Ultra Poor Graduation Pilot in Yemen

Can an intensive package of support lift the ultra poor out of extreme poverty to a more stable state? Graduation programs provide ultra-poor beneficiaries with a holistic set of services including: consumption support, new livelihoods (such as chickens or goats) provided as an asset transfer along with training on management of the assets, access to savings, and coaching visits over a 24-month period. IPA is conducting randomized evaluations of CGAP and Ford Foundation-sponsored graduation pilots in seven countries: India, Pakistan, Honduras, Peru, Ethiopia, Yemen, and Ghana.

Policy Issue
Governments have often attempted to address the needs of the ultra poor by offering consumption support that is costly and offers no clear pathway out of food insecurity. The Graduation Approach, developed by BRAC in Bangladesh, recognizes that the ultra poor face an interrelated set of challenges: lack of skills, assets, and confidence, along with nutritional gaps and health shocks. The graduation approach incorporates a comprehensive package of services designed to ensure that households have the "breathing space" to focus on building new livelihoods, along with a secure place to grow their assets.

This project is a part of a set of evaluations, in partnership with CGAP and the Ford Foundation, that intends to determine whether the model, pioneered in Bangladesh, is effective in a range of contexts.

Evaluation Context
Located on the tip of the Arabian Peninsula, Yemen faces economic challenges. Food insecurity, aggravated by a scarce supply of water, leaves 32 percent of the country undernourished [1]. Over 45 percent of the population lives under $2 US a day and about 17 percent lives under $1.25 US a day [2]. The Social Welfare Fund (SWF), the Yemeni welfare department, and the Social Fund for Development (SFD), a government-run development agency, have partnered with IPA to pilot the Graduation Model in three governorates of southern Yemen.

Details of the Intervention
The Graduation Model in Yemen works in accord with the SWF welfare system. All households in the sample frame come from the SWF welfare lists and receive an average quarterly stipend of 3,000 YR ($15 US). The poorest households are identified using the Progress Out of Poverty Index and are
verified as the poorest during SWF field officer visits. These households are then randomly assigned to either a treatment or comparison group. Beneficiaries in treatment households receive training on an income generating activity such as, sewing, raising livestock, or petty trading. As households’ income and food consumption stabilizes, beneficiaries are required to open a savings account at the local post office and are encouraged to reach a savings goal of 10,750 YR (about $50US) by the end of the two year program. In addition, these ultra poor households are monitored throughout the program with weekly visits from field officers and receive additional trainings on confidence building, social integration, and sanitation practices.

Results and Policy Lessons
Results forthcoming.

For additional information on the Ultra Poor Graduation Pilots, click here.

Sources