Ultra-Poor Graduation
ABOUT BRAC

- Founded in Bangladesh in 1972, BRAC is considered “by most measures the largest, fastest-growing non-governmental organization in the world.” (Source: Economist, 2010).

- BRAC has since inception been at the forefront of poverty alleviation, disaster recovery, and microfinance in Bangladesh and 10 other countries.

- BRAC creates opportunities for the poor, through comprehensive programming in financial inclusion, education, agriculture and food security, water and sanitation, healthcare, community empowerment and legal rights.

- BRAC’s Challenging the Frontiers of Poverty Reduction-Targeting the Ultra Poor
CURRENT POVERTY IN BANGLADESH

- A country of 153m people
- 17% live in ultra poverty (BBS 2010)
- Ultra-poor are structurally constrained from both the demand and supply sides
- BRAC established in 1972 in Bangladesh to empower the poor and women through various interventions
- Largest NGO in the world employing over 120,000 employees (annual budget: US$ 600 million)
- Even though Bangladesh is the birthplace of microfinance, ultra poor are bypassed because of both demand and side factors
- The safety net programs of GoB mainly serve as protective approach rather than promotional approach
WHO ARE THE ULTRA-POOR

$1.25/day WORLD BANK POVERTY LINE

- The ultra-poor are those who live in the lowest earning half of those below the extreme poverty line.

- They eat below 80% of their energy requirements, despite spending 80% or more of their income on food.

- They live without access to healthcare, financial services, and basic services.

- They often lack acceptance in their own communities, lack self confidence, and have no support systems.
OBJECTIVES OF CFPR-TUP

Challenging the Frontiers of Poverty Reduction- Targeting the Ultra Poor

- To assist the ultra poor population graduate from extreme poverty by bringing up positive economic, social and aspirational changes in their lives
- To support them to get access to mainstream development programs and approaches

BRAC Bangladesh Inclusion Criteria

- Children of school-going age taking up paid work
- Households with <10 decimal of land.
- Who earn livelihood as beggar, day labourer, domestic aid etc.
- Households with no productive assets.
- No adult male member in the household.
# HOW THE PROGRAMME WORKS

**TARGETING** We use spatial poverty maps and community wealth rankings to identify the households in the greatest need of skills and services.

**ASSET TRANSFER** We ensure one-time grants of productive assets, such as livestock or goods for small trade, to help jumpstart livelihoods.

**WEEKLY STIPENDS** Participants receive cash stipends along with guidance tailored to local knowledge and skills.

**SAVINGS** Participants are encouraged to save. They maintain a formal savings account with programme staff support.

**TRAINING** As families learn to earn and save, they receive hands-on training and weekly visits from staff to help grow their skills.

**HEALTH CARE** We encourage informed health care choices by teaching the importance of preventive health, including family planning and preventable illness.

**SOCIAL INTEGRATION** Throughout the program, families gain confidence and acceptance within their community.
ULTRA POVERTY GRADUATION MODEL
STEP 01
Targeting

Community participates in a spatial mapping and wealth ranking exercise to identify community members in the most need.
STEP 02 Asset Transfer

Client receives a package of assets, in this case a goat and a cow, to raise and learn about generating income.
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
Client receives weekly 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 05
Healthcare

Client receives healthcare support with access to community medical workers, physicians and medications.
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.
Graduation occurs when households achieve economic and social advancement measured by several criteria over the course of 24 months. Criteria vary given the social and geographic context of the programme.

Graduation criteria can include:
- No self reported food deficit in the last year
- Multiple sources of income
- Use of a sanitary latrine and clean drinking water
- Homes with solid roofs made of corrugated iron or other materials
- Households own livestock/poultry
- Households have kitchen gardens
- Cash savings
- No childhood marriage in the family
- School-aged children are going to school
- Eligible couples adopt family planning
WHAT IS UNIQUE ABOUT GRADUATION?

Simultaneously Increasing the Physical & Social Capital of the Ultra Poor

- The approach simultaneously increases the physical and social capital of the ultra poor.

- The methodology is scaled up, reaching 1.4 million ultra-poor in Bangladesh alone, and the model has been adapted and replicated in 10 pilot projects in 8 countries with the support of CGAP and the Ford Foundation.
RESULTS AND IMPACT

- **In Bangladesh**, more than 95% of participants achieve graduation with 92% crossing an ultra-poverty threshold of 50 cents per day and maintaining their improved conditions for the next 4 years.

- **Internationally**, reports from the various CGAP and Ford Foundation funded pilots show that in 18-36 months, 75% to 98% of participants meet the country specific graduation criteria.
RESULTS AND IMPACT: RCT

Evaluation Strategy

- Snapshot at baseline:
  - targeted poor have fewer productive assets and are employed in low return, insecure wage labor
  - correlation between assets, occupational choice and poverty holds across households
  - can asset transfers transform the occupational choices of the poorest women?

- Randomize the program roll-out across 40 BRAC branch offices (1409 communities) in the poorest areas of the country (20 treated in 2007, 20 in 2011)
  - randomly choose 2 branches within each upazila, one treatment, one control

- Randomize at the branch rather than community level to minimize contamination

- Beneficiaries + all other poor + a sample of other wealth classes surveyed in 2007, 2009, 2011
  - Attrition over the four years is 15%, both in treatment and control communities
RESULTS AND IMPACT: RCT

- Program transforms occupational choices

(credit Robin Burgess (LSE and IGC))
RESULTS AND IMPACT

- Most participants increase or maintain their livestock assets

Livestock Asset Breakdown
(credit Robin Burgess (LSE and IGC))

<table>
<thead>
<tr>
<th>Share of UP who receive</th>
<th>2 cows</th>
<th>1 cow + 2 goats or 10 chicks</th>
<th>2 goats + 10 chicks</th>
<th>5 goats OR 40 chicks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>36%</td>
<td>52%</td>
<td>8%</td>
<td>4%</td>
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</tbody>
</table>
RESULTS AND IMPACT

- 4 years after the start of the programme (2 years after its end) the portion of participants entirely self-employed increases from 30% to 47% - no notable change among control.

- Percentage of participants relying solely on wage labor declined from 26% to 6% over the same period - little change among control.

- Reduction in seasonality

- More even allocation of hours across days
RESULTS AND IMPACT

- Among participants, a 33% increase in earnings within 2 years (period of intervention)
- Among participants, 38% increase in earnings within 4 years
- Higher gains than control
- Savings Increases: 818% after 2 years, 875% after 4 years
- Consumption Increases: 8% increase after 2 years, 15% increase after 4 years
- Investment in land: 38% increase after 4 years

(credit Robin Burgess (LSE and IGC))
RESULTS AND IMPACT

- The program succeeds in transforming the occupational choices of the targeted poor.

- Structural changes: from wage labor and day labor to small enterprises.

- Compared to other programs the asset transfer is more significant (roughly half the intervention cost in Bangladesh).

- Transfer and intensive training.

- Implication: capital and skills constraints together drive the occupational choices of poor women in rural Bangladesh.

- Change in occupational choice accompanied by increase in income, expenditure and food security achieved.

(credit Robin Burgess (LSE and IGC))
Join us in the movement to end ultra-poverty.
Contact us to learn more.

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