

In Practice

- Brief -

Designing and Delivering Government-Led Graduation Programs for People in Extreme Poverty

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While governments face significant obstacles in designing and delivering approaches for people living in extreme poverty, a substantial body of research shows that programs can achieve transformative impact by addressing the socioeconomic barriers that often exclude this population. An increasing number of governments are adopting and scaling **economic inclusion programs**, including **Graduation programs**, to address the multidimensional vulnerabilities of people living in extreme poverty.

The four pillars of the Graduation approach provide a framework for designing, delivering, and monitoring a program to break the poverty trap. Graduation programs consider multiple areas of deprivation and exclusion in identifying participants, designing and delivering interventions, and monitoring progress toward increased well-being and resilience. By integrating the Graduation approach into their poverty reduction initiatives, governments can increase the impact and scale of their initiatives by investing in the systems, processes, and capacities needed to reach those furthest behind and deliver multidimensional, timebound, and sequenced program interventions. Integrating Graduation programs with existing government systems can further improve cost-effectiveness. Tailoring programs to local market conditions and contextual socioeconomic vulnerabilities and opportunities faced by marginalized groups is also critical to successful implementation, as demonstrated by government-led Graduation programs Satat Jeevikoparjan Yojana in India, the Kenya Social and Economic Inclusion Project, and Prospera Família in Brazil.

Economic inclusion programs

are a bundle of coordinated, multidimensional interventions that support individuals, households, and communities to increase their incomes and assets. Economic inclusion programs cover a diverse and often overlapping landscape, including cash-plus, safety net, productive inclusion, and community-driven development programs, among others.

Graduation programs

deliver a holistic package of interventions across four key pillars, facilitated by in-person coaching. They focus on the distinct challenges of people in extreme poverty, addressing context-specific barriers that constitute poverty traps and emphasizing social and economic empowerment.



THE PILLARS OF THE GRADUATION APPROACH

- **Meeting people’s basic needs:** Many people living in extreme poverty lack consistent access to the fundamental necessities to survive; as a result, they are unable to participate meaningfully in poverty alleviation programs. To facilitate full participation, programs meet the basic needs of participants and their households until they are able to generate a stable income from their livelihoods. For example, households in extreme poverty often face food insecurity, which reduces their ability to work or participate in training sessions. Graduation provides consumption support and/or linkages to social protection to enable participants to focus on developing their livelihoods and future opportunities rather than meeting their daily consumption needs. Graduation programs then connect participants to essential services provided by governments, such as education, health services, water, and sanitation.
- **Generating income:** A sustainable income is a core component of the Graduation approach. It involves transfers of assets that are large enough to move individuals above the critical wealth threshold, to enable them to access more productive employment opportunities. Examples of income-generating transfers include a goat, a small plot for growing food, support to start a micro business, and vocational training. The focus is on creating sustainable alternatives to the low-productivity jobs that are often the only options for people living in extreme poverty.
- **Connecting participants to financing and facilitating savings:** Programs connect participants with financial services that enable them to save. They help improve their financial skills and ability to manage income and expenditures in order to be more resilient to shocks and able to invest in income-generating opportunities. These context-dependent services may include community savings groups, such as Village Savings and Livelihood Associations, which encourage saving behavior while supporting social cohesion.
- **Coaching and empowering participants:** Participants receive support to increase their self-confidence and agency; integrate more into their community; and develop a range of life skills, from improving household nutrition to dealing with gender-based violence and tackling child marriage. This critical psychosocial support is often delivered through coaching, mentorship, or peer-to-peer learning. This support is distinct from the technical training that is incorporated into each of the first three pillars.

KEY RECOMMENDATIONS

1. **Leverage and enhance existing social registries** to promote the inclusion of people in extreme poverty. Pair information in social registries with complementary registries and databases and supplement the data with targeting approaches that consider multidimensional features of poverty.
2. **Sequence interventions carefully** to reduce attrition and enhance impact. Meet participants’ basic needs and provide training on operating livelihoods before delivering asset transfers.
3. **Provide a “big push” transfer**, sufficient to purchase a productive asset or gain a marketable skill to establish income-generating activities. Draw on market assessments to inform the transfer size.
4. **Develop contextualized indicators** that measure multidimensional facets of participant well-being. Graduation approaches are concerned with outcomes rather than inputs. Such indicators enable program staff to track participant progress and to make course corrections as needed.
5. **Invest in an effective MIS.** Well-designed MIS facilitate convergence between Graduation and other government programs, support household monitoring, and ensure programs participants receive program components in the correct sequence.
6. **Establish sufficient capacity, time, and incentives for implementing staff** to be able to play an effective coaching and accompaniment role. Building the self-confidence, agency, and social inclusion of participants is critical to the success of Graduation programs.
7. **Build on existing government initiatives** to increase program efficiency and cost-effectiveness, integrating people living in extreme poverty into government systems for the long term.

