Lessons Learned From Sequenced, Integrated Strategies of Economic Strengthening of the Poorest

Presentation Transcript

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Female:	Good morning, everyone. Thank you for coming. So I would like to welcome our international participants as well. We have about 30 people online right now and we're expecting to have up to 100 throughout the event from all over the world. And today's seminar is dedicated to Lessons Learned from Sequenced Integrated Strategies of Economic Strengthening of the Poorest. We have Jan Maes here of Seed Network; Joya Sakar, Trickle Up; and we will have Aud de Montesquieu joining us remotely from CGAP. And I would like to introduce Annika Jensen, USAID MD office. Thank you.
Female:	Okay, hi. I'm Annika Jensen, and you probably know we lost Carissa Page to another office in USAID, so we miss her. On behalf of Shari Berenbach, our office director, I would like to welcome you to this event. Those of you online as well, I hope that – I almost missed this because I saw it was an After Hours and I thought I was – I thought – I just accidentally was going through papers yesterday and saw that the starting time was this morning, so I hope we didn't lose too many people, but congratulations to you that figured out that it was this morning.
	So I have three minutes to make introductions and, you know, the bios are in the online, so I'm not going to go into that. I'll just say that we have Jan Maes from the SEEP Network, and he's also an independent consultant who has worked a lot on learning and evaluation, and especially looking at the very vulnerable poor as a focus. And Aud de Montesquieu, who is online, who has worked with the Ford CGAP graduation study, and we're funding – USAID is funding a study in Ethiopia. So we appreciate the work being done on that. And then Joya Sakar, who is with Trickle Up and does a lot of work on youth and brings that to the table.
	I've asked people, instead of going too much into their bios, to instead, as they're starting their presentation, I guess I didn't tell you this yet, Joya, but to, because you're looking at models and there's a little bit of theory to it, let's add a face. So before you start your presentation tell us about somebody who you've met or whose face you have in your head, you can't get out of your head when you're thinking about the work that you're doing.
	So with that in mind we'll start – I guess it's for me to turn over to Jan. Okay.
Male:	I can't move the slides. While someone is moving the slides, I'm Jan Maes; I'm the facilitator of a new initiative, dedicated learning group at the SEEP Network, which is called Step Up: Striking the Economic Potential of the Ultra-Poor. And hopefully – no. I will take up Annika on her request to talk about someone that I would consider very poor, but I will do it at the end of this introduction because I had been planning that

anyway. And I was going to make a point, so I'm very happy that you suggested for us to do this.

Today we'll be talking about economic strengthening for the ultra-poor, and my first five-minute introduction I'll introduce some concepts and then I will visualize someone who could be considered as ultra-poor. Then we'll be moving to a specific approach of integrated sequence strategies. And next your presenters will give examples about this, will share some of the recent learning. And after Aud in Paris and Joya, who is with us here in D.C. will have talked, I will come back and talk more about some lessons learned and the importance of integrated push and pull approaches to reaching the ultra-poor. And I will also introduce the new initiative at SEEP Network, which is called Step Up.

Some of the roadblocks that we faced in the past, I'm going through this very quickly in the interest of time, but we used to do a lot of fundraising and use a lot of anecdotes showing people that we are reaching the very poor at microfinance and other services. But we really didn't know. And we also didn't realize, or maybe we did, but we didn't speak a lot about it, how difficult it really is to reach the very poor and how hard it is to reach them., both physically, because they're often in remote areas, but also because there's more to it than just offering a financial service to be offering them what we need.

We had a measurement problem and that led to the fact that we thought we did reach the very poor, but we didn't. And once USAID came up with the poverty assessment tools and other tools like Grameen Foundations, Progress out of Poverty Index, I remember very well four or five years ago that lots of MFIs were really surprised that their outreach wasn't as deep as they thought it was. So in that sense these _____ have really brought home that message that we needed to do more.

I'll also talk about the microenterprise myth that I think we have passed now, but this idea that everyone can start their own business and that the only thing needed is providing them with a loan is something that I think most of us don't adhere to anymore. We didn't understand the poverty and vulnerability as much as we do now, and at the same time I think we still need to learn more. And then maybe, in my opinion, one of the most important roadblocks and one that I think is still continuing to some extent, although we've made a lot of progress, is what I call the "stovepipe syndrome." It's not only microfinance that wants to reach the very poor, it's not only social safety nets and social assistance programs, it's not only market development and value chains, but at the same time, while each of those have made a lot of progress in reaching the very poor and in learning about how to do this, I feel that we're still talking very different languages when we talk about the very poor, and I'll come back to that later.

What is extreme poverty? Here to – with the suggestion of Annika to describe I'm going to skip this, but basically all these definitions that I put on these slides, you could be compared with a bankrupt company in a way, because it is a state of a household that is not even meeting its operational expense and there's not enough cash or food coming in to meet the basic needs, and that's the poverty trap in which they are. They are really not even ready for economic growth because they're still in the daily survival modes.

At a learning event last month here in D.C. at a map value chain development learning event that was organized by ASDI Voca, some of the speakers differentiated three broad categories; I think Margie Brandt did that and Jason Wolfe, of people, and they ranked them as destitute, people really at the bottom, for whom the only approach or the most important approach is provision. Those people need to be able to meet their basic expenditures, food, safe water, etc. Just above there are those struggling to make ends meet. Those people have a little bit more assets, and when I talk about assets, I don't only mean productive or physical assets, I also talk about human and social assets, which are in many cases even more important. But these people are struggling to make ends meet. Sometimes when their crop is harvested they're doing fine, but then the hungry season comes and this could be two months or it could be seven months, and at that time they're really struggling. They are still very vulnerable to shocks and they are very risk-averse because they don't want to risk the little they have in increased incomes and, for instance, the starting of microenterprise. And then above that are really the people that are traditionally being reached to some extent by value chain approaches. Those are the ones ready to grow. They have a pretty stable asset base, they can feed themselves for most of the time, and they can think about the future.

This is where I want to come up with an example of someone who I consider ultra-poor. Let me go back to that slide quickly because the point that I wanted to make here is that even though it's a very useful difference between struggling to make ends meet and those who are destitute, there is still a lot of fine print within that wide range of different types as decrease of poverty, and we need to understand more about factors of poverty, how poor people are, what that means, which assets are short, etc. really to know what approach, which activities and which products and services are the most appropriate.

And the example of that we give is one that I actually encountered on a mission to India once, in a rural village in West Bengal, tribal village where people who were living not even in the main village, but on the outskirts of that village, living on the hill with very few agricultural

opportunities, a household that was led by a single woman with seven children. One or two children had some sort of disability and only two of the school-aged children were going to school. A family that was hungry for most of the time and that had very few assets, were also isolated, they were not part of – for them, going to the bigger village was a struggle; it's not a place where they felt welcome. They have very little social capital and also very human skills in terms of confidence, in terms of literacy, in terms of engaging with other people.

An example that I would consider of a household that's less poor would, for instance, be a household in Uganda that has land, where both parents are still there, but who are HIV/AIDS affected, yet they still have assets. They are managing their disease, they're still very vulnerable, but they're not as poor, I would say, as that family in India.

So those are two examples, just to illustrate how important it is to really distinguish different levels and types of poverty. Having said that, let me move on to economic strengthening strategies, which is my last slide for now. These are – this is a term that many of us have started to use. It's obviously much more than microfinance; it's all the activities, programs, and even policies that are aimed at building the economic capacity of individuals and households, and of course in our case of the very poor, of the ultra-poor. Financial services, market development, social assistance, but also around enabling environment, and I would say also about local capacity-building. And the graduation model is one example of a model that is using several activities and services and approaches from these fields in a sequenced and coordinated way to reach and serve the ultra-poor.

So let's go to Aud in Paris, who will introduce a model that the CGAP and Ford Foundation have been working on for the last three or four years.

Female: Great. Thank you, Jan. Thank you very much to Microlinks for inviting me to join remotely. I'm Aud from CGAP, and I'll start off by answering Annika's question about a person who has marked us. In my case I would take the example of someone from _____ first pilot program, *sha malavi mior,* someone who is living in Central Plateau in Boucan Carre in the northeaster area of Haiti. She was followed very closely by the qualitative researchers who were evaluating the program, and she had the most incredible quote which has stuck to my mind. One time she said, "If my man died tomorrow I would not get another one. He's helpful to have around, he makes my garden for me, and without him I'd have to pay for labor. But if he died I would have to pay for his funeral costs and that would be a major financial setback. In the long-run I think I would be fine without him."

And this quote is a bit blunt and weird when you hear it first, but actually it marked me because in the Haitian context this woman and many others really valued the fact that through an economic-strengthening program they had become more financially independent, especially independent from their male partners. So that was one of the examples. And if you're interested in hearing more and seeing more faces, I would really recommend the videos, both by Trickle Up and actually by Fune Cozi on some of the members in their programs, because there are some incredible stories there.

So just with this let me start quickly introducing CGAP, where I work. We're an independent research and policy center that works on microfinance, financial services for poor people. We're supported by over 30 development agencies, including USAID and also several private foundations. We're based in D.C., but we have an office in Paris, where I'm speaking from today, and we have a few regional hubs. And at CGAP I manage the CGAP Ford Foundation Graduation Program for the poorest, and that's what I'll be talking about today

So first, as Jan said, why did CGAP get involved in this program? Well, let me try and click through. Okay. As Jan mentioned, the poorest are often stuck in poverty traps; they're excluded from many things. And one of the things that we realized is that except in a few very notable exceptions, the poorest were also excluded from microfinance. Typically financial services reach the people around the poverty line. This graph is very schematic, but the idea is that people included in microfinance are generally slightly above the poverty line, slightly below, but they're not actually the extreme poor or the destitute that Jan was talking about before.

However, at the same time CGAP and the Ford Foundation also realize that microfinance, especially not microcredit alone, was probably the right first step for the poorest. As we know, the poorest often lack the experience, the self-confidence, the social capital, and other things that can be needed to become a successful micro entrepreneur. In our search for models that were actually successfully reaching the poorest and with a strong focus on savings, we were particularly impressed by BRAC's CFPRTUP approach in Bangladesh, which mixes safety nets, livelihood, and financial services. As you might know, BRAC is quite famous; it's a major NGO in Bangladesh, and they are quite good with acronyms. They have this program called CFPRTUP, Challenging the Frontiers of Poverty Reduction Targeting the Ultra Poor, which reached over 800 ultra-poor families with over 92-percent of people moving sustainably out of extreme poverty.

Now CGAP and the Ford Foundation were really interested in this program and trying to see if it could be adopted in different countries and different cultural contexts with a variety of institutional setups. That's why we're helping to implement ten pilots in eight countries to really test this out.

For those of you who know BRAC, you can agree that few organizations in the world have the capacity, either financial or human, to actually offer a very a sequenced set of services effectively. What we try to do in most places where we help implement pilots is actually partner a strong livelihood provider, typically an NGO, with a financial service provider committed to serving the poor, and where possible also creating strategic alliances with healthcare or other service providers. Now I'm going to bring up two examples, and actually we have two of these agencies in the room, either virtually or in person. It's Trickle Up, and Fune Cozi. So Fune Cozi first. In the case of Fune Cozi, Fune Cozi Foundation was the strong livelihood provider. Fune Cozi MFI was doing the financial services component and Fune Cozi were lucky enough to be able to rely on Partners in Health NGO to provide healthcare services to participants in their ultra-poor program.

Here are the example of Trickle Up, where the strong likelihood provider is the Trickle Up NGO. Trickle Up actually relied on self-help groups to provide the financial services in the program. And as we'll hear more later, Trickle Up also partnered with government clinics and actually other government services to provide additional services to their ultra-poor members.

I won't go too much into the description of the graduation model, because some of you might already be familiar with it. And if you're interested more actually on the webinar Web page there is a paper that my colleague, Sayid Hashmi, and myself recently published, which really goes over the lessons learned so far from the implementation of the model. And maybe in the Q&A session I can also address some of these points more. But just very quickly, the graduation model, which is really adapted from BRAC's TUP model, is really the careful sequencing of several building blocks, the first of which is careful targeting. We really try to identify that only the poorest are selected.

Soon after the poorest people are invited to join the program they start receiving consumption support. And at BRAC the consumption support is the equivalent of one kilo of rice a day for eight months. But throughout the different pilots the consumption support varies, but the idea is always the same, actually to provide breathing space for people when they enter the program. As Jan said, the poorest often are food insecure and really have a very constraint by their day-to-day needs, so we feel that it's very

important to kind of stabilize consumption before you can really plan for the long-term.

Soon after participants receive the consumption support they are invited to start saving. The idea really here is to help them accumulate assets and also build up financial discipline. The program also conducts a thorough market analysis to help determine what our appropriate livelihood options in the areas where the pilots operate. And once the livelihood options have been determined participants are trained and they receive a free basket of assets to help them jumpstart an economic activity. That's the asset transfer point here.

In most sites participants receive – can choose from a menu of options, very typically livestock in rural areas. Typically at BRAC it's one cow, two goats, five goats, three chicken, ten chicken, five ducks, or very similar baskets. We can – you will probably hear more from Trickle Up and their goat baskets, etc.

The core of the graduation model really relies on that orange bar up there, which is the regular coaching. This is really the close accompaniment of people by program staff throughout the duration of the program. And actually here on the graph it says 0 to 24 months, but Trickle Up might be able to tell us more about the fact that they've expanded to 36 months, 'cause they really felt that people needed more time in the program to make good progress.

What is graduation? The idea is that at the end of the program people are out of extreme poverty. Let's face the fact that they are still poor and remain vulnerable, but the idea is that they are food secure, they have increased assets and they have diversified their income sources and that they have already reached some kind of social change such as empowerment, better access to healthcare, or improved self-confidence. The idea is also that people should be credit-worthy or in a position to access microfinance and microcredit if they want to. But of course we recognize that not everyone wants to be a micro entrepreneur.

So quickly, since 2006 CGAP and the Ford Foundation have been partnering to test this approach and adapt it, of course, and we'll probably hear more later in different slides. As I said, we were really looking for different cultural contexts, so it's kind of all over the world. The idea is really to learn about the model, how it works, how it can be tweaked, and really learn and share about this.

The ten pilots in the program are at very different stages of implementation. The five pilots on the left here – sorry for that, but it overlays. There's a bit of a text overlay here, but I can read through. But

the five pilots on the left here in Haiti, three in India, and one in Pakistan, have already graduated, finished, completed the pilot phase. And the five pilots on the right here are currently being implemented. And then I see that on the webinar chat we have Jessica Ziegler, who is from APA, and was in Ghana and she might also be able to add to this. We also have Krahin Hoen from Cozi, which was one of the first pilots in the program, so we'll have several people to chime in hopefully.

All the partners in this program are really in here to learn. That's why we have really built in a strong learning agenda. First we're documenting the program implementation and monitoring the program outcomes in all sites. But we're also commissioning qualitative and quantitative research from external evaluators, and actually, as Annika mentioned when we started, USAID is funding one of these evaluations, a randomized impact evaluation in Ethiopia, and the Ford Foundation is funding several other randomized control impact assessments in other sites. MasterCard Foundation is actually funding the qualitative research.

So basically the RCT impact assessments in different sites are really trying to determine the impact of the program and ultimately also its cost benefit, whereas the qualitative research, actually ongoing in line site, is trying to understand the granular nature of the change in different places, things like why is that this woman put a roof on her house after several months, what made her decide to send her child to school, etc. We'll hear more from such examples from Trickle Up hopefully.

And I just got an update from webinar from Krahin saying that they now have 2,300 people in the extreme poor at *sha malavi mior* program in Haiti, which is really nice to hear. So I'm actually moving to Haiti, and Krahin, please update me as I go, 'cause I just wanted to give a quick example of outcomes, and so far from the qualitative research, this research was done by Karish Mahouda and Anton Seamanovitz at Institute of Development Study. I won't actually walk you through all these results; I'll just select a few which I find interesting and I'll leave you read the rest. What I found particularly interesting first is on the food security. Since the study shows that the food insecurity declined by over 50-percent, and this is although the consumption support had stopped for the previous ten months before the study was done, and despite the fact that at the time this was before the earthquake, but there was already a severe food crisis in Haiti, which was dramatically increasing the price of staples.

Another interesting finding is that the savings – the volume of savings at first had hiked at Fune Cozi, but then when the program ended savings levels actually went down, formal savings, but at the same time the value of large assets owned by the participants increased quite dramatically. What's interesting is people actually moved from small assets transferred

by the program, typically goats or medium-sized assets, to actually buying much larger assets, such as cows or donkeys or mules in the case of Haiti. So it seems that people moved from saving formally at the time of the program to saving informally with large livestock after the program's end.

I gave a quote before on the incredible story of empowerment with several women in Haiti. If you want to hear more of those quotes you can look at the Fune Cozi YouTube videos, which are incredibly powerful and sometimes also poetic and quite funny. But there are incredible stories of women moving from dependence to the fathers of their children to independence. And I think we'll hear something quite similar from Joya on the participants at Trickle Up too, 'cause I think empowerment was one of the strong results there too.

Just other – one thing that is important to note is that the use of health clinics really shot up in Haiti, and that was mainly do to Fune Cozi's partnership with Partners in Health, but also in part according to the researchers it was due to the fact that people were more able to pay for medication. And as you see, children's schooling increased quite dramatically.

Now the next two slides, and they'll be my two last, walk over some of the draft, and I insist these are still draft and actually not yet published. RCTs, so randomized control trialed impact assessment results, they've been done by Jonathan Murdoch and his team at NYU for SKS NGO and by Esther de Fluer _____ and their team at JPAL in the case of Ban Ban. So let me start with Ban Ban, which has pretty incredibly positive impact for an RCT. Even in the words of the authors, who tend to sometimes be a bit skeptical. However, just to temper these results, you'll see in the next slide that SKS NGO, the draft results are not quite as encouraging. But first with the good news at Ban Ban, the most positive impact here is on the incredible increase in monthly consumption, more than 25-percent on average for households who actually choose to participate in the program. This is a great result because we know from the baseline survey that people who joined the program were particularly food insecure.

What we also know is that this increase in consumption is mainly focused on nutritious foods, such as dairy, nuts, eggs, and meat, which is also really good to know. Also interesting is the fact that participants have increased savings. They saved – participants saved nearly twice as much as those who are in the control group. Another kind of mixed result is that there is a positive change in the knowledge and attitudes on social and health issues, meaning that people know more about dowry, about vaccination, about washing their hands, etc. But there are no actual changes in health or social outcomes at this stage. That being said, the results were tracked 18 months after the program's end, and such profound

changes as health and social changes might actually take more time to take place.

And then I'll just end on this funny result, which is that Ban Ban was especially – was quite weary of having increased child labor through this program. They were frightened that by transferring an asset to the parents, some parents might take their kids out of school to take care of the asset, so they especially asked the researchers to look at this question. It comes out they did these claim allocation exercises and it comes out that quite interestingly, children under 14 spend on average 20 minutes more per day tending for their parents' livestock, which is somewhat – which sounded somewhat problematic, but at the same time it has not impacted their school attendance at all, and to the contrary, the same children also spend and additional 30 to 40 minutes more per day studying. According to my colleague, Hashmi, it just means that children spend less time hanging around their parents' house. But I find it's an interesting result.

Now moving to the case of SKS, this pilot was implemented actually not by the microfinance institution, but by the NGOs, so it's SKS NGO. The results here are somewhat encouraging, but much less than Ban Ban, and they're really not groundbreaking. These are still draft, and the next round of survey results are expected quite soon, probably in the next month or so. But for now what we see is there is no increase in consumption relative to the control group, but we are seeing that people are moving from dependency on agriculture to depending on their own livestock. So maybe it might mean that they'll increase their income later down the line, although we don't really know yet.

In terms of financial attitude, it's encouraging to see that program participants are borrowing less from money lenders. Since as many of you in the room will know that over-indebtedness is really a major concern in the area. This pilot is in it under Purdesh. Another encouraging result is that health – people report being less sick. However, it's quite disappointing to see that there is no impact of the program at all on children's schooling.
In fact, this s quite similar to what BRAC found with their own experimental research in Bangladesh too. It would be interesting in the case of SKS to explore what the school also looks like in the area, given that we know that in other pilots, such as Pakistan, the fact that there's very limited school presence is one of the major constraints.

Just to wrap up on these SKS results, as I said, they are kind of disappointing, but it's actually very interesting also to speak with Jonathan Murdoch and the other researchers on this study. What they're finding is that in the Andrew Purdesh context there has been a very strong growth since the start of the pilot, and also the government has been very active in

several government programs, have had a very high take-up rate, which means, according to them, and this is just one potential explanation, is that the participants in the pilots aren't doing that much better than the control group relatively, but actually both control and treatment groups are actually much better off than at the start of the program, it's just that people who didn't enter this pilot program had many opportunities elsewhere with growth and other government programs.

Now this is really just one potential explanation and it's going to be confirmed or unfermed and we'll be having a discussion with researchers on this next week. We'll be sharing these results as soon as they are public and also be blogging on these results on our Community of Practice website. And this is a good segue into my final slide, which is just to invite you to follow the research results, the learning, the current questions, and the discussions we're having on the Community of Practice website, where we're all trying to learn from each other around these set of pilots. Thank you very much.

Female: So good morning. Thank you, Aud and Jan for that. I'll chip in with some of the experiences of Trickle Up. And now that most of the issues around ultra-poverty and the sequence model of the CGAP program and working with people living in ultra-poverty have been covered, I'd like to just kind of highlight some of our learnings from our experience. And really I'd like to just comment as well that one of the great advantages, I think as Aud mentioned, was the kind of learning community that's been established around looking at the issues of the ultra-poor and the kind of openness and discussions that we have that really call out some of the critical issues, look at the kind of critical findings that we're having and struggle with how can we make our programs most effective. And I think that environment has been critical to a lot of the progress that we've been able to make in responding to the needs and conditions of people living in extreme poverty.

So Trickle Up, as you've heard, was a member of the CGAP. I think we've been around for some time, and I think always driven by the core belief of the potential of the poorest. So not looking at them as just objects of, you know, another program, but really as people who have been isolated, are living in a very vulnerable and difficult condition, but also have potential and a lot of assets within themselves, within their families. And going back to the point of what Aud was saying, how do we support them? How do we accompany them in building their self-confidence in their assets, their access to different services to be able to make decisions and take choices in their lives for the benefit of their family, of themselves, and of their communities?

Where we work, as Aud mentioned, when we work in Asia, that's the office that has been working in the CGAP pilot. We also work in West Africa, in both Mali and Burkina Faso; Central America in Guatemala and Nicaragua. What's been very interesting for us and our experience in CGAP is adapting the series of interventions and the sequencing of the interventions to very different cultures and contexts, not only throughout the different regions, but within the special groups that we're working with, for example, people with disabilities. And we are finding that the sequence of the intervention, the amount of time each phase and each intervention takes can be very different, depending on the population with whom we're working with.

I'd like to emphasize as well in addition to the vulnerability and the poverty ranking, we're looking more and more at the notion of exclusions. So what are the exclusionary factors? And I think it's no accident that many of the populations we're working with, such as scheduled castes and scheduled tribes, indigenous people have been in situations of extreme poverty for several generations, and there's systemic reasons for that, and I think it's also important to note that although livelihood is an important road towards more sustainable situation for families, there's also very systemic issues that we can begin to address and governments are addressing. So that linkage with those policies that are intended to favor the poor and perhaps don't reach to the extreme poor is another area of interest and another area that's emerging through our experience in learning.

Some of our big lessons in terms of our involvement in CGAP is, again, as I mentioned, the sequence of interventions, and a very strong focus on self-help groups. We've found that self-help groups in our view are very important for the support that individuals need as they break through the isolated situations they're in. As they face very difficult situations at a personal level, at a family level often. And as they start to gain confidence in building small businesses, to really get that advice and support and counsel from their peers is a critical thing. I'll show you some slides. There's also some very interesting trends that we're looking at a big more in terms of the self-help groups as a vehicle and an important component for sustainability of some of the gains that we see with our participants.

The other piece is the hand-holding, we call hand-holding, coaching, accompaniment, looking very carefully at what that actually achieves in the first year and what kind of training is necessary for those people that are actually going out, the social agents that are working individually with families, which changes, again, depending on the cultural context, depending on the nature of the special group. For example, we'll talk a little bit more about people with disabilities and the critical nature of hand-holding in the very beginning, not only for the participant, but remember

that hand-holding also makes a difference in terms of the family's acceptance of the woman or whomever the participant is is engaging in the livelihood activities.

I'd also like to highlight again some of the unexpected areas of impact that aren't completely unexpected, but aren't perhaps part of the absolutely core model that we began. But we feel as the program matures and as our participants take off in new ways with their newfound skills and increased assets, both capital as well as social assets, we're finding some interesting trends that we'd like to explore and keep an eye on further. So amongst those is the self-help group Collective Action. And Collective Action is something that we've begun to track. So we're looking not only at savings, group cohesion, the frequency with which groups are meeting, we're also looking at are there things that that group takes on beyond financial savings? And I'll give you a couple examples of those that we would be talking about as really an excluded group, how do they begin to engage with local government, with their community to really look at demanding and achieving some rights and some changes in their communities that they're interested in.

Another aspect that we're seeing, and we see it every time we visit a family, and I will get back to my individual case; I haven't forgotten. We see children participating. And I think Aud showed some more statistical impacts that are there around children, but we also see this in terms of from infancy to youth there's an impact in terms of breaking the intergenerational nature of extreme poverty. So I'd like to share a couple examples on that.

And the final point I'd like to look at would be we talk a lot about scale, and I think one of our struggles in working with people living in extreme poverty is scale tends to be numbers. Big numbers. And one of our struggles is as we work with the ultra poor it's a very intensive, very focused, very costly intervention. So how can we begin to talk about depth of scale and who's missing and who's being left out as we reach these bigger numbers in terms of scope and breadth of scale. So I'd just like to talk a little bit and I'd really be keen to hear feedback from everybody on that, because I think that is one of our struggles.

So just highlighting here then, in Mali we have taken – and the other thing I should highlight is that although we did the CGAP pilot in Asia, in India, we've tried and we've done learning within the organization to adopt some of the lessons in other regions, and that hasn't been a complete – we haven't completed that process, but again, it has influenced the way we're looking at data and the way we're looking at the activities in each of our regions.

So this is some data I would like to share around the effect and the activities of solidarity groups in Mali after three years. And I think here we can see that the graph shows that we have maintained – the solidarity groups, rather, have maintained a real focus and a real sort of different level around food security, even three years out. And this in a program where our most significant interventions are only in the first year, and not even continuing the kind of hand-holding intensively that we do in Asia. So we're very intrigued by these results, and obviously we want to look at them a little bit further, but that, again, is a hopeful sign for the role or solidarity groups in sustaining the impact for individuals.

Here I wanted to highlight again some of the collective actions from Mali. There's an interesting thing that happens, and when Aud was talking about the decision-making and turning from sort of that ability to – from dependence to independence, what's really fascinating is the nature of how groups have begun to take decisions. So in a sense they break our program rules and they say, "No, we're going to actually change the savings amount during the hungry season" or "We're going to save and we're going to actually not take loans on that, but invest for a collective action or a project within the community." So they really feel ownership of the funds that they are saving and are able to look at how they want to apply those funds within their community.

And it's very intriguing to us, because again, moving from the framework of extreme poverty and isolation, discrimination, vulnerability, exclusion, to actually a group consisting of women that have lived in that situation now taking a decision to throw a party for the kids that are graduating from school this year sort of shows an interesting notion of social capital. How are those women achieving an integration within their community by actually contributing now assets and resources to that community, and at the same time calling attention to things they believe are important, for example, education? They do also collective gardens, they have extended loans to non-members at different rates, which was, again, not part of our original model. And they do group investments; they're very keen at looking at group investments, they look at group gardens. And those profits then go back to the group, they go back also to community investment.

So we need to keep – we need to sort of look at this a little bit more carefully. We want to sort of set up a better evaluation to capture these kinds of dynamics, but we find them very interesting and very encouraging at this point.

Another piece on this that's really important I think as we look at that question of scale is the fact that 53-percent of the groups in Mali have actually sought legal registration and are registered as a local organization.

That gives them a completely different access to their local government, as they are looking for services and access to social policies that are intended for the poor.

So moving to India and talking a bit there about the collective actions as well, again, the attendance rates in the self-help group meetings 2.5 years into the program are at 87-percent and our goal was 90-percent. So I think that for us is an indication the value that the women themselves feel in attending these groups.

Again, in India we're also collecting data around their collective action, and this group here is very proudly standing in a row that they themselves lobbied for their local government to improve, and that was one of the sort of analysis that they had done as a group, was that we really need this road to get to markets and improve our access. So that's a very visual example of a collective action.

Looking quickly then at intergenerational poverty, I think there are a couple stories here that are worth telling. One is if you look at the left-bottom slide, the women in the saris, these are all babies that were born to members of the self-help groups. And one of the linkages, as Aus explained with the local government and the healthcare, was that these babies were born in a government hospital, and by being born in a government hospital the mothers received prenatal and postnatal support, they received other sort of benefits that were outlined by the law. And what's very important here for me is the sense that because they were also born in a government hospital they were registered at birth. And I think that's a critical point in terms of the invisibility of the extreme poor and the fact that now these babies are part of the government rosters, they're citizens, they're registered, they're recognized by the government from a very early age.

And the collective action around the women really lobbying and choosing who in the group was going to have that first baby in the hospital and we talked to her and they said, "No, they told me I had to go and have the baby because we were going to do that now." And it was really interesting how that chain sort of catalyzes through that first brave woman that went.

Moving over to the right, on the bottom, I think we also need to be very aware of child protection issues in terms of family livelihood. And I think many times families living in extreme poverty make very difficult choices about their children's – how their children might contribute to their family labor or their family income. So I think that's another thing that we'd like to look at a little bit more in terms of building awareness amongst families. Oftentimes, as we know, families aren't always completely

aware of the type of vulnerability they expose to their children to in forms of child labor. For example, young girls going to the city as maids; we see that throughout the world, and that's a very vulnerable, very difficult situation, perpetuates perhaps that cycle of intergenerational poverty and something that we should look at a little bit more.

In the top-right picture, another family that we met where the son is now in I think about 10th or 11th grade, and he is keeping the books for his mom and her business and knows sort of the inventory and that kind of thing. And it's just a very concrete example of financial education that he sort of learned his math and now he's applying it to his mother's business, and very clearly saying, "And this is my mother's business, so she knows how much she's making and we know how much we have to go and get for her store." So it was very much a family business in applying that kind of empowerment that he felt and the support and the relationship he had with his mother as the businesswoman and that he was really playing a role in supporting that. One would hope that that then changes the whole way we look at how poverty is passed on from generation to generation. So looking at youth, looking at how they might be more involved in that is a critical step.

Another self-help group in Guatemala, and I just want to go quickly to this next slide, it's my last one, this is a self-help group in Mali, a solidarity group of people with disabilities. And what's very exciting about this group is that they are now in a position to actually help newly-forming groups of people with disabilities in identifying and addressing some of the barriers to financial inclusion. So very actively playing a mentoring role and supporting newer groups in addressing the kinds of barriers that are faced there.

So I think that's a really interesting piece in terms of scale and breadth and depth and involving local government, in being involved in present and local markets that give a bigger impact than a mere individual participant trying to break through some of the very difficult exclusionary barriers that they face in trying to move out of extreme poverty.

So in the interest of time, Jan, I think I'll end there. The last picture is here down on the right, in the right corner in the white blouse with the chicken is Filamena, and she's a woman that lives a disability, a neuromuscular disability, and somebody we visited many times, trying to sort of figure out what would be the most appropriate livelihood activity for her and just looking at sort of the multiple layers of stigma and isolation that she faces, beginning within her family, her community, her sort of physical limitations. It takes a lot of time, a lot of visits, a lot of care to work through these situations, and I think it's important that we recognize that there's not an easy quick fix.

Male: Thank you, Joya. Indeed, in the interest of time, I think we're a little bit late and I really want to leave sufficient time for people to ask questions and to talk a little bit after this. So I'm going to do fast track of my own presentation and hopefully I'll be successful at that.

This slide, all I wanted to show again is that there are these different disciplines that are concerned about reaching the very poor. In the past we were very competitive with each other; we were suspicious of each other. You know, microfinance, we'd say, "What are you doing with these cash transfers? We're trying to generate, we're trying to cultivate a repayment culture here."

There was often a mismatch of services, because again, people weren't always defining the very poor in the same ways or using different approaches. I'm not going to go into details, but what I tried to do with this table is also show examples where these different disciplines have made efforts to reach beyond their core competency, so to speak, where social safety net programs started to link with conditional cash transfer programs in the case of Peru in this case with savings. Where microfinance, there's many examples of microcredit, plus the savings groups that have made so much progress over the last few years are another innovation. Linking those two institutions, providing health, agricultural services, etc. in addition to financial services. And market development practitioners are also looking at ways to reach the very poor, and they do a lot of that through linking with push strategies, and that's what I want to focus on for the next couple of minutes.

What Joya and Aud have been talking mostly about is about these push strategies. It's all about building livelihoods, assets. And I think one important aspect of that, and it's like really cultural difference for people who work at the market level and systemic level, there is a targeting component to this, there is in people – the examples that Joya gave, for instance, having people deliver their children in a government clinic, markets are never going to take care of that. So these type of steps, that local capacity-building, that will still happen through approaches like Trickle Up and others, social organizations that are present.

Confidence-building, this hand-holding that Joya talked about, all these things are very important and can make a huge difference. Push strategies doesn't necessarily mean cash transfers and subsidies. Often they are done in a very sustainable and cost-effective way, and often they already exist. If, like in India, there is an extensive government social safety net program, then what Trickle Up in this case did is educating, motivating people to access the benefits that are already there for them, but that they

themselves weren't able to access because they didn't have the bargaining power, they didn't have the confidence to do so.

On the other hand, exclusively focusing on push strategies isn't always sustainable. And one thing that I like to mention in this case is we're talking a lot about moving the ultra-poor to the next step, but at the same time, people that are the next step, the ones that are struggling to meet basic needs, they are still very vulnerable and can fall back down to being destitute. And preventing them from not making that step back is as much impact and is as important as to reverse focusing on the ultra –poor and getting them to that level.

Pull strategies are about systems, processes, institutions like microfinance institutions, local NGOs that are trying to be more inclusive. Examples are an MFI that customizes its product so they are saving, for instance, small savings, irregular savings, flexible savings that the very poor need much more than credit. When a microfinance institute links to informal or formal savings groups, and this is at the level of the ultra-poor, not only as producers, as microenterprise owners, also as laborers, as employees of companies or small businesses, and as well as consumers. Remember that very poor people, one of the biggest challenges they have is to meet their basic expenditures. So as a consumer if you offer them services or products that can help them to do that, that makes a huge difference as well. An example is fuel-efficient cook stoves. If those help to reduce their extra cash spent on firewood, for example, they'll be able to meet their other life necessities better than that. And those are things that markets can do as well, so it isn't a push versus pull; it's more of a combination of the two and an integration of the two.

Here exclusive focus on pull strategies does not reach the ultra-poor directly. Some people have made the point, yes, with value chain development programs we're not really targeting the very poor, but they are often indirectly benefiting because they might take advantage of new income opportunities as employees.

Audience: What does VCD mean?

Male: Value chain developments. Sorry and thank you.

Example of integrated approaches, we've heard of two. I also want to mention the Productive Safety Net Plus Program in Ethiopia, where CARE and other SEEP members are involved, as well as the government and others. MPAT Kenya is another interesting program that starts with people affected by HIV/AIDS and focused first on health services, but then lends into livelihoods, and they also have a graduation model. And then as a Grameen Foundation, which has evolved with Fune Cozi

initially, but it's currently also working on a partnership with BASICs in India, the basics, the livelihood school as a matter of fact, and also working on a microfinance focused livelihoods pathways for the Forest program.

These I'm just going to show you, but this CARE model is showing where the pull strategies are and the push strategies. And the point I want to make is push strategies aren't exclusively for the destitute; they're even needed at the level where people are ready to grow. There's always new skills, new types of services, capacity-building that people need. It's not just for the very poor. It's not pushing the very poor to where they can be pooled as market players. These two strategies, broad strategy of push and pull, happen at broad levels. And they complement each other. There is a government social safety net program which I would call a pull program, but then there are local NGOs or livelihood programs that are helping people to push towards those programs so they can actually take advantage of them. AMPAT Kenya has a very similar model as the one that Aud presented to us. I like Fune Cozi, Staircasing out of Poverty. I like the visual because it shows how people are helping each, how they were each different. It also looks like some of these women are ready to dive back; they're actually trying to help others to pull back, to come back up. But I think the point that we should be made is that people also fall back. I don't think that if you do a graduation approach and one-time intervention, even if you do it over two years, will not always be sufficient.

And that's another point that I want to make. How do you connect push and pull? Maybe we shouldn't focus as much on graduation pathways, but look at it more as a landscape of different services and institutions and products that are relevant related to different categories of poverty, whether it be the scope of poverty or the depth of poverty or the nature of poverty. And maybe someone isn't going to move up from being ultra-poor to a microenterprise owner, but people are at all these stages and they're always able to move up a step or to fall down a step, and there are services systems needed that can provide those and be of help at all these stages.

And no single player can do this job alone. There used to be much more tension, for instance, between market development practitioners and organizations like Trickle Up. I think we're coming to a point where we realize that, first of all, both these organizations will always be around, and second of all, they can complement each other and coordinate their work and do it more effectively that way.

And this is what the Step Up learning initiative is. We are, first of all focusing on the ultra-poor. Why do we call it the ultra-poor instead of the very poor or the poorest? Because we need the U in Step Up.

[Laughter]

Male: Step VP wouldn't have worked, so – but the actual – or we weren't as creative enough. The other reason, and more fundamental one, is a lot of us are trying to reach the very poor and sometimes stop right in the middle and say, we are, like microfinance has made a lot of progress reaching deeper. So well, the ultra-poor that's a different story, here we really want to focus on the ultra-poor; it's a very big challenge, but we want to look at them first and what do they need. Not necessarily that we're going to subsidize and do all the _____. We're still going to link different services, but we want to – even with a systemic approach, the one that's so much talked about on MAFI, Market Access Facilitation Initiative, for instance, if we just say, "If you want to approach it," and I think we should approach this problem that way, then we could also look with the lens whatever we do, how would that impact the ultra-poor, directly or indirectly?

The other thing s connecting these silos of practice. At this event I think we have a panel with people mostly experienced in push approaches and directly targeting the ultra-poor. At the AMAP event, Value Chain Development Learning event, last month we had a lot of market practitioners who are doing a lot of interesting work related to reaching the very poor, but there are still very few learning events. Panels like this or conversations in the field where both practitioners, including social safety net practitioners I would add too, talk about this landscape, how can we at a country level, for instance, make sure that the missing pieces of the puzzle are in place and how can we work together.

So if someone asks me, "Well, what's a value-added of Step Up?" We have the graduation pilot programs, they have a great website. We have several organizations like CARE, Save the Children, Grameen Foundation, Trickle Up, and many others, ACDI Voca, World Vision. They're all doing a lot of work, but we still haven't brought that together. The graduation model is one approach; there are other approaches too. A lot of them are sequences and coordinated, but there are different options and we certainly need to get these people from different disciplines to be talking together, to do programs together, to have consultations in the field, etc. So that's where we hope to start a dialogue, that's how we hope to add value.

And one thing, lastly, that we really want to do is there is so much learning, which has been very exciting to me, in the last two or three

years. It is on Microlinks, for instance, it is on the graduation pilot website and so many other places. One thing that we will do right away on our website is to just link to all these great resources and keep producing new ones and linking to new ones.

The other thing we'll be doing, and I invite everyone to join us, is start a LinkedIn group that already exists, and join the discussion on these issues, again in a multidisciplinary way. The address is here; we really hope to connect people and increase that learning agenda. I was going to talk a little bit more about some of the learning issues that I think are at the horizon, but for the sake of time I will stop it right here and let's see if any of you in the audience or at home watching this webinar by computer have any questions or comments. Thank you.