



Enabling Sustainable Graduation out of Poverty for the Extreme Poor in Malawi

Introduction to Concern Worldwide's Graduation Programme

Concern Worldwide's organisational focus, which is on extreme poverty, recognises the multi-dimensionality of extreme poverty, characterised by the lack of basic assets and the low return on these assets; inequality; and risk and vulnerability. Concern's work is focused on the causes, maintainers and obstacles that prevent people from escaping extreme poverty, and seeks to address them. In order to address these challenges, Concern has developed a modified Graduation Model, first developed by BRAC in Bangladesh.¹ The graduation approach utilises a multi-sectoral series of interventions (comprehensive targeting followed by consumption support in the form of cash transfers, skills training and coaching, saving and financial access, and asset transfers) to support a pathway out of extreme poverty.²

At a Glance

Programme Title: Enabling Sustainable Graduation out of Poverty for the Extreme Poor in Malawi

Programme Objectives: To increase resilience to climate change and reduce inequality for extreme poor and poor households in Nsanje and Mangochi.

Approach: The programme adopts a graduation approach; an integrated package of support designed to not only move people above a certain wealth threshold but also to facilitate a sustainable exit from extreme poverty. It also aims to address broader community problems through an enabling environment.

Target Group: Extreme poor and poor households with labour capacity.

Number of Direct Beneficiaries: 8,000 households in total (51,200 total direct beneficiaries). 2,000 as graduation households and 6,000 in the enabling environment. In 2017, 200 graduation households have been targeted and 1809 households under the enabling environment. In this first cohort, as many Social Cash Transfer (SCT) beneficiaries as possible were targeted.

Programme Duration & Location: 2017-2021 ; Mangochi (TA Katuli), Nsanje (TA Ngabu, Chimombo, Makoko and Ndamera)

Context and Programme Rationale

In Malawi, 25% of the population are 'ultra-poor',³ as defined in the 2012 Malawi Integrated Household Survey⁴. A Concern Malawi contextual analysis, conducted in February 2016 in two of the poorest districts, confirmed that there are very high levels of extreme poverty in communities.⁵ This is largely attributed to recurrent climate-related shocks, such as floods and especially drought. The cropping seasons in 2014/15 and 2015/16 were poor and left the country with severe food shortages. This succession of events led to the largest humanitarian crisis Malawi has seen in over a decade, with

¹ CGAP (2014) From Extreme Poverty to Sustainable Livelihoods. A Technical Guide to the Graduation Approach.

² BRAC (2015) PROPEL Toolkit. An Implementation Guide to the Ultra-Poor Graduation Approach.

³ Ultra-poor: a group of people who eat below 80% of their energy requirements despite spending at least 80% of income on food – Lipton (1986).

⁴ The Integrated Household Survey (IHS, 2012)

⁵ Community self-assessment suggestion that 50-60 % were in the ultra-poor category

6.9 million people in need of food assistance (39% of the population) in 2016/2017. The 2012 Comprehensive Food Security and Vulnerability Assessment (CFSVA)⁶ attributes chronic poverty in Malawi to low agricultural productivity, poor infrastructure, limited availability of land, the high cost of agricultural inputs and the recurrent weather shocks. At country level, the Concern Malawi Poverty Index, which identifies the poorest and most vulnerable districts in Malawi, was updated in February 2016. Nsanje and Mangochi were ranked as the poorest and second poorest districts.

Concern's **Contextual Analysis** identified a number of different extreme poor social groups⁷: women headed households, households with large numbers of dependents, households headed by the elderly or children and households headed by the chronically sick or disabled. These extreme poor groups are characterised by a number of typical factors including livelihood strategies predominantly based on agriculture and casual labour. Furthermore, the extreme poor have few capital assets, are labour constrained, own small plots of land for cultivation and have few skills beyond farming. Finally, these social groups often have poor social support networks and little say in community or political decisions. Significant factors keeping them in poverty include a lack of status, recognition and voice, especially for women who carry out much of the agricultural labour, have little influence at household and community level and are exposed to an array of negative cultural practices. Both prevalence and incidence of **HIV and AIDS** is extremely high in rural communities and the stigma associated with the HIV and AIDS limits access to services and support from the community. The Graduation Programme baseline results show that 67% of respondents were unable to identify the major ways of preventing the sexual transmission of HIV.

The Graduation approach has been chosen by Concern as a relevant **multi-dimensional** programme approach that tackles social exclusion, particularly on the basis of gender and social status, as well as increasing the capacity of the extreme poor to develop sustainable livelihoods in the context of increasing vulnerability to climate shocks.

Concern's Graduation Programme in Malawi

Concern began implementing a 5 year graduation programme in southern Malawi's Mangochi and Nsanje Districts in January 2017. The programme embeds a graduation component within a community 'enabling environment'. The enabling environment component involves fostering a community-wide approach to addressing problems which affect all poor people in the community. The programme encompasses a research component, which determines the impact of the transformative gender training on the programme. As part of the research component, Graduation households will be accompanied through an intensive 2 year programme for transforming gender attitudes and norms.

Key interventions

Concern's graduation programme consist of five core components: Comprehensive Targeting, Consumption Support, Skills Training and Coaching, Savings and Financial Access, and Asset Transfer. The first component is a **Comprehensive Targeting** exercise that identifies extreme poor households as programme participants, using a combination of methods, including community identification through Participatory Wealth Ranking. This helps to establish wealth categories and the criteria for selection. In addition, those selected must have the physical ability to participate in the programme.

⁶ National Statistics Office of Malawi and WFP (2012) Comprehensive Food Security and Vulnerability Assessment

⁷ A term used by Concern Malawi and communities to define the bottom wealth category – which is then contextualised by local communities during wealth ranking

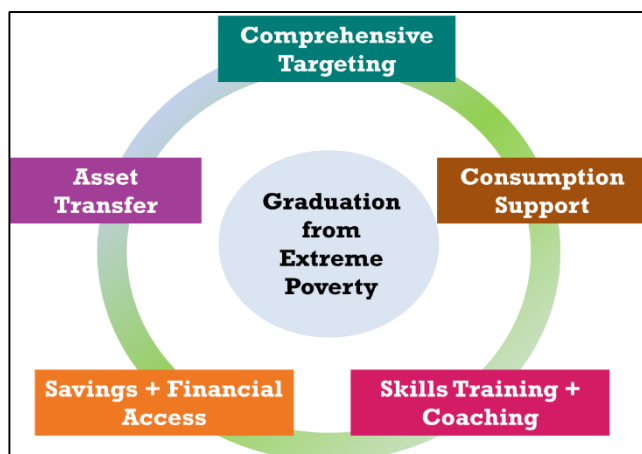


Figure 1 – Concern Worldwide's Graduation Approach adapted from BRAC

The second component is **Consumption Support**, provided in the form of cash. This helps participants meet their basic needs, as they are encouraged to change their livelihood strategies and helps stabilise their consumption levels until they start earning income from the assets that have been developed and enhanced as part of the programme. The first 200 households started to receive a monthly **cash transfer** of 15,000 MWK (approx. €17) in October 2017, for 18 months⁸. In the event of a widespread humanitarian crisis emerging during implementation, Concern will look to increase its support to meet the humanitarian needs.

The third component of the programme is to provide **skills training and regular coaching** to the participants. This focuses on enhancing human capital and includes providing access to practical, short, hands-on trainings, as well as routine coaching and monitoring visits which started in September 2017. During these visits, **case managers** check whether participants are on track to reach their goals and offer guidance on how to address problems and encourage behavioural change, which is considered a major determinant in the success of programme participants. A case manager (Concern employee initially) visits the graduation households twice a month and provides **Business Skills** trainings and helps the household identify viable Income Generating Activities (IGAs), as well as training households on **Climate Smart Agriculture** (CSA). Discussions on savings practices, the use of the cash transfers and asset transfers, health and hygiene, as well as linking and referring beneficiaries to identified service providers, will be a continual part of the household visits.

The fourth element of the approach is exposure to microfinance and in particular, **savings**. Although some amongst the extreme poor save informally, saving regularly in a formal way will help programme participants build financial discipline and become familiar with financial service providers. Graduation households are encouraged to join Village Saving and Loan (VS&L) groups and by December 2017 a total of 190 households were linked to VS&L groups in Mangochi and Nsanje.

The final component is an **asset transfer**—this helps participants jump-start a sustainable and profitable economic activity. Options for viable livelihoods are developed through studies that analyse demand, available infrastructure, value chains and upstream and downstream linkages. The asset transfer consists of €120 which is transferred to the beneficiary 6 months into the programme.

Households in the **enabling environment** component are targeted with livelihoods interventions including establishment of demonstration plots, Climate Smart Agriculture (CSA) sensitization and training for lead farmers, field days, seed fairs and linking farmers to agricultural associations to improve their market access. Furthermore, to improve the communities' ability to prepare for and respond to shocks, Concern will be providing support to the Village Civil Protection Committees (VCPCs) to anticipate, mitigate and respond to disasters. The whole community is being encouraged to engage in VS&L groups and business skills training and access to training and sensitization to

⁸ Concern has attempted to use models which are widely used to calculate cash transfer values in Malawi, e.g. the standard food basket used in humanitarian crises. However, the Concern model assumes that the households will have some additional means to cover basic needs (own production, VS&L membership) and that normal conditions apply, i.e. regular seasonal food insecurity affecting the poorest in particular, but not widespread humanitarian crisis.

improve knowledge, attitudes and practices towards those living with or affected by HIV/AIDS is provided.

Concern will also aim to support **national and district level policy frameworks** to improve implementation of social protection and CSA. This will be done by providing capacity building and other support to District Agricultural Development Office, District Social Welfare Office and Extension Staff and by generating learning documents around the implementation of the graduation programme. As they develop, Concern will support the District, Area and Community level Social Support Committees to coordinate services related to social protection to vulnerable households.

Alignment with the Malawi National Social Support Programme (MNSSP) II

Concern has been working closely with the Ministry of Finance, Economic Planning, and Development (MoFEPD), Poverty Reduction and Social Protection Division (PRSP) and the Ministry of Gender, Children, Disability and Social Welfare (MoGCDSW), Social Cash Transfer Department, for over a year, to ensure Concern's programme alignment with the revised Malawi National Social Support Programme (MNSSP II). Concern's graduation programme aligns itself with the three pillars guiding the MNSSP II thematic priority areas⁹. Concern targets SCTP beneficiaries that have the capacity and willingness to engage in the graduation programme. It is expected that valuable learning will result from this which will inform the Government's Graduation Strategy in the future.

Research Component

Concern Malawi and Trinity Impact Evaluation (TIME) Unit at Trinity College Dublin are undertaking comprehensive research to estimate the impact of the graduation interventions on gender empowerment and ultimately household welfare as well as whether a gender component enhances the programme outcomes. The results from the research will contribute to on-going discussions on Social Protection in Malawi, while at a global level this will be the first study in the world to examine the gender dynamics of the graduation model. The results will therefore inform a variety of approaches, including those on cash transfers, the graduation process and approaches to addressing inequality. For more information in the research component, please see Brief No. 3.

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⁹ Concern is working towards harmonisation of approaches in provision of consumption support to that of the Social Cash Transfer Programme (SCTP) by providing cash distributions on the same day when possible and working jointly with the District Social Welfare Office to ensure mutual learning to provide timely, predictable and adequate cash transfers as required by Pillar 1. Under Pillar 2, Concern supports promotion of resilient livelihoods through business skills and technical training, creating graduation pathways for the extreme poor. Finally, Concern is engaging with Pillar 3 on Shock Sensitive Social Protection by implementing Disaster Risk Reduction activities and through its broader engagement in dialogue and experimentation on how to achieve shock responsiveness, e.g. through combining hazard mapping and pre-identification of households for humanitarian response.