



HYBRID POLICY SEMINAR

 Wednesday, January 21, 2026  Washington, DC  9:30 – 11:00am EST

Advancing Poverty Graduation in Fragile Contexts: A New Agenda for Research and Policy

Co-organized by IFPRI and Mercy Corps

Photo: Ezra Millstein / Mercy Corps - Kenya

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Advancing Poverty Graduation in Fragile Contexts

A New Agenda for Research and Policy

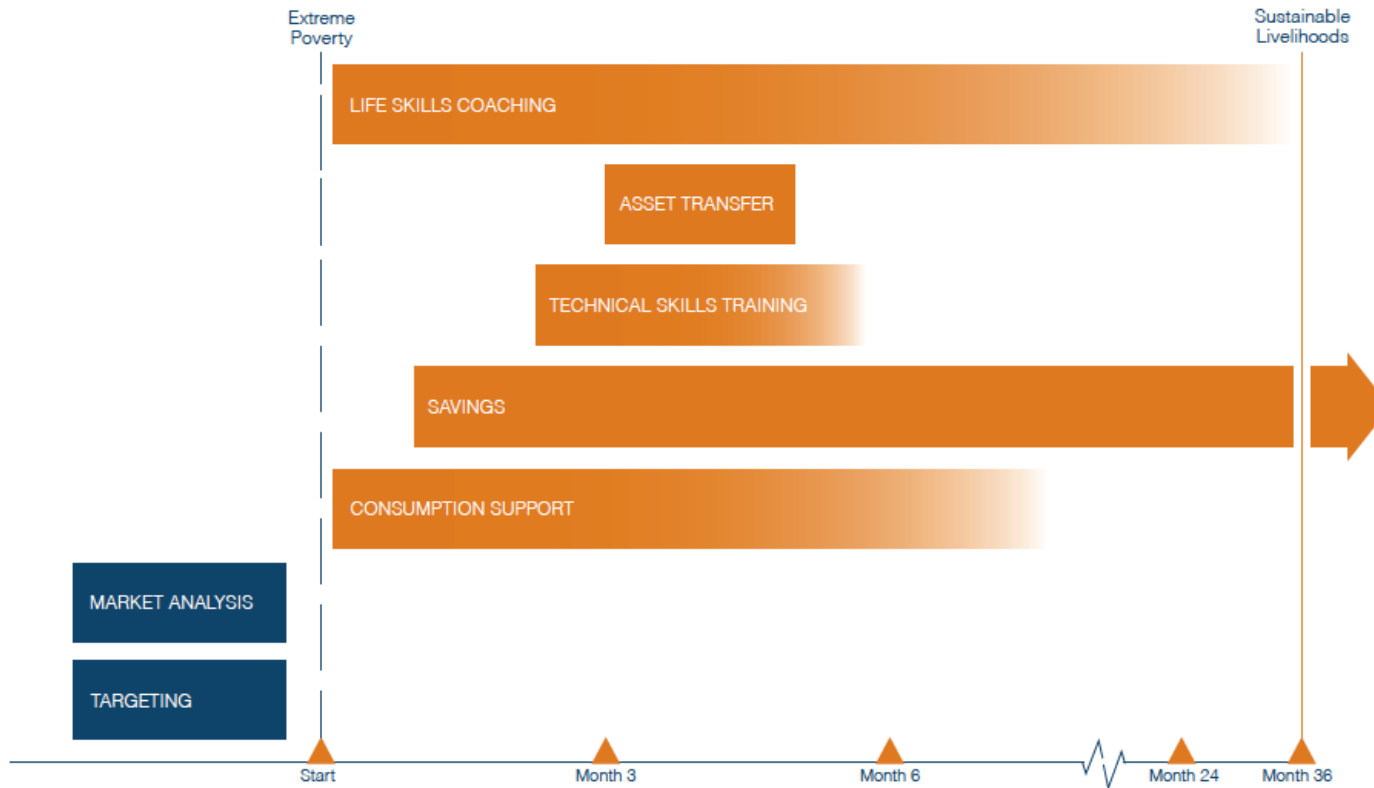
Jeeyon Kim

Director of Research – Food Security, Research & Learning
Mercy Corps



What is the poverty graduation model?

THE GRADUATION INTO SUSTAINABLE LIVELIHOODS APPROACH



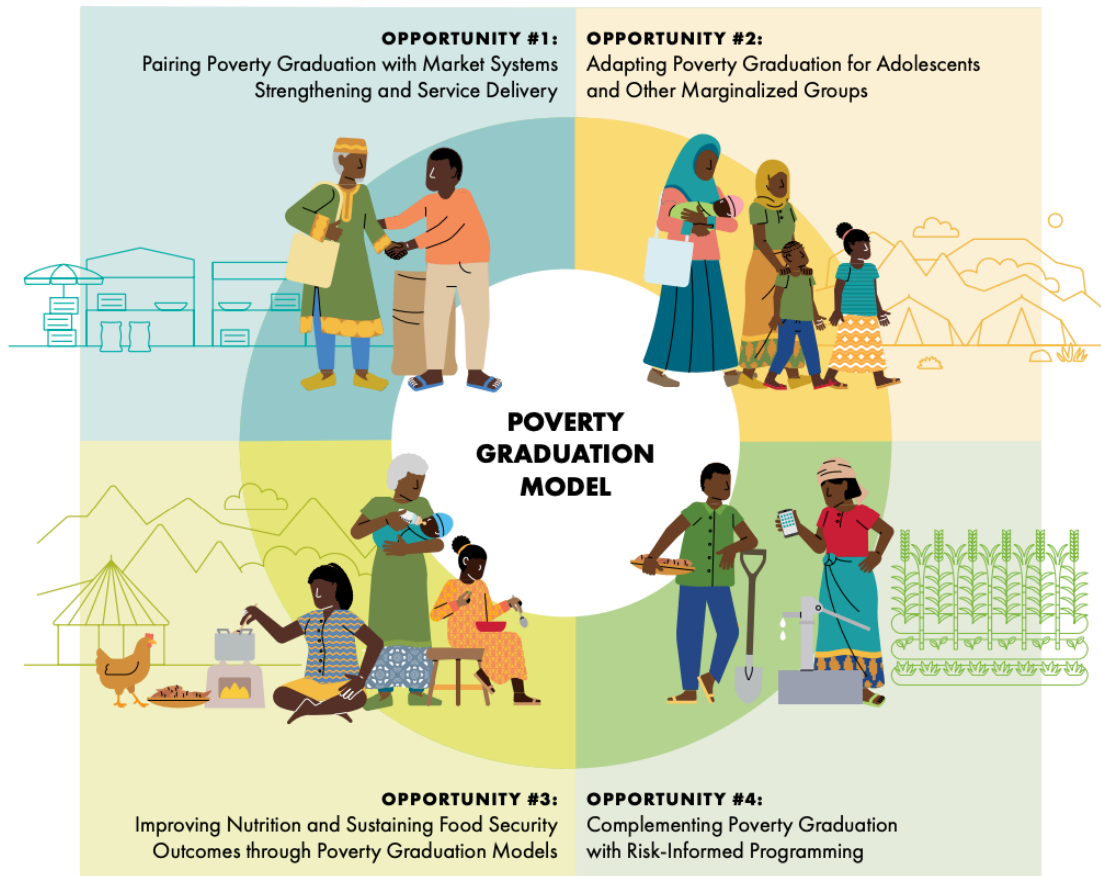
(CGAP, 2016)

Consistent economic and well-being impacts...

- One of the most rigorously evaluated approaches to improving well-being for ultra-poor households
- RCTs and quasi-experimental studies across multiple countries have documented improvements in consumption, income, savings, and asset holdings- with positive impacts holding one year after programs ended (J-PAL 2023; Banerjee et al. 2015)
- Fewer longer-term studies; e.g. In Bangladesh, BRAC evaluation showed sustained gains in consumption, diversified income sources, and asset accumulation post-11 years (Bandiera et al. 2016)
- Promising cost-benefit ratios; benefits from increased consumption and asset growth averaging 166% of program costs in review of projects across six countries in Asia, Africa, and Latin America (Banerjee et al. 2015)

Advancing Poverty Graduation in Fragile Contexts: A New Agenda for Research and Policy

... with much of the existing evidence drawn from relatively stable contexts



CLOSING THE GAP
Evidence & Opportunities for
Adapting Poverty Graduation for
the Most Fragile Contexts

SEPTEMBER 2025



OPPORTUNITY

#1

PAIRING POVERTY GRADUATION WITH MARKET SYSTEMS STRENGTHENING AND SERVICE DELIVERY

- Graduation programs provide targeted support to households. Household-level push interventions alone may be insufficient in fragile and thin-market environments.
- Evidence on graduation programs operating within thin or distorted market systems is limited but growing.
 - **Banerjee et al. (2015), six countries:** sustained improvements in income and consumption tied to sites with more robust labor or input markets
 - **IDInsight (Gallardo et al. 2021) in Kenya and Uganda:** attributed stronger impacts of Village Enterprise's programming to greater market access and sales opportunities for new microenterprises in Kenya
- Gaps in our understanding of how programs can effectively engage local market systems and link to critical services that provide an enabling environment for rural entrepreneurship

OPPORTUNITY

#2

ADAPTING POVERTY GRADUATION FOR ADOLESCENTS AND OTHER MARGINALIZED GROUPS

- Even in stable contexts, evidence suggests that graduation models have heterogeneous benefits:
 - **IPA (Brune et al., 2023) in Uganda:** Positive impacts on income, savings, food security, and psychological well-being across both refugee and host participants, effects larger and more durable among host households
 - **World Bank and UNHCR (Beltramo et al., 2024; Heil et al. 2024) in Mozambique:** Both refugee and host households experienced income gains and business growth, impact more consistent among host households.
- Outcomes shaped by pre-existing assets, social networks, and market access. Raising questions about how well graduation models support sustained pathways out of poverty for participants who are facing structural and social constraints.
- Gaps in our understanding of which adaptations most effectively address barriers, support meaningful engagement, or which outcomes holistically assess impact for marginalized populations

#3**IMPROVING NUTRITION AND SUSTAINING FOOD SECURITY OUTCOMES THROUGH POVERTY GRADUATION MODELS**

- Graduation programs consistently improve, consumption, and savings – critical foundations for food security (J-PAL 2023; Banerjee et al. 2015)
 - Food security gains were more sensitive to shocks, seasonality, and service access than other economic indicators (Ibid)
 - Nutrition outcomes limited and underexplored
- Sustaining food security gains and addressing malnutrition offer a critical pathway for achieving sustained poverty reduction (Alderman et al. 2006; Hoddinott et al., 2013).
- Need for continued learning on integrating food security and nutrition objectives into program design, targeting, and evaluation
 - **Brune et al. 2023 in Uganda:** Evaluation of integrating nutrition-sensitive components into AVSI's graduation program. Preliminary results show improvements in savings, income, and dietary practices, no sig results on anthropometric measures of child growth.

OPPORTUNITY

#4

COMPLEMENTING POVERTY GRADUATION WITH RISK-INFORMED PROGRAMMING

- In settings affected by recurring climate and conflict shocks, growing concern that household-level support and gains may be insufficient to withstand major disruptions.
- Evidence on how graduation programs perform in the face of shocks remain limited and mixed.
 - **Banerjee et al. 2015 in Honduras:** Disease wiping out poultry provided through BRAC program, erasing gains made through investment
 - **Bedi et al. 2022 in Malawi:** Flooding reduced graduation participants food security, but did not set them back completely.
 - **Hirvonen et al. 2023 in Ethiopia:** Partial mitigation of drought's negative impact on food security and livestock holdings for participating households
- Need to examine when and how graduation participation enhances household resilience, how different types of shocks influence program effectiveness to support more sustainable pathways out of poverty

OPPORTUNITY #1:
Pairing Poverty Graduation with Market Systems
Strengthening and Service Delivery

OPPORTUNITY #2:
Adapting Poverty Graduation for Adolescents
and Other Marginalized Groups



**POVERTY
GRADUATION
MODEL**



OPPORTUNITY #3:
Improving Nutrition and Sustaining Food Security
Outcomes through Poverty Graduation Models

OPPORTUNITY #4:
Complementing Poverty Graduation
with Risk-Informed Programming





To participate in our online Q&A session, please submit your questions on ifpri.org, Facebook, LinkedIn, YouTube, or by using hashtag #ASKIFPRI on X



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The impact of a nutrition-sensitive graduation model program on child nutrition: Experimental evidence from Ethiopia

Kalle Hirvonen (IFPRI)

with Jessica Leight (IFPRI), Daniel O. Gilligan (IFPRI), Michael Mulford (Northwestern),
Hiwot Mekonnen Mesfin (World Bank), and Haleluya Tesfaye (IFPRI)

January 2026

Motivation

Ethiopia's flagship safety net program as a platform:

- PSNP is one of the largest national safety nets in Africa (~8 million people)
- Improved food security and assets, but many households do not sustainably graduate from poverty or long-term support
- Child stunting remains high, with growth faltering beginning 4–6 months

Strengthen PSNP Institutions and Resilience (SPIR-II):

- Implemented by World Vision with partners in 2021-2025 with funding from the U.S. government.
- Key feature: a nutrition-sensitive graduation model designed for scale

Intervention components in SPIR-II

Component	Objective
PSNP transfers and platform	Consumption support
SPIR-II livelihoods components:	
Village Economic and Social Associations (VESAs) + training	Peer support, savings platform and skills
\$300 livelihoods grant (1/3 rd of poorest)	Enable investments
SPIR-II nutrition components:	
Nurturing care groups (NCG)	'Knowledge' constraints
\$20 maternal cash transfers, monthly	'Liquidity' constraints

Study design

- Cluster randomized controlled trial with three arms:

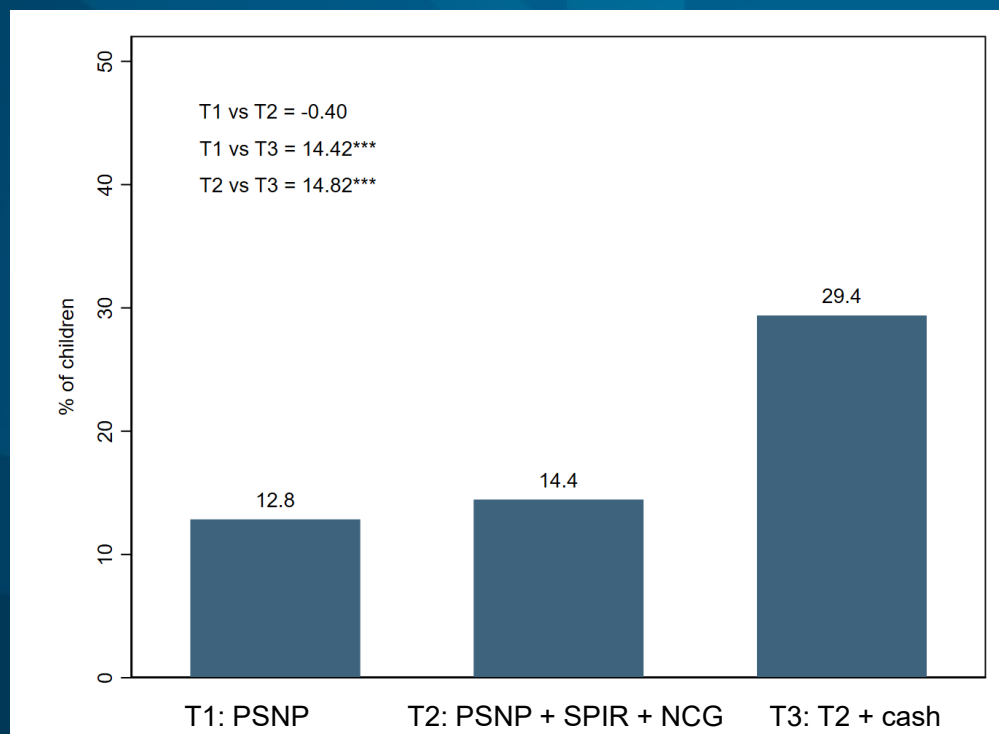
Component	T1	T2	T3
PSNP transfers and platform	✓	✓	✓
SPIR-II livelihoods components:			
VESAs + training		✓	✓
\$300 livelihoods grant (1/3 rd of poorest)		✓	✓
SPIR-II nutrition components:			
Nurturing care groups (NCG)		✓	✓
\$20 maternal cash transfers, monthly			✓

- 3,000 households in 234 clusters (kebeles; subdistricts)
- Baseline in 2022 (child < 9 months or in utero), midline in 2023 (child 6-23 months) and endline in 2025 (child 24-48 months)

Implementation, nutrition knowledge, child diets and early childhood development

- High implementation fidelity.
- Positive but small effect on maternal nutrition knowledge (T2 & T3).
- Large improvement in child (6-23 months) diet diversity, but only in T3.
- a 0.1 - 0.2 standard deviation increase in an index of early child development, midline and endline, but only in T3.

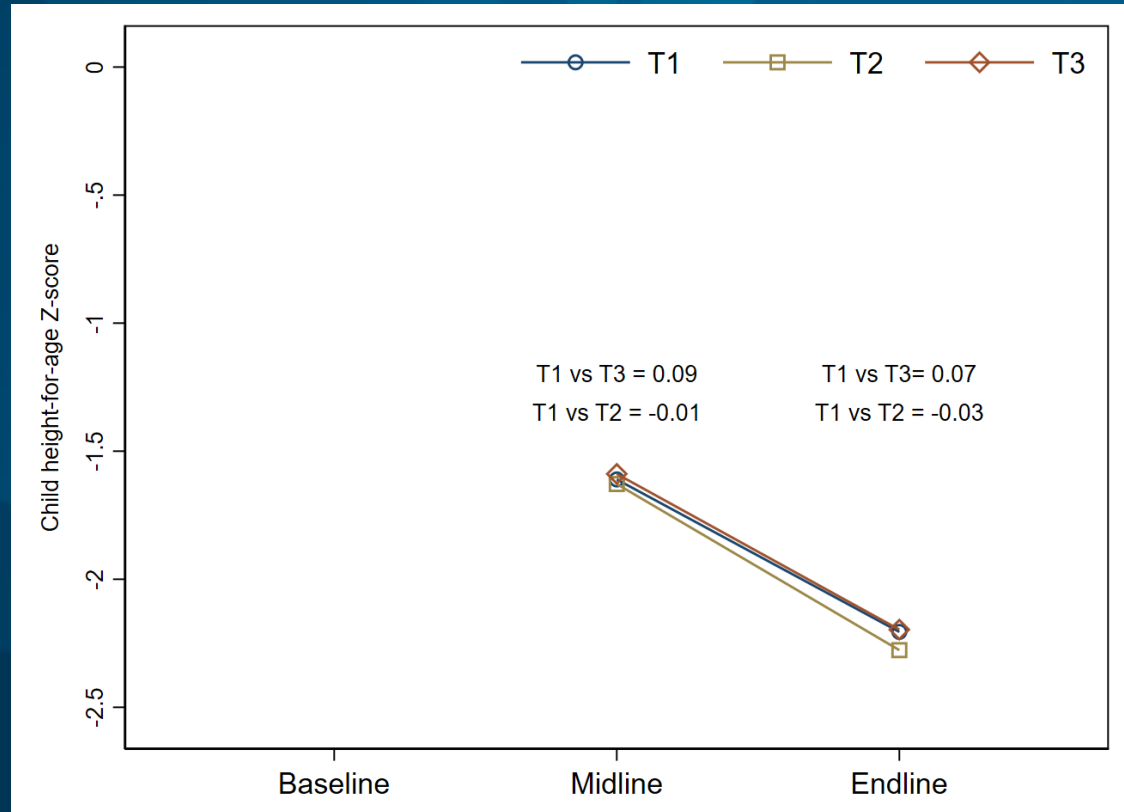
Diet of minimum diversity (MDD-C), children 6-23 month



Note: ***, **, and * indicate significance at the 1, 5, and 10 percent critical level.

Height for age Z-score

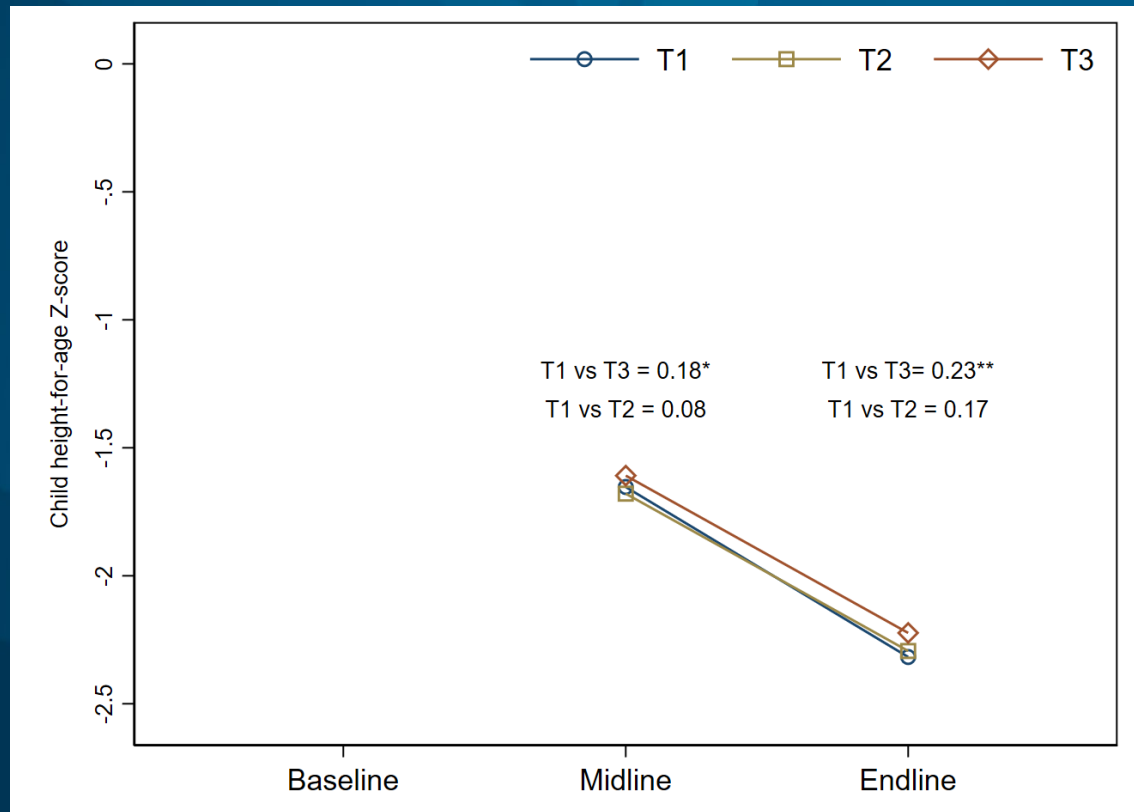
- HAZ, an indicator of growth faltering. In healthy and well-nourished population, average HAZ = 0.
- At midline, mean HAZ = -1.5, at endline mean HAZ = -2.3.
- No meaningful treatment effects.



Note: ***, **, and * indicate significance at the 1, 5, and 10 percent critical level.

Restricting to households receiving \$300 livelihood grant

- Meaningful treatment effects, but only in the arm that received maternal cash transfers (T3)



Note: ***, **, and * indicate significance at the 1, 5, and 10 percent critical level.

Livelihoods Outcomes

- ↑ savings, ↑ credit access, ↑ livestock assets & income
- Modest ↑ consumption: (4% at 1yr; 6% at 3yrs)
- Larger when maternal cash added (7% at 1yr; 10% at 3yrs)
 - Comparable to intensive BRAC-style graduation models
- No meaningful diversification out of crop & livestock agriculture.

Conclusions

- Graduation package + behavior change improved maternal knowledge but did not shift child diets or growth.
- Adding maternal cash (total \$480) produced large improvements in diet quality and gains in early development.
- Prevention of growth faltering (stunting) only with full package, including maternal cash and the \$300 livelihood grant.
- Graduation package strengthened savings, credit, and livestock, with larger impacts when maternal cash was added.
- Intensity matters: adequate financial resources are required to improve both nutrition and livelihood outcomes.



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Displacement and Development: Evidence from a Graduation Program for Somalia's Ultra-Poor

Jessica Leight, Kalle Hirvonen, Naureen Karachiwalla, Deboleena Rakshit

January 2026

Motivation

- The number of displaced people is rising rapidly worldwide, and the majority live in protracted, precarious conditions in low-income countries.
- Humanitarian aid to date has largely focused on short-term relief (cash, food, vouchers), without addressing the underlying drivers of poverty.
- Despite the scale of global displacement, there remains a striking lack of rigorous evidence on the effectiveness of livelihood interventions targeting IDPs (Rozo and Grossman, 2025).

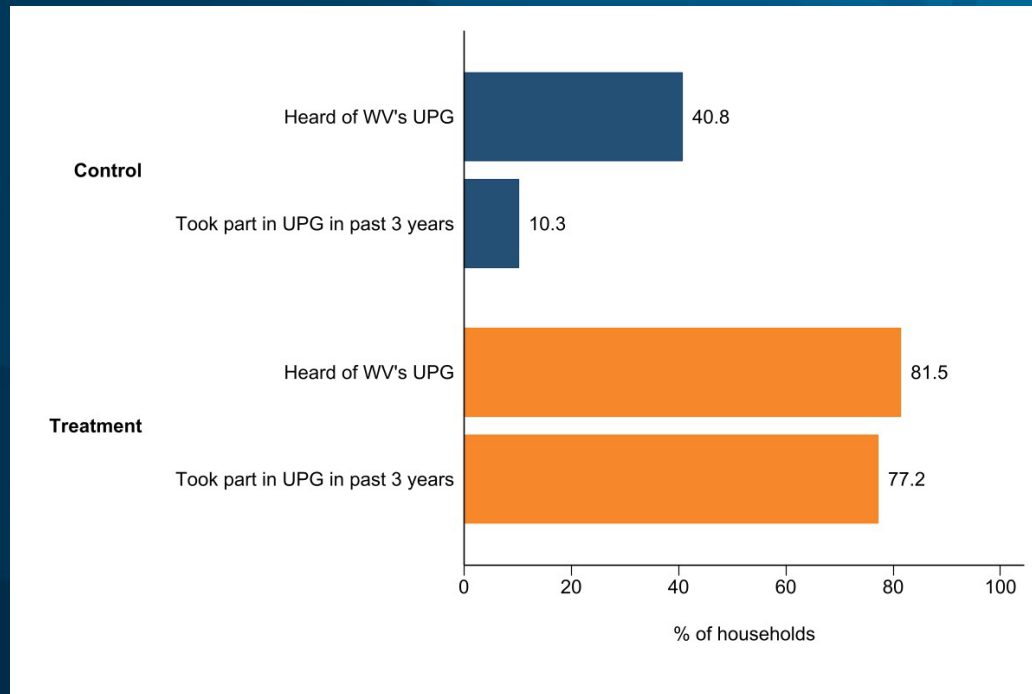
Objective and setting

- This randomized trial was conducted with internally displaced households in Baidoa, Somalia.
- The objective was to provide extremely poor households with a pathway out of poverty and enable them to build resilient livelihoods.
- The key elements of the Ultra Poor Graduation (UPG) program implemented by World Vision included:
 - Cash transfers (approximately \$240 over one year)
 - Asset transfer or technical and vocational training
 - Formation of savings groups and provision of coaching throughout the program

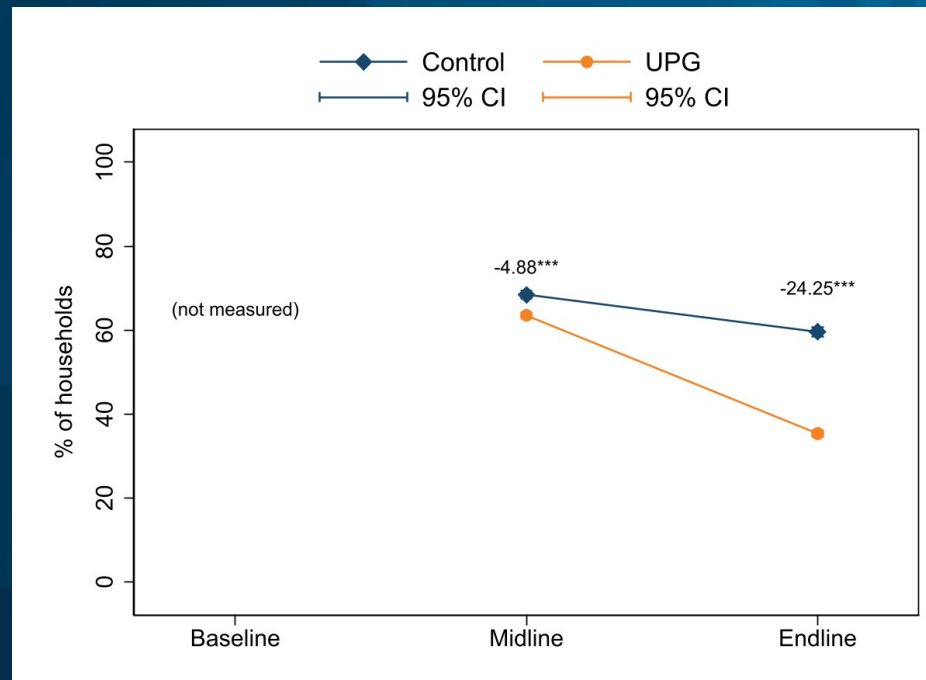
Trial design

- The study sample was drawn from eligible households in 24 IDP sites served by the program.
- Eligible households were those who reported at least moderate or severe hunger at baseline, and had been resident in the site at least one year at baseline.
- Randomization to treatment was conducted at the household level.
- We tracked a sample of 4,116 households over three years.
 - Surveys were conducted at baseline (immediately pre-program), and one and two years post-baseline.

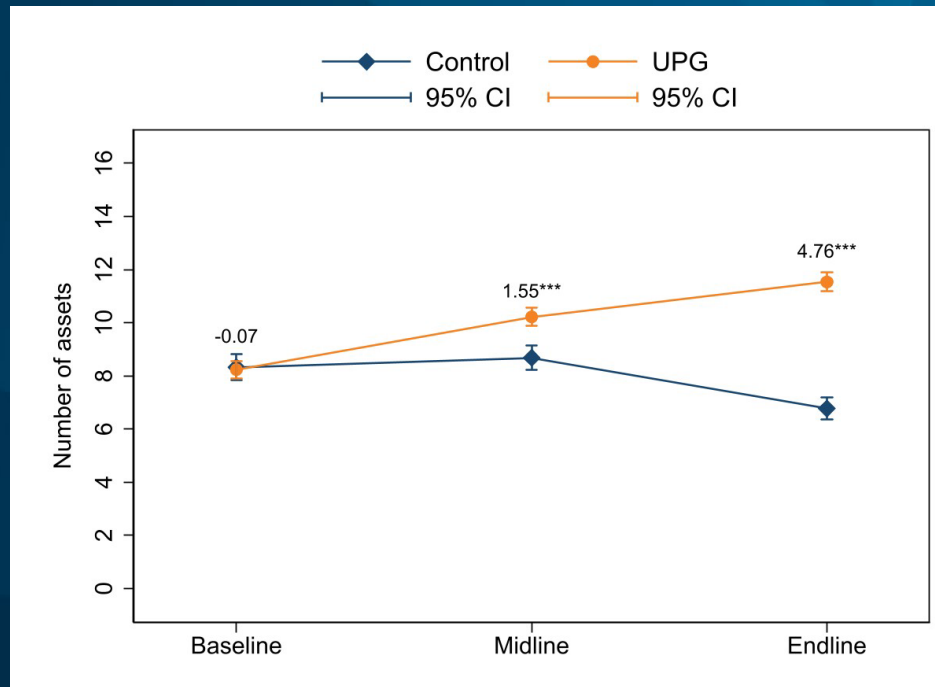
High fidelity of implementation



Effects of UPG: Households living in extreme poverty

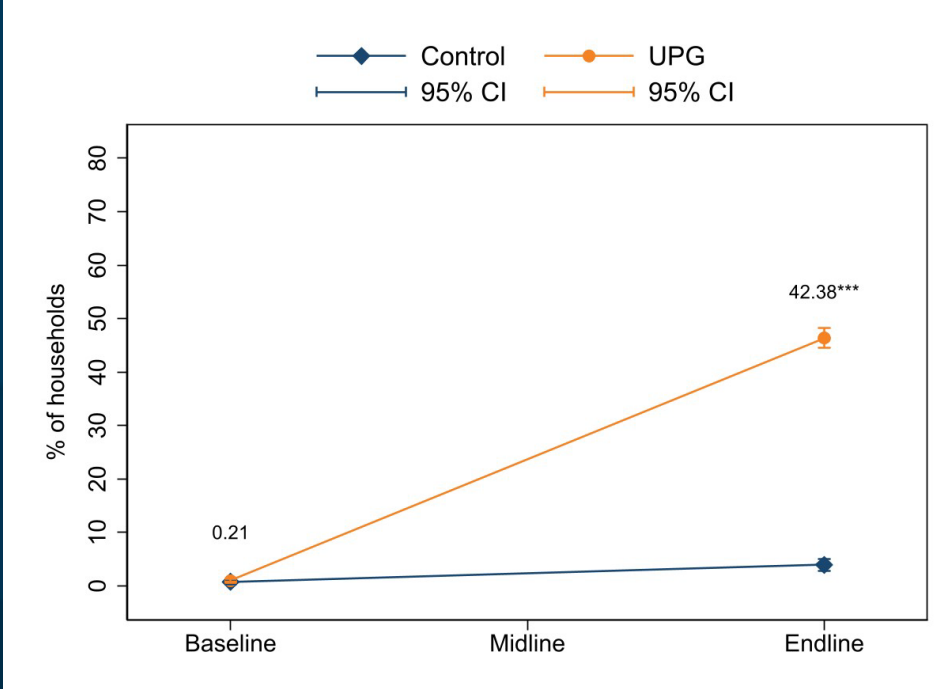


Effects of UPG: Household assets



Note: ***, **, and * indicate significance at the 1, 5, and 10 percent critical level.

Effects of UPG: Any savings



Conclusions

- The ultra-poor graduation program had large positive effects on multiple measures of household welfare in an IDP setting in urban Somalia.
- Further exploration of livelihoods patterns suggests these gains in the short-term were driven entirely by increased income from livestock (limited diversification).
- The sustainability of these treatment effects, particularly in light of the high program cost (approximately \$3000 per household), is a crucial question.

We're excited to hear from you!

To participate in our online Q&A session, please submit your questions on ifpri.org, Facebook, LinkedIn, YouTube, or by using hashtag #ASKIFPRI on X



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DREAMS

Impact Evaluation:

Uganda Endline 1 Initial Results

January 2026

DRAFT – Not for wider dissemination

Dan Hudner, Senior Researcher for Economic Opportunities – Mercy Corps



IDinsight



Poverty graduation in thin and crisis-prone market contexts

- Sustained improvements in income and consumption are tied to more robust labor or input markets (Banerjee et al., 2015).
- Durable graduation depends on stable demand for microenterprise outputs. In volatile market contexts, demand can collapse (Swisscontact/SDC, 2019).
- Complementing big push interventions aimed at households with systems-change interventions helps overcome market constraints and align sectoral growth with individual graduation (World Bank/PEI, 2024).



DREAMS Consortium



Village Enterprise (VE) is a nonprofit organization dedicated to ending extreme poverty in rural Africa through entrepreneurship and innovation.

VE implemented the poverty graduation component of the DREAMS program.



Mercy Corps (MC) is a global nonprofit organization committed to alleviating suffering, poverty, and oppression by helping people build secure, productive, and just communities.

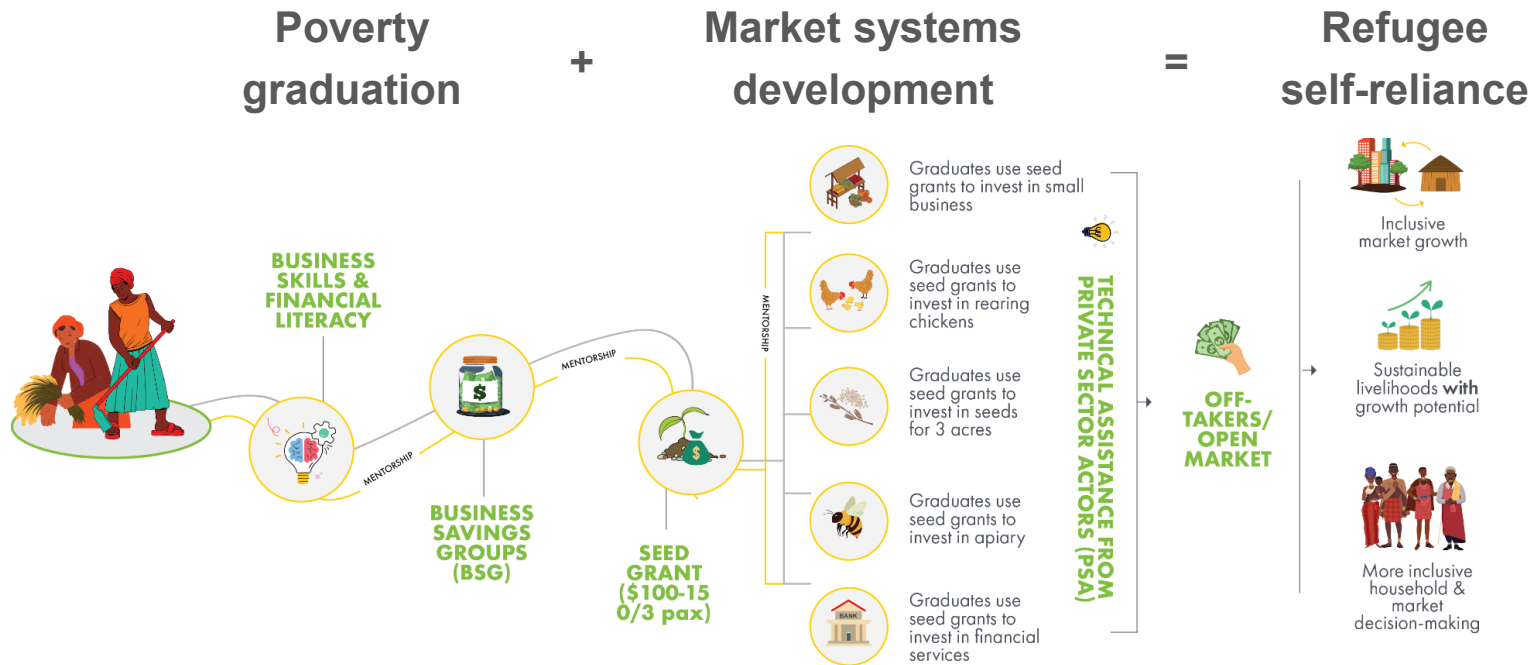
MC led the market systems development component of DREAMS.

IDinsight

IDinsight is a global nonprofit organization dedicated to improving lives through data, evidence, and rigorous evaluation.

IDinsight conducted an RCT of DREAMS in Uganda and Ethiopia.

DREAMS combines push and pull approaches in refugee settings in Uganda and Ethiopia



DREAMS Uganda RCT on poverty graduation + market systems development



EVALUATION DESIGN

Household-level RCT in West Nile, Uganda



EVALUATION COHORTS

Graduation cohorts 3-6



PARTICIPANTS

3,280 treatment and 3,280 control households + qualitative participants



DATA COLLECTION

Endline 1 data collected from Apr - Jul 2025

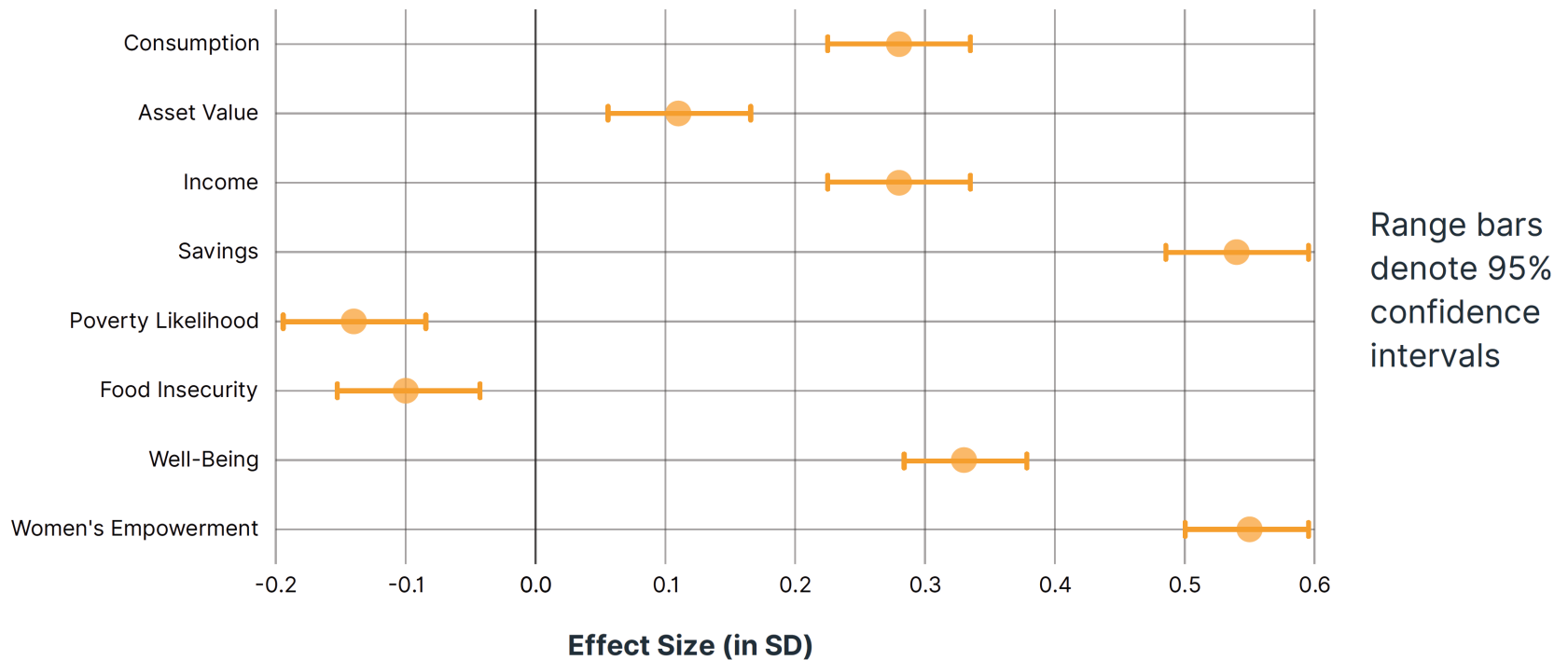
RESEARCH QUESTIONS

- 1 What is the impact of DREAMS (poverty graduation + indirect MSD + direct market support) on livelihoods, social cohesion, and perceived well-being of vulnerable refugee and host community households in Uganda's West Nile refugee settlements?
- 2 What is the impact of DREAMS specifically on refugee households?
- 3 What is the impact of DREAMS specifically on host community households?
- 4 In what ways, if at all, did graduation and MSD activities complement each other?
- 5 What is the cost-effectiveness of DREAMS compared to the status quo?

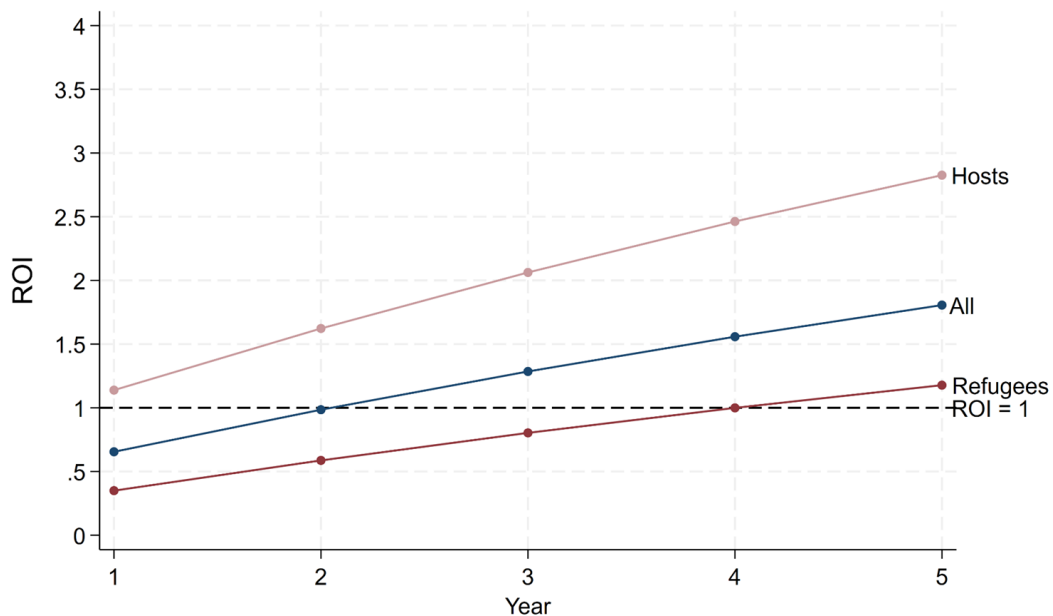
● Primary research question
● Secondary research question

Initial results (Uganda, endline 1)

Standardized Effect Sizes on Key Outcomes



Cost-effectiveness results (Uganda, endline 1)




$$ROI = \frac{\text{Consumption effect} + \text{Net assets effect}}{\text{Cost per household}}$$

ROI after...

	...1 yr...	...3 yrs...	...5 yrs...
<i>...for all</i>	0.65x	1.29x	1.81x
<i>...for refugee communities</i>	0.35x	0.80x	1.18x
<i>...for host communities</i>	1.14x	2.06x	2.83x

How does this compare?

<u>Program model</u>	<u>Consumption</u>	<u>Assets</u>	<u>Income</u>	<u>Costs per HH</u>
DREAMS (PG + MSD)	+17%	+21%	+24%	\$631
'Graduating to Resilience' (PG, full package)	+24%	+115%	+49%	\$2,819
6 country poverty graduation study (PG, averages)	+8%	+15%	+5%	\$1,455–\$2,000



Comparing efficiency to other programs

Program	CE estimate: 5yr ROI	Notes
DREAMS Uganda	<ul style="list-style-type: none"> • Pooled: 1.81x • Refugees only: 1.18x • Hosts only: 2.83x 	See previous slide
Village Enterprise (DIB program)	<ul style="list-style-type: none"> • Pooled: 1.84x • Kenya only: 2.84x • Uganda only: 0.72x 	Final evaluation report (link) CEA write-up (link)
AVSI program in Rwamwanja (IPA RCT - Uganda only)	<ul style="list-style-type: none"> • Group arm: 0.76x • Individual arm: 0.63x 	Working paper (link). Lifetime ROI of 3.6x in group training and 2.9x in individual training, with 5% discount rate and no asset effect included. Updated calculations shown here.
Targeting the Ultra Poor	<ul style="list-style-type: none"> • India (highest CE): 0.72x • Ethiopia: 0.44x • Ghana: 0.26x 	Publication (link). The paper reports a lifetime ROI using a 10% discount rate as 1.24x (Ethiopia), 0.63x (Ghana), and 2.11x (India). Updated calculations shown here.

Next Steps

- **Unbundling DREAMS model vs Graduation only in Ethiopia:** Multi-arm RCT on DREAMS with poverty graduation only arm, plus combined program (2026)
- **Longer term effects:** Follow-up surveys in Uganda and Ethiopia to assess if short-term gains are sustained or diminish over time (2026, 2027)
- **Exploring scale and spillovers:** Understanding the extent and mechanisms of spillovers will help establish DREAMS' scale and efficiency, and inform appropriate uses of the combined model.