What we do - ultra-poor

BRAC is a development success story. Founded in Bangladesh, we are one of the largest non-governmental organisations in the world: an innovator in poverty eradication and an outstanding social enterprise. Best known for our community-based approach and the scale of our programmes, we have created opportunities for 138 million people - mostly women - to set in motion lasting change.

BRAC’s social innovation ‘targeting the ultra-poor’ develops basic entrepreneurship for those living on less than 70p per day, who are predominantly women, putting them on an upward trajectory out of extreme poverty. Since its launch in 2002, the approach has graduated over 1.6 million families in Bangladesh and been replicated by BRAC and others across Africa, South Asia and Latin America.

Our model

The approach is a comprehensive, time-bound set of activities that aim to graduate people from ultra-poverty into sustainable livelihoods. To do this we identify locations with high concentrations of ultra-poor households and work closely with the community to conduct participatory wealth rankings that identify the poorest within a village.

Depending on their relative level of poverty and particular vulnerabilities i.e. single mothers, widows, those with chronic illnesses or disabilities in the family, women selected for the programme are given a ‘productive asset’ such as goats, chickens, or a cow through a grant or soft loan. They also receive training about how to care for their livestock a weekly stipend of cash and often a staple food item such as rice and lentils. This creates breathing room while they tap into their income-generating potential to grow their business.

Visiting once a week, we aim to build clients’ confidence and skills in business management, financial literacy, and life skills. Integrating them as valued members of the community we encourage families to save money, look after their health, and send their children to school. This intensive combination of asset transfer, frequent home visits and skills training coupled with support deployed over 18 to 24 months at a cost of £323 per family in Bangladesh, places families on a stable pathway out of extreme poverty.

In the news

Graduating from Destitution
“BRAC’s idea was to give those in the graduation programme not just chickens but also training on how to keep them, temporary income support to help them to resist the inevitable temptation to eat them, and repeated visits from programme workers to reinforce the training and bolster participants’ confidence.”
(The Economist, August 2015)

Upward Mobility for the World’s Destitute
When families were revisited a year after the program stopped, the benefits had largely persisted, and in some cases had increased.
Our idea is taking off globally. Studies as part of 10 projects in eight countries, under the coordination of the World Bank’s Consultative Group to Assist the Poor report that after 18 to 36 months 75 - 98 per cent of their participants met ‘graduation’ criteria. BRAC have provided technical support to Haiti, Yemen, India, Pakistan and Afghanistan, while separately BRAC Development Institute of BRAC University in Dhaka has conducted qualitative research in India, Pakistan, Ethiopia and Yemen.

**Shubashini, Northern Bangladesh**

As the second child of a day labourer’s eight children, Shubashini had to do domestic work in other peoples’ homes to support her family at an early age. She had five children in quick succession after being married at the age of 15, which meant she often fell dangerously ill from malnutrition.

The situation deteriorated when Shubashini’s husband died from cancer. She and her children survived on wheat crust, boiled jack fruit, wild leafy vegetables and anything else they could find. The generosity of her neighbours sometimes provided them with food and used clothes, but there were days when they went without anything to eat at all.

Shubashini’s life changed when BRAC invited her to participate in the ultra-poor programme. After being given information about the various assets available to her, she decided to choose cattle rearing. She was given two cows and assistance to put up a cattle shed, whilst receiving enterprise and life skills training. BRAC also provided her with a weekly stipend, so that she could afford to feed her family and concentrate on building her assets until they became a sustainable source of income. She received personalised healthcare from BRAC, a service she had previously lacked the confidence to approach.

After two years, Shubashini graduated from the programme. She was, by this point, in a secure enough financial situation to take out a loan from BRAC microfinance to expand her investments. She began to diversify her income sources by renting a small patch of land to grow rice. She then used the profits from this to pay off her loans and start a shop. From the shop, she was able to eventually afford to build a new house.

Step by step, Shubashini has become a well-respected and prosperous member of her community.

**Impacts of ultra-poor work**

Research by the International Growth Centre at the London School of Economics has shown that families who received BRAC support remain on an upward trajectory. Over 95 per cent of participants leave a rigorously defined category of ultra-poor and they sustain their success four years later, long after they stop receiving direct support. This is due, in part, to them escaping wage labour and starting to work for themselves.

- transfers of assets and skills increase earnings by up to 38 per cent
- the programme successfully targets the very poorest women in rural Bangladesh: at baseline more than half (52 per cent) owned no productive assets, 93 per cent are illiterate and 38 per cent are the sole earner in their households
- after two and four years households own more livestock despite being free to liquidate these assets
- food security increases by 39 per cent after two years
BRAC’s past performance examples

<table>
<thead>
<tr>
<th>Country</th>
<th>Project</th>
<th>Partner</th>
<th>Amount</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>Targeting the ultra-poor</td>
<td>DFID</td>
<td>£101,759,858</td>
<td>To graduate 1.6 million families out of extreme poverty through an 18-24 month programme which includes asset transfers and weekly support</td>
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<td></td>
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<td>NOVIB</td>
<td>£1,801,160</td>
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<td>EC</td>
<td>£10,205,925</td>
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<td>WFP</td>
<td>£222,703</td>
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<td>CIDA</td>
<td>£11,510,488</td>
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<td>DFAT</td>
<td>£33,588,399</td>
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<td>BRAC</td>
<td>£9,796,394</td>
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<tr>
<td>South Sudan</td>
<td>Targeting the ultra-poor</td>
<td>DFID</td>
<td>£249,977</td>
<td>To support 250 ultra poor women in South Sudan to develop sustainable livelihoods and food security so that they and their families move out of extreme poverty</td>
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<tr>
<td>Pakistan</td>
<td>Livelihood enhancement and social protection</td>
<td>Pakistan Poverty Allivation Fund</td>
<td>£176,600</td>
<td>This intervention focuses on extremely poor people in Baluchistan who are facing acute food insecurity, severe malnutrition, scarcity of water and sanitation, and seasonal income crisis</td>
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To support other organisations to implement graduation programmes, we have created a suite of services to smooth adoption challenges and a comprehensive set of tools for programme success. BRAC staff can provide cost-efficient technical assistance and advisory services, which includes programme planning and design, on-site training and data management support to help graduation programmes take hold in new regions. We are able to provide technical assistance and advisory services throughout the process of planning, designing, and implementing a graduation programme and thereafter.

“Poverty is not just poverty of money or income. We also see a poverty of self-esteem, hope, opportunity and freedom. People trapped in destitution often don’t realise their lives can be changed through their own activities. Once they understand that, it’s like a light gets turned on.”

Sir Fazle Hasan Abed, BRAC Founder

The BRAC programme offers more than financial assets, it also offers hope which contributes to mental health improvements.

Innovation lies at the heart of what we do. Ultra-poverty is experienced in different ways in rural and urban environments and is compounded by shocks and stresses which can be exacerbated by a changing climate. Therefore we are adapting our successful model to ensure it supports the very poorest in urban areas and in locations vulnerable to climate change. We’re also testing the different components in this approach to ensure they are fit for purpose and essential to the model in various contexts.

Caption: Bishshamony grows eggplant given to her by BRAC

Caption: Monjura Begum stitches clothes on her sewing machine to earn a small living

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BRAC ultra-poor at a glance

<table>
<thead>
<tr>
<th>Country</th>
<th>Clients</th>
<th>No of villages selected</th>
<th>No of asset transfers completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>1,764,944</td>
<td>11,842</td>
<td>520,425</td>
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<td>South Sudan</td>
<td>250</td>
<td>4</td>
<td>250</td>
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<td>Pakistan</td>
<td>78,768</td>
<td>447</td>
<td>1,292</td>
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<td>Total</td>
<td>1,843,962</td>
<td>12,293</td>
<td>521,967</td>
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Although every effort has been made to verify the accuracy of this information, readers are urged to check independently on matters of specific interest and report any discrepancies to info@bracuk.net. This document was updated on the November 2015 and will be revised annually.

Key donors for BRAC ultra-poor

What’s next?

Poverty is too complex to be solved with a single instrument. However, evidence suggests that this ‘graduation approach’ works and can be adapted to local contexts to enhance livelihoods and strengthen resilience. To help do this, we are leveraging our experience and working to provide technical advisory services to NGOs, microfinance organisations and governments who want to adopt a similar approach.

The UN’s first Sustainable Development Goal to end extreme poverty by 2030 is ambitious but we believe that this approach could help make it a reality. With momentum and interest rising from various stakeholders, we stand at a moment of tremendous opportunity for international scale and adaptation.

Caption: The villagers of Achingach in Kurigram attend a participatory wealth ranking meeting