



**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



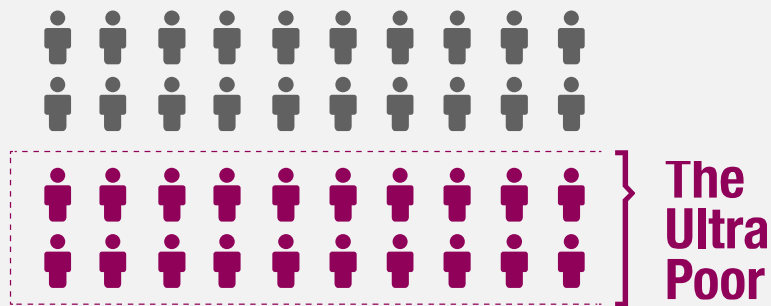
# CURRENT POVERTY IN BANGLADESH

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- 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

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## 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.

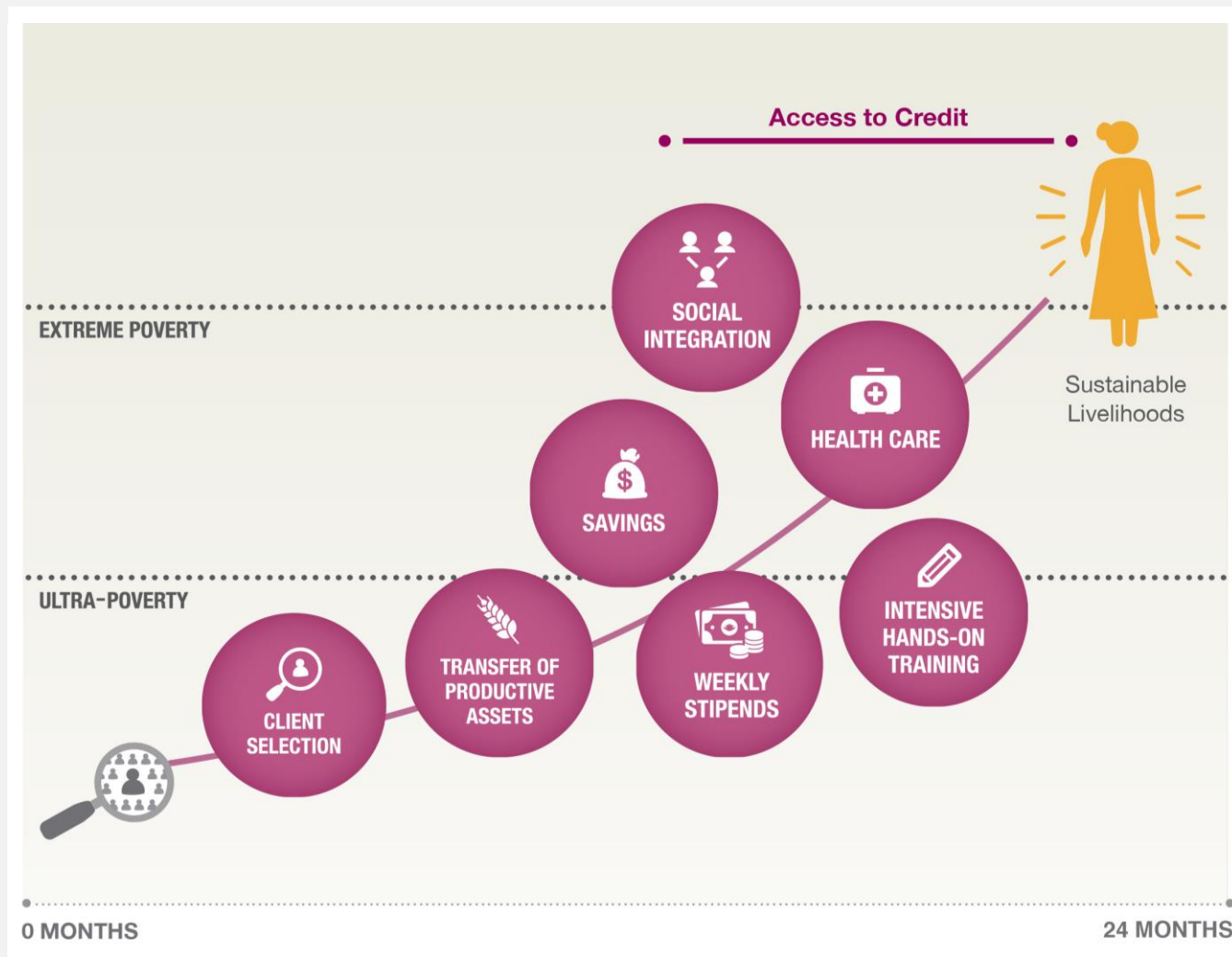
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# HOW THE PROGRAMME WORKS

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- ➔ **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





## 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





STEP 05

# Training

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





## STEP 06 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.



# WHAT IS GRADUATION?

**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



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# RESULTS AND **IMPACT** : RCT

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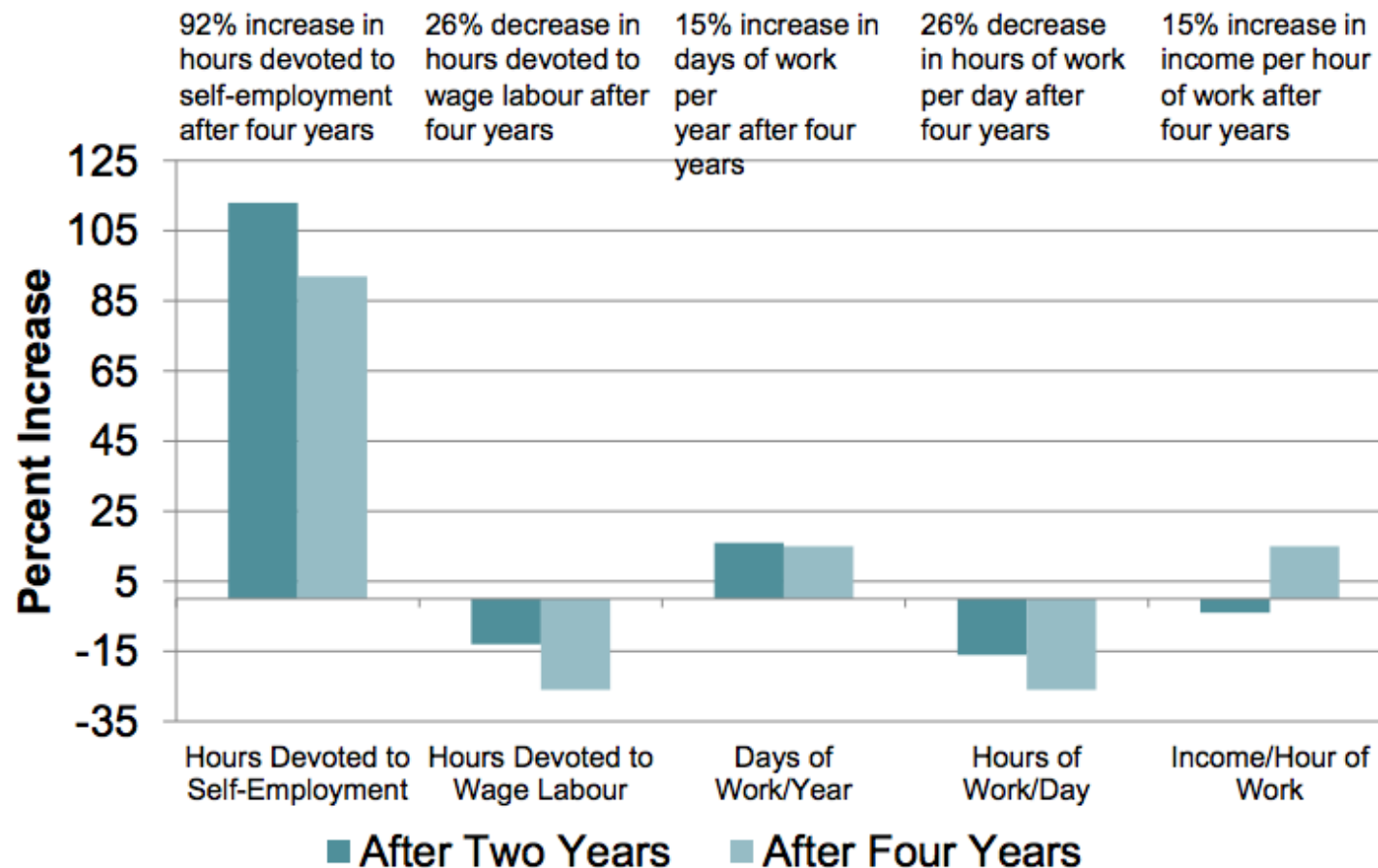
## Evaluation Strategy

(credit Robin Burgess (LSE and IGC))

- 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

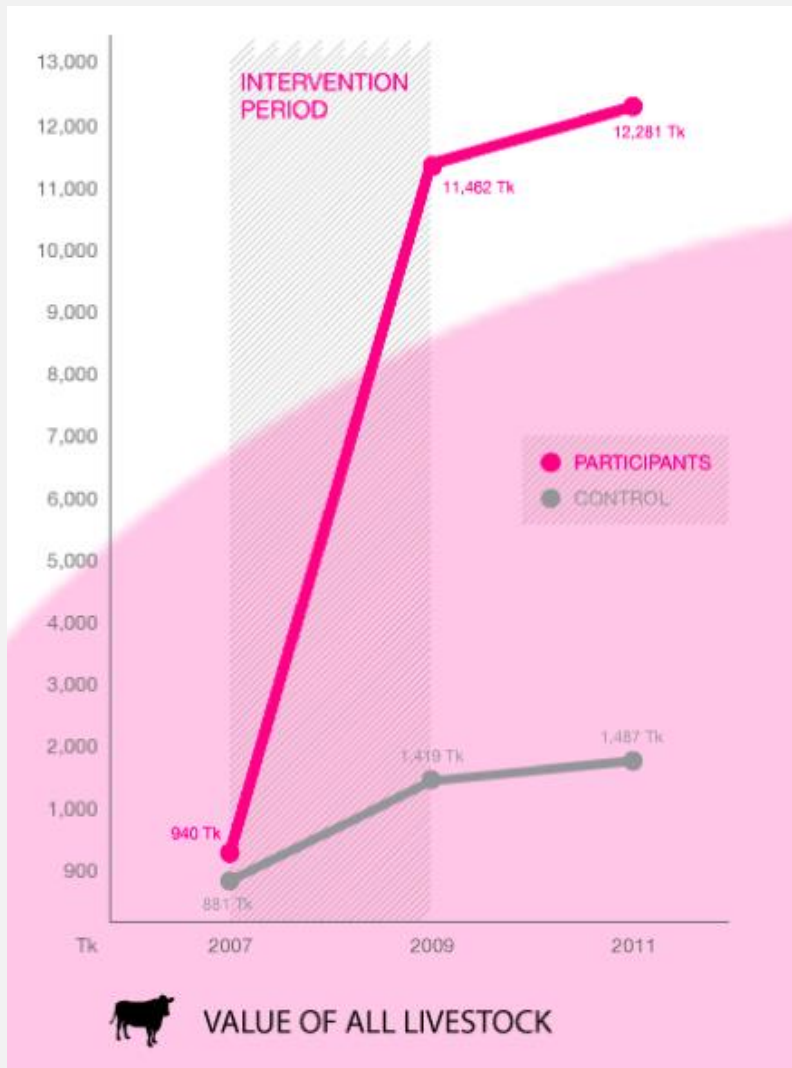
# RESULTS AND **IMPACT** : RCT

- Program transforms occupational choices (credit Robin Burgess (LSE and IGC))





# RESULTS AND IMPACT



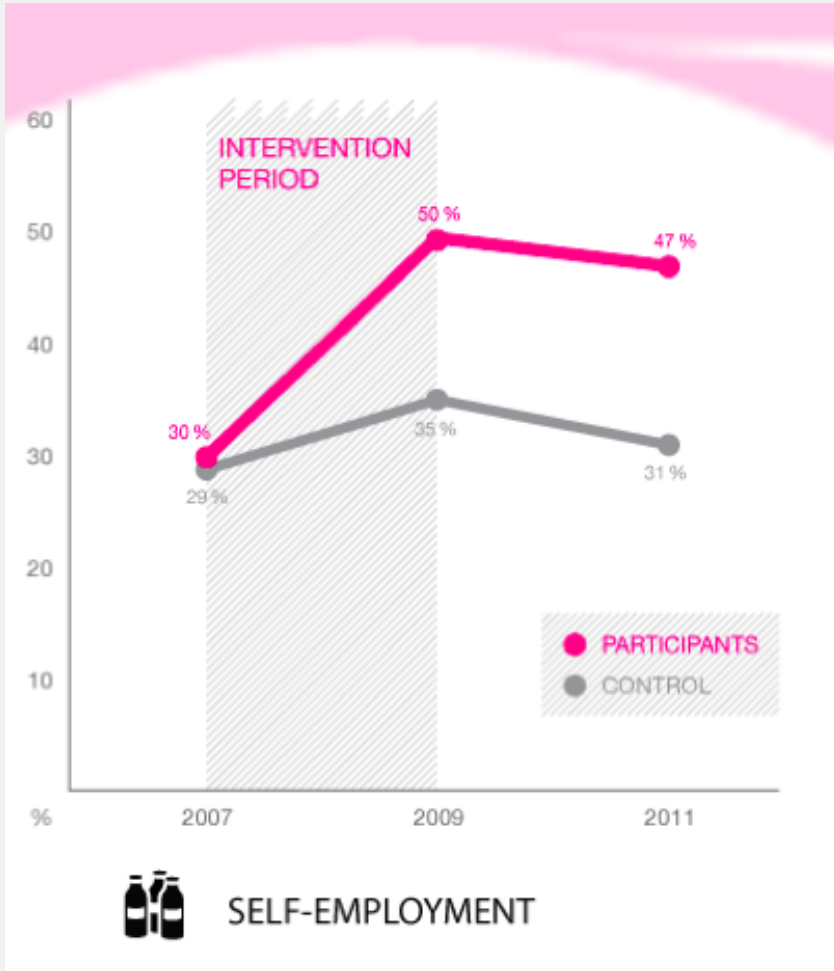
- Most participants increase or maintain their livestock assets

## Livestock Asset Breakdown

(credit Robin Burgess (LSE and IGC))

Share of UP who receive	2 cows	1 cow + 2 goats or 10 chicks	2 goats + 10 chicks	5 goats OR 40 chicks
	36%	52%	8%	4%

# RESULTS AND IMPACT

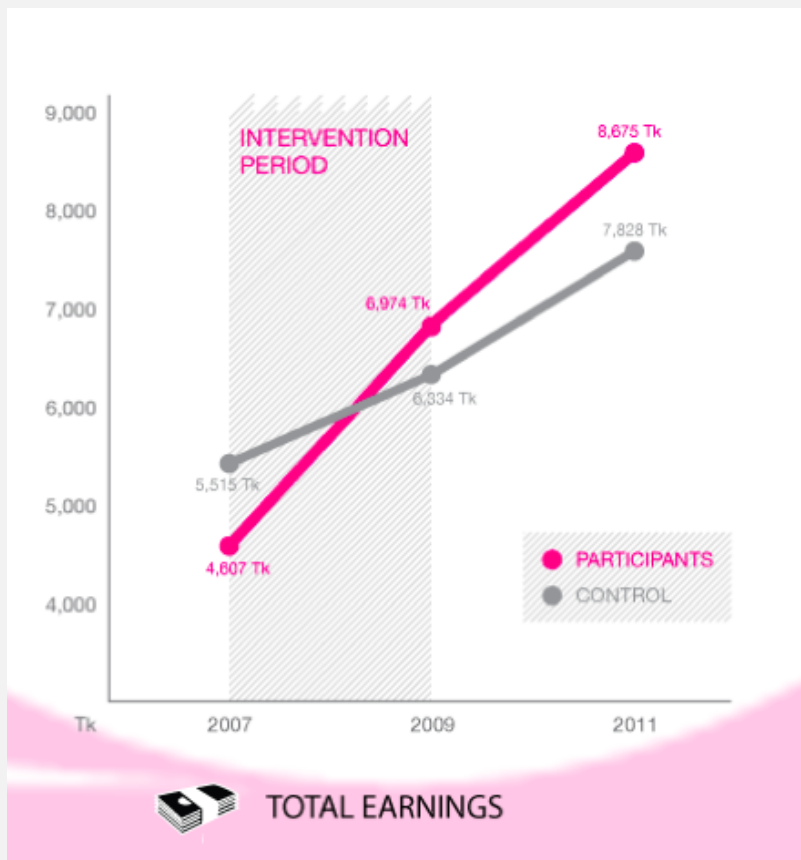


- 4 years after the start of the programme (2 years after its end) the portion of participants entirely self employed increases from 30% 47%- no notable change among control
- Percentage of participants relying solely on wage labor declined from 26% to 6% over the same period- little change among control.
- Reduction in seasonality
- More even allocation of hours across days



# RESULTS AND IMPACT

(credit Robin Burgess (LSE and IGC))



- 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

# RESULTS AND **IMPACT**

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- 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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