# Income Intervention Quick Scan: Poverty Graduation

Farmer Income Lab Intervention Quick Scan

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Abstract UK This quick scan, commissioned by the Farmer Income Lab, is part of a wider research effort looking at, "What are the most effective actions that lead buyers can take to enable smallholder farmers in global supply chains to meaningfully increase their incomes?". The quick scan provides an overview of the publicly available evidence on the impact of poverty graduation programs have had on raising farmer income. Such subsidies have had little positive effect on farmer income, are not notably beneficial for women nor is this effect long-term. They have been applied at large scale. This quick scan is part of a series of 16, contributing to a synthesis report "What Works to Raise Farmer's Income: a Landscape Review".

Keywords: farmers' income, intervention, agriculture, smallholders, poverty graduation, sustainable livelihood

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Report WCDI-18-040

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# List of abbreviations and acronyms

| | |
|---|---|
| CCT | Conditional Cash Transfer |
| CGAP | Consultative Group to Assist the Poor |
| IPA | Innovations for Poverty Action |
| J-PAL | Abdul Latif Jameel Poverty Action Lab |
| NGO | Non-Governmental Organization |
| UN | United Nations |
| RCT | Randomized Control Trial |
| WCDI | Wageningen Centre for Development Innovation, Wageningen University & Research |
| WUR | Wageningen University & Research |

# 1 Introduction

## 1.1 Definition

**Poverty graduation programs take a holistic approach of combining livelihood promotion and safety nets to create time-bound pathways out of extreme poverty (Sulaiman, et al., 2016).** More specifically, poverty graduation programs have five defining characteristics that work in coordination with one another (Abrams, et al., 2017):

1. **Targets the household**, which are often headed by women
2. **Provides holistic support** through the combination of social assistance, healthcare, livelihood training, and financial services
3. **Gives an initial economic "push"** to the family through a single, significant investment
4. **Includes coaching or mentoring** to overcome economic and social barriers
5. **Sets a time-bound schedule** with a clear process for graduating the household into larger social protection systems or access to microfinance

## 1.2 Theory of change

**While the theory of change for poverty graduation programs varies according to context, the overarching view is that with the right mix of interventions offered in the right sequence, households can graduate from extreme poverty into sustainable livelihoods.** First, poverty graduation programs typically start with consumption support, since those in extreme poverty are overwhelmed by survival-level issues and are not able to meaningfully tackle any longer-term livelihood strategies. Once those basic needs are met, participants receive support in saving money to guard against future, unforeseen risks. Next, participants work with implementers to identify a sustainable source of livelihood that is suitable for their skills and for the local market. Following this, they receive an asset (or seed capital) to help launch this livelihood plan and receive any necessary technical skills training. Finally, throughout the program, participants receive intensive personalized life skills coaching (CGAP and Ford Foundation, 2016). Across multiple sources, poverty graduation programs are graphically summarized in the following way:

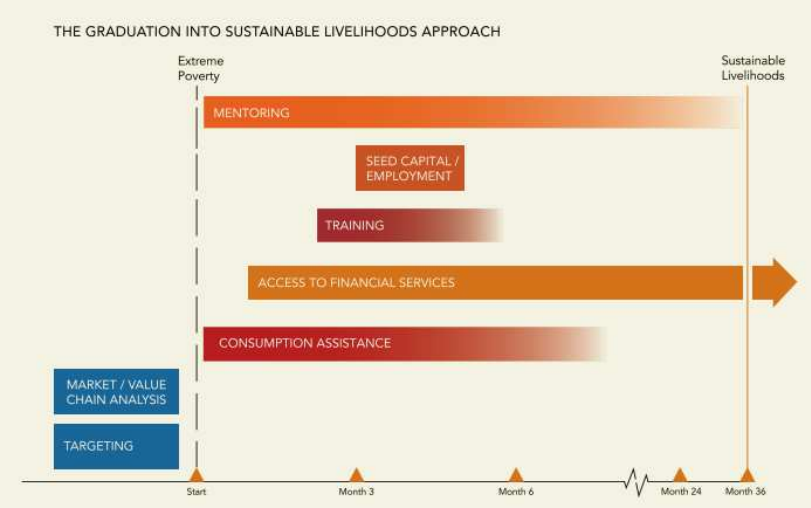


***Figure 1*** *Graduation into sustainable livelihoods approach*

## 1.3 Geography

**The graduation approach was originally pioneered by BRAC in Bangladesh in 2002 and has witnessed rapid growth into nearly 37 countries (Abrams, et al., 2017).** While poverty graduation programs are highly concentrated in east Africa (e.g., Kenya and Uganda) and South Asia (e.g., Bangladesh, Pakistan, and India), they are present in a number of different geographic and socio-economic contexts that extent well beyond these specific regions. The map below shows the global presence of poverty graduation programs (CGAP, 2016):

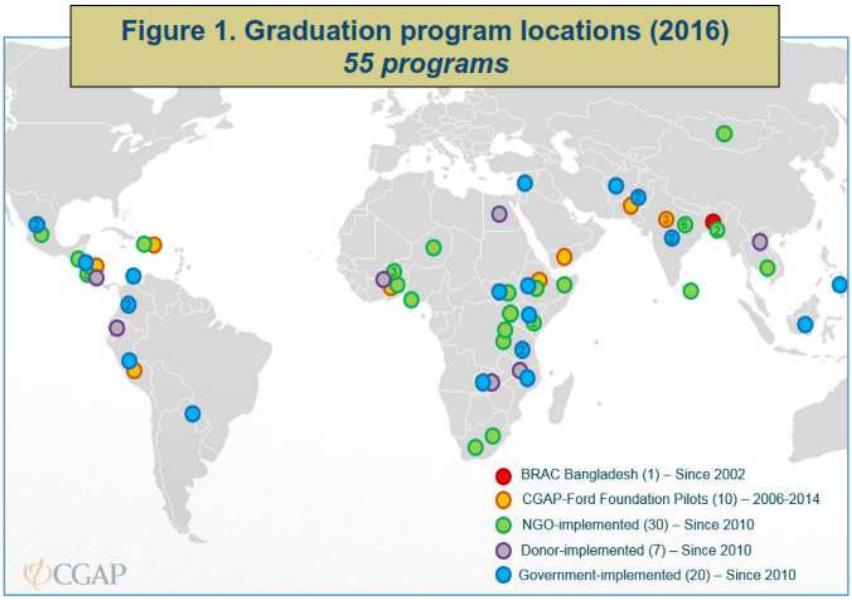


***Figure 2*** *global presence of poverty graduation programs*

## 1.4 Role of actors

**Poverty graduation programs are most often implemented by NGOs and governments, but other actors, including donors like the UN, also play a role throughout implementation.** Below is a graphical representation of the break-down of implementing organizations (CGAP, 2016):

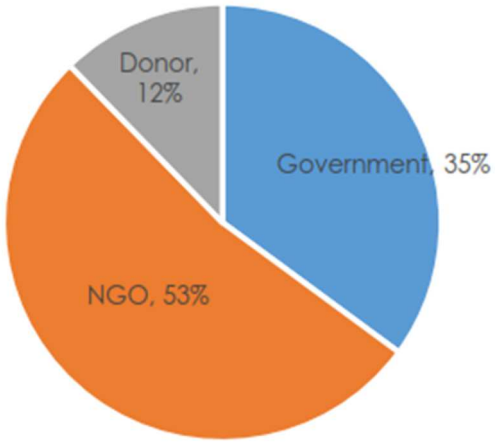


***Figure 3*** *Percentage of programs by type of lead organization*

**There are a wide range of NGOs that implement poverty graduation programs and tend to have advantages related to implementation costs.** These consist of larger international NGOs, such as World Vision, Concern Worldwide, and Save the Children, in addition to local NGOs like Jharkhand State Livelihood Promotion Society in India as well as BRAC in Bangladesh. Some literature has noted that NGOs have a distinct advantage when it comes to implementation costs. On average for instance,

NGO programs tend to cost $440 per participant, while government-implemented programs tend to average $780 per participant (CGAP, 2016).

**Governments are also a major group of implementers and funders of poverty graduation programs.** At the end of 2016, of the 37 countries implementing poverty graduation programs 20 were government programs. Examples of government-led programs include Indonesia, India, Lebanon, Ethiopia, and Colombia, among many others (CGAP, 2016). Notably, some of the literature has pointed out that governments have a unique advantage given their pre-existing resources and activities that overlap with poverty graduation programs (Ford Foundation, 2016). This knowledge, data, and capability allows governments to operate at a higher scale than their NGO counterparts.

**There is very limited evidence within the literature of private sector involvement in poverty graduation programs, but several examples provide anecdotal evidence for potential opportunities to explore.** Several examples of where the private sector has been involved in poverty graduation programs include Seeding Opportunities Family by Family, which includes a public-private partnership between the government (lead implementer) and local businessmen to facilitate technical skills training. Another example includes Modelo Graduacion, currently being implemented in Costa Rica, which also includes a partnership with the private sector related to technical skills training (CGAP, 2016). In these cases, it appears that given the private sector's skills and knowledge of the marketplace, they were able to play a key role related to promoting sustainable livelihoods for participants. However, aside from these isolated examples, there are other instances where the private sector could be involved: direct funding of programs, advocating national governments, and providing local data. Additional research is needed, however, to determine whether these are appropriate areas where the private sector could support.

# 2 Summary and justification of assessment

| Strength of outcome | | |
|---|---|---|
| **Assessment criterion** | **Dalberg score** | **Rationale for score** |
| **Scale:** Size of the population intervention could impact and potential to scale to other contexts (i.e., geographies, value chains) | High | • **Summary:** poverty graduation programs have expanded to millions of people since their inception in 2002 and have shown that they have the potential to include large numbers (well beyond 5,000 individuals) of participants through single interventions<br>• As of 2016, over 2.5 million households had been reached by poverty graduation programs since they were first pioneered by BRAC in Bangladesh in 2002<br>  ○ CGAP, 2016<br>• Based upon 55 poverty graduation programs studied stretching across 37 countries, the average size of poverty graduation programs is approximately 42,475, while the median size is 1,350 households; programs studied are as small as 150 households in Nicaragua but range to approximately 3-5 million people in Ethiopia<br>  ○ CGAP, 2016<br>• Programs included in this study are projected to reach an additional 1.2 million households, with an average program size of 46,400 and a median of 1,700 households in the future<br>  ○ CGAP, 2016<br>• Between 2015 and 2016, the number of poverty graduation programs increased by 30%<br>• CGAP & Ford Foundation, 2016 |
| **Impact:** degree of increase in incomes | High | • **Summary:** the majority of the literature identified uses proxy variables for income increases (e.g., consumption), but two unique cases that were studied show an income increase of 37% and 65%, which averages to 51%<br>• *[Used for assessment]* One large-scale RCT study (that included 21,000 households in 1,309 villages) in Bangladesh noted that participants saw a 37% increase in income<br>  ○ CGAP, 2016<br>• *[Used for assessment]* Two sites in a large-scale poverty graduation program in Colombia saw, on average, a 65% increase in income<br>  ○ CGAP and Ford Foundation, 2016<br>• *[Additional income proxies]* An additional study that featured two country-specific case studies involving RCTs found that 63% of participants in Peru saw their annual incomes increase by at least $300 (a major increase for those making around $1.90/day)<br>  ○ CGAP and Ford Foundation, 2016<br>• *[Additional income proxies]* Although not included in our assessment rating, the following consumption (potentially used as a proxy for income) increases were noted through seven RCTs: Ghana (6.9%), |

| | | |
|---|---|---|
| | | Bangladesh (7.3%), Pakistan (10.2%), India (13.6%), Ethiopia (16.4%), and Honduras and Peru showed little to no significance[1]<br>o IPA & J-PAL, 2015 |
| **Sustainability:** financial ability of farmer income increase to endure independent of ongoing external support | Medium | • **Summary:** one study showed that the impact of poverty graduation programs are experienced seven years after initial asset transfer, but the remaining six show evidence only three years; however, it is important to note that this impact may exist, but it would need to be confirmed through additional study<br>• One study that pooled six RCTs (Ethiopia, Ghana, Honduras, India, Pakistan, and Peru) shows statistically significant impacts on beneficiaries' assets and savings one year after the program ended, which is three years after the initial asset transfer<br>o Sulaiman, et al., 2016<br>• Another randomized impact evaluation that focuses on the large-scale implementation of poverty graduation programs in Bangladesh found that positive impacts on impact and other indicators remained in place seven years after the initial asset transfer<br>• Sulaiman, et al., 2016; CGAP, 2016 |
| **Gender:** Potential of intervention to positively impact women | High | • **Summary:** poverty graduation programs have had a traditional focus on women and many of the programs are overwhelming represented by women; studies also show statistically significant impacts on women in most key well-being metrics during programming<br>• Of the 55 poverty graduation programs operating in 2016, 31% had an exclusive focus on women; it was also noted that traditionally poverty graduation programs have had a major focus on women<br>o CGAP, 2016<br>• Studies show a statistically significant impact on women's empowerment, decision-making, and well-being during the course of programming<br>• IPA and J-PAL, 2015; Banerjee, et al., 2015 |
| **Strength of evidence** | | |
| **Assessment criterion** | **Dalberg score** | **Rationale for score** |
| **Breadth:** amount of rigorous literature that exists on the impact of the intervention, as defined by the minimum quality of evidence for this paper | Low | • While RCTs have been conducted in over 10 countries, the publicly available literature we reviewed revealed only two unique case studies (Bangladesh and Colombia) that had publicly available data that specifically included the percentage increase in farmer income |
| **Consistency:** Degree to which the studies reviewed are in agreement on the direction of impact (i.e., positive or negative) | Low | • While evidence around non-income-related metrics exist, only two unique cases were identified that average to 51%; however, even among these two, there is a wide amount of variance and neither fits into one single category of income impact (as quantified above) |

[1] When considering these various income increases, it is important to take into consideration what the farmer's baseline income is, as this reveals whether a farmer truly obtained a fair income by local standards. Our review of publicly available literature did not go into this specific level of detail, however, given data availability, nor could it feasibly do so given the need to construct simple bases of comparisons between different interventions.

# 3 Methodology

**We scanned 21 academic articles, implementer reports, and impact assessments using Internet searches and Google Scholar; we prioritized and reviewed nine documents based upon relevance and methodological rigor.** The list below, ranked in chronological order (most recent first), summarizes the documents we did a full review on and base our conclusions upon:

1. "The Business Case for Investing in Graduation," William Abrams, Joshua Goldstein, et al. (Fonkoze), May 2017.
2. "State of Graduation Programs," (CGAP), December 2016.
3. "Eliminating Extreme Poverty: Comparing the Cost-Effectiveness of Livelihood, Cash Transfer, and Graduation Approaches," Munshi Sulaiman, Nathanael Goldberg, et al. (Access to Finance Forum/CGAP/IPA), December 2016.
4. "Graduation Pathways: Increasing Income and Resilience for the Extreme Poor," (CGAP), December 2016.
5. *Preserving the Essence, Adapting for Reach: Early Lessons from Large-Scale Implementations of the Graduation Approach*, Tony Sheldon, Ed. (CGAP & Ford Foundation), November 2016.
6. "Making Sustainable Reductions in Extreme Poverty: A Comparative Meta-Analysis of Livelihood, Cash Transfer and Graduation Approaches," Munshi Sulaiman (Yale University), October 2016.
7. "Building Stable Livelihoods for the Ultra-Poor," Alison Fahey (IPA & J-PAL), September 2015.
8. "A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries," Abhijit Banerjee, Esther Dufio, et al. (Science Magazine), May 2015.
9. "Graduating the Ultra Poor in Peru," (IPA), 2014.

**Overall, we found much of the literature, especially the sources we prioritized, to be methodologically robust based upon the guidelines established in our Methodology.** Most notably, CGAP and Ford Foundation coordinated 10 implementations of poverty graduation programs, and eight of these included randomized control trials (RCTs) to evaluate its impact; similarly, Innovations for Poverty Action conducted rigorous impact assessments through RCTs at six pilot sites. Given the methodological rigor, relatively large sample size, and multiple evaluations from several implementers, we have a high degree of confidence in the results and findings that these sources present. However, even though each of these countries contains significant sample sizes of participants and poverty graduation programs, it should be noted that there are major overlaps in the countries studied, specifically Ethiopia, Ghana, Honduras, India, Peru, and Pakistan.

**Moreover, the disproportionate representation of implementer and donor literature on poverty graduation programs, as opposed to academic, represents a potential gap.** Most of the literature we found, for instance, largely comes from implementers and donors, who may have their own institutional biases related to the successes of these programs. While this does not detract from their overall findings and conclusions, the literature could benefit from additional outside perspectives (e.g., from academics) who could bring an unbiased viewpoint and different perspectives. Another potential gap that emerges from this recognition is whether evaluations and assessments have been too heavily biased towards donor-funded or -implemented programs, which could have much different performance outcomes than others. With this said, we believe that the methodological rigor that implementers and donors have used, in addition to the presence of a few outside sources that have been included in this review, largely overcome this potential gap.

# 4 Impact

## 4.1 Effect on income

**There are two unique studies that show income increases of 37% and 65%, and considerably more rigorous literature exists on other key metrics.** In CGAP and Ford Foundation, 2016, one study revealed that in two sites in Colombia (within a larger poverty graduation), there was an average income increase of 65%. In CGAP, 2016, they refer to a previous study of a large-scale poverty graduation program in Bangladesh that indicated an income increase of 37%. Beyond these specific studies that focus on our specific metric, there is a relatively high degree of variation among RCTs that used consumption (or income) as a performance metric, but there tends to be a relatively high degree of concertation around 10%. In IPA & J-PAL, 2015, for instance, five of the seven countries studied showed consumption increases between 6.9% and 16.4%, while two found no significance. In CGAP and Ford Foundation, 2016, though, two country-specific case studies involving RCTs found that 63% of participants in Peru saw their annual incomes increase by at least $300 (a major increase for those making around $1.90/day. The degree of statistical significance between poverty graduation programs and consumption, income, and other key metrics are summarized below but have been generally seen to be statistically significant:

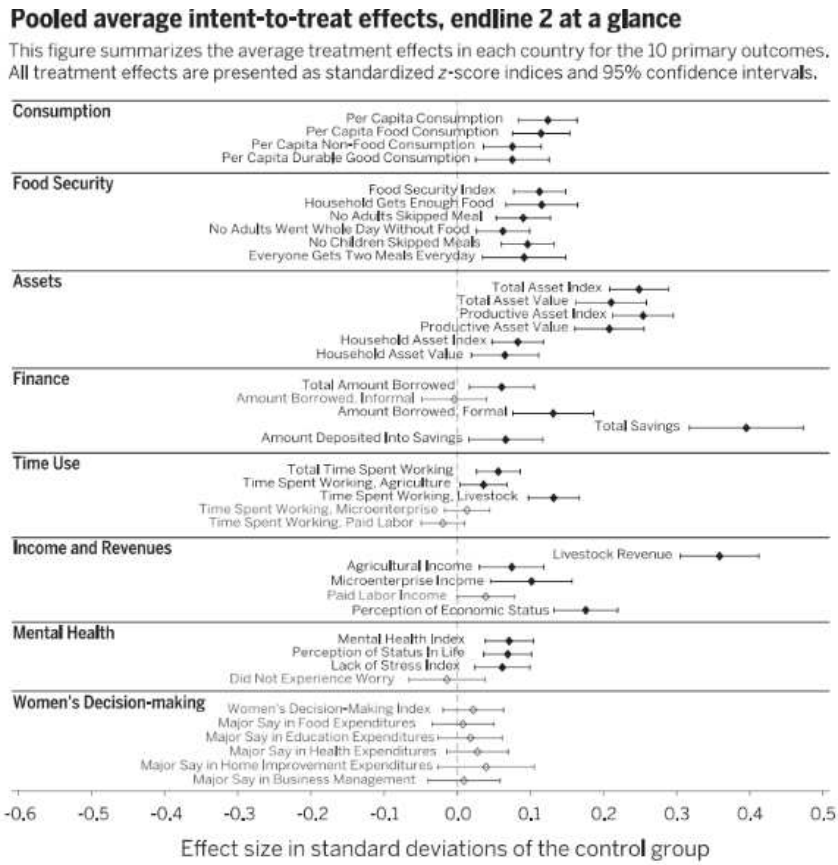


***Figure 4*** *Key findings from Banerjee, et al. 2015*

**Some implementers and researchers have also explored the metric of return on donor investment (i.e., amount of consumption or income stimulated per unit cost) to better understand overall effectiveness.** Abrams, et al., 2017, for instance, found that in a review of six RCTs in Asia, Africa and Latin America, the benefits from increased consumption and asset growth

equaled 166 percent of the costs of the programs. More specifically, in Bangladesh, increased consumption by participants four years after the start of the program equaled 240 percent of program costs, while in India, based on results over three years, the estimated net present value of future impacts equaled 430 percent of program costs.

**Banerjee, et al., 2015 published the results of RCTs involving 21,000 participants in six countries (Ethiopia, Ghana, Honduras, India, Pakistan, and Peru) that showed that poverty graduation programs can have a significant impact on a series of metrics, including income.** Overall, their results showed statistically significant increased incomes and household consumption across all countries, except one (Honduras). These results are aggregated across all six countries and summarized in Figure 4. Notably, this study found that two years after graduation, most households overall continued to expand their self-employment activities, diversify out of agriculture and livestock, reduce casual labor, and increased consumption.

**Ford Foundation and CGAP, 2016 wrote four case studies on the implementation of the poverty graduation approach in Colombia, Peru, Ethiopia, and India; they found strong positive impacts across a variety of indicators, including income.** The Colombia case study they featured included 911 participants at a cost of $1,170 per participant; this program intends to expand to 10,000 new participants across Colombia. The evaluation found that half of the participants reported an increase in income and, on average, there has been a 65% increase in household earnings across the two sites. In Peru, 90,000 families were included at an average cost of $1,100 per family; this program intends to expand to an additional 120,000 families. Of those that participated, 63% reported that their annual income increased by nearly $300 as a result of the program, which is a sizeable increase in a country whose GDP per capita is approximately $6,000.

**IPA and J-PAL, 2015 conducted an evaluation based upon the results of seven RCTs and also found largely strong positive impacts on a variety of metrics with few exceptions.** Pooled data from six sites show Graduation households' consumption increased 5.8% relative to the comparison group two years after the asset transfer. Graduation households' consumption increased between 6.9% and 16.4% across five countries, but there was no impact on consumption in Honduras or Peru. Most positive impacts on participating households were consistent three years after the asset transfer—one year after all program activities ended.

**A number of studies have also highlighted the costs and potential returns that poverty graduation programs have.** Abrams, et al., 2017, for instance, reviewed projects across six countries and found that the estimated benefits from increased consumption and asset growth equaled 166% of the total costs. De Drawing upon data from 55 programs, CGAP, 2016 estimates that the median cost per person is $400; there are variations across implementers, too, with government programs costing $780/person on average and NGO programs costing $440/person. Other studies (CGAP and IPA, 2016), however, indicate that other similar programs, such as lump-sum cash transfers, have a higher impact-to-cost ratio, but they also note that poverty graduation programs have more evidence around long-term, sustainable impact.

## 4.2 Intermediate and other outcomes

**Most studies included a number of other indicators beyond consumption and income and largely found positive impacts across these areas.** As Figure 4 indicates above, many poverty graduation programs take into account a number of factors, including mental health, assets, time use, food security, among others. Each of these aspects are important pieces to consider in promoting overall well-being, and many of the studies reviewed touched upon these areas to varying degrees. With some exceptions, which are noted below, these studies found positive impacts.

**Ford Foundation and CGAP, 2016 found a number of improvements in health, soft skills, and finance (beyond income and consumption).** In Colombia, for instance, they found that participants reported higher levels of confidence and self-esteem; they also found a marked increase in the number of participants who started keeping financial records (from 5% to 60%). In Peru, they found that the

growth in income led participant families to shift their labor to salaried activities that offer better pay. The value of participants' assets also increased by 30 percent. Additionally, participants' diets improved notably as well.

**In the analysis that IPA and J-PAL, 2015 conducted on seven countries, they found similarly high levels of impact across multiple indicators, although did find some exceptions.** For physical health, they found significant positive differences in five out of the seven countries (only one country indicated negative differences). Similarly, mental health saw strong positive gains in four out of the seven countries, but negative effects in three. For political involvement, evidence indicated positive effectives in five out of seven countries; the remaining two were neutral.

## 4.3 Applicability of impact

**On the surface, poverty graduation programs can have a strong impact on women, but the results on sustained empowerment and improvement are somewhat mixed.** CGAP, 2016 indicates that out of 55 programs globally, 31% *only* target women. IPA and J-PAL, 2015 show, however, that the effects on women's empowerment and physical health were no longer statistically significant one year after all program activities ended. While this study and several others provide some limited and anecdotal evidence regarding women's empowerment and well-being, more study would need to be done to fully determine what, if any, effect poverty graduation programs have on women.

**Since the focus of poverty graduation programs is on the very poorest (those living on $1.90 or less per day), they largely tend to focus on the ultra-poor and subsistence farmer segments.** While there is evidence of strong positive impacts on these segments, more research would need to be done to determine how poverty graduation programs could impact smallholder farmers who are on the larger side of the spectrum. Moreover, there is no evidence available that explores how these programs could be implemented in specific value chain contexts.

## 4.4 Enhancing the intervention

**While based upon a common set of factors, poverty graduation programs are designed to be flexible to local contexts, but certain innovations have emerged that cut across multiple contexts.** Abrams, et al., 2017 highlights the use of cash transfer programs in Brazil (Bolsa Familia) and Mexico (Prospera) that were able to reach 12 and 5.8 million families, respectively. Similarly, CGAP and Ford Foundation, 2016 found in Colombia that it was more impactful if participants received cash instead of being provided in-kind physical assets. This provided an opportunity for participants to increase their confidence with cash management, which was low for most households.

# 5 Key success factors

**Several studies note the importance of having strong social safety net systems in place prior to the rolling out of poverty graduation programs.** CGAP and Ford Foundation, 2016, for instance, shows that having conditional cash transfer (CCT) programs in place can provide a strong foundation on which to develop a broader poverty graduation program. Specifically, since CCT programs operate at significant scale and reach extremely poor households, this helps diffuse some of the significant up-front investment costs that have to be made, such as having quality data that allows for participant selection. Poverty graduation programs also represent another tool that governments can use to increase the impact of other parallel forms of support. In Abrams, et al., 2017, for instance, they found in India that when the graduation approach is sequenced with—and supplemented by—existing government programs that contribute key inputs, cost increases are incremental and modest.

**Related to this point, and reinforced by literature previously cited, strong government buy-in is an important success driver, since they possess data and networks that can be cost-effectively leveraged.** As explored above, poverty graduation programs work especially well when coordinated with other social safety net programs that are run by governments. They act as force multipliers not only in terms of the impact on the beneficiary (before and after the poverty graduation program ends) but also through the streamlining of operational costs. Moreover, given the importance on participant selection (explored further below), the use of government data and intermediation networks can greatly benefit poverty graduation programs. As such, securing the buy-in and, ideally, the material support of governments is a critical facet that can promote the success of poverty graduation programs.

**Two studies (CGAP & Ford Foundation, 2016; CGAP, 2016) reveal several common themes around the need to build diverse partnerships and create time-bound graduation exit criteria.** Poverty graduation programs are complex in nature and their interventions must span social protection, livelihoods development, and financial services, among others. Given this broad range of needs and the corresponding requirement of flexibility, it is important that poverty graduation programs seek out diverse partners who can potentially fulfill multiple needs, while still being sensitive to the overall context. Similarly, it can be difficult to set specific goals that determine when a participant would be eligible for graduation given contextual differences. As such, poverty graduation programs need to be flexible in setting clear, context-specific criteria (typically a mix of quantitative and qualitative metrics) that are also time-bound.

**One of the key design facets of poverty graduation programs is participant selection and ensuring that local communities have a voice in selecting beneficiaries.** Many poverty graduation programs include a participatory process in village meetings that allows community members to select who should be included in poverty graduation programs (CGAP and Ford Foundation, 2016). Not only does this create broad-based buy-in at the community level, but it also serves as an additional check on other data (e.g., from governments' social safety net programs) that is used to select participants.

# 6 Barriers addressed

**While the literature does not directly address this question, we assume based upon inference that poverty graduation programs directly address four sets of barriers.** Absorptive capacity refers to the ability of farmers, especially smallholder farmers, to adequately absorb and apply the benefits that external support can entail. Individual empowerment is the broad set of constraints that farmers, especially the ultra-poor, face related to knowledge about their rights and accessing support services as well as the skills to pursue and advocate for their rights. Stakeholder buy-in relates to the resistance that local power structures and dynamics can exert in preventing a change from the status quo. Finally, access to finance refers to the two sets of challenges that farmers face: on the demand side, this applies to understanding how to access formal financial channels and being comfortable using them, while on the supply side, a more fundamental barrier is being able to cost-effectively access them. The ways in which poverty graduation programs affect each of these barriers is elucidated in the following paragraphs.

**One of the key barriers to working with smallholder farmers, especially those characterized by ultra-poor is their absorptive capacity.** Smallholder farmers may be fundamentally challenged by the size of their land, which limits the amount of external support that can be absorbed and applied, and face individual capacity constraints related to risk tolerance, openness to new ideas, and literacy as well as numeracy. By providing one-on-one support and coaching over an extended period of time, poverty graduation programs are not only effective in tailoring external assistance to meet participant needs but also work with beneficiaries over extended periods of time to allow certain behavior changes to take place.

**Similar to the previous point, poverty graduation programs also fundamentally empower participants, which allows them to not only better voice their needs but also to get support from multiple channels.** One of the fundamental barriers that inhibits increased incomes and, more generally, improved individual-community interactions is that smallholder farmers, especially the ultra-poor, fundamentally lack the ability or knowledge to advocate effectively for themselves (or are not aware of how to access support-providing institutions). Many poverty graduation programs are designed to empower individual participants through soft skills training and the application of this knowledge to real-life situations, thereby increasing their comfort incrementally and gradually. By empowering individuals with knowledge and skills, poverty graduation programs allow participants to be more self-sufficient once external support ends.

**Power dynamics in local communities can be sensitive and not always conducive to external support, but poverty graduation programs firmly take these challenges into account through integrating local consultation into the participant selection process.** At the most fundamental level, external interventions seek to change power dynamics and pre-existing incentives; doing this, however, inherently requires the questioning of entrenched power structures, which could potentially resist any externally-driven changes. The empowerment of women, for instance, has long been a focus of poverty graduation programs. CGAP and Ford Foundation, 2016 indicate that global research shows that when women manage household finances, they tend to spend money more effectively; given this evidence, in Colombia, programs have tried to integrate women as key participants in decision-making processes. However, accomplishing this goal requires extensive community consultation and buy-in. By giving local communities and power structures a voice and say in participant selection, external implementers are able to counteract these sensitivities and dynamics. Additionally, securing stakeholder buy-in also helps support participant behavior change.

**Finally, poverty graduation programs are able to directly address a multi-faceted barrier that many smallholder farmers face, access to finance.** Broadly considered, there are two overarching sets of constrains related to access to finance: on the demand side, there is a lack of knowledge or awareness about how to effective access and utilize formal finance, while on the supply side, there might be a lack of easily accessible options. Poverty graduation programs work by increasing individual's

awareness and familiarity with formal financial channels, while also ensuring that participants can actually access these services in the first place. By working through a dual-tracked approach, poverty graduation programs can greatly reduce the access to finance barrier that many farmers face.

# 7 Questions for further research

**Poverty graduation programs are a promising intervention that merit further research and understanding in order to be fully applicable to buyers.** Below is a list of potential questions potentially worth further exploration:

- Which components of poverty graduation programs are the most effective at driving incomes?
- How could poverty graduation programs be targeted towards farmers, instead of specifically focusing on the ultra-poor?
- Which farmer segments could benefit from these programs the most and, conversely, which ones would probably see few, if any, benefits?
- Where are the major gaps or challenges related to implementing these programs and how could buyers play a supporting role?
- To what extent do contextual nuances in difference value chains impact the implementation of poverty graduation programs?
- Is it possible that there could be a saturation point if too many poverty graduation programs are implemented?

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# Appendix 1 Scoring guidelines

| Metric | Scoring guidelines | | |
|---|---|---|---|
| | High | Medium | Low |
| **Strength of income impact** | | | |
| Income impact | >50% income increase | 10-50% income increase | <10% income increase |
| Breadth | >20 unique case studies, reports, or evaluations exist that substantiate the stated income increases[2] | 5-20 unique case studies, reports, or evaluations exist that substantiate the stated income increases | <5 unique case studies, reports, or evaluations exist that substantiate the stated income increases |
| Consistency | >75% of the literature that includes income increases agrees on or falls within the stated income increase | 25-75% of the literature that includes income increases agrees on or falls within the stated income increase | <25% of the literature that includes income increases agrees on or falls within the stated income increase |
| **Strength of other performance indicators** | | | |
| Scale | >5,000 beneficiaries reached | 1,000-5,000 beneficiaries reached | <1,000 beneficiaries reached |
| Sustainability | Evidence of impact >7 years after external support ends | Evidence of impact 2-7 years after external support ends | Evidence of impact 0-2 years after external support ends |
| Gender | (1) Deliberate consideration and focus on women during the intervention design period AND (2) specific indications that an intervention had a positive impact on promoting women's empowerment or inclusion | Deliberate consideration and focus on women during the intervention design period | No deliberate consideration of women during the design intervention period or during the intervention |

[2] Meta-studies are weighted based upon the number of individual studies they include in their analysis, while individual studies are considered to be single data points

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Wageningen Centre for Development Innovation supports value creation by strengthening capacities for sustainable development. As the international expertise and capacity building institute of Wageningen University & Research we bring knowledge into action, with the aim to explore the potential of nature to improve the quality of life. With approximately 30 locations, 5,000 members of staff and 10,000 students, Wageningen University & Research is a world leader in its domain. An integral way of working, and cooperation between the exact sciences and the technological and social disciplines are key to its approach.

To explore the potential of nature to improve the quality of life

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The Centre for Development Innovation works on processes of innovation and change in the areas of food and nutrition security, adaptive agriculture, sustainable markets, ecosystem governance, and conflict, disaster and reconstruction. It is an interdisciplinary and internationally focused unit of Wageningen UR within the Social Sciences Group. Our work fosters collaboration between citizens, governments, businesses, NGOs, and the scientific community. Our worldwide network of partners and clients links with us to help facilitate innovation, create capacities for change and broker knowledge.

The mission of Wageningen UR (University & Research centre) is 'To explore the potential of nature to improve the quality of life'. Within Wageningen UR, nine specialised research institutes of the DLO Foundation have joined forces with Wageningen University to help answer the most important questions in the domain of healthy food and living environment. With approximately 30 locations, 6,000 members of staff and 9,000 students, Wageningen UR is one of the leading organisations in its domain worldwide. The integral approach to problems and the cooperation between the various disciplines are at the heart of the unique Wageningen Approach.