

Championing the Graduation Approach to Economic Inclusion

THE CHALLENGE

While the world has made significant leaps in the reduction of extreme poverty in recent decades, [more than 700 million people still live on less than US\\$2.15 per day](#). Populations living in extreme poverty are difficult to reach and it is challenging to design programs that have lasting impact. Thus, reaching the first Sustainable Development Goal (SDG)—eradication of extreme poverty by 2030—requires a targeted and multidimensional strategy.

CGAP'S ROLE

With support from the Ford Foundation, CGAP convened, co-led, and financially supported the multiyear Graduation Program to test the [“graduation” approach](#) pioneered by the Bangladesh-based international development organization, BRAC. The program helps very poor households graduate out of poverty through a combination of social protection, livelihood, and financial inclusion interventions. Pilots with a thorough research agenda were conducted in Ethiopia, Ghana, Haiti, Honduras, India, Pakistan, Peru, and Yemen ([Science 2015](#)).



Arete/Mamadou Diop/World Bank

CGAP'S IMPACT

Academic research by Innovations for Poverty Action (IPA)/Abdul Latif Jameel Poverty Action Lab (J-PAL) and other institutions found robust evidence that the graduation approach can successfully alleviate extreme poverty. The initiative has been widely covered by news media and research organizations, with analyses published by The Economist, the Brookings Institution, and numerous other prominent organizations. The graduation approach to economic inclusion has since been adopted by many nongovernmental organizations and donors. Several governments have also scaled the program within their social protection systems. In 2017, the program was successfully transferred to the World Bank in the form of the Partnership for Economic Inclusion (PEI) under the Bank's Social Protection and Jobs Global Practice. It has since continued to scale. As of 2021, PEI's State of Economic Inclusion Report found that more than 200 programs were operating in 75 countries and reached more than 92 million beneficiaries.

This influence was made possible by [CGAP's members](#): more than 30 leading development organizations.