

GRADUATION APPROACH 2017- 2018 PHASE EVALUATION



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Country Rationale

Armenia is a post-soviet, landlocked country, situated in the southern Caucasus region; it borders with Georgia to the north, Turkey to the west and south, Azerbaijan to the east and southwest, and Iran to the south. The country has a history of tense relations with Turkey and Azerbaijan; with the latter in particular there has been on-and-off open fire conflict since the early nineties, related to the disputed region of Nagorno-Karabakh. In April 2016, the conflict escalated again, after a period of cease fire. The situation of geo-political instability, with closed borders with two of its four neighbours, puts a stress on the living conditions of Armenians, and hinders the socio-economic development of the country.

As many as 2,998,600 people lived in Armenia in late 2016. Poverty rate in Armenia stood at 29.4% in 2016 – 0.4% lower than in 2015, the Armenian National Statistical Service says in its report on poverty and social things¹. The country's economy grew only by 0.2 percentage points, and such a growth is obviously insufficient for lessening poverty here. The 2016 poverty rate, just like the rates of the last seven years after the crisis, exceeded the 2008 poverty rate by 1.8 percentage points (27.6%)².

According the statistical report, poverty-stricken people made up 9.8% of the country's population in 2016 against 12.6% in 2008 and people living in abject poverty 1.8% against 1.6% respectively. This means that 880,000 live in poverty in Armenia, the number of very poor people was 295,000 and 54,000 people lived in abject poverty. As a result, 33.5% of the country's population lived in deep poverty and 6.1% in abject poverty. There is no significant difference between poverty rates in urban and rural areas - cities accounted for 28.8% poverty in 2016, and villages for 30.4%. However, the gap between poverty rate in Yerevan (24%) and that in the country's other cities (33.2%) is very wide. Aragatsotn province accounted for the lowest poverty rate - 15.7%, while Shirak province for the highest rate – 45.5%.

The monthly poverty ceiling in Armenia stood at AMD 40,867 or \$85.1 per one adult person in 2016 against AMD 29,903 in 2008, and the lower threshold stood at AMD 33,418 or \$69.5, and the abject poverty threshold at AMD 23,313 or \$48.5.

Overcoming structural problems makes poverty reduction challenges more complicated. Moreover, winters in Armenia are long and severe with temperatures dropping to -30 °C. Most houses lack central heating and often families struggle to provide adequate warm clothing and shoes for their children.

Access to quality healthcare, particularly for mothers and children, is a key problem. Lack of job opportunities at home drives many breadwinners to search for work abroad and disillusioned youth from rural areas are easy prey for traffickers who promise a better life in the city or other country. Youth aging out of institutions are also among the most vulnerable. While education is becoming more inclusive in Armenia, thousands of children with disabilities still miss out on the opportunities that their peers enjoy.

¹ ARMENIA – POVERTY SNAPSHOT OVER 2008-2016. Retrieved from the website of the Statistical Committee of the RA - https://www.armstat.am/file/article/poverty_2017_english_2.pdf

² http://arka.am/en/news/society/29_4_poverty_rate_in_armenia_in_2016/

Children are consistently found to be at a higher risk of poverty than other age groups. Yet childhood poverty is particularly harmful because it not only hurts children at the time it is experienced (Brooks-Gunn and Duncan 1997), but also it often has longer term consequences (Gregg & Machin 2001; Corak 2006; Esping-Andersen and Myles 2009). Monitoring the levels of child poverty and analysing its determinants is crucial for designing and implementing effective policies for improving children’s living conditions. Moreover, it has been recognised that poverty is a multidimensional concept encompassing more than just income or consumption of goods and services:

“Children living in poverty are deprived of nutrition, water and sanitation facilities, access to basic health-care services, shelter, education, participation and protection, and that while a severe lack of goods and services hurts every human being, it is most threatening and harmful to children, leaving them unable to enjoy their rights, to reach their full potential and to participate as full members of the society”.

(United Nations, 2007)

World Vision Graduation Approach in Armenia

More than a billion people live on less than US\$1.25 per day in world, of which 54000 were the extreme poor living in Armenia as of 2016 (6.1% of the country population). Many of these families depend on insecure and fragile livelihoods, including casual farm and domestic labor. Their income is frequently irregular or seasonal, putting laborers and their families at risk of hunger. Self-employment is often the only viable alternative to menial labor for the ultra or extreme poor, yet many lack the necessary cash or skills to start a business that could earn more than casual labor.

World Vision views child protection as a top priority. Building on that foundation, World Vision Armenia seeks to empower children, families, communities and partners to prevent and respond to exploitation, neglect, abuse and other forms of violence affecting children, with a particular focus on the most vulnerable.

Despite the recent efforts in Armenia’s consolidation of laws on child protection, the existence of various government bodies assigned to protect and monitor child rights, the major problems in the country’s child protection sector still relate to child abuse, neglect, and all other forms of violence. Numerous cases of children exposed to physical and psychological violence, children from impoverished families left for the state care, insufficient resources and lack of monitoring mechanisms, lower living conditions are among the most pressing issues³.

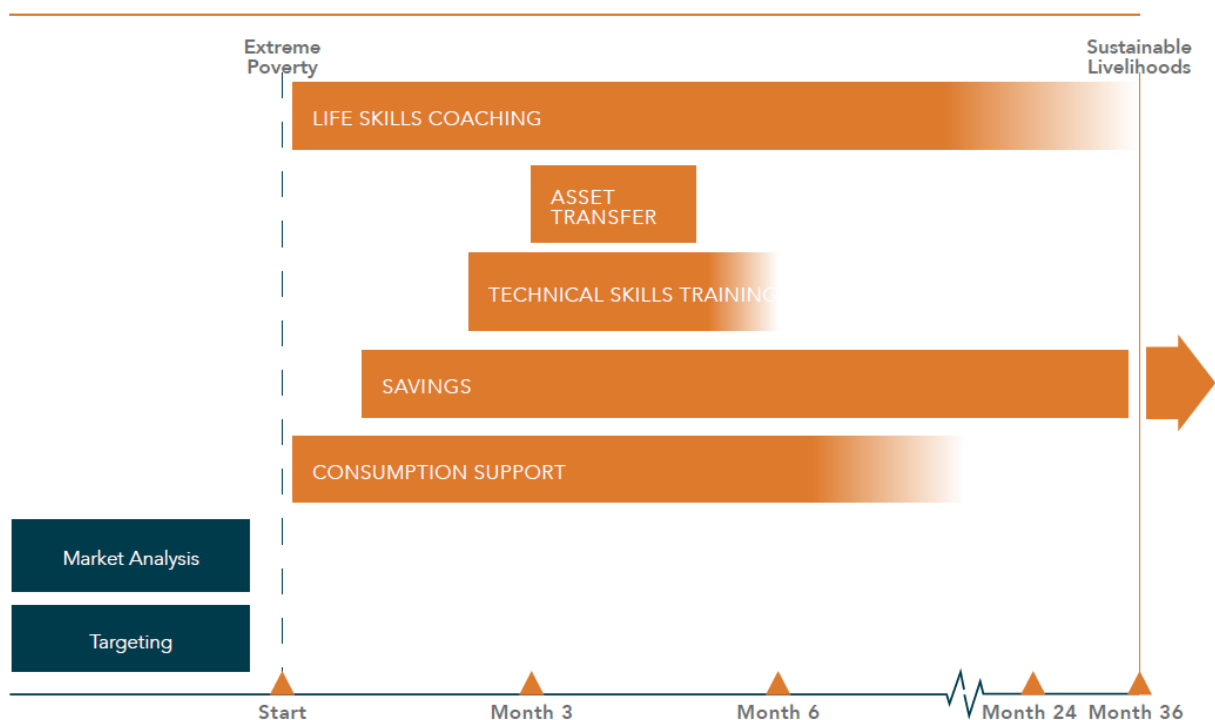
In the past, many programs that have provided poor households with either in-kind support, credit or training to alleviate these constraints have not been successful at raising household income levels on average. However, in recent years, several international and local nongovernmental organizations have renewed their support for programs that foster a transition to more secure livelihoods. Combining complementary approaches—the transfer

³ World Vision Armenia Child Protection Programme. Retrieved from WV International website: <https://www.wvi.org/armenia/child-protection>

of a productive asset, training, consumption support, and coaching— into one comprehensive program may help spur a sustainable transition to self-employment.

The Graduation Approach is one pragmatic approach (among others) to help the extreme poor move into sustainable livelihoods through the self-employment that is their only viable option given the lack of salary- or wage-paying jobs. This model targets vulnerable, economically excluded and chronically food-insecure and malnourished families. Adapting a method originally developed by BRAC NGO in Bangladesh in 2002, the Graduation Approach combines elements of social protection, livelihoods development, and access to finance to protect participants in the short run while promoting sustainable livelihoods for the future. In combination, these interventions have a dynamic and beneficial interplay such that the whole is greater than the sum of the parts. The approach is built on five core elements: consumption support, savings, an asset transfer, technical skills training, and regular life skills coaching. Although not a panacea, the approach seeks to reduce inequality by moving greater numbers of highly vulnerable households into sustainable livelihoods and toward economic stability.

Figure I. The Graduation Into Sustainable Livelihoods Approach



- Consumption support:** Worldwide soon after participants are selected into the program, they start receiving consumption support in the form of a small cash stipend or foodstuffs. This support gives them “breathing space” by easing the stress of daily survival. It can be offered through a pre-existing government or other safety net program, in contexts where this is available. In Armenia the social benefits system serves as a consumption support, and those families who aren’t included in the system are supported by the program to be included in the system and start receiving the cash stipend to be able to satisfy their basic demands of food consumption. This component reflects the important lessons derived from the field of social protection.

- *Market analysis and asset transfer:* A few months after the program starts, each participant receives an asset (e.g., livestock if the livelihood involves animal husbandry; inventory if the livelihood is retailing) to help jump-start one or more economic activities. Prior to that transfer, the program staff has thoroughly analyzed the local market's infrastructure and support services to identify sustainable livelihood options in value chains that can absorb new entrants. Once the staff has identified several viable options, the participant chooses from a menu of assets, based on livelihood preferences, his skills and past experience.
- *Savings:* Once people's food consumption stabilizes, they are encouraged to start saving, either non-formally or more formally through an account with a formal financial services provider. In addition to building assets, regular savings instills financial discipline and familiarizes participants with formal financial services. WV Armenia has seen the need to offer financial literacy training, teaching participants about cash and financial management, and familiarizing them with savings and credit. This feature draws on emerging lessons about the importance of savings from the field of financial inclusion.
- *Technical skills training:* Participants receive skills training on caring for an asset and running a business. While rudimentary, such training is essential in managing successful small businesses. The training also provides information on where to go for assistance and services (e.g., a veterinarian, for the many program participants whose livelihood selection involves animal husbandry). The asset transfer and skills training incorporate lessons derived from the livelihood development field.
- *Life skills coaching:* Extreme-poor people generally lack self-confidence and social capital. Periodic household visits by program staff allow for monitoring but even more so for "coaching" over the 18 to 24 months of the program. During these meetings, staff help participants with business planning and money management, along with social support and health and disease prevention services. In several instances, it has proven valuable to link up with a health care, educational service provider, market players, etc.

The Graduation Approach draws on the most relevant aspects of social protection, livelihoods development, and financial inclusion to deliver results by combining support for immediate needs with longer-term human capital and asset investments. The objective is to protect participants in the short run while promoting sustainable livelihoods for the future. The approach has a *three-fold vision*.

First, that a high up-front investment in program participants will help extremely poor families develop sustainable livelihoods.

Second, that as these households develop their capacity to generate increased income and build assets, their resilience will increase and their vulnerability to shocks will diminish correspondingly over time. This should reduce the risk of them falling back into extreme poverty. But we recognize that the progress along the pathway is not linear and households will not progress evenly. Very poor families are subject to many shocks; any one of these shocks may cause them to fall backwards. Not all households will progress at the same rate, and some households may not succeed. But we hope that the overall effect of the program is that the majority of families, over time, will develop livelihoods that will help move them out of extreme poverty and toward sustainability and resistance to future shocks.

Third, that the long-term benefits will accrue both to those individuals and families directly affected, and also to the broader social goals of breaking entrenched, multigenerational poverty and of reducing inequality.

Hence “graduating” refers to households leading economically viable livelihoods that increase their incomes, make them food secure throughout the year, and allows them to access financial services, seek schooling and health care facilities, and generally get them beyond the extreme poverty line. Of course these “graduation” criteria are contextualized and concretized based on regional differences and the specific conditions creating and maintaining extreme poverty.

Graduating is also about creating the enabling conditions—confidence, knowledge, skills, and linkages to public and other services—that allow for continued, sustained upward mobility. Relevant issues include malnutrition, health, children's education, wider occupational choices and women's agency. For this, of course, extreme poor households need to link up with other social protection elements, such as health care, schooling, or insurance.

This model directly contributes directly towards SDG targets 1 (no poverty), 2(zero hunger) and 8 (decent work and economic growth). This model contributes indirectly to SDG target 3 (good health and well-being) and 4 (quality education). The primary sector which contributes to this model is livelihoods, however given the holistic nature of this integrated approach health, education and child protection all contribute this model.

In order to address the identified child protection cases that relate to extreme poverty in an effective and sustainable way, the Graduation model was launched and integrated into the existing package of social services implemented by WV Armenia in the end of 2016. Within the project 2017-2018 phase 90 most vulnerable families (overall 480 beneficiaries) from WV Armenia target communities have been supported for more than 12 months to improve their livelihood resilience and to provide better living conditions for their 261 children so that the latter can develop to their full potential.

Table 1. Direct Beneficiaries Included In the Project

REGION OF ARMENIA	NUMBER OF FAMILIES	NUMBER OF BENEFICIARIES	NUMBER OF CHILDREN
Aragatsotn	17	100	55
Gegharkunik	30	142	81
Lori	4	30	15
Shirak	9	50	24
Syunik	4	28	20
Tavush	17	91	49
Yerevan	9	39	17
TOTAL	90	480	261

The majority of the children engaged were representatives of the following vulnerable groups:

List of vulnerable groups
Children from families with low income or leaving below the poverty rate
Children with disabilities and different diseases
Children identified as “out of school”

Children temporarily or permanently under the care of one parent
Abused and neglected children

Key Findings

For families participating in the 2016-2018 phase of WV Graduation Approach monthly per family income increased from by 55%, monthly per family expenses increased by 34%, and as many as 48% of participating households reached a monthly income equal or greater to the national extreme poverty line upon graduation (24269 AMD monthly income per family as of 2017⁴). In addition, 58% of participants thought their emotional wellbeing had improved.

Cost-Effectiveness (Investments)

The Graduation Approach combines many interventions in an intensive manner. Because few organizations have the expertise or financial capacity to offer all the components of the Graduation Approach effectively, building appropriate partnerships is a crucial step in the planning process. During 2016-2018 phase of the Armenian Graduation program partners of WV Armenia have been

- Armenian Government with different state programs
- SOS Children’s Villages Armenia
- Armenian Apostolic Church
- Armenian Governmental Service of Social Support
- Local governments
- Individual sponsors

As it can be seen from the figure below, the total investment throughout the program lifespan has been 44,435,137 AMD (\$92,573), of which 36,962,137 AMD (\$77,004) has been invested by WV Armenia.

It has been counted that this investment has returned 47,130,743 AMD (\$98,189) in average of 15 months’ time, which results in coefficient of return on investment of 106%. This implies that each invested 1 AMD has returned 1,06 AMD over the course of 15 months. The good news is that the incomes will continue to be generated after the project implementation, thus resulting in more and more return on investment.

Figure 2. Total Investment of the Program on Hard Assets Provision

⁴ ARMENIA – POVERTY SNAPSHOT OVER 2008-2017. Retrieved from the website of the Statistical Committee of the RA - https://www.armstat.am/file/article/poverty_2018_english_2.pdf

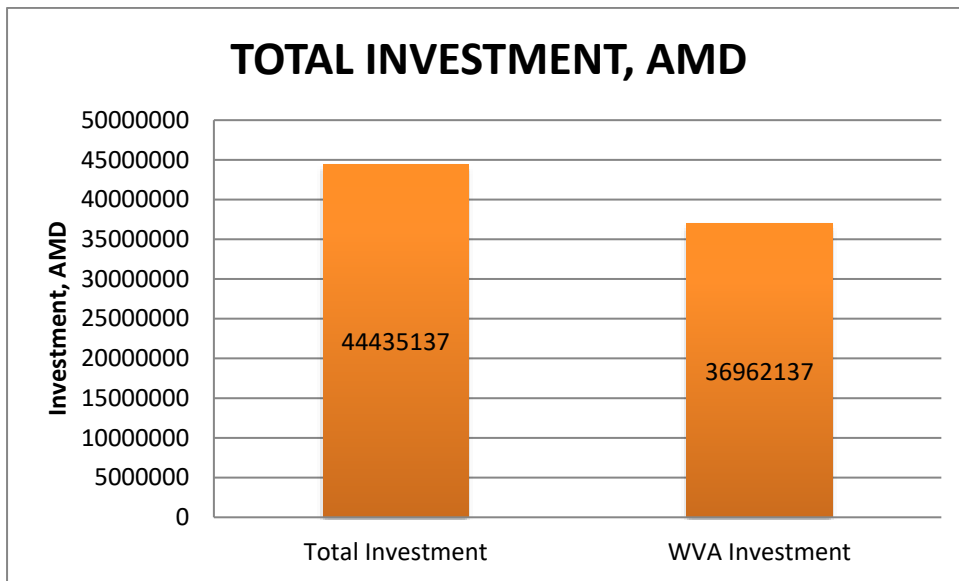


Figure 3 shows that the average per family investment was 501,933 AMD (\$1045), of which WV Armenia’s part was 417,013 AMD (\$869). Different types of hard asset support were given to the participants, such as for

- animal husbandry (cows, pigs, hens, sheep, beehives, etc.) with respective necessary fodder for the initial months of the business (barley, wheat, grass, etc.)
- seeds for crops cultivation (lentil, potato, rye, raspberry seedlings, etc.)
- professional trainings (sewing, hairdressing, cosmetology, bakery, accounting, plumber’s work, auto mechanics, etc.) with their respective equipment (sewing machine, hairdresser’s equipment, bakery equipment, auto mechanic’s equipment, etc.)
- solar panel or greenhouse

Each type of livelihood and associated asset yields different cash-flow patterns. Chickens, for example, can generate small but regular income in the short term through the daily sale of eggs. Sheep, on the other hand, are a longer-term and higher-return asset. It makes good sense to design a package that couples both types of assets. Providing two different types of assets also helps mitigate risks such as livestock disease. Ideally, asset transfers involving larger livestock would include pregnant cows or sheep to minimize the elapsed time before offspring (and thus hastening return on investment).

Support which has proven to be successful and leading a family to graduation in Armenia is as follows:

- animal husbandry (cows, pigs, hens, beehives) with respective necessary fodder for the initial months of the business
- seeds for crops cultivation (potato)
- professional trainings (sewing, hairdressing, cosmetology, bakery, accounting) with their respective equipment (sewing machine, hairdresser’s equipment, bakery equipment, auto mechanic’s equipment, etc.)

From animals the case of sheep is worth to note. This investment has proven to be rewarding if it was accompanied with another type of short-term returning investment (such as hens or pigs or potato). Otherwise, if the sheep had for example a disease, it was impossible to lead the family to economic stability and income increase.

Figure 3. Per Family Investment on Hard Assets Provision

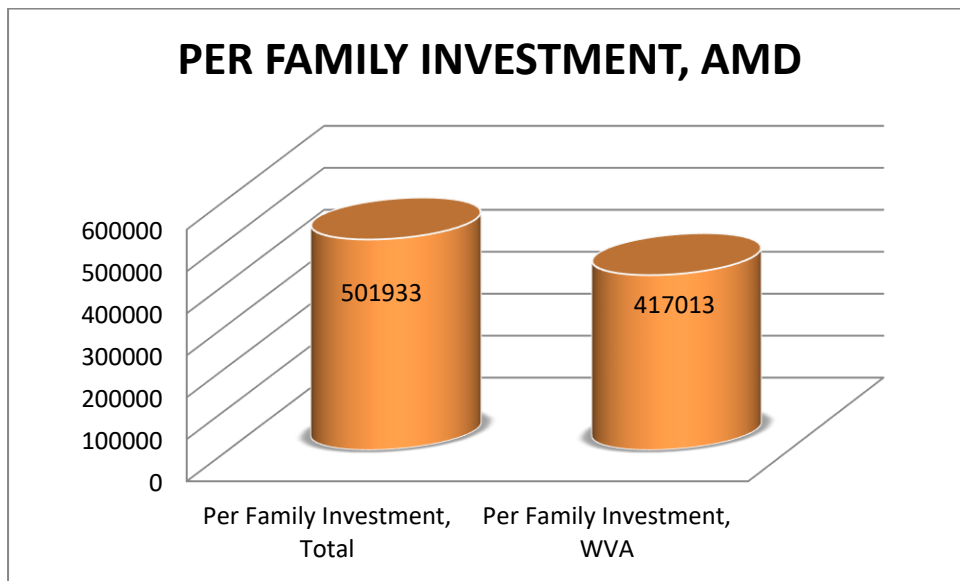


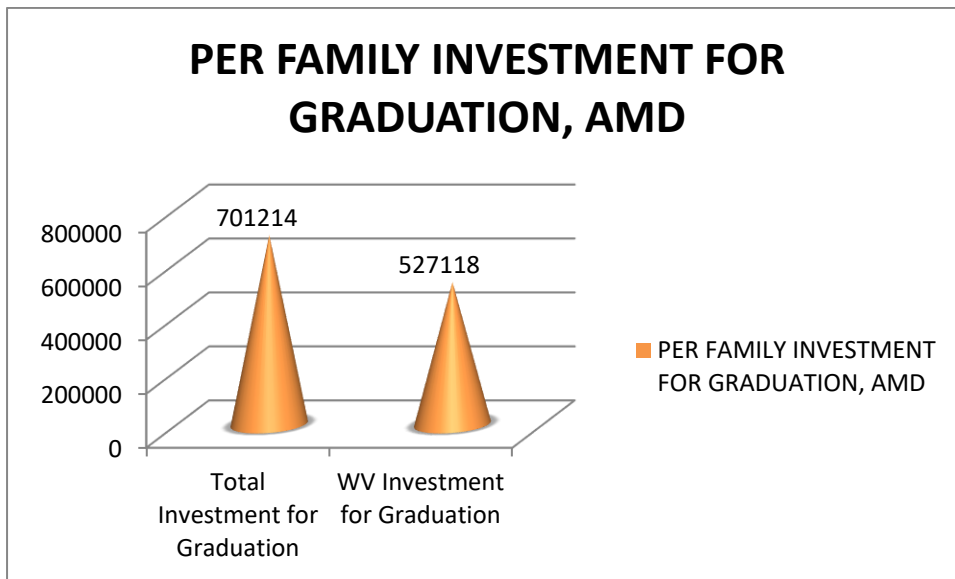
Table 2 shows the highest and lowest per family investments of the program. The highest was 6,234,000 AMD (\$12,987) recorded in Syunik region which included purchase of an apartment, its furnishing (table, chairs, wardrobes, beds, etc.) and house appliances (refrigerator, washing machine, TV, gas oven, etc.), as well as seeds of potato, garlic, rye, and a moto block. It was followed by another big investment in Syunik region - 2,030,000 AMD (\$4,229) for a solar panel system. The lowest investment was 40,000 AMD (\$83) recorded in Yerevan and it included professional training (accounting) for a parent of the family.

Table 2. Highest and Lowest Investments

Total Investment Per Family, AMD		WV Armenia Investment Per Family, AMD	
Highest	Lowest	Highest	Lowest
6234000	40000	5734000	40000

Figure 4 shows the amount of average investment which resulted for a family to jump over the extreme poverty line (24,492 as of 2017), and it was the total of 701,214 AMD (\$1,461).

Figure 4. Per Family Investment on Hard Assets Provision for Graduation



Income Increase

The application of Graduation approach has brought to 55% average income increase throughout the 2017-2018 phase of the program.

As it can be seen from Table 3 and Figure 5, the maximum income increase was 465,10% in Chambarak, Gegharkunik for a family who received pigs as hard assets and started to receive family social benefits and the father was employed in the community. The next highest income increase was 373,68% in Berd, Tavush, where a man who used to work in Russian Federation as a constructor had returned to Armenia with his 2 children after his wife's death, received construction equipment as support within the project and this gave a kick-start for this family's economic condition.

There were also recorded cases of income decreases, the highest (-31,45%) were in Hartavan, Aragatsotn, where the project turned out not to be successful for the family. The majority of income decreases were also recorded in Aragatsotn region, connected with non-favorable agricultural year, other incomes decrease, etc.

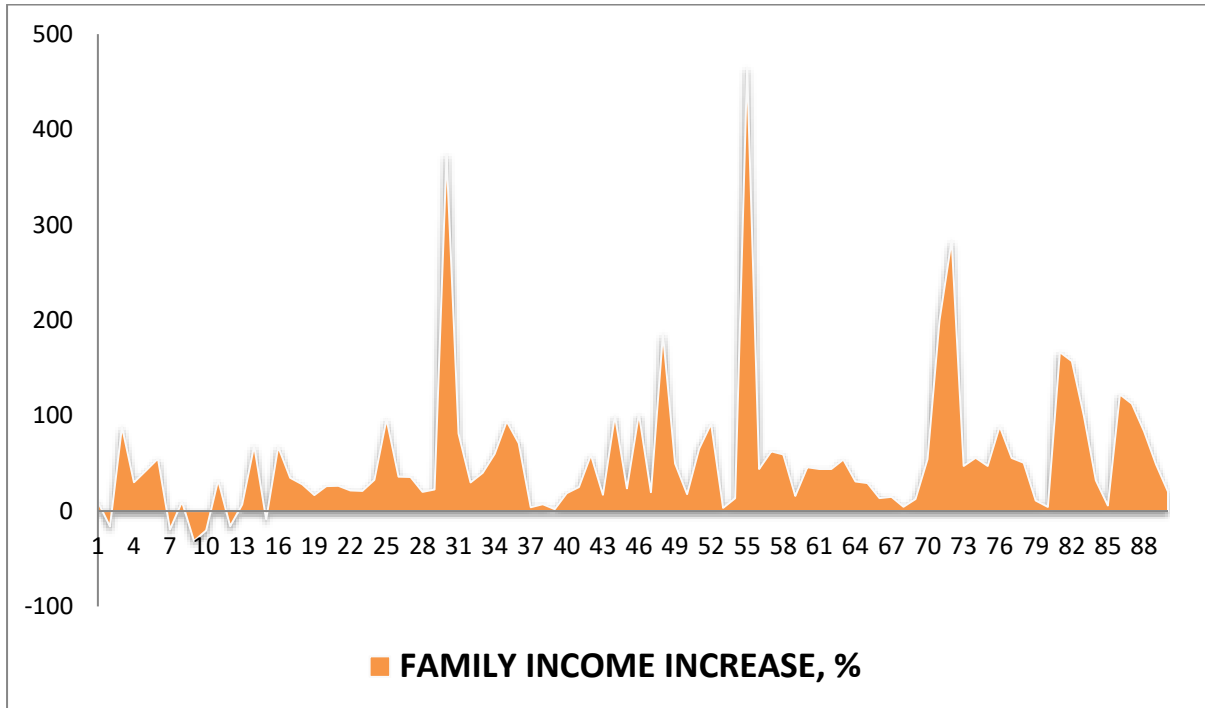
The expenses increased by 34%, showcasing that the savings culture became widespread among the families.

Table 3. Average Family Income-Expense Increase

	AVERAGE FAMILY INCOME INCREASE, %	AVERAGE FAMILY EXPENSE INCREASE, %
AVERAGE	55	34
MIN	-31.45	-100

MAX 465.10 465.10

Figure 5. Family Income Increase



The average family monthly income pre-project was 81,780 AMD, and the average monthly expense was 91,229 AMD (it can be seen that the expenses were higher than the income, thus resulting in loans, debts in local shops, etc.). After the graduation approach implementation the average monthly income per family was 116,692 AMD and the expenses are 110,704 AMD, which proves that the families have become more literate in finance management and they spend less than they earn.

Table 4. Average Family Income-Expense Increase

	Family Monthly Income Pre-Project	Family Monthly Expense Pre-Project	Family Monthly Income Post-Project	Family Monthly Expense Post-Project
Average	81,780	91,229	116,692	110,704

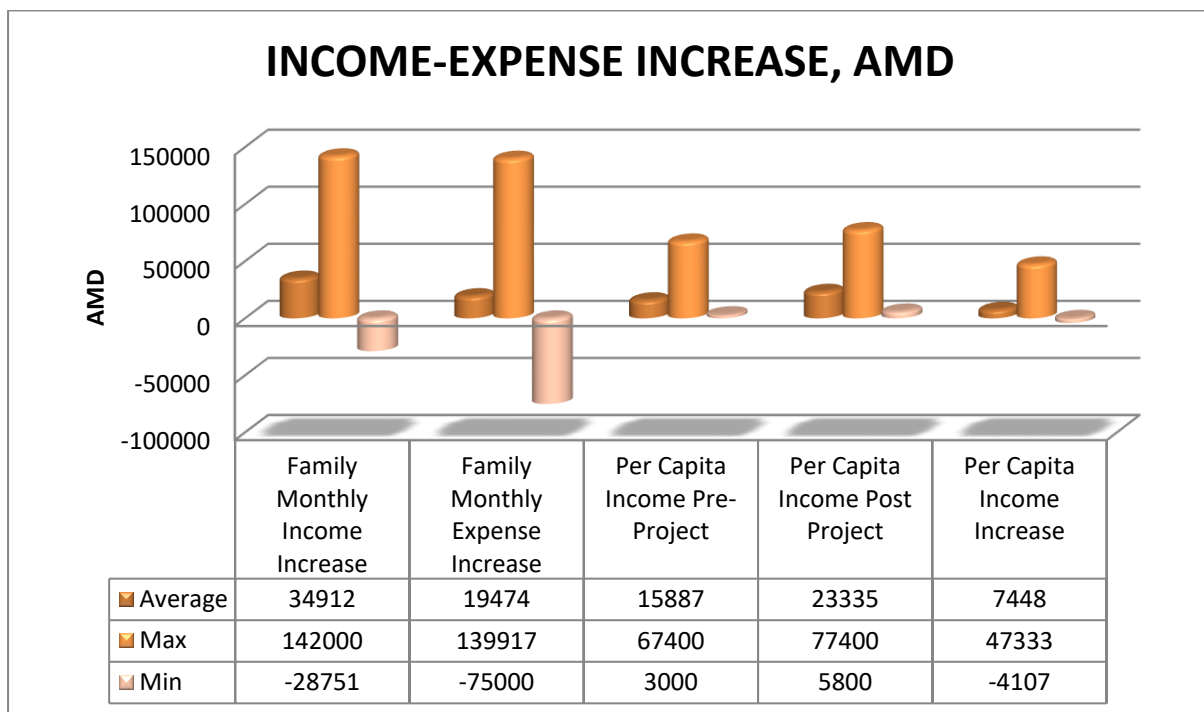
Figure 6 shows the average income-expense increase in monetary terms. Average monthly income increase was by 34,912 AMD (\$72,7), with the highest equal to 142,000 AMD (\$295,8) (for the above-noted family in Berd, Tavush) and the lowest equal to decrease of -28,751 AMD (\$-59,9) (for the above-noted family in Hartavan, Aragatsotn).

The average per capita income was 15,887 AMD before the intervention, and it increased to 23,335 at the end of this phase (which is higher than the extreme poverty line of 2016 (i.e.,

23,313 AMD). The lowest per capita income was 3,000 AMD before the intervention, which grew up to 5,800 AMD post the intervention.

It should be noted that among the 90 beneficiary families 10 had monthly per capita income higher than the country extreme poverty line (23,313 AMD as of 2016), already preconditioning their path towards success and graduation out of “extreme” poverty (in Yerevan, Aragatsotn, Gegharkunik, Shirak, Syunik). Among these cases the highest pre-income was recorded in Yerevan, where the per capita income of a family was 67,400 AMD (which is higher than the country overall poverty line, i.e., 40,867 AMD as of 2016)⁵, followed by another family in Yerevan with per capita income of 47,500 AMD (again higher than the poverty line).

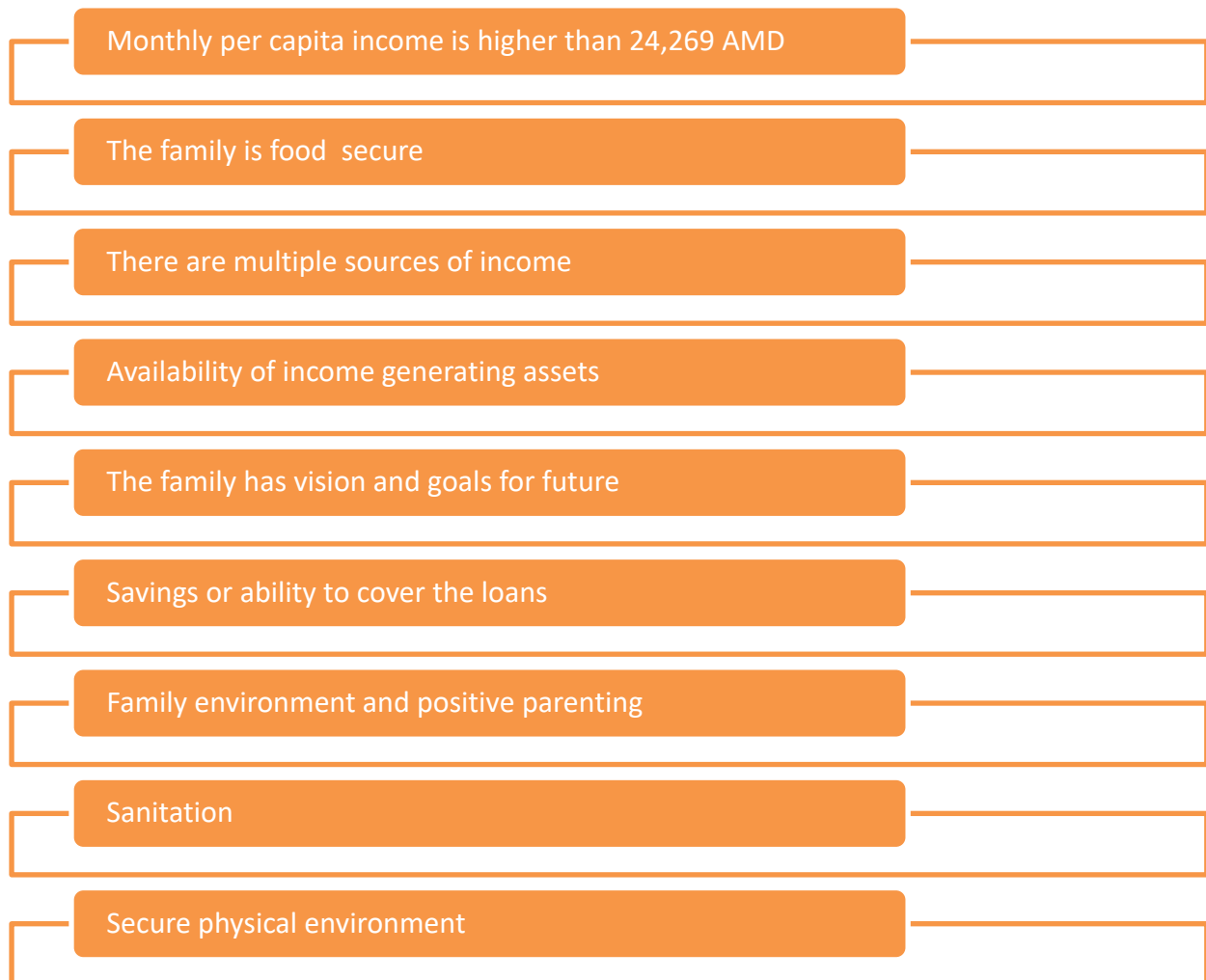
Figure 6. Income-Expense Increase



Graduated Families

The following criteria have been considered for assessing the fact of graduation of the family:

⁵ http://arka.am/en/news/society/29_4_poverty_rate_in_armenia_in_2016/



As it can be seen from Figure 7 and Table 5, 48% of the families (43 cases) have graduated, thus crossing the extreme poverty line. Of those, 28 were in rural communities and 15 in urban communities. 10 out of the 43 families (6 urban and 4 rural) had pre-income higher than the extreme poverty line.

For the majority of graduating families the following is true:

- the per capita income is higher than 24,269 AMD
- the family is food secure – they have at least 3 meals a day with necessary daily consumption of calories and diversity of food
- they have income generating assets
- the family has vision and goals for future (mostly the education priorities of children or having a safe physical environment or own house)
- positive parenting is applied at families and there is good family environment, resulting in celebration of holidays together
- the family has started spending in a proper manner, making savings or is able to cover the loans which they had taken before the start of the project
- the family members are live in proper sanitation

- the physical environment is safe to the possible extent, or if no, the family is planning steps to make it safe

On average, in Armenia family graduation has occurred after 12 months of interventions with the family.

Figure 7. Graduation Rates for 2017-2018 Phase

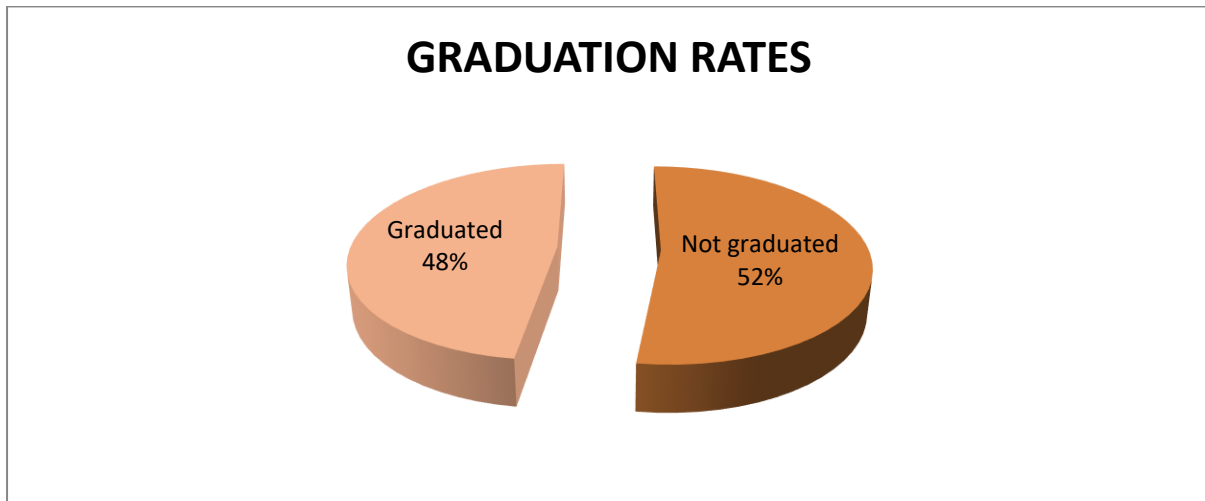


Table 5. Graduated vs Not Graduated

	Graduated	Not Graduated	Pre-Income Higher than Extreme Poverty Line
Rural	28	69	4
Urban	15	21	6
Total	43	47	10

Among the factors not allowing the families to graduate from extreme poverty were:

- the hard assets were with illness or very old (in case of sheep) and gradually died upon the course of the program, thus leaving the families with no chance of economic stability,
- there was no diversification of risks, i.e., the family had only one source of stable income,
- the family members had some mental issues, which didn't allow them to understand the need of living a better life,
- the family refused to go in for animal husbandry and returned the issued livestock (absence of willingness for a positive change),
- the family sold the hard assets to cover the debts or make an advance payment for a house (no proper coaching),
- the family has left the country.

Case Studies

Case study purpose and objectives

The purpose of this review is to collect and analyse the available data on effectiveness of the Graduation Implementation as well as collect learning from the field experience to feed into future implementation.

The objectives were:

- To describe the understanding and implementation process of GA;
- To see the changes to which Graduation Approach contributed;
- To describe main successes and challenges emerged during the implementation.

Methodology

This report is based on the analysis of information from three main sources: quantitative data from case studies of 12 families involved in the Graduation Approach; qualitative data from 7 focus group discussions with APs' staff and the calculations of annual income, expenses, income per family member for all families involved in the GA.

For case studies only those families were selected who were not involved in other WV interventions so that the contribution of Graduation Approach can be observed.

Semi-structured interviews were conducted twice with parents/caregivers of the child who is registered as the main beneficiary of the selected 12 families. One of the interviews was conducted at the beginning of the intervention as baseline and the other one was conducted after 1.5 year of implementation as end-line measurement. The first interviews were conducted by social workers and the information was also used for making enrolment decision, the second interview was conducted by DME officers.

The main topics covered through interviews included:

- Sources of income;
- Parents/caregivers' ability to provide basic needs of children;
- Feeding practices and diet;
- Household assets;
- Hope for future and plans;
- Savings and debts;
- Disciplining practices.

The focus group discussions were conducted with all AP teams who are involved in implementation of GA, including ED coordinators, social workers and CP coordinators.

The topics covered during FGDs were the following:

- Purpose of Graduation Approach (GA) and changes anticipated as a result of the implementation;
- Relevance and appropriateness;
- Implementations steps including training of the staff, selection of families for GA, selection of income generation activities, provision of training, material support and assets, social empowerment and inclusion;
- Effectiveness and impact in the direction of 4 main pillars of the GA including social protection, livelihood promotion, financial inclusion and social empowerment;
- Difficulties in implementation;
- Suggested changes for the next cycle.

The calculations of annual income, expenses, income per family member for all families involved in the GA in 2017 and the beginning of 2018 from all APs were requested from the social workers. In total data from 77 families was analysed.

Data analysis: The baseline and end-line data for each family was compared to see the changes over time. Since the number of cases was limited and did not allow broader descriptive or inferential analysis, only frequencies have been calculated among 12 cases. In addition, wealth index was calculated based on the quantitative data for all 12 families.

The qualitative data from FGDs has been transcribed for further analysis; the information was categorized and analysed thematically.

Data quality assurance: To avoid positive bias the end-line measurement of the families was conducted by the DME officers. For qualitative data, all FGDs were audio recorded; the information was transcribed as verbatim as possible.

The changes to which Graduation Approach contributed

Depending on the issues of families the effects and impact of the approach are different. GA staff already observed some changes in the size of income, feeding practices, housing conditions, social integration, etc.

Social protection (child well-being, food security, access to services, income/expenses)

As reported by the staff the most important change already observed in GA families is an increase in income. Though the increase is not big, some families could already improve their housing conditions, buy household items, and improve the nutrition of children. Relationships with children also have changed; parents pay more attention to child safety, healthy nutrition, and healthcare. Based on the needs in some cases out of school children returned to school, child abuse was prevented, access to social and health services was improved, etc.

In addition to staff opinion comparison of baseline and end-line data of 12 families selected for case study shows that despite the fact that there is not much increase in number of families who can provide all 5 items listed below without external help, there is certain progress for few of the items. The progress shown in the table I below also demonstrates how the MVC families prioritize the needs of their children.

Table I Number of families able to provide items of well-being to all children without external assistance (out of 12)

Item	Baseline	End-line
New clothes	2	3
New shoes	2	3
School supply	3	7
3 times meal	5	8
Heating	4	10

Besides, there are some other changes in well-being: the number of families where all children have shoes and clothes for all season and the number of families where all members have meal 3 times a day have also increased.

Some minor changes have taken place also in housing conditions such as access to centralized water supply and beds for all family members.

Table 2 Other changes in well-being of 12 families

Item	Baseline	End-line
All children have shoes and clothes for all season	3	8
All members have meal 3 times a day	8	11
Access to centralized water supply	2	5
Beds for all family members	6	9

In addition, a composite wealth index was calculated for each family both during baseline and end-line. The calculation of index was based on the number of indicators such as ability of family to provide basic need of children, access to drinking water, feeding frequency and diet, hope for future, confidence that the plans will come true, possession of household items (centralized water supply, running hot water, kitchen and bed for all members of a family), ability to do savings and repay debts, parenting practices and participation in community events. The maximum value of index is 16 and the minimum is 0 points.

It is worth mentioning that the average wealth index has changed by 3 points compared to the baseline (baseline – 6, end-line – 9) and 11 out of 12 families has increased wealth index.

Table 3 Wealth index of 12 families

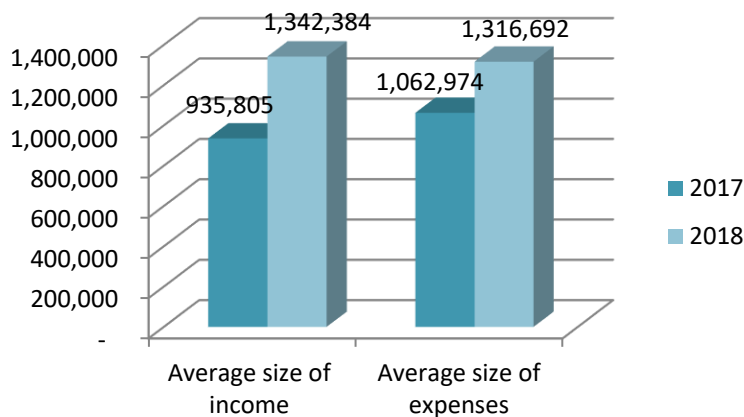
AP	Child name	Baseline	End-line	Difference
Tchambarak	Amalia S.	2	7.2	5.2
Tchambarak	Lusine B.	5	6.2	1.2
Tchambarak	Vilhelm B.	6	9.8	3.8
Tchambarak	Yeva M.	5	13	8
Tchambarak	Levon D.	7.6	7.2	-0.4
Ijevan	Genya S.	4.2	4.4	0.2
Ijevan	Maks Y.	7.8	9.8	2
Ijevan	Nare B.	6	9.4	3.4

Ijevan	Nare M.	9.6	10.8	1.2
Ijevan	Rita A.	7.2	10.4	3.2
Kapan	Samvel K.	6.6	10.4	3.8
Kapan	Anahit P.	9.6	10.6	1

Besides those 12 families analysed for case study, the calculations of annual income, annual expenses, income per family member for all families involved in the GA in 2017 and the beginning of 2018 from all APs (in total 77 families) was requested and analysed. The calculations showed that 90% of families (69 out of 77) had increase in annual income. The average⁶ size of increase is 316,000 AMD (minimum – 18,000, maximum – 1,679,000). 63.6% of families had increase in annual net income⁷.

In 80.5% of families (62 out of 77) increase was also registered in the annual expenses. The average⁸ size of increase in expenses is 223,000 AMD (minimum – 1000, maximum – 1,439,000).

Graph 1 Average size of income and expenses in 2017 and 2018



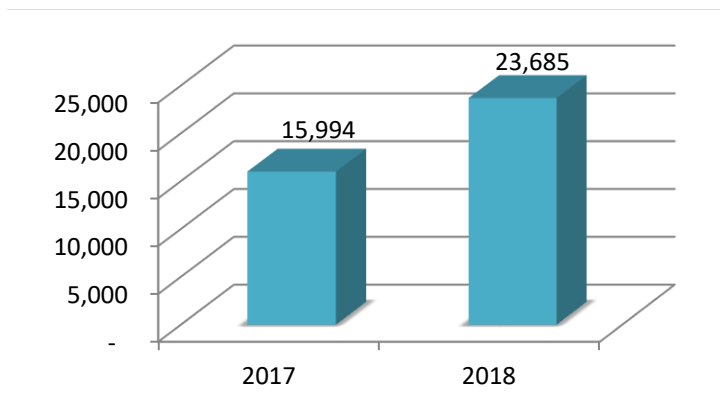
The most important change is the increase in income per family member which is the main indicator showing the success of Graduation Approach. Among those 77 families 90% (69 of 77) have increase in income per family member. The average size of increase in the income per family member is around 8900 AMD (minimum – 300, maximum – 37,700).

Graph 2 Average size of income per family member in 2017 and 2018

⁶ Since the data is not normally distributed the median is taken as average.

⁷ Net income is the difference between income and expenses.

⁸ Since the data is not normally distributed the median is taken as average.



Livelihood promotion

In the frames of livelihood promotion, the families received support with technical training and assets according to the income generation activity they are involved in. Besides, they were linked to the market to be able to sell their products. In urban areas families were supported with finding a job.

Depending on the income generation activity the changes are different. In cases of pig breeding, the changes are already obvious as they get big income immediately. Such families could not only improve their well-being but also invest in their farm. In the case of other agricultural production the situation is different and families should work longer to have income and see the change.

As it was already mentioned previously there are differences in livelihood promotion in rural and urban areas. In rural areas, more than one income generation activities were selected to minimize

Financial inclusion

As it was already mentioned in the majority of APs no formal financial training were organized, instead, ED coordinators provided on-going consultation around financial management and savings. Only in few APs specialists were hired and financial literacy training was provided.

As reported by the staff they already observed changes in saving practices. Many families could already make little savings or buy household items which is also viewed as a result of saving.

Anyway, there is still a need for financial training not only for families but also for GA staff.

Social empowerment

One of the important components of GA is social empowerment which includes improvement of social connections, behaviour, relationships, motivation and building hope and plans for the future. As a result of ongoing social work and involving these families in different types of community events and projects implemented by WV (Celebrating families, Positive parenting, GBG, Home visiting, and Peace road) the GA staff already observes positive changes in this regard. The main changes mentioned by the staff include improved interactions with community members, which in its turn contributed to better marketing and selling of agricultural produce, organization of family celebrations (especially with children), setting long-term goals and planning future.

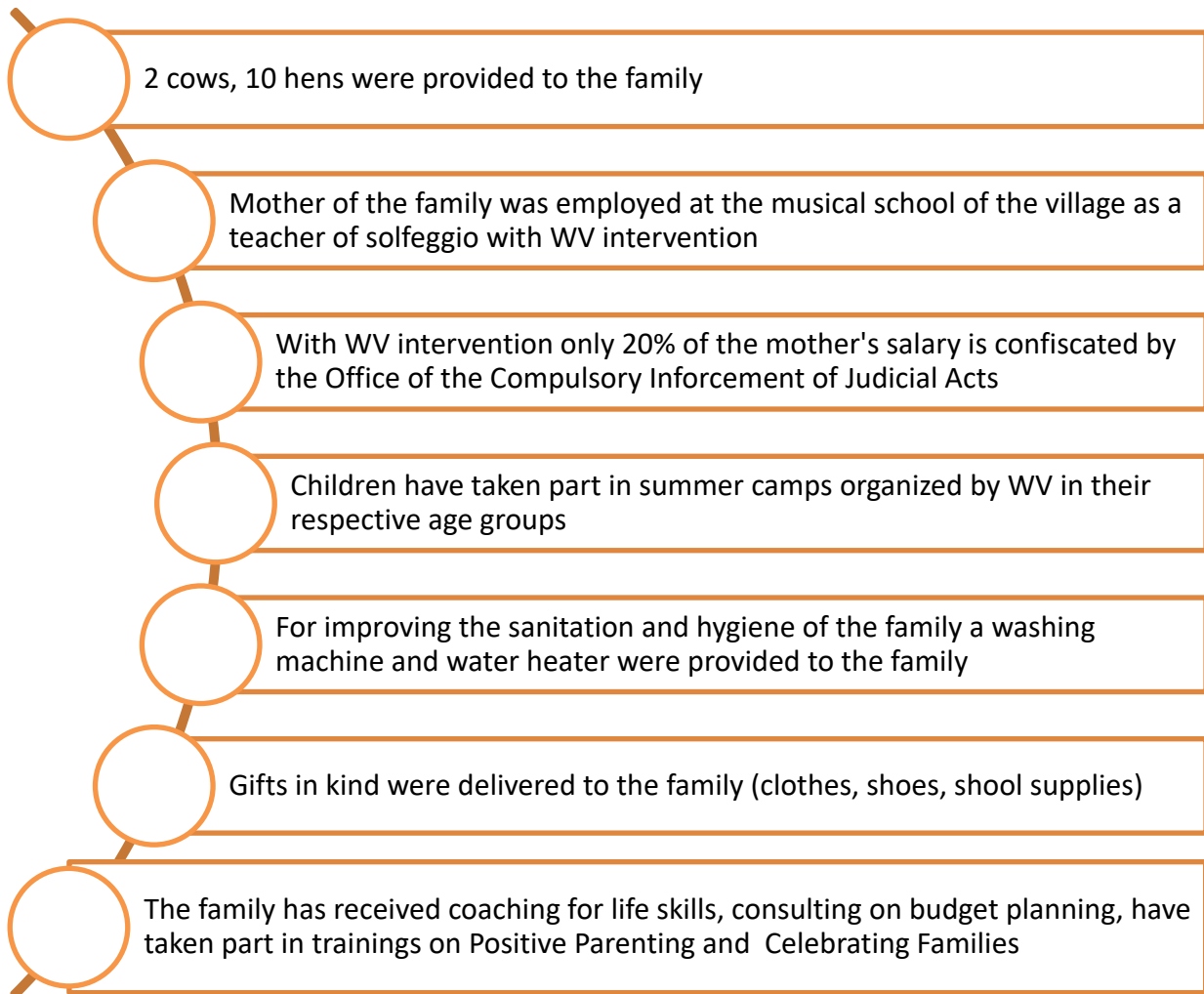
Success Story

The N. Family

At the start of the program there were 3 children in the family of the musicians, the 20-year-old son was released from compulsory military service. The family moved to one of the regions from Yerevan after the default of the ex-businessman father of the family. At the start of the program he was abusing alcohol and was the shepherd of the village. The family of 6 members consumed 1 tonne of potato over the course of 3 months, thus resulting potato, wheat and pasta to be the main food used up. They had around 250,000 AMD of debt in the shops of the community. Also they had borrowed loan of 500,000 AMD which had become 1,500,000 AMD because of not being covered. There were days they had no bread to eat.

WV Armenia Support to the Family Through Graduation Approach

The Family received 820,000 AMD of support through graduation approach, 642,000 of which was invested by WV Armenia.



Family Economic Indicators

The Family had 83,71% of increase of incomes over the course of the program support (from 14,861 AMD monthly per capita income at the start of the support to 27,301 AMD at the end). This resulted in graduation of the family out of extreme poverty.

	Annual (2017)	Annual (2018)	Monthly (2017)	Monthly (2018)	Monthly Per Capita (2017)	Monthly Per Capita (2018)
Income	1,070,000	1,965,700	89,167	163,808	14,861	27,301
Expenses	1,228,184	1,965,700	102,349	163,808	17,058	27,301

Savings	-158,184	0	-13,182	0	-2,197	0
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Family Vision For Future

The daily use of dairy in food has improved the malnutrition condition of all the members of the family, especially the children.

The education and bright future of the children has become a priority and vision of future for the family.

Inspired by the suggestion of WV Armenia to build a bathroom inside the house, they have started renovation of the whole house in pursuit of living in better physical environment.

They have started celebrating holidays together. As quoted by the Mother:

“We hadn’t celebrated New Year during the last 5 years. We used to switch off the lights and go to bed early so that the children do not realize that it’s a holiday and we have no money for preparations. However, we welcomed the year of 2018 with all our lights lit on and with wonderful mood. WV is the group of our angels who have leaded our family out of a deep abyss and have given hope and belief towards bright future to our forgotten family.”

Conclusions and Recommendations

The impact graduation approach contributes towards has been examined by numerous research and evaluation studies. Overall researchers found that the program caused broad and lasting economic impacts. Treatment group households consumed more, had more assets, and increased savings. The program also increased basic entrepreneurial activities, which enabled the poor to work more evenly across the year. While psychosocial well-being improved, these noneconomic impacts sometimes faded over time. The long-run benefits outweigh their up-front costs.

Results also indicated that transformative effects are sustainable, this was primarily driven by combining large-scale asset transfers and skills training that connected the ultra-poor to higher-paying and more stable earning streams, enabling them to save as well as to accumulate and diversify their assets.

Graduation approach has proven its potential to provide a successful model for economic inclusion and to become an integral component of many national poverty reduction strategies. However, it should also be recognized that the national contexts pose great challenges for massive replication of graduation programs since underdeveloped markets impose limits to employment opportunities and demand for microbusiness products, natural disasters and ecological hazards disrupt lives and livelihoods, supply side constraints in schooling and health care deny people the opportunity to educate children and the right to medical services, and political instability and violence can rapidly undermine any development intervention.

Initial scan of local livelihood opportunities, including an overview of market access in various value chains (e.g., vitality of local markets, distance, time and cost of travel to closest town, road conditions, availability of public transport) and the suitability of those opportunities based on the skills of the program participants and the environmental context—weather conditions, availability of water and fodder, etc.—of the geographic area should be taken into account during the project.

The program should determine what income level they want to see participants reach by the program's end and “work backwards” to determine the appropriate asset value.

Each type of livelihood yields different cash-flow patterns and has different associated risks. It is important to design a package that couples assets for short-term income with longer-term assets, while diversifying the risks.

The asset package varies by livelihood and by region but it should always be considered as a form of investment. Program should avoid too modest a level of transfers in the hope of reducing program costs.

It is important to have a good understanding of the markets and to choose sectors with strong potential for growth and for significant value addition, while incorporating program participants as core actors in the value chain.

To avoid fostering dependency, it is important to be clear with participants upfront and on an ongoing basis about when consumption support will start and when it will end.

Flexibility and adaptability are critical. The specific context will determine how each element of hard asset support should be designed, and often experimentation and adaptation are needed to figure out what combination of features works best.

The specific context of the family should be taken into account - some amongst them, the “slow climbers”, will need more time and more intensive assistance. Others, the “fast climbers”, could probably do with a less intensive and therefore less expensive set of inputs. They could possibly even “graduate” in a shorter timeframe.

The Graduation into Sustainable Livelihoods Approach is just one pathway to addressing extreme poverty. Employment, for example, is another critical pathway. And hence private sector and public sector job creation initiatives (including pro-poor fiscal policies) should be actively encouraged in the country.