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A Field Guide to Graduation Approach

GUIDING CONCEPTS FOR DESIGNING, IMPLEMENTING
AND MONITORING BHA PROJECTS APPLYING
GRADUATION APPROACH IN THE HORN OF AFRICA





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The HoRN network focuses on building resilience in areas of recurrent crisis in the arid and semi-arid lands (ASALs) across the Horn of Africa countries, based on the resilience focus countries of Ethiopia, Kenya, South Sudan, Uganda, Democratic Republic of Congo and Somalia. The objective of the HoRN is to strengthen regional and cross border collaboration and improve evidence-based learning.



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A youth takes a light moment as he reads his planned goals on his graduation map. Photo:AVSI Uganda

EXECUTIVE SUMMARY

This Field Guide provides an illustrative framework for those interested in implementing Activities with the graduation approach component – a versatile multifaceted model that targets marginalized families living in food insecurity and extreme poverty to build secure, sustainable and resilient livelihoods.

This Guide draws on experiences of partners that have integrated the graduation approach within the USAID Bureau for Humanitarian Assistance (BHA) Resilience Food Security Activities (RFSA) in the Horn of Africa. The Guide targets technical staff, practitioners and policy makers from implementation partners, governments, donors and private sector players involved in designing, implementing and overseeing Activities that integrate the graduation approach.

The BHA provides life-saving humanitarian assistance to the world’s most vulnerable and hardest-to-reach people. Focused on promoting transformative change and self-reliance among the beneficiaries, BHA adopts a holistic approach to humanitarian aid integrating early recovery, risk reduction, and resilience programs (ER4) in its responses. BHA favours multifaceted approaches that address multiple humanitarian and development challenges simultaneously to yield clear and lasting impact. Graduation Approach is one such model.

Pioneered by BRAC in Bangladesh in the year 2002, the classic graduation approach, a proven approach for building resilience and lifting extremely poor families out of poverty has since reached over 14 million people across 50 countries. Comprising of five core components delivered to each participating family in a specified sequence over a period of 18-36 months, the graduation approach has consistently enabled participants to “graduate” from extreme poverty and become more food-secure, enjoy sustainable and diversified incomes, increase assets, increase self-confidence, and better manage shocks and risks.¹

¹ Bernagros et al. December 2022. *Considerations for Integrating the Graduation Approach within Resilience Food Security Activities.*



In recent years, the use of graduation approach within the BHA portfolio has steadily expanded to become a key methodology, especially within the RFSAs in the Horn of Africa countries of Uganda, Kenya, South Sudan, Somalia and Ethiopia. These RFSAs span diverse contexts from the arid and semi-arid lands (ASAL) to refugee settlements to internally displaced persons (IDPs) in fragile and conflict-prone regions. Context-specific adaptations to the graduation approach in these RFSAs present significant learning opportunities and results crucial for expanded future programming. This field guide seeks to present the key concepts and principles underlying these adaptations to the target users as a resource to trigger critical thinking while designing, implementing and overseeing future graduation programs.

In the context of BHA's RFSAs in the Horn of Africa, the graduation approach applies 6 components to extremely poor families to equip the members with the tools, livelihoods, and self-confidence to sustain themselves for the long term.

These six components

- consumption support
- life skills coaching and mentoring
- savings and financial inclusion
- livelihood selection and asset transfer
- livelihood skills training and support
- and linkages and referrals

are time-bound and applied sequentially to each target household. Each component is adapted to fit the context of the program.

The graduation approach is gaining traction within the BHA team due to its multifaceted approach to development, its versatility and adaptability to a wide range of contexts and working environments, its proven effectiveness in meeting objectives similar to those advanced by BHA across different contexts, and its great potential for impact, scalability and sustainability.

This Guide presents the experiential knowledge and wisdom of partners implementing Activities with the graduation approach component in the region, outlining key concepts and principles underlying the graduation programs, and highlighting some of the “DO’s” and “DON’T’s” that partners have learned out of their experience implementing graduation programs.



ACRONYMS

AN-GM	Adapted Nutrition-Friendly Graduation Model
ASAL	Arid and Semi-Arid Lands
BHA	Bureau for Humanitarian Assistance
BRAC	Bangladesh Rehabilitation Assistance Committee
CBT	Community-Based Trainer
ER4	Recovery, Risk Reduction, and Resilience
GESI	Gender, Equality and Social Inclusion
GA	Graduation Approach
IDP	Internally Displaced Person
IGA	Income Generating Activity
MFI	Microfinance Institution
MSD	Market Systems Development
NAWIRI	Nutrition in ASALs Within Integrated Resilient Institutions
PPI	Poverty Probability Index
R4N	REAP for Nutrition
RCT	Randomized Control Trial
REAP	Rural Entrepreneur Access Project
RFSA	Resilience Food Security Activity
SECARO	Sudans East Central and Southern Regional Office
SILC	Savings and Internal Lending
SWAP	Savings With A Purpose
UPG	Ultra Poor Graduation
USAID	United States Agency for International Development
VSLA	Voluntary Savings and Loans Association
WFP	World Food Program



GLOSSARY

Financial inclusion: Financial inclusion is when all people and businesses can access and use affordable, responsible, and sustainable financial products and services, including payments, savings, credit, and insurance. Such services must be provided responsibly and sustainably, in a well-regulated environment. This enables households to plan for the future, build economic resilience, and improve financial awareness and management skills.

Graduation: The threshold-point at which a participant in a graduation program is deemed to have satisfied locally determined criteria intended to ensure that he or she can sustain an economically viable livelihood and has significantly lower risk of reverting back into extreme poverty.

Randomized control trial (RCT): A program evaluation in which participants and non-participants are deemed to be statistically comparable and in which participants are randomly allocated to receive a given intervention. By monitoring outcomes in both groups, the results of an RCT show the differences that can be attributed to the specific program intervention.

Social protection: The set of public intervention programs which include social insurance, labour market policies, social funds, social services, and safety nets (social assistance) aimed at supporting the poorer and more vulnerable members of society, as well as helping individuals, families and communities to manage risk.

Ultra-poor: A term coined by researcher Michael Lipton to describe those people who must allocate at least 80 percent of their daily expenditures for food and who cannot meet at least 80 percent of their standard caloric intake.



INTRODUCTION TO THE GRADUATION APPROACH

Background

The United States Agency for International Development (USAID) Bureau for Humanitarian Assistance (BHA) provides life-saving humanitarian assistance—including food, water, shelter, emergency healthcare, sanitation and hygiene, and critical nutrition services—to the world’s most vulnerable and hardest-to-reach people. BHA also works to enhance the resilience of vulnerable populations around the world. BHA takes a holistic look at humanitarian aid, from readiness and response to relief and recovery, providing assistance before, during, and after a crisis. Focused on promoting transformative change and self-reliance among the beneficiaries, BHA adopts a holistic approach to humanitarian aid integrating early recovery, risk reduction, and resilience programs (ER4) in its responses wherever and whenever appropriate². Consequently, the agency favours multifaceted approaches that address multiple humanitarian and development challenges simultaneously yielding clear and lasting impact.

Overview of the Graduation Approach

Founded by BRAC in Bangladesh in the year 2002, the graduation approach is a proven model for building resilience and lifting extremely poor families out of poverty and has since reached over 14 million people across 50 countries. The classic graduation approach is a time-bound model that carefully delivers its five core components - consumption support, savings, asset transfer, livelihood skills building, and life skills coaching - sequentially to each participating family within a period of 18-36 months. Though the graduation approach has no standardized theory of change, it maintains that the provision of intensive, comprehensive, and time-bound support will enable participants to “graduate” from extreme poverty and become more food-secure, enjoy sustainable and diversified



Figure 1: The 6-core Components of Graduation Programs in the RFSAs in SECARO Region

² USAID. February 2024. Bureau for Humanitarian Assistance Technical Reference Chapters: Resilience Food Security Activities (RFSAs)



incomes, increase assets, increase self-confidence, and better manage shocks and risks.³

In the context of BHA Resilient Food Security Activities (RFSAs) in the Horn of Africa the graduation approach is a versatile multifaceted model that targets marginalized families living in food insecurity and extreme poverty to build secure, sustainable and resilient livelihoods and lift them out of poverty. The approach applies six components to extremely poor families to equip the members with the tools, livelihoods, and self-confidence to sustain themselves for the long term. The six components are time-bound and are applied sequentially with each component adapted to fit the context in which the graduation program is being delivered⁴

The role of the 6 components: Each of the components plays a specific and critical role in the transformational process of the recipient extreme poor household:

1. **Consumption support** in form of temporary cash or food transfers smoothens and stabilizes the family's food consumption, giving them respite to focus on other program activities with long term objectives and outcomes.
2. **Life skills coaching and mentoring** develops the participants' life skills, self-confidence and agency and promotes nutrition and health behavior change.
3. **Savings and financial inclusion** provides the participant with an opportunity to save regularly (enhancing resilience and financial discipline) and develop financial management skills (through financial literacy training) to manage their finances at home and in their income generating activities (IGAs).
4. **Transfer of suitable productive assets** initiates or boosts a livelihoods pathway for the poor family.
5. **Livelihood skills training and support** equips the poor family members with practical knowledge, skills and information to run and manage the asset as a business.
6. **Linkages and Referrals** represent the key strategy used to support the poor families access critical services and interventions not provided in-house by the graduation program implementers.

A compelling body of evidence is emerging across the world through randomized control trials showing that graduation programs consistently provide extremely poor families with a pathway out of poverty by helping them engage in productive and resilient livelihoods and income generating activities (IGAs).

In BHA's context, the use of graduation approach has in recent years been expanding steadily to become a key methodology for transforming vulnerable families from extreme poverty and severe food insecurity into resilient and sustainable livelihoods, especially within the RFSAs. Around the Horn of Africa, the approach has been applied in several RFSAs in Uganda, Kenya, South Sudan, Somalia and Ethiopia⁵ spanning diverse contexts from the arid and semi-arid lands (ASAL) to refugee settlements to internally displaced persons (IDPs) in fragile, conflict and violence prone regions. Context-specific adaptations have been made to the graduation approach components yielding significant learning opportunities and results critical for expanded future programming.

³ Bernagros et al. December 2022. *Considerations for Integrating the Graduation Approach within Resilience Food Security Activities.*

⁴ USAID. February 2024. *Bureau for Humanitarian Assistance Technical Reference Chapters: Resilience Food Security Activities (RFSAs)*

⁵ Bernagros et al. (2022, October). *Considerations for Integrating the Graduation Approach within Resilience Food Security Activities.*



The appeal in the graduation approach lies in its multifaceted approach to development, its versatility and adaptability to a wide range of contexts and working environments, its proven effectiveness in meeting objectives similar to those advanced by BHA across different contexts, and its great potential for impact, scalability and sustainability.

What drives adaptation in graduation programs?

- **Goal of the Activity.** Nawiri project's prime goal was to reduce persistent acute malnutrition in the drylands of Kenya. Its targeting and selection criteria were therefore adapted into two models REAP for Nutrition (R4N) and Adapted Nutrition friendly Graduation Model (AN-GM) both of which emphasized the nutrition goals and outcomes of the Activity. Their graduation criteria were also adapted to ensure critical food security and nutrition outcomes were realized before graduation took place.
- **Context where the Activity is implemented.** Adaptations to the graduation components varied widely since the Activities were implemented in diverse contexts ranging from remote and far-flung underdeveloped areas within the ASAL regions to fragile and conflict-prone areas to refugee camps and settlements in rural areas and to informal settlements within urban areas, among others. For example, the REAP model that promoted 3-woman group businesses was adapted specifically for arid and semi-arid contexts and was favoured by Activities such as Nawiri, and Nuyok.
- **Cost of Activity.** It is noteworthy that the average cost of service delivery per household varies with the context. Adaptations directly affect the overall cost of the Activity, hence careful considerations should be made in the design and implementation to ensure that overall, the adaptations lead to optimal efficiency, effectiveness, and impact of the program.

Importance and Objectives of this Document

This Field Guide draws on the experiences of various RFSA within the Horn of Africa implementing graduation approach with adaptations to fit their respective contexts. Through literature review and key informant interviews with staff from different implementing partners, various practices and experiences linked to graduation approach were identified and developed into a synthesis report titled "Current Practices in Graduation Approach: A Synthesis Report". This report was presented in the Horn of Africa Resilience Network Workshop held in Uganda in May 2024 to discuss the graduation approach.

The objective of this document is to:

1. Aggregate the experiential knowledge and wisdom of partners designing and implementing RFSA with graduation approach in various contexts within the SECARO region.
2. Outline key concepts and principles to consider while designing, implementing, or supporting Activities with the graduation approach component.
3. Highlight some of the "DO's" and "DON'T's" that partners learned out of their experience implementing Activities with the graduation approach component.



PROGRAM DESIGN AND IMPLEMENTATION


I. Assessments

Assessments inform the design of Graduation programs by building an understanding of the overarching environment, identifying the causes of vulnerability, and identifying opportunities for improvement and support⁶.

A wide variety of assessments are needed depending on the information gaps and needs of the Activity and may include among others,

- Context Analysis
- Vulnerability Assessments
- Gender
- Equality and Social Inclusion Analysis (GESI)
- Livelihoods and Market Assessments
- Environmental Risk Assessments and;
- Stakeholder Mapping⁷.

During the inception stages, Activities should provision for adequate time to conduct assessments, analyse findings and contextualize design to the assessment findings.




DO's

- Use current or latest assessment findings to inform the design of the Activity, but make provision in the design for the Activity to respond to unanticipated changes or market realities that emerge during implementation.
- Whenever possible collaborate with other organizations or projects to carry out comprehensive assessments or studies whose findings can be documented and disseminated for use by many players within the region. This would in the long run allay assessment costs and trigger widespread data-centered programming across the sector.

DON'Ts

- Assume that study findings made several years ago or within the neighboring regions hold true for your Activity unless proven otherwise. *NB: Changes occur rapidly and many times are localized rather than widespread.*



⁶ Moqueet et al. (May 2019). *Ultra-Poor Graduation Handbook Second Edition*. BRAC/World Vision

⁷ Moqueet et al. (May 2019). *Ultra-Poor Graduation Handbook Second Edition*. BRAC/World Vision



2. Targeting and Participant Selection

Within the context of RFSA, targeting is the process through which extremely poor households struggling with food insecurity and acute malnutrition are selected for program interventions.

Extremely poor populations face multidimensional social, economic, political, and cultural barriers, in addition to low income. They are often chronically food insecure, geographically isolated and excluded from the community, vulnerable to health and natural shocks, disconnected from mainstream social protection services and traditional development programs, and with low access to markets⁸. Activities with graduation programs seeking to reach these populations must involve rigorous processes that capture eligible households, minimize errors and prevent households with greater means from being selected.

The three most common targeting methods in graduation programs include

- a) Use of national registries if they are available and up-to-date
- b) Participatory rural appraisal (e.g. social mapping and community wealth ranking) and
- c) Administration of poverty scorecards (e.g. proxy means test).

Whereas each targeting method has advantages and disadvantages, it is strongly recommended that all methods are supplemented by a brief targeting verification survey⁹ to minimize errors.

For many Activities operating in areas where household databases are not available (or not accurate), the targeting process tends to include four steps: geographical targeting, community input on wealth ranking, household means tests such as Poverty Probability Index (PPI), and cross-verification (validation) to confirm accuracy and comprehensiveness¹⁰.

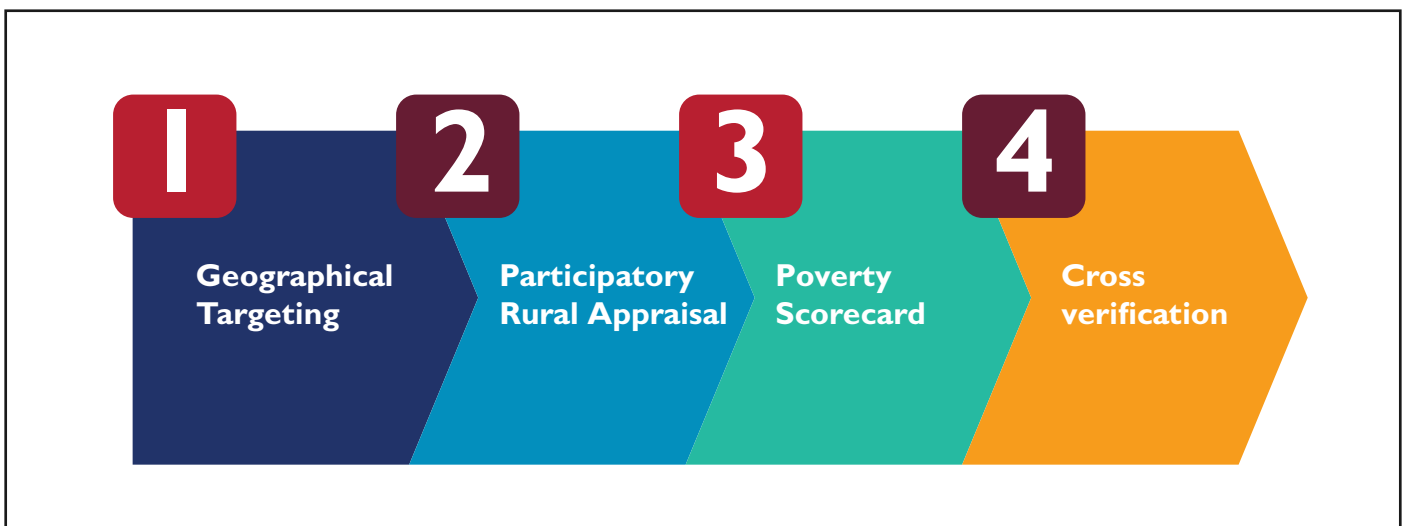


Figure 2: The Four-step Targeting Strategy used by many implementers.

8 BRAC. Targeting Methods in the Graduation Approach

9 A targeting verification survey typically includes questions on income, ownership of productive assets, ability to be economically active, absence of male earners, the prevalence of disability or child labour, physical structure of home, etc.

10 Montesquiou et al. (2018, Spring). From Extreme Poverty to Sustainable Livelihoods: A Technical Guide to the Graduation Approach 2nd





DO's

- Apply vulnerability-based targeting using a contextualized mixed-method approach that not only ensures accuracy and secures community buy-in, but also assures quality control through verification.
- Ensure that your Activity goals and mission are clear and specific because they drive the inclusion and exclusion criteria.
- Develop and use well-defined and locally valid selection criteria to minimize the possibility of exclusion and inclusion errors.
- Ensure you get your geographical targeting right, then get the right person within that locality.
- Targeting should use existing reliable data/social registry where available.¹¹

DON'Ts

- Don't copy and paste.
- Don't rely on a single targeting criterion.
- Don't use any standardized (cookie cutter) element of targeting or graduation criteria without contextualization and/or validation. Even if you start with something more standard, validate your results.
- Avoid rushing through the targeting process or taking shortcuts.



3. Life Skills Coaching and Mentoring

Many ultra-poor families have lived in abusive, exploitative or unsafe situations for generations as a result of political conflict, social instability, natural disasters, family violence, food insecurity or illness. This can instill a sense of hopelessness, despair, and defeat that makes it impossible for them to believe their situations can improve. Graduation programs provide ongoing support designed to help participants overcome emotional and psychosocial hurdles, knowledge gaps and mindset issues that hinder them from running successful livelihoods. By design, graduation programs help members of ultra-poor households become more resilient to shocks by encouraging them to adopt a positive mentality toward their future, seize new opportunities, learn life skills and competencies to deal with daily stresses and build their sense of worth within their communities¹².

The life skills coaching and mentoring component supports this critical function. Most organizations have identified this life skills coaching and mentoring as the key success factor of the graduation approach. The direct and frequent interaction between households and front-line staff makes the graduation approach

¹¹ Bischler et al. (2023) 'Targeting for national economic inclusion programmes: Six lessons from Kenya', Oxford Policy Management.

¹² Moqueet et al. (May 2019). Ultra-Poor Graduation Handbook Second Edition. BRAC/World Vision



different from traditional development programs targeting vulnerable populations. It addresses issues related to social inclusion and practical day-to-day issues affecting social protection, livelihoods, and financial literacy. It also provides an opportunity to reinforce content delivered via financial literacy and business skills training and how the lessons may be applied to individual needs, preferences and situations. It provides a safe mechanism through which coaches monitor participant's well-being and progress and help resolve personal and household challenges. Finally, coaching and mentoring provides individual encouragement, knowledge-building, and moral support, and helps participants to translate their vision of a future out of poverty into realistic and attainable steps¹³. Coaching can be conducted during regular household visits as it provides a comfortable space for participants to open up about personal challenges they may be dealing with, such as unequal workloads, decision-making and domestic violence, which may be too sensitive to discuss in group meetings.

Life skills training involves developing skills and knowledge to resolve social and health challenges and perspectives prevalent in targeted households and the community – for example gender and social inequalities, financial management, child marriage, child labour, gender based violence, discrimination based on race, ethnicity etc., unequal roles and power in decision-making, household chores, livelihood activities, maternal and child health, HIV/AIDS among others. Group-based life-skills training should be complemented with reinforcement of content during home visits.



DO's

- **Quality Staff:** Hire the right staff with the right qualifications to do this job. Where possible go for mentor 2.0 who have added skillsets needed within the households.
- **Tailor Training Curriculum to Clients' Needs:** Diligently determine the key issues upon which to base your project's life skills coaching and mentoring curriculum and then carefully tailor your interventions to the participants' needs.
- **Equip Staff to Tackle Sensitive Topics:** Train and equip the responsible staff to address social, cultural, and religious traditions and gender norms and roles that contribute to vulnerabilities (e.g. early marriage, child labour, etc.) carefully and sensitively during the life skills training and household coaching sessions.

DON'Ts

- Assume that technical/business livelihood skills coaches can as well provide this service. Even though life skills coaching and mentoring complements livelihood skills training, the skill sets for the two roles may be completely different.



¹³ Moqueet et al. (May 2019). *Ultra-Poor Graduation Handbook Second Edition*. BRAC/World Vision





An individual coaching session Photo:AVSI Uganda

Whereas many graduation programs include weekly household visits from implementing partner staff delivered for 12-24 months, the frequency and duration of sessions, and mode of delivery may vary across different Activities based on a number of factors such as the quality of coaches/mentors, the capacity and state of participants, the coaching curriculum, and logistical considerations among others. Activities should carefully consider these factors when establishing coaching schedules and modalities for their participants. Some Activities identify local community volunteers who can fulfill the coaching and mentoring function, rather than using paid program staff. However, there is a risk that this strategy could greatly compromise the quality of programming if volunteers without the right capacity and qualifications are engaged to deliver this critical component.

4. Linkages, Referrals, and Networking

The participants' needs are so diverse and overwhelming that no individual partner can provide all the services required. For example, all livelihoods require some form of support including veterinary or agricultural extension services, inputs such as water or seeds, or business support such as packaging and transportation. Under normal circumstances, these services are provided by the local community, government departments, NGOs, and private sector, hence graduation programs have to link their participants to these players to access the services.



Program staff identify the required services and map out where to find them and any costs involved, then facilitate the linkage by availing this information to the participants or introducing service providers directly to participants. Graduation programs also set up referral mechanisms through which participants are supported to access certain basic services such as healthcare, water, sanitation and hygiene (WASH) etc. from public or private sector institutions.

Some Activities with graduation approach component cover remote and underdeveloped areas where many critical services such as banking, financial services, and even government services, are not available. In such contexts with serious service gaps, the Activity may explore other extraordinary options for introducing the services to participants, even if it is on a sporadic basis to begin with.

DO's

- **Informed Referrals and Linkages:** Conduct a thorough assessment before implementing referrals or linkages. Conduct service mapping to understand the working environment in terms of the types and quality of services available, the service providers - their capacities, modes of service delivery including costs, and their reputation.
- **Prioritize and sequence complementary activities** based on the state and progress of the participants. As an Implementer, carefully consider what complementary activities are most needed by participants at each stage of their development and which service provider can best provide the service responsibly without exposing the participant to the risk of harm. Tactfully shield participants and even staff from overbearing service providers and equip them to handle them in future.
- **Aim for Sustainable Provision of Services:** Where possible, co-invest with governments to establish an enabling environment for sustainable provision of services to the community including the participants. Well thought out interventions can trigger governments to provide services.
- **Strong Networks Facilitate Linkages and Referrals:** Be intentional, proactive and patient in developing networks that will facilitate linkages and referrals for participants to critical services and complimentary activities. Don't rush without gathering necessary insights, identifying relevant partners, and establishing what is best to offer as complementary activities.
- **The successful implementation of graduation approach depends on a functional ecosystem of services.** Market systems normally have disfunctions. At a higher level, the Mission may need to coordinate and harmonize the allocation of other projects (e.g. value chain development, WASH, etc.) with Activities having graduation approach so as to promote complementarity.
- **Take care of the big question:** How do you cost linkages, how do you quantify or measure it? How do you determine the success of the linkages? This needs to be planned for right from the start – design phase.
- **Make linkages objective-oriented, context-specific, and safeguarded.**



DON'Ts

- Don't overload program participants and staff with too many complementary activities (a woman who spends hours every day fetching water cannot dedicate a lot of time to participate in graduation activity).
- Don't rely on volunteer workforces to deliver critical services. Their reliability cannot be guaranteed. On the same note, linkages and referrals to service providers that rely on volunteer workforce to deliver critical services may compromise the quality of service provided to participants.
- Don't overlook cultural norms and preferences. Be careful not to link or refer participants to services/products or service providers that are culturally unacceptable. Seek for culturally acceptable options.
- Recognize that individual donor obligations may contrast. This may limit the extent of sequencing, layering, and integration that is possible, especially where different donors are involved.
- Don't try doing everything as a graduation program: you can't afford it and don't have the skillset.

Focus on your area of specialty and collaborate with other partners to deliver on their respective areas of specialty through linkages and referrals.



- As a graduation program, don't do direct intervention at the systems level. Service gaps arising from challenges in the markets can only be fixed through market systems interventions. Direct intervention by a graduation program (e.g. contracting a company to provide that service to participants) only distorts (and degrades) the market system and is not sustainable.
- Don't refer participants to service providers or introduce service providers to participants if not sure of the availability and reliability of their services.

5. Consumption Support

Consumption support is a crucial component of social protection. It is designed and timed to help participants stabilize food consumption levels until they start earning income from the livelihoods facilitated through other program components (asset transfer) while being careful not to condition the households into over-reliance on cash support. Consumption support fills income gaps and addresses critical basic needs as the participant fully attends trainings and builds skills.

Typically delivered in the form of monthly cash disbursements lasting for a specified period of time between 6-12 months, consumption support can also include distribution of food items and nutritional supplements for children and lactating women and can be structured to include seasonal breaks.

Activities use different mechanisms to determine the amount of consumption support to offer participants including the recommended Minimum Expenditure Basket (M.E.B). The average amount of consumption support ranges between \$10 and \$30 per month per person, with variations based on local purchasing power, household size, availability of other sources of income, and the presence of other high-frequency cash transfer programs where the household is enrolled.



The duration of consumption support is determined based on the amount of time the household will take to begin earning enough from the selected livelihood activity to cover consumption needs, and the depth of vulnerability of the households, among others. The value and duration of consumption support varies with the context.



A woman withdraws her monthly consumption support cash from a mobile money agent Photo:AVSI Uganda



DO's

- Contextualize and schedule consumption support so as to smoothen household consumption, protect the assets transferred and promote positive coping strategies without creating over-reliance on the support.
- Plug Information Gaps that Drive GBV: Involve spouses from the project onset to share information and reduce the risk of gender-based violence that may arise in future due to misinformation or lack thereof. Ensure that existing mechanisms for delivering consumption support don't reinforce gender stereotypes and inequality.
- Communicate the details of the consumption support (i.e. type, purpose, duration etc.) to graduation participants and other community members to manage expectations and set a precedent for accountability.
- Post-Distribution Monitoring: Monitor the use of the food allocations and conduct post-distribution monitoring to minimize the risk of diversion.
- Anonymous Grievance Mechanisms: Set up anonymous grievance mechanisms, and conduct regular monitoring of households – allowing both the participant and other household members to voice concerns. This will assist in the prompt identification of errors for quick resolution.
- Collaborate to Minimize Duplication: Collaborate with other players to avoid duplication of the intervention. Be aware of the ecosystem.
- Continue consumption support during and immediately after the asset transfer.



DON'Ts

- Be careful and sensitive when pushing cultural boundaries so as not to risk triggering a gender-based violence backlash especially when targeting women in programs.





Beneficiaries in a VSLA group Saving session in Kiboota, Bwizi Photo:AVSI Uganda

6. Savings and Financial Inclusion

Financial inclusion is when all individuals and businesses can access and use affordable, responsible, and sustainable financial products and services, including payments, savings, credit, and insurance. This enables households to plan for the future, build economic resilience, and improve financial awareness and management skills.

For extremely poor households, financial inclusion stabilizes consumption spending, allows for secure savings, and provides access to finances for small investments and household needs. Better financial management helps individuals manage risks and increase economic opportunities, enhancing resilience in households, businesses, and societies.

Financial inclusion interventions typically include savings groups, financial literacy training, and access to microcredit and formal savings services. The ultra-poor, often seen as being too poor for financial management, are accustomed to managing limited income through informal means like borrowing from neighbors or securing shop credit. Women, face greater barriers to accessing financial services, but bear significant responsibility for managing their households. Graduation programs connect participants to financial tools that reduce reliance on informal mechanisms.

While savings groups are popular in graduation programs, individual accounts with MFIs, post office banks, or traditional banks may suit those already familiar with financial services. Introducing savings group participants to formal financial services after completing a savings group cycle (9-12 months) is beneficial, as they then have secure income streams and experience in saving and budgeting.





DO's

- To trigger participants in savings groups to explore other financial products and services (beyond the savings group) with better returns overall and greater impact to members.
- Continuously share with the savings groups examples of innovative adaptations that have resulted in improved outcomes for members elsewhere.
- Hold periodic maturity assessments for savings groups and link the mature savings groups to cooperatives for access to better financial services/products.
- Digital Record Keeping Apps and Members Credit Histories: Analyze the context of the savings groups and where appropriate introduce the groups to electronic record keeping apps/tools that enable the group to track and generate individual members credit histories. With proven credit histories for its members, both the savings group and the individual members can access more finances and better services from formal financial service providers.
- Create an enabling environment for the private sector to be looped into the programming at the onset. USAID can draw upon its capacity to create this enabling environment. Intra-agency coordination can target holistic programs. Government plays a critical role in creating this enabling environment.
- Savings Start Early: Design the graduation program so that participants start saving early in the program cycle to entrench a culture of saving from what they already have no matter how small it may be. Don't assume that participants cannot save.
- Due Diligence Before Linking MFIs: Be proactive but cautious in engaging the MFIs for linkage to participants since their services and products may be tailored to a different category of clients rather than the ultra-poor. Conduct due diligence to confirm the suitability of each MFI, its services and products to the participants before engaging.
- Cost of Legal Formality: Support the adoption of legal formality but ensure participants fully understand the impact of formality (both positive and negative) on their business and savings group operations. The costs of fulfilling some legal obligations and responsibilities can easily obliterate small start-up businesses.
- Clear and Concise Terminologies: Adopt clear and concise terminologies tied to key roles and functions in the program. Terminologies can create ambiguities that can hinder collaboration.





DON'Ts

- Don't force Savings Groups to join cooperatives, SACCOs or enroll with other financial service providers. Provide them with the necessary information on the pros and cons of joining and let them make informed decisions on their own volition.
- Don't encourage developments that lead to the dissolution of the Savings Groups. Encourage participants to continue operating their Savings Groups (such as VSLAs, SILC, S4T, VESA etc.) responsibly and concurrent with accessing other services from formal financial service providers. Savings groups enhance social cohesion.
- Don't impose untested ideas on the savings groups. Try as much as possible not to modify arbitrarily proven savings groups models such as VSLA and SILC. Modifying the tested and established methodologies introduces fault lines in the model leading to weak and unstable groups. Weak and unstable savings groups deny participants the opportunity to save, and build the financial management skills and discipline they require to run their households and businesses, ultimately affecting the program's graduation rate. In many remote areas, savings groups are the only financial services that can be accessed easily, conveniently and affordably by many graduation program participants.

7. Livelihood Skills Training and Support

Every successful livelihood pathway requires a certain level of specialized skills and capabilities (collectively referred to as livelihood skills) to first run the production and then to market the products or services produced. Graduation programs are designed to impart these livelihood skills to extremely poor families through livelihood skills training and support. This component identifies the unique capacity gaps prevalent in this category of participants and tailors the training to address these gaps, equipping the family to start and run their own sustainable livelihood. All livelihood skills training and support will have both a technical training element and a business training element.

The technical training element builds the participant's knowledge and skills on how to manage a particular livelihood. For on-farm livelihoods, this may cover topics such as livestock shelter and feeding practices, disease management and prevention, post-harvest management, value addition, safe milk handling and storage, keeping production records, financial management etc. For off-farm livelihoods it may cover topics around production operations e.g. procuring inputs, managing inventory, combining and processing inputs to add value, packaging and delivering products/services etc.

The business training element equips the participants with knowledge and skills on how to sell what has been bought or produced in a particular livelihood. For both on-farm and off-farm livelihoods, this training may cover topics such as pricing of products, promotion of products, customer care and relations, markets, record keeping, cooperative societies etc. It also imparts important information to participants such as where markets can be found and useful technologies for production or marketing¹⁴.

¹⁴ Montesquiou et al. (2018, Spring). *From Extreme Poverty to Sustainable Livelihoods: A Technical Guide to the Graduation Approach 2nd Edition*.



The design of graduation programs should carefully tailor both the training content and the delivery mechanisms to the needs of the participants. Training content must be current, contextualized and customized to fit the participant. The training type, content, and possible service providers should always be developed in consultation with the technical or business experts operating within the region who have a clear understanding of both the context and the type of participants. Some training can be combined and delivered through other components of the graduation approach for example some financial service providers provide quality business training that builds financial literacy and capacity of participants. Other training will be very specific or specialized and will need to be delivered by specialists.

Delivery methods and tools for this component can be diverse, but should all be tailored to the needs of participants and could include: small group-based field trainings like in Farmer Field Schools, individual or group coaching, exchange programs, demonstration farms, video programs, interactive games and simulations etc. – the driving forces being the need for effectiveness and convenience of the participants within the prevailing context.

To enhance efficiency and sustainability, Activities with graduation program component can explore options that link participants to training service providers and local experts operating within the program area such as a). peer-to-peer learning through farmer field schools b). government or NGOs that offer free training to farmers c). formal training institutions which may charge for training or offer free services to community members d). apprenticeships that offer on-the-job training in a particular livelihood.



DO's

- **Clear and Concise Terminologies:** Adopt clear and concise terminologies tied to key roles and functions in the program. For example, tighten definitions around mentors, coaches, trainers, facilitators, animators etc. Terminologies can create ambiguities that can hinder collaboration with other players.
- **Engage and Equip the Right Trainers:** Effective livelihood skills training and support involves relationship building and mindset change, both of which take time to establish. Engage the right trainers with the required skills and qualifications and equip them adequately to train the participants.
- **Outsource Training and Extension Services:** To enhance sustainability, explore and consider engaging external training and extension service providers such as existing government mechanisms or programs that can offer or supplement the training at reduced costs.
- **Reinforce the Training:** Complement group-based training with individual household coaching to reinforce the lessons learned and their application at household level.
- **Highly Motivated Quality Staff:** Invest in hiring quality frontline staff (trainers, coaches, community-based trainers etc.) and adequately equip and remunerate them to avoid high turnover.
- **Trainers with Real Business Experience:** As much as possible engage trainers with real business experience and encourage those without to start one. Trainers with real business experience can be more effective at delivering this component.





DON'Ts

- Don't overwork the trainers and don't overburden participants. Intentionally manage the training workload and expectations based on feedback loops with both the trainers and participants.
- Don't copy-paste blindly from other programs while designing a livelihood skills training curriculum. Always consider the context and rationale of each element of the curriculum, then determine if it is appropriate or not for your context.
- Don't engage volunteers or frontline staff with inadequate capacity to deliver this component. Livelihood skills training and support is a critical component to the graduation approach and takes commitment and accountability to deliver effectively.
- Avoid combining livelihood skills training and life skills coaching/mentoring to be done by one person. Both components are designed to have common areas of overlap for reinforcement purposes, but each component requires unique skills sets to deliver effectively. Whereas some advantages for combining the two components for delivery by the same staff for logistical and budgetary reasons exist, some disadvantages exist also. The program risks compromised quality in the delivery of one or both components.



A USAID Graduating to Resilience Activity participant receives apprenticeship training in tailoring from an artisan linked to her in Rwamwanja refugee settlement, southwestern Uganda Photo:AVSI Uganda



8. Asset Selection and Transfer

Extremely poor households own very few productive assets if at all, have irregular and inadequate income, and cannot afford to take risks trying out new livelihood options for fear of losing the little they have. They also lack confidence due to their poor social standing, exposure to repeated shocks and the burden of indebtedness and an uncertain future¹⁵. Women are particularly affected, devoting much of their time to unpaid care work and household chores that reduce their ability to engage in productive livelihoods. Graduation programs address these challenges by offering a series of interconnected livelihood interventions that include productive asset transfers, livelihood skills training and support, and linkages to markets and support services.

A suitable productive asset transferred to an extremely poor family links the family members to existing livelihood opportunities, viable markets, and services. Once provided with appropriate training and capacity building, the family members can then work their way towards engaging in markets and joining producer groups and cooperatives.

The success of any graduation program hinges on its capacity to support program participants to start and run profitable and sustainable income-generating activities (IGAs) or livelihood pathways capable of generating surplus income for the household. Based on assessment findings, the graduation program first identifies a menu of suitable viable livelihood pathways from which program participants will select. The identified livelihood pathways should: provide sufficient income to cover household expenses; have operations that are safe, gender- and environmentally-friendly, legal and sustainable. They should be viable (i.e. production is feasible, output is marketable and livelihood is socially acceptable) and not risky. Once the viable livelihood pathways have been identified, the graduation program then identifies the required asset package for a household to initiate each livelihood pathway and the associated costs – that should be limited to the available budget. The assets transferred could be productive assets, overhead, and working capital.

Informed by the capacity of participants, resource availability, market availability of the assets, and the prevailing norms around ownership and use of assets, the graduation program then selects the most appropriate modalities for the asset transfer and develops livelihood skills training curricula tailored to each livelihood pathway.

Based on the capacity of participants, available resources, market availability of the assets, and the prevailing norms around ownership and use of the assets, the graduation program then selects the most appropriate modalities for the asset transfers and develops livelihood skills training curricula appropriate for each livelihood pathway listed. Four key modalities used by programs include a). In-kind transfers where the program procures and delivers the asset b). Cash transfer which enables the participant to buy the asset directly c). Vouchers that can be exchanged at specified vendors d). soft loans with low or no interest advanced to participants to buy the assets and repay over a specified period of time.

The graduation program then supports each participant to select a preferred livelihood pathway from the menu, based on his/her experience, capacity and interest. Through other components of the graduation

¹⁵ Moqueet et al. (May 2019). *Ultra-Poor Graduation Handbook Second Edition*. BRAC/World Vision



approach such as livelihood skills training and support and life skills coaching and mentoring, the program then supports the participant to gain knowledge, skills, and confidence to initiate and run the IGA or livelihoods pathway profitably and sustainably.



DO's

- **Consider the Seasons:** Contextualize and schedule the asset transfer to enhance chances of success by aligning it to favorable seasons (production seasons, market seasons, festive seasons etc.).
- **Skilling Before Transfer:** Introduce livelihood skills training prior to the actual asset transfer to equip participants to make informed decisions in the preparations leading to the asset transfer. Beneficiaries of assets need some specific knowledge, skills and information (such as shelter preparation for livestock, budgeting etc.) from the training to adequately prepare to receive the asset and launch their preferred livelihood pathway/business.
- **Provision for Diversification:** Consider provisioning for diversification of livelihoods during the asset transfer. For example, some programs provide two different asset types (e.g. milking goats and poultry) to start 2 complementary but separate IGAs to mitigate risks of seasons as well as diseases. Other programs provide two tranches of asset transfers to help mitigate risks that come with first-time business start-ups.
- **Mitigate Against Market Saturation:** Work directly with participants to conduct community-based market assessments to mitigate the risk of market/business saturation. Integrate risk analysis into livelihoods planning as well as disaster risk reduction where appropriate.

DON'Ts

- Don't transfer assets before skilling/training.
- Don't transfer assets towards the end or after the end of the program because you will not have time to mentor and follow up on the progress of the business/livelihood. Start-ups take time establish and need a lot of technical and business support before they break even and become profitable. Active and responsive program support is needed by participants as they progress through the tough journey of establishing a sustainable business/livelihood.
- Don't dictate to the households what assets they should have. Provide them with all the critical information and knowledge and allow them the flexibility to make informed choices on what they prefer without "coercion".
- Avoid introducing ultra-poor households to risky ventures (i.e. livelihoods/IGAs that have elevated business risk). Livelihoods/IGAs that involve new technologies, or entering new markets bear significant risk. On the other hand, livelihoods/IGAs that have been historically practiced but are under threat due to for example climate change, need to be considered with caution. If they are selected as options, risk management strategies such as extra training or guaranteed veterinary care, etc. need to be included as part of the asset package.



9. Monitoring, Learning, Evaluation Framework

Successful graduation programs apply rigorous and continuous monitoring and reviewing of both process and design. Through monitoring, important data for tracking and enhancing household progress toward graduation is captured and reported. This data also contributes to continuous learning that can help refine program operations during the program cycle. Monitoring in graduation programs takes place at two levels: at the household level and at the program level.

Household level Monitoring: To gauge the progress of participants toward their economic and social goals (graduation benchmarks) takes a robust but easily manageable Client Monitoring System. By monitoring this data against key indicators and benchmarks, graduation programs track participants' progress in key areas such as savings, assets, income, and health. Qualitative data is also collected and analyzed to better understand participants' individual experiences and how they are transforming their lives. The specific household level data that should be tracked is determined by a). the graduation criteria that the program has set for the households b). the key intermediate outcomes towards achieving the desired results.

Graduation programs should collect household data at various points: baseline, ongoing, end-line, and after program completion. Typically, a graduation program supports each household to create a life plan defining the goals the participants want to reach by the end of the program and setting benchmarks to measure ongoing progress. Establishing a baseline permits the program to observe and track changes and can help refine performance targets¹⁶.

Besides tracking each household's progress against its own goals, it is also useful to aggregate the data in order to compare households to one another. This comparison can uncover any notable variations in participants' progress and this may indicate a need for adjustment in program design or services.

Program Level Monitoring: Monitoring across a cohort reveals whether there are patterns in how well the program is being executed by staff and what can be changed to improve the participant's ability to achieve the graduation criteria. Program monitoring data can be used to analyze:

- Across a cohort, are most participants on track for graduation? Why or why not?
- Across a cohort, are participants weaker on certain indicators? Why or why not?
- Are there communities where progress is weaker than others? What characteristics define those communities?
- Are there particular livelihoods that are taking longer to generate substantial income?
- Are there certain program activities or responsibilities that are not being performed effectively? What is hindering execution by program staff?

These insights provide data, information and critical evidence to make decisions on allocation of program resources and what changes to make to the program design etc.

Impact Evaluations: Impact Evaluations should complement robust internal monitoring framework, but should not replace household and programmatic level monitoring that is used to track participant progress,

¹⁶ Montesquiou et al. (2018, Spring). *From Extreme Poverty to Sustainable Livelihoods: A Technical Guide to the Graduation Approach 2nd Edition*.



course correct, and refine operations. Whereas monitoring data is collected on all households by program staff, impact evaluations are collected on a sample of households at baseline, midline and end line (sometimes 1+ years after program end) by external researchers. Impact evaluations are used to answer broader questions about the program's impact measured at discrete intervals.

Qualitative Evaluation Methods: Quantitative evaluations reveal cause and effect between program inputs and outcomes. Qualitative methods help us understand why input X leads to outcome Y and highlight connections that may not otherwise be clear in quantitative data.

Qualitative methods include key informant interviews, participatory rural appraisal, focus group discussions, ethnography, and observation. Qualitative evaluation is especially relevant to graduation programs because it generates meaningful insight into why program inputs have affected households. It also reveals the interconnectedness of interventions across different pillars e.g. why food security may lead to higher incomes and improved schooling.



DO's

- After-Action Reviews¹⁷: After each key phase hold a session and ask the program staff who were involved what worked well; what did not work well; and what they would change in the future. Document.
- Informal discussions with participants: Program officers and Graduation specialists should maximize opportunities to speak directly with participants.

Key informant Interviews and FGDs with participants mid-way through the program cycle provides an opportunity to hear directly the experience of participants and what can be improved.

- Idea Box: The best ideas often arise organically from the field, from a real need or situation. Graduation program specialists and management staff should create feedback mechanisms with all staff by promoting a regular "idea collection". This can be through a physical box installed in all offices, or a "virtual idea box" in the form of a regular, brief email survey, inviting ideas once a month, or in-person at staff meetings.

10. Graduation Criteria/Metrics

Graduation programs are structured and intensively managed with an end goal in mind: participants graduating out of extreme poverty and into sustainable livelihoods after a time-bound period of between 18 and 36 months¹⁸. Graduation criteria are important tools for participants, program staff, and community members. They provide specific goals for households to work towards, track their own progress over the duration of the program, and indicate clear benchmarks for graduating. They are used to set up the

¹⁷ Moqueet et al. (May 2019). *Ultra-Poor Graduation Handbook Second Edition*. BRAC/World Vision

¹⁸ Montesquiou et al. (2018, Spring). *From Extreme Poverty to Sustainable Livelihoods: A Technical Guide to the Graduation Approach 2nd Edition*.



monitoring mechanisms, which program staff use to measure progress and identify deviations and issues that need to be addressed.


The Graduation criteria should be simple, clear, multi-dimensional, context-specific and cut across the four core Graduation pillars¹⁹. The criteria should relate directly to the vulnerabilities and needs of the ultra-poor identified through assessments to ensure interventions are calibrated to address the barriers that participants face and opportunities they can leverage. To cover the full breadth of what Graduation program seeks to achieve, a range of between 10-15 criteria are typically recommended.

Regardless of how the program is structured, the expectations need to be clearly and consistently communicated to the participants. All participants need to know from the start that the graduation program is time-bound and that some of the components (e.g., the consumption support) will only last for a set period.



DO's

- Clear Post-graduation Pathways: Graduate participants responsibly with clarity of post-graduation pathways. Whether participants are successfully graduated or not graduated, they are not just cut off, but rather there are clear pathways that each of the two cohorts should follow to continue on the trajectory towards increased resilience and self-reliance.
- Simple Graduation Criteria: Have simple graduation criteria that households can use to track their own progress.
- Align the graduation criteria to amplify the mission/goal of the Activity.
- Link Households not Successfully Graduated: When targeting and focusing on participants who are headed for successful graduation, it is important to establish linkages with other programs such as government social protection schemes, WFP etc. who can absorb those not successfully graduated.
- Post-graduation Monitoring: Measure results beyond the period of the program (after 6 months, 12 months, 24 months, 36 months).



DON'Ts

- Don't make graduation criteria overly complicated. (Graduation criteria should be made simple, clear and easily understood by the households, community, and project staff).
- Don't rely too heavily on global indicators. While it is useful to be able to compare across programs and establish a baseline, in reality, project goals differ, contexts are different, populations face different types of shocks, have different preferences, etc.

¹⁹ Core graduation pillars cited by BRAC and WV are a). social protection b). livelihoods promotion c). financial inclusion d). social empowerment.



CONCLUSION

This Field Guide provides an overview of the graduation approach as applied within the context of USAID/BHA Resilient Food Security Activities implemented in the Horn of Africa. It highlights the adaptations and practices associated with the graduation approach in diverse contexts demonstrating the underlying concepts and rationale behind every adaptation.



Caroline and husband in their pineapple garden Photo:AVSI Uganda

The Guide details the programming dynamics around each of the 6 key components of graduation approach demonstrating the popular practices adopted by partners as well as the notable adaptations that deviate significantly from the classic graduation practices. The Guide highlights insights to consider while designing, implementing or overseeing key thematic features of the projects with graduation approach component including:

- Assessments
- Targeting and Participant Selection
- Life Skills Coaching and Mentoring
- Linages, Referrals and Networking
- Consumption Support
- Savings and Financial Inclusion
- Livelihood Skills Training and Support
- Asset Selection and Transfer
- Monitoring, Learning and Evaluation
- Graduation Criteria and Metrics

Besides the concepts underlying each thematic feature discussed in this Guide, a series of DO's and DON'Ts are cited under each component to provide the readers with some tips on what to do and what not to do while designing and/or implementing projects with the graduation approach component.



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