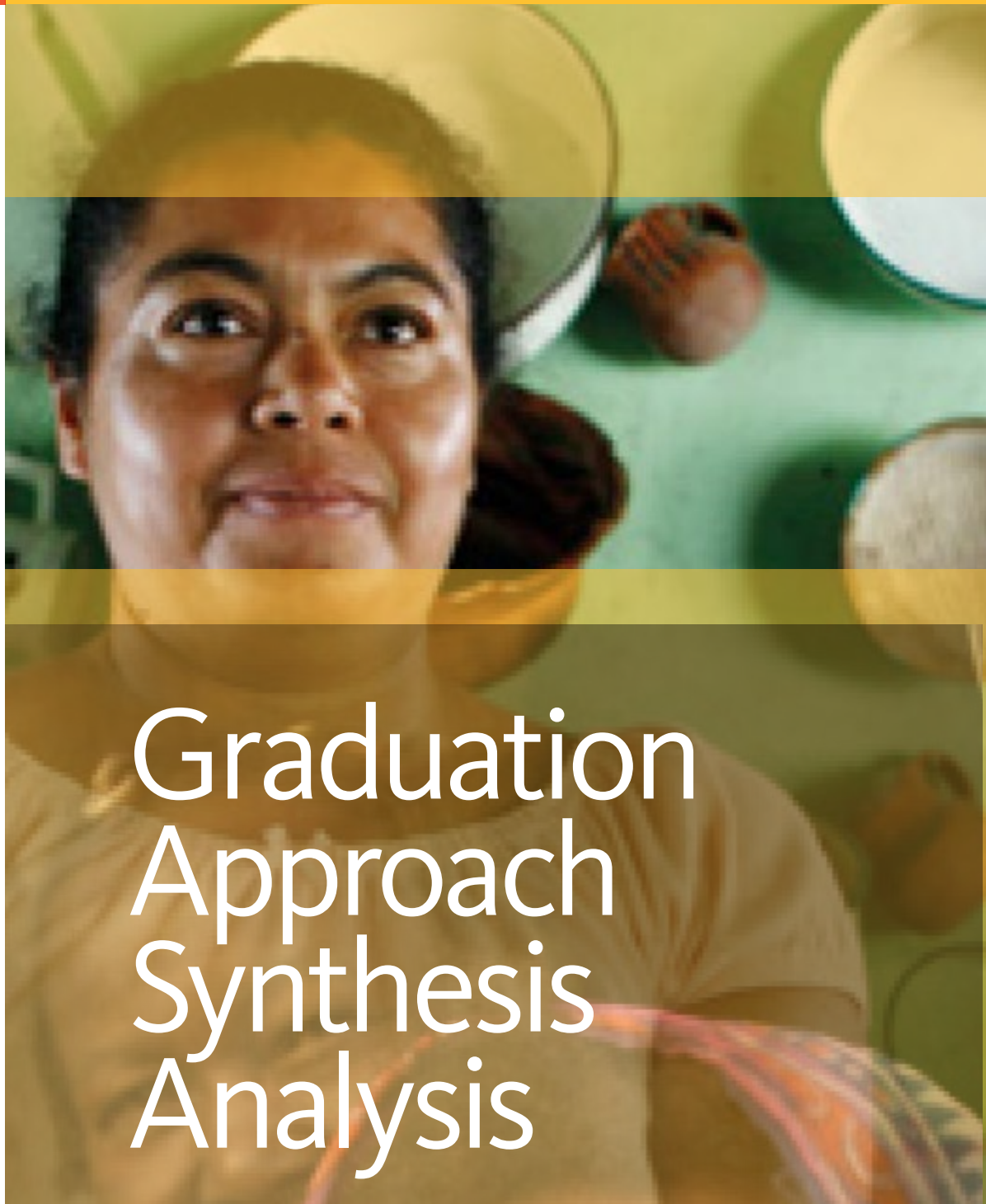
ABOUT THE AUTHOR AND EDITOR OF THE CASE STUDIES SERIES

Tony Sheldon is executive director of the Yale School of Management's Program on Social Enterprise. He has been a consultant to the Ford Foundation on its Graduation work since 2006. He is co-author of *From Extreme Poverty to Sustainable Livelihoods* (World Bank 2014, to be revised 2016), a technical guide on the implementation of the Graduation Approach.


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All of the authors in this series of case studies are grateful to the implementers and scholars whose published work has advanced the Graduation Approach. Where possible, we have provided URLs so interested readers can download the works cited in this series. Please note that URLs were valid at the time of writing. We regret that we cannot be responsible for any links that may break or decay over time, nor can we ensure that downloads are or will remain free of charge.



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