

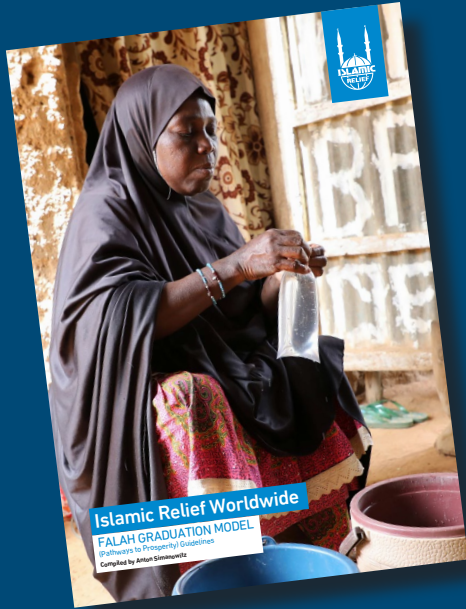


Islamic Relief Worldwide

FALAH GRADUATION MODEL

Pathways to prosperity - to lift people out of extreme poverty

GUIDELINES SUMMARY DOCUMENT



This is a summary of a 88 page document that provides a full set of guidelines mapping out Islamic Relief Worldwide's approach to Graduation programmes.

The full guidelines (pictured above) are available [here](#).

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FOREWORD

The Graduation model for international development programmes – an approach that empowers people to lift themselves and their families out of poverty – has a strong track record of success.

Islamic Relief Worldwide's groundbreaking Health, Education and Livelihoods for the Ultra Poor project (HELP-UP) project and our award-winning Alternative Livelihoods for Orphan Families (ALO) project in Bangladesh are cases in point, acting as the catalyst and inspiration for subsequent Graduation projects. With our support, participants in HELP-UP increased their income by a staggering 500 per cent in four years.

The mature Graduation model of today is about far more than income growth, as it recognises that poverty is multi-dimensional and seeks to tackle it in a multi-dimensional way. The early successes of innovative projects like HELP-UP and ALO have inspired us to establish Graduation programmes in a dozen other countries. Our goal is to transform lives and livelihoods, and to bring an end to extreme poverty for many thousands of people.

With this goal in mind, we conducted an extensive global learning study in 2023 to examine our Graduation approach and learn lessons for the future. As a result our Graduation programme now has a new set of guidelines for its implementation and a new name: The Falah Graduation Model - Pathways to Prosperity. Falah is an Arabic word that expresses profound multi-dimensional well-being that goes beyond material advancement. This document provides an accessible summary of both our approach and our guidelines, and is a blueprint for achieving individual and community well-being.

To compile the full guidelines, we first mapped existing practices in the design and implementation of our Graduation projects. We then conducted a deeper dive into a selection of projects to provide a more detailed understanding of project design and implementation, adaptation to local context and challenges, and project outcomes.

Key informant interviews were conducted with a range of project stakeholders, and we organised a virtual workshop to explore the results of our mapping and project learning. This enabled us to identify strengths and gaps in our Graduation approach, and to reflect on faith elements of the way we work.

We concluded our review with an in-person workshop attended by representatives from a number of different countries – fittingly held in Rangpur, Bangladesh. The entire review process took nine months and involved more than 50 Islamic Relief staff across the world. We want to thank them all for their support and insight.

The Graduation approach tends to be resource intensive, complex, and challenging to manage. Where poverty levels are not so deep or complex, or where there are strong market opportunities, careful consideration should be given to whether a simpler intervention might be more appropriate.

Where the challenges are deep, however, and where the Graduation approach is merited, we now have a set of guidelines that promises to be a rich resource for helping us to implement Graduation projects in an increasingly thorough, consistent and effective way. We hope that Islamic Relief staff around the world will find our guidelines informative and instructive, and that member offices and external partners will gain a deeper understanding of how we are implementing our Graduation model.



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Global Programme Impact and MEAL Manager

INTRODUCTION

Graduation programmes, designed to empower people and communities to 'graduate' out of extreme poverty, are increasingly prevalent across the international development sector.

Over many years Islamic Relief has developed its own Graduation model, and now, in 2024, we have distilled our experience and learning into comprehensive guidelines for implementing effective programmes. This document provides a succinct summary of those guidelines.

MANY PATHWAYS, ONE ULTIMATE GOAL

The name we have chosen for Islamic Relief's Graduation approach is The Falah Graduation Model - Pathways to Prosperity. Our ultimate goal is to bring sustainable development and lasting prosperity to all the communities we serve, but it is important to emphasise that the challenges communities face are varied and complex. There is no 'one size fits all' solution. The name for our approach to Graduation reflects that there are many paths out of poverty and into prosperity, and that what is needed is not a fixed formula but a flexible framework that enables us to adapt our approach to the local context.

Acknowledging the diversity of contexts, our aim is to provide a set of principles to guide adaptation to particular contexts while ensuring that we meet minimum standards for effective design and execution. Our guidelines outline the key steps that are needed to implement projects that consistently benefit the wellbeing of rightsholders (RHs).

UNDERSTANDING THE 'WHY' AND 'HOW' OF GRADUATION

Our guidelines cover both the 'why' and the 'how' of our Graduation approach. The starting point is to ensure that Islamic Relief staff designing and managing Graduation projects understand the underlying rationale for each element of the approach. Without considering the 'why', we may end up with Graduation projects that replicate activities without a proper understanding of the underlying principles, leading to inappropriate project design.

We have developed our guidelines primarily for the use of Islamic Relief country teams exploring long-term strategies for eliminating extreme poverty using the Graduation approach, as well as for external funders and partners. Internally they are aimed at country programme staff and those involved in monitoring, evaluation, accountability and learning (MEAL), regional desk staff, managers, and people in member offices responsible for approving project funding. We want to ensure that everyone's actions help the model succeed and that unforeseen obstacles and unintended consequences are avoided.



A ROADMAP FOR EFFECTIVE IMPLEMENTATION

The guidelines provide our staff with a roadmap of assessment, design, implementation and monitoring considerations and steps. What we cover includes:

- knowing whether the broad Graduation approach and model is appropriate for a particular context
- understanding the feasibility of a project and what resources will be required
- undertaking the detailed assessment needed to design and develop a project that meets the specific needs of RHs
- effective project implementation that takes critical success factors into consideration
- developing monitoring, learning and reporting frameworks to ensure that progress is tracked, and that additional support is provided where needed.

In this summary document we touch on all the key elements of the full guidelines. The origins of the Graduation concept and our approach to it are outlined on pages 4-5, followed by a snapshot of all the key programme components on pages 6-7. On pages 8-11 we set out the principles and practice of project design and implementation. We conclude with a section on operational considerations on pages 12-13 and some case studies illustrating elements of our approach on pages 14-15.

BREAKING THE CYCLE OF EXTREME POVERTY THROUGH GRADUATION PROGRAMMES

The Graduation approach was developed by BRAC Bangladesh in the early 2000s as a 'big push' – a comprehensive strategy – to tackle the complex factors contributing to extreme poverty. It involves a series of interventions implemented in a logical and precise sequence to meet immediate needs while also investing in long-term solutions to help families achieve and sustain real progress over time.

Islamic Relief has increasingly embraced the Graduation approach to help families living in extreme poverty to develop sustainable livelihoods and enhance their resilience and wellbeing – see the timeline below. Our model has emerged from learning and experience gathered over many years of implementing sustainable livelihood programmes, particularly in Bangladesh.

At the end of any Graduation project the goal is for participants to put extreme poverty behind them and achieve a positive trajectory in which they are more resilient to shocks. Graduation is not defined in absolute terms but is based on indicators that are meaningful to the communities involved and reflect positive aspirational changes in the lives of RHs and their families.

The Graduation approach has been adopted and refined in more than 75 countries – primarily nations with high levels of extreme poverty in Africa, Asia, the Middle East and Latin America.¹ Through evaluation and learning processes a consensus has emerged around a broad approach that is consistent and scalable, while allowing for adaptation to different contexts.

BUILDING CAPACITY, BUILDING RESILIENCE

Graduation builds the capacity of individuals and their households, strengthening their resilience and supporting productive activities. It considers the broader systems within which families operate, aiming to leverage existing opportunities and create positive connections with local economies, communities, government services, and the private sector.

Graduation projects are based on a holistic approach to poverty reduction, with a built-in recognition that poverty is not solely defined by a lack of material resources. The Graduation approach requires that three other key factors are also addressed:

- the lack of opportunities and choice that limits people's ability to improve their lives
- the sense of powerlessness that is intertwined with poverty, often inculcated by a lack of voice in decision-making processes, and a widespread lack of respect for fundamental human rights
- the impact of critical and cross-cutting structural issues, such as gender discrimination and injustice, exclusion of marginalised people, such as those with disabilities, and the profound damage caused by conflict and climate change.



¹ Partnership for Economic Inclusion, World Bank.

² A. Banerjee, E. Duflo, N. Goldberg, D. Karlan, R. Osei, W. Pariente, J. Shapiro, B. Thuysbaert, and C. Udry, 2015. A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries. *Science*. 348 (6236). 14 May. 1260799. IPA highlights this research as well as more recent impact evaluations

³ State of Economic Inclusion Report 2021 (PEI, World Bank)

⁴ J-Pal, October 2023, accessed 29/4/2024. Building stable livelihoods for low-income households | The Abdul Latif Jameel Poverty Action Lab

A CREDIBLE AND EFFECTIVE APPROACH

The credibility of the Graduation approach is rooted in evidence of its positive, sustained impact across many countries and contexts.

- A multi-country study in 2015 showed significant increases in household consumption, asset value, livestock revenue, and savings – as well as improvements in women’s empowerment and advances in health and psychosocial wellbeing.²
- In 2021 the Partnership for Economic Inclusion documented experiences across 80 evaluations in 37 countries, demonstrating that a bundle of coordinated multidimensional interventions generates a more positive impact than stand-alone interventions on income, assets, and savings.³
- A 2023 review of 20 randomised impact evaluations of Graduation programmes found that they “provided a necessary foundation for households to accumulate assets, shift into more stable self-employment, take on better occupations, increase their standard of living, and grow out of a state of poverty”.⁴

The evidence shows that on average the Graduation approach works, and results are sustained beyond the project period. There have been occasions, however, when the model has not resulted in substantial poverty reduction – often because of management issues. It is important to ensure Graduation projects are managed and led by people with experience of the Graduation model, backed by adequate training and resources.



Our ground-breaking HELP-UP project in Bangladesh enabled participants to increase their incomes by an average of over 500 per cent in four years.

2013

An end-of-project evaluation for the EU finds HELP-UP has raised incomes by an average of over 500 per cent in four years. Islamic Relief Bangladesh launches a new three-year project called SAFALLO, retaining the most successful elements of HELP-UP, but with smaller, better-targeted livelihood cash grants. SAFALLO goes on to deliver significant increases in incomes, assets, and social protection cover more cost-effectively than HELP-UP.

2014-16

Based on the success of HELP-UP and SAFALLO, Islamic Relief Bangladesh implements a series of projects aimed at helping the widowed mothers of orphaned children to graduate from extreme poverty. Under the umbrella of ALO, these projects succeed not only in lifting RHs out of extreme poverty but also in modelling a lower-cost yet more impactful approach to orphan sponsorship.

2019

Islamic Relief wins the prestigious Bond Innovation Award, in recognition of its inventive approach to helping to eliminate extreme poverty through the ALO programme. ALO succeeds in lifting a high percentage of participants out of extreme poverty, and results in significant improvements in children’s school results, the social standing of families, and social protection coverage.

2020-24

The Graduation approach is rolled out in multiple countries, supported by learning and technical support from Islamic Relief Bangladesh. Islamic Relief now has additional Graduation programmes in Afghanistan, Ethiopia, Indonesia, Kenya, Malawi, Mali, Myanmar, Nepal, Niger, Pakistan, Sri Lanka and Somalia. In 2024, we collect our learning and experience to date into comprehensive guidelines on how to design and implement effective Graduation projects.

THE FALAH GRADUATION MODEL - PATHWAYS TO PROSPERITY

ISLAMIC RELIEF'S GRADUATION PROGRAMME FRAMEWORK TO OVERCOME EXTREME POVERTY

THE CHALLENGE

The World Bank estimates that 689 million people are living in extreme poverty, struggling to survive on less than \$2.15 per day.⁵ This amounts to one in every 11 people across the world (8.9 per cent of the global population).

OUR RESPONSE

The goal of Islamic Relief's Falah Graduation programme is to empower families to 'graduate out' of extreme poverty – and enhance their resilience and wellbeing – by developing sustainable livelihoods.

FOUR CORE COMPONENTS

We know from experience that the key to success with the Graduation approach is investing in four established pillars of Graduation projects – basic needs and social protection, livelihoods promotion, financial inclusion, and social empowerment. Success is measured by the extent to which RHs are better prepared through our projects to manage shocks and better equipped with the skills, capital, confidence and connections they need to become self-reliant.

We have a defining goal and a set of key activities for each of our four pillars.

PILLAR AND GOAL	KEY ACTIVITIES
Basic needs and social protection <i>Provide immediate relief for basic needs, prevent and mitigate risk, reduce vulnerability to shocks</i>	<ul style="list-style-type: none"> Consumption support (eg subsistence allowance, food for work, seeds) Addressing pressing basic needs (eg health, water, sanitation and hygiene (WASH), housing) through training and inputs Risk management support (training, disaster risk reduction committee) Links to services and entitlements.
Livelihoods promotion <i>Develop diverse and resilient IGAs</i>	<ul style="list-style-type: none"> Asset transfer to help establish a new, or expand an existing, IGA Training and coaching to develop management skills Support for expansion, diversification, and multiplication of productive assets and IGAs Reinvestment of savings through SHGs into IGAs Loans from SHGs to help grow IGAs and build livelihood management skills Links giving access to technical and productive inputs and support Value chain support to provide viable IGA opportunities Vocational skills and 'employability' support.
Financial inclusion <i>Build financial management skills and provide tools to meet day-to-day, long-term and lifecycle needs, build assets, and protect from risks</i>	<ul style="list-style-type: none"> Financial education to build financial management skills Financial tools (savings, credit, insurance) provided through SHGs to support different financial needs Referrals to Islamic Relief microfinance and links to external Islamic financial service providers create sustainable access to appropriate products and services.
Social empowerment <i>Build confident mindset, address structural barriers (eg gender, protection), strengthen social networks and social cohesion</i>	<ul style="list-style-type: none"> Links, SHGs and community engagement build social capital, relationships and community integration Address gender, child protection and inclusion challenges and enhance social cohesion through life skills training, rights awareness raising and community engagement, SHGs, coaching.

FROM SELF-HELP TO SELF-RELIANCE

SHGs are a form of savings and loan group that are critically important in Islamic Relief's Graduation approach. Groups meet weekly or fortnightly and are the foundation for many activities that underpin successful projects and build self-reliance, including:

- facilitating savings and managing Shariah-compliant interest-free loan funds
- providing venues and coordination for training and coaching support
- providing a source of emergency funding when needed
- providing a platform for sharing advice and ideas
- establishing a strong collective voice.

FIVE STEPS ON THE PATH TO PROSPERITY

Graduation is a long-term development intervention, with projects typically lasting at least three years. The sequence and timing of activities and the overall project duration are driven by specific needs and local context. In Islamic Relief's approach, there are five steps to implementing effective Graduation projects, detailed extensively in our full guidelines:

1. Pre-project approval phase & project set up (6-12 months)

Undertaking detailed assessments and technical planning to ensure appropriate project design.

2. Targeting and SHG formation (6-9 months)

Rigorous group formation to ensure that the most vulnerable households are targeted and organised into structures that empower participants and support effective project delivery.

3. Stabilisation (3-12 months)

Ensuring that RHs have the stability they need to focus time and energy on economically productive activities by addressing their most pressing basic needs through support such as cash stipends, food-for-work projects, childcare provision and housing improvements. This is accompanied by capacity building to address any potential obstacles to progress such as lack of financial literacy, and unhygienic water and sanitation practices.

4. Livelihood promotion and integrated support (18 months)

Building the life skills, income-generating ability, financial acumen and risk management of RHs to equip them to manage their own finances and develop productive livelihoods, then transferring livelihood development assets to them, backed by coaching support and follow-up visits.

5. Supporting sustainability (9 months)

Working with RHs to progressively nurture greater self-reliance, with support to invest further in successful IGAs and a shift in the role of coaches over time from training to monitoring and ongoing guidance.

⁵ March 2024 Update to the Poverty and Inequality Platform (PIP), Global Poverty Monitoring Technical Note, World Bank, 2024 <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099839303252425642/1d1d671646616eef14bb31a2ba103042c40ae3c>

FUELLED BY FAITH

Our Graduation projects are aligned with the Islamic Maqasid framework, as well as with Islamic Relief’s 10-year global strategy (2023-2033). Maqasid-based programming in Islamic Relief encompasses a holistic and value-driven approach to humanitarian and development work that seeks not only to address immediate needs, but also to fulfil the broader ethical and moral imperatives associated with Islam. Maqasid is a rights-based framework that resonates with our Graduation approach, in which we are working to empower RHs to claim their basic rights and engage with structural barriers that deny people their right to live a life of dignity.



SHGs are a critical component of all Islamic Relief Graduation projects – like this group meeting under the auspices of Ending Extreme Poverty, the new flagship Graduation project that is building on our 30 years of experience and expertise in livelihoods programmes in Bangladesh.

CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

1 NO POVERTY

Ending poverty

By investing in sustainable livelihoods, our Falah Graduation Model (Pathways to Prosperity) empowers families to earn a regular income.

5 GENDER EQUALITY

Gender equality

By empowering women through SHGs, our Graduation approach enables them to build their own savings, manage their own finances and choose the best income-generating opportunities.

8 DECENT WORK AND ECONOMIC GROWTH

Economic growth

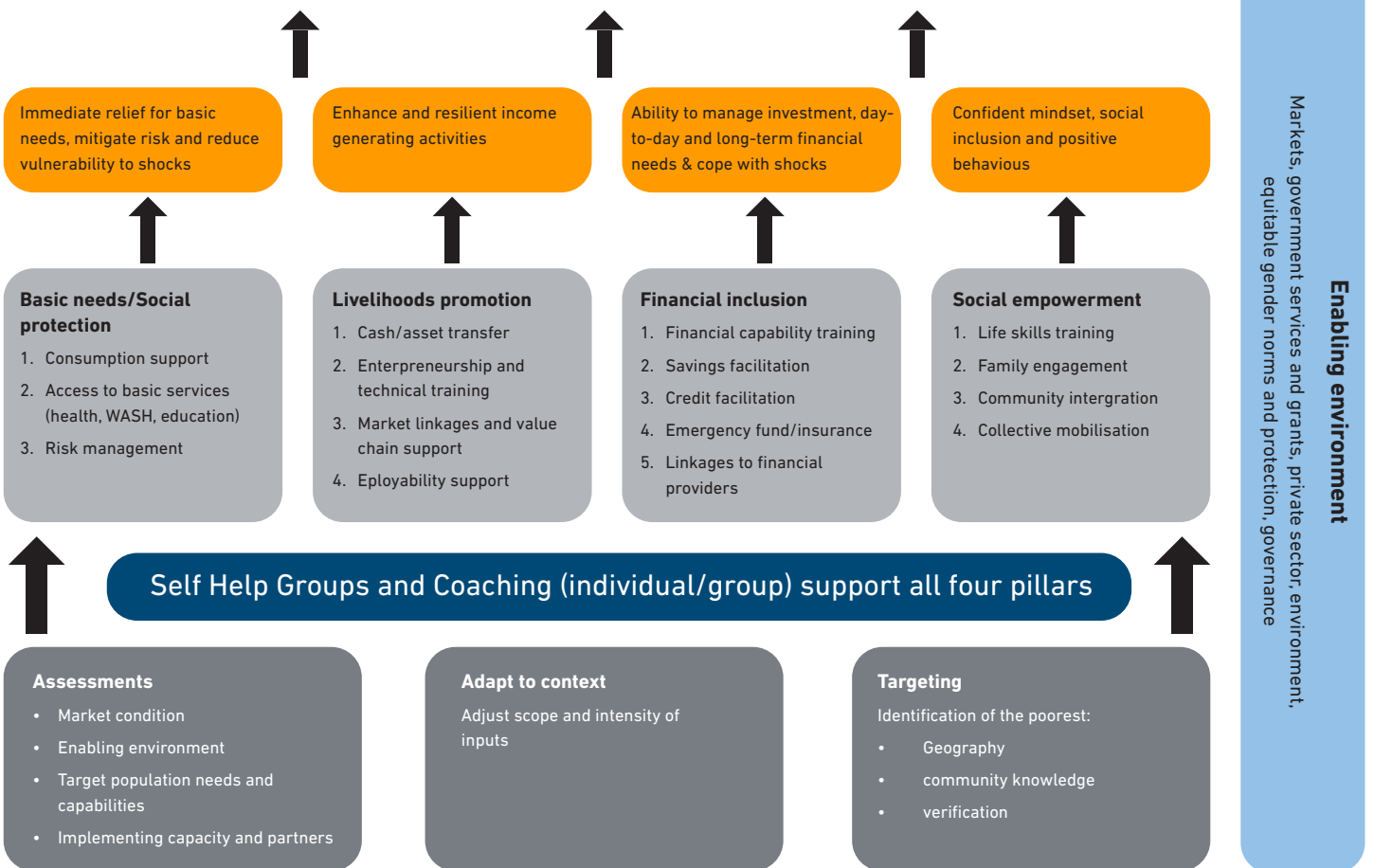
By empowering RHs to establish their own businesses, we are enabling them to strengthen and grow the local economy.

10 REDUCED INEQUALITIES

Reducing inequalities

By providing targeted support to the poorest and most vulnerable – including female-headed households, displaced families and people with disabilities – we are enabling those too often left behind to earn a living.

RIGHTSHOLDERS FAMILIES MOVE OUT OF EXTREME POVERTY



(Adapted from World Vision Ultra-Poor Graduation Handbook)

Our Theory of Change, above, shows how Islamic Relief’s use of the Graduation approach is built on a firm foundation of SHGs and coaching. The four Graduation pillars of basic needs/social protection, livelihoods promotion, financial inclusion and social empowerment feed through into increased resilience, enhanced income generation, better management of finances, and a more confident mindset for our RHs.

PROJECT DESIGN AND IMPLEMENTATION

The core of our guidelines is an extensive section on project design and implementation, which has eight components. It provides practical guidance on how to deal with four key aspects of design and implementation in the Graduation approach – initial assessment, targeting, SHGs, and coaching. It also covers how to practically engage with the four pillars of successful Graduation programmes – basic needs and social protection, livelihoods promotion, financial inclusion, and social empowerment.

INITIAL ASSESSMENT AND DESIGN

Islamic Relief works in very different contexts, from densely populated and agriculturally fertile Bangladesh to sparsely populated pastoralist areas of eastern Kenya and Niger. It is essential that every Graduation project is adapted to its specific context in terms of economic opportunities, markets, infrastructure, government services, communications, climate and conflict challenges, and cultural norms and practices.

Graduation projects should use standard Islamic Relief project assessment, design and planning processes and tools. These standard processes need to be focused on gathering relevant information that defines the local context and then analysing that information systematically. A context analysis, vulnerability assessment and climate vulnerability and capacity analysis are all essential. These should be supplemented with an appraisal of gender justice and social inclusion challenges and needs, a livelihoods and markets assessment, and stakeholder mapping.

It is important for project design to be driven by an understanding of need, rather than by available budgets or staff capacity. Project scope (i.e. core components) and intensity (e.g. duration of project and frequency of visits) need to be based on the structural dimensions of poverty and the local conditions – and on what is needed to make a lasting difference.

TARGETING

A rigorous targeting process is needed to ensure that scarce resources are channelled to RHs living in extreme poverty who really require the resource-intensive 'big push' of support associated with Graduation projects. These RHs will usually include women-headed households, families with orphans, elderly people, and those with disabilities.

Targeting should follow the standard Islamic Relief approach, which includes:

- ensuring that the most vulnerable people in the community are identified and prioritised, based on carefully defined inclusion and exclusion criteria
- adopting a participatory and transparent selection process that gains broad-based support and engagement from the local community
- household surveys to quantify need, backed by verification of RHs selection by community leaders
- a clear and transparent appeals process for those not selected.

SHGs

SHGs are a foundational element of all Islamic Relief Graduation projects. A group usually consists of 15-25 people, typically women, and should ideally meet weekly – particularly in the first year of formation. Fortnightly meetings and smaller groups may be needed in sparsely populated areas where people have to travel longer distances to get together.

The role of SHGs includes:

- facilitating group-based savings and revolving credit to enable improved financial management, income smoothing, risk management and investment
- providing a platform for the delivery of training
- facilitating regular contact with Islamic Relief staff to enable monitoring and support
- building connections between RHs to facilitate learning, confidence building, problem solving and collaboration
- giving RHs a means to exercise collective voice, action, and advocacy. Group members often take on leadership positions in other community structures, such as school and water management committees
- providing a structure to support participants beyond the project duration and strengthen the sustainability of positive outcomes.

SHGs should be established as early as possible in project implementation, and they should continue to function beyond project completion if successful. The first two to three meetings need to focus on establishing the group, resolving leadership issues, and addressing initial training needs. Savings start after this, with access to small loans from the savings commencing after some capital has been accumulated.

Groups tend to be stronger where there is trust and a connection between members, as well as a shared motivation to participate. Although existing groups can be successfully repurposed, Islamic Relief tends to favour forming new groups involving RHs targeted for their poverty status.

COACHING

Coaches accompany RHs on their journey out of extreme poverty. Their role is to provide individual support and guidance to propel participants forward and keep them on track. Coaches help RHs to develop a sense of self-reliance and a vision for the future, to build the skills they need to succeed in the long term, and to manage economic activities effectively.

Initially the focus of the coach is on the selection of appropriate IGAs and business planning. As RHs become more confident in running their IGAs, the focus of coaching shifts to working towards self-reliance after the project.

Coaches should visit participants regularly – ideally once a week or once a fortnight in the first year of a project. As a project develops, coaching support should increasingly focus on those who are not progressing as swiftly as others.

Coaching is partly delivered in the context of weekly SHG meetings – where it can take the form of group discussions and sharing of experience – and partly through individual visits to a RH's home or place of business.

PROJECT PILLARS

Our Graduation guidelines go through the four pillars of the Graduation approach in detail. Here is a snapshot of what the guidelines cover.

PILLAR 1: BASIC NEEDS AND SOCIAL PROTECTION

OVERVIEW

A first step for Graduation projects is to ensure stabilisation of participant livelihoods and address pressing basic needs so that RHs can focus their time and energies on productive activities. The social protection focus of this pillar aims to help participants mitigate risk, reduce vulnerability to shocks, and gain access to resources and support as a safety net when shocks occur.

TIMING

The stabilisation element needs to be addressed early in the project, prior to asset transfer. The risk management element is an ongoing intervention throughout the project period.

CONSUMPTION SUPPORT TO STABILISE LIVELIHOODS

Consumption support is important to provide families with additional, regular income that addresses immediate household consumption needs until new IGAs kick in. Addressing pressing consumption needs, such as for basic food and nutrition, reduces the risk of funds being diverted into consumption. Addressing other basic needs, such as access to health care, can reduce risks that might prevent RHs from investing successfully in an IGA.

The most common form of consumption support in Graduation projects is a small cash payment given on a regular basis (ideally weekly or every two weeks) and paid for a fixed period (often three to nine months). Non-cash methods can also be used, including community work schemes that provide short-term employment and the provision of small asset transfer early in a project to allow for investment in an IGA.

ADDRESSING IMMEDIATE NEEDS AND BARRIERS TO PARTICIPATION

Projects should seek to address barriers and risks that are likely to limit the ability of RHs to take up opportunities created by Graduation projects. They can do this through partnerships and linkages, or by including additional elements in the project design.

Islamic Relief Bangladesh arranged cataract surgery for some RHs, having identified that poor eyesight was a major barrier to productive activity for older people. It is better to link RHs to existing services and support, where these exist, than for the project to provide them.

BUILDING RESILIENCE AND RISK MANAGEMENT

In the long term, the social protection pillar seeks to ensure that households can manage risk and cope with shocks when these occur in the future. The main project activities in this area include:

- training and mentoring to equip RHs with practical skills to identify, prepare for and respond to risks
- connecting RHs with community-level risk management initiatives, such as disaster risk reduction committees
- facilitating regular saving in savings groups, creation of emergency funds, and provision of insurance
- providing links to support access to basic services, government grants and safety nets.

PILLAR 2: LIVELIHOODS PROMOTION

OVERVIEW

The livelihoods promotion pillar supports RHs to build reliable, regular and resilient income streams that meet their basic needs throughout the year. Livelihood promotion is not just about maximising income but also about reducing risk and increasing resilience.

TIMING

While some projects provide a small initial grant to support investment in IGAs with a fast return to support daily household needs, mostly IGAs are supported some months into the project after stabilisation and training. It is important both to help RHs make good IGA choices and to build their skills to make a success of their chosen IGAs. At least 12 months should be allocated for support following asset transfer.

TRAINING AND COACHING

RHs should receive training in business and entrepreneurial skills to ensure they can invest effectively in an IGA, along with technical training related to the IGA selected. The training provided needs to be reinforced through 'learning by doing', facilitated by coaching visits and SHG meetings.

BUSINESS PLANNING AND IGA SELECTION

It is important for RHs to be the ones who select their IGAs, informed by specialist advice from Islamic Relief staff. The aim should be to choose viable options with strong market demand and regular income potential, good alignment with RHs' capabilities and family circumstances, and manageable risks. In most cases IGAs will be undertaken as an individual or family activity, but our coaches can also support broader partnership initiatives with pooled resources if appropriate.

ASSET TRANSFER

Graduation projects generally involve the provision of cash, or sometimes a physical asset, to support an IGA. The amount transferred needs to cover the full costs of the activity. The amount should be the same for all participants in a particular IGA, except in the case of people who need additional support e.g. to cover the cost of adjustments for a disability.

ASSET GROWTH, MULTIPLICATION AND DIVERSIFICATION

It is important to support RHs to manage, expand and diversify their IGAs and to encourage them to set aside an asset replacement contingency in their savings. Initial IGAs provide a platform for learning and building confidence so that participants can potentially reinvest in an existing IGA or diversify to higher-value options.

SUPPORT, LINKAGES AND MARKET DEVELOPMENT

Many IGAs require support, such as veterinary or agricultural extension services and help with marketing and transportation. Graduation projects should identify what is needed in terms of services and support, and link RHs to suitable providers (from government, NGOs, the private sector, and community organisations).

Where there are significant constraints to market access that cannot be addressed by the project or by linking RHs to value chain and market development support, consideration should be given as to whether the Graduation approach is appropriate.

PILLAR 3: FINANCIAL INCLUSION

OVERVIEW

Building financial management skills enables RHs to use various tools that help them meet day-to-day and longer-term needs, build assets and strong livelihoods, and protect themselves from risk. Access to these tools – which include savings, credit, insurance, and other Shariah-compliant non-credit instruments – is predominantly facilitated by SHGs.

TIMING

Basic skills in financial management should be introduced early in the process, before asset transfer. Financial services delivered through SHGs are provided throughout the project. Linkages to formal Shariah-compliant financial institutions (if included) can be introduced in the latter part of the project.

TRAINING

Training in financial literacy promotes better financial decision-making, good planning and use of financial tools such as savings and loans. Training topics typically include the rationale and guidelines for saving, preparing for emergencies, formulating a household budget, understanding debt and the Islamic approach to interest-free loans, managing loans, and finding the right Shariah-compliant financial service providers when needed.

SAVINGS

The experience of Graduation projects is that even the poorest people can save. SHG members make weekly savings. The amount saved is determined by each member's capacity, and this may vary week by week. SHG savings are available for withdrawal as required.

CREDIT

Credit is another way for RHs to access 'lump sums' of money for consumption smoothing, emergencies or investment. Over time the amount of capital held by SHGs grows, allowing them to lend to group members from a revolving loan fund. In line with Islamic finance principles, loans in Islamic Relief Graduation projects are given interest free, lowering the cost and risk of credit. It is important to ensure that repayment schedules fit with capacity to repay.

EMERGENCY FUNDS AND 'TAKAFUL' INSURANCE

SHGs also establish an emergency fund to which members contribute, enabling them to support families when they face a shock such as serious illness or the death of a breadwinner. Where a larger number of people are affected at the same time – by an environmental disaster, for example – the accumulated funds are unlikely to be sufficient. This is addressed in some Islamic Relief projects by linking SHGs together in a federation or apex which administers a more formal micro-insurance fund (takaful) that provides broader and deeper cover for shocks.

PILLAR 4: SOCIAL EMPOWERMENT

OVERVIEW

Social empowerment activities ensure at the individual level that RHs accumulate valuable knowledge and skills and develop a sense of vision, empowering them to take control of their circumstances and make informed decisions that positively impact their futures. At the broader community level, consultation and collective action help advance the rights of marginalised groups and address harmful entrenched practices that perpetuate poverty and inequality. Engagement of faith leaders is critical for success.

TIMING

Life skills training is generally introduced after more foundational training such as financial and business training, with the facilitation of collective community action taking place in the latter stages of the programme.

TRAINING

Life skills training, delivered by our Graduation project coaches, fosters personal development and empowers individuals to navigate challenges effectively. Our training typically includes:

- practical skills related to topics such as improving health and nutrition, and accessing and using various services
- soft skills such as communication, problem-solving, decision-making, visioning and interpersonal relationships
- tackling specific risks, norms and traditions that have a negative impact, particularly on women and children. These may include gender-based violence (GBV), early marriage, child protection, inadequate nutrition, and school attendance.

CHILD PROTECTION AND GENDER JUSTICE

Many children in very poor households face protection issues. Graduation projects are implemented in line with Islamic Relief's protection approach and are therefore designed to protect children from abuse, neglect, exploitation and violence, as well as to mobilise action around issues of concern.

In line with our **Gender Justice Policy**, there is a recognition that the situation of women and girls can only be improved if men and boys are engaged in and educated about the needs and rights of all. Our family approach involves the wider families of RHs as partners in Graduation projects, helping to build understanding and facilitate change around critical issues such as GBV and early marriage.

COMMUNITY ENGAGEMENT, COLLECTIVE VOICE AND ADVOCACY

Through SHGs, each Graduation project needs to work with the community as well as individual RHs and their families. Engagement at a community level is a mechanism to speak with a collective voice and advocate for change surrounding some of the complex norms and behaviours that impact on RHs, particularly women and children.

Many Graduation projects connect with or set up additional community structures or committees focusing on specific issues such as child protection, or support to widows, or the needs of other vulnerable groups. Apex bodies of multiple SHGs are particularly valuable for facilitating linkages to government grants and services.

MEETING MINIMUM STANDARDS

To ensure effective implementation and create the sustainable outcomes we expect, our Graduation projects should adhere to certain minimum standards – summarised here and set out in full in our guidelines, which contain extensive further links to specific aspects of project design and implementation.

ASSESSMENT AND DESIGN

Graduation projects must be adapted to the local context, based on detailed assessments conducted before implementation. It is important to assess things from an extreme-poverty-related and child-focused perspective, as well as to address specific vulnerabilities, local markets and livelihoods, gender and social inclusion in the local context, conflict and risk, climate vulnerability and adaptive capacities, and existing stakeholders and services.

TARGETING

Our projects must prioritise vulnerable households and target families living in extreme poverty, with a particular focus on women-headed households and families with orphans and vulnerable children. There must be rigorous targeting, with community participation in defining criteria and in the selection process.

SHGs

A rigorous approach to group formation is required, as SHGs play a pivotal role that involves providing a platform for access to savings and credit, a pathway for investment into IGAs, and a structure to support multiple aspects of the Graduation approach. The group setting is important for building connections between RHs, and this ultimately facilitates learning, confidence building, problem solving and collaboration.

PILLARS OF STRENGTH

Our four pillars are a lens to help us think systematically about what is required to address the constraints experienced by project participants. While specific activities may vary by context, our Graduation projects must include effective interventions across all four pillars: basic needs and social protection, livelihoods promotion, financial inclusion, and social empowerment.

REGULAR COACHING

This is critical for supporting RHs as they pursue their Graduation goals, addressing challenges they face and supporting effective management of IGAs. It is vital to ensure consistently that regular household-level support is provided on a weekly or fortnightly basis.

SEQUENCING, TIMING AND PROJECT DURATION

There is a logic in the timing and careful sequencing of activities: stabilising livelihoods before asking RHs to focus on investing time and resources into an IGA, for example, or ensuring farmers receive seeds in season. The overall project duration, and the time allocated to each component must be sufficient to allow for the desired outcomes.

FOCUSING ON SUSTAINABILITY

Sustainability is achieved by taking care not to build dependency. We must support RHs to plan for the future through SHGs and through engagement with local community structures, including social protection and government services, markets, and Shariah-compliant financial services.

INDIVIDUAL PROGRESS TRACKING AND MANAGEMENT

In Graduation projects, an important element of ensuring success is a professional MEAL process. There needs to be a clear focus on defining desired Graduation outcomes and measuring success against these.

FAITH ALIGNMENT AND ALLIANCES

Faith is an important part of day-to-day life in many of the communities where Islamic Relief operates. We need to align our projects with the Maqasid framework and consistently engage with faith leaders, who can be important allies in building community trust and in addressing suppression of basic rights and some inequalities RHs face.

ENSURING A GENDER, PROTECTION AND INCLUSION FOCUS

Measurement against **Islamic Relief's '6 As'** of inclusive and protective programming⁶ should be used to assess how well age, gender and diversity dimensions have been addressed.

INTEGRATION OF SPECIFIC THEMATIC FOCUS

There are specific themes and challenges that can and should be explicitly integrated into Graduation projects. These include climate adaptation, nutrition, the needs of children and young people, and the plight of specific target populations (e.g. refugees/IDPs and pastoralists).

OPERATIONAL EXPERIENCE, CAPACITY AND BUDGET

Using the Graduation approach is challenging, with multiple elements to manage and a complex, time-sensitive implementation process. Project design and implementation should be led by

someone with significant experience of the Graduation approach, and each project must be properly resourced in terms of staff capacity, budget and project duration.

LEARNING AND ADAPTATIVE MANAGEMENT

While a great deal of thinking and planning is needed prior to implementation, it is important during implementation to maintain focus on quality (e.g. Shariah compliance) and to continue to reflect on whether project goals are being achieved. Building in processes of feedback, learning and iteration is important.

The Islamic Relief Graduation approach aims to target people living in extreme poverty and to empower them develop IGAs, like these women in rural Afghanistan.

In South Sudan the main IGA for most RHs is cattle rearing, and this is the mainstay of what our Graduation project supports. To help diversify livelihoods our team also facilitated additional asset transfers for activities such as beekeeping, lowland rice growing and fruit tree cultivation.

SOCIAL EMPOWERMENT IN ACTION IN WEST AFRICA

Islamic Relief Graduation project teams in Mali and Niger have successfully used the Channels of Hope methodology to establish action teams that harness the influence of faith and community leaders to address child protection and disability rights issues and harmful practices such as GBV and early marriage.

Channels of Hope is a facilitative and interactive methodology which aims to create a safe space for faith leaders and their communities to learn, share and debate. It also encourages participants to take collective action to address issues of concern by establishing Community Hope Action Teams (CHATs).

In this case, CHATs were formed involving the most influential people in communities, including faith and community leaders, alongside young people and women in positions of leadership. These CHATs arranged community meetings to discuss the issues of greatest concern and developed action plans to address them.

The action plans were implemented by the CHATs themselves in their communities, helped by the authority vested in them because of faith and community leadership involvement. Islamic Relief Niger provided communication materials for sensitisation sessions conducted by local leaders, as well as guidance and support for the implementation of protection and inclusion activities.

⁶ This approach uses a marker tool to grade on a 0-2 scale, providing a snapshot of project performance against six important areas that constitute the 6 As: analysis, adapted assistance, attention to negative effects, adequate participation, accountability, and adequate capacity.

OPERATIONAL CONSIDERATIONS

A dedicated section of Islamic Relief's Graduation guidelines highlights a number of considerations that we need to take into account to ensure high-quality project management and the alignment of implementation with Islamic Relief norms, including programme quality principles and standards and MEAL best practice.

STAFFING

Graduation projects require skilled and experienced staff in their design, management and implementation. Where country-level expertise in graduation is not available, support can be provided by regionally based technical staff.

The project lead for a Graduation project should ideally have experience with the Graduation approach. Where this is not the case, it is essential that they are given adequate training and mentored/supervised by someone who has operational experience of the approach. Those selected for the pivotal role of coaches should have some experience in relevant sectors/occupations (livelihoods, Islamic microfinance, social work, case management), knowledge of the local area, and proficiency in the local language.

EFFECTIVE BUDGETING

It is imperative to ensure that Graduation projects are adequately resourced, and budgeting needs to align with Islamic Relief's Zakat Policy and budgeting templates. It is essential to build a budget based on a thorough assessment and design process, rather than fitting activities into a pre-determined budget. It may be possible to pool resources across multiple donors to cover what is needed.

A key component of effective budgeting is recognising that many aspects of Graduation projects need to be accounted for as direct, rather than indirect, costs. It is important to adhere to Islamic Relief's rules and guidance for an appropriate project split between direct and indirect costs, and what can and cannot be counted as direct costs.

TIMELINESS OF IMPLEMENTATION

The timing and sequencing of activities in a Graduation project are critical to success. Delays can have a significant impact. Good cashflow planning is needed to ensure that funders and funding take account of the ebb and flow of resource requirements, which peak around livelihood asset transfer.

The workload of a Graduation project varies, including 'crunch points' when a lot has to be done in a short time. This particularly applies to the targeting phase, the period of setting up and training SHGs, and the moment of asset transfer. Poor project planning for these activities can lead to delays in implementation. It is important for projects to continuously assess all risks to implementation, preparing strategies for how to deal with delays when they occur and taking mitigating measures where possible.

TRAINING AND OVERSIGHT

The complexity of the Graduation approach can create challenges in ensuring that staff have the skills to implement a range of different activities. It is important to provide adequate training, as well as appropriate supervision and quality control.

In some contexts, staff are likely to have experience working with other organisations but may not come with the specific knowledge of Islamic values and practices. It is therefore important that this aspect is given attention and that processes to audit Shariah compliance, particularly with respect to financial services, are put in place.

FRAMING FOR FUNDING

As an approach that cuts across sectors and issues, Graduation offers opportunities to frame aspects of project implementation to align with the priorities of different Islamic Relief family members and donors in areas such as inclusion, gender, rights, livelihoods, and climate resilience. Recognising that institutional funding may be sourced for some projects, it is important to leverage this funding in such a way that all components of the project are resourced to ensure an appropriately holistic Graduation project.

MEAL

The standard Islamic Relief MEAL/Programme Quality framework should be followed in Graduation projects. In practice this means the following:

Design stage – Adhering to the existing assessment design process, which includes primary needs assessment, stakeholder analysis, stakeholder engagement and consultation, risk assessments, and context analysis related to various factors including gender and inclusion.

Planning – Meeting all the key planning process stages around aspects of inception, stakeholder engagement, implementation planning, project results indicator planning, sustainability and exit planning, establishment of protection and referral pathways.

Implementation – Paying attention to a plethora of elements including external project launch, RH verification, baseline surveys, post distribution monitoring (PDM), community feedback facilitation, results monitoring, capturing of lessons learned, ongoing monitoring of risks, establishment of complaints and feedback mechanism (CFM), regular project review meetings.

Evaluation and learning – This should include mid-term reviews/evaluations, endline evaluations (preferably externally commissioned), and a 'lessons learned' workshop at the end of the project.

Adaptive management – Project teams and managers should respond to ongoing monitoring and to specific feedback from implementation and from mid-term reviews and evaluations.

GRADUATION CRITERIA

Graduation criteria are a key part of Graduation projects. These define the end goal across the dimensions of the pillars that project staff work towards achieving for as many RHs as possible.

Graduation criteria need to be developed from the broad goals defined in the project logframe and to relate to each of the four pillars. Indicators may be similar to those in the logframe, but it is important that they are defined as targets that can be achieved by the end of the project rather than as broad areas to measure – see table above for examples.

Clear Graduation criteria allow for monitoring of progress by coaches as well as providing MEAL indicators that can inform overall project monitoring and results.

ISLAMIC RELIEF GRADUATION CRITERIA

PILLAR	GRADUATION DIMENSION	EXAMPLE CRITERIA*
Social protection and basic needs	<ul style="list-style-type: none"> Family members are healthy and food secure. Household meets basic needs or has access to relevant services in any area identified as critical for success of the project (e.g. health, safety nets, safe water, shelter). 	<ul style="list-style-type: none"> RHs consume two or three meals a day/ consume nutritious food (including protein, fruits and vegetables) RHs report not cutting food consumption during 'hungry season' Roof of family house does not leak All children of school-going age attend school RH households access health centre when required Participants drink from safe water sources RHs receive social protection/ safety net payments where they are available and where entitled to them)
Livelihoods promotion	<ul style="list-style-type: none"> Household demonstrates increased asset accumulation and continuous engagement in profitable and diverse livelihoods. Multiple sources of income that exceed regular household expenditures. 	<ul style="list-style-type: none"> Households have two or more profitable income sources Household income is sufficient for household basic needs (food, energy, health, clothing) Productive asset value of IGA is at least twice the value of assets disbursed RHs has accessed savings from SHG to invest in IGA multiplication or diversification Rightsholder has skills, savings and plan for IGA protection or recovery in case of disaster Rightsholder has plans to continue to grow IGAs and for further IGA diversification, multiplication or consolidation after project closure.
Financial inclusion	<ul style="list-style-type: none"> Household accesses and regularly participates in local savings mechanism. Household has access to borrowing mechanism. 	<ul style="list-style-type: none"> RHs actively participate (attend regular meetings) and save through SHGs RHs borrow from SHG Minimum savings balance (e.g. equivalent of one month household expenditure) Rightsholder linked to formal Islamic microfinance provider (where available)
Social empowerment	<ul style="list-style-type: none"> Household members are part of and participate in community activities, groups, organisations. Improved knowledge, attitude and practice in relation to key life skills and social norms. Youth in education, employment or training and children are educated. Family members including children have a positive mindset, and hope for the future. Women and girls have equal voice and decision-making rights to male members of the household. 	<ul style="list-style-type: none"> RHs report increased role in household financial decision-making. RHs have knowledge and put this into practice in relation to key issues (e.g. child protection, GBV, hygiene and sanitation). RHs attend at least one community activity in the last month Households engage in local community institutions such as WASH Committees, and School Management Committees. Children attend school/ record improvement in grades Children aspiration for future has changed from leaving school early/early marriage to continue to further/higher education or join vocational training course or to pursue a career

* 'Graduation' = meeting all or at least a minimum number of key criteria; **mandatory criteria are in bold**

RH SELECTION IN MALI

For Graduation to be effective, projects need to be precise about their targeting and to involve the community in RH selection.

In its selection process Islamic Relief Mali engaged with local town halls to get them to provide village-by-village household lists. Based on these an identification committee was set up in each village to ensure fair and inclusive targeting.

Identification committees made their RH selections based on clear and simple inclusion and exclusion criteria agreed with the community to ensure a focus on those living in extreme poverty. Those owning agricultural land and/or equipment or owning cows were specifically excluded. The inclusion focus was on households living on less than \$1.25 per day; widows, the elderly and people with disabilities, families of more than four members, and households unable to secure three meals a day and/or send children to school. The list of selected households for each intervention village was validated at a village assembly meeting.



GRADUATION IN PRACTICE

Islamic Relief's Graduation guidelines are a flexible framework, not a fixed formula. It is local context that determines the specific challenges that individual country offices need to overcome, and so it is local context that needs to define the detail of Graduation project design and implementation.

Under the umbrella of 'Graduation in practice', our guidelines contain more than 30 practical examples from nine countries⁷ of how Islamic Relief country offices have grappled with the specifics of local challenges in shaping local project interventions. We feature four of these 'Graduation in practice' examples here.

It is worth exploring the full guidelines to learn from the rich variety of country office experience they capture, as well as to access tips and tools we have included with the kind permission of World Vision from their seminal Ultra-Poor Graduation Handbook.

SUMMARY

Islamic Relief Bangladesh has developed a rating system to monitor, assess, and improve the effectiveness of SHGs.

Providing clean water for people and their livestock is part of an integrated approach that has enabled Islamic Relief Mali to meet the basic needs of communities in Gourma Rharous while also addressing climate and conflict challenges.

Involving people with disabilities in project design, getting regular feedback from marginalised groups, and delivering training in the local language all help Islamic Relief Niger to adopt an inclusive approach to graduation.

Islamic Relief Pakistan's connections in local, regional and national government help farmers in the Thatta district of Sindh to get specialist support for climate-resilient agriculture.

BANGLADESH

Building effective SHGs

Challenge

With SHGs being an important element of Islamic Relief's Graduation approach, how can we ensure these groups are effective?

Practice

- Islamic Relief Bangladesh uses a checklist and an A-D rating system to assess the 'health' and effectiveness of SHGs. Assessments are conducted three times during a Graduation project – a few months after formation of the group, 12–15 months into the project, and again at Graduation.
- The areas covered by Islamic Relief Bangladesh's assessments include governance, operations and management, financial oversight, external relations, and Shariah compliance.
- Islamic Relief Bangladesh also nurtures and empowers apex bodies that coordinate and support the work of multiple SHGs across wider areas, in collaboration with the government's local co-operative department. By doing so Islamic Relief Bangladesh aims to ensure that apex bodies can take over responsibility for SHG operations at the end of individual Graduation projects. Each SHG has representation on the apex body, and leaders are elected and provided with capacity building support in areas such as leadership development, financial management, and resource mobilisation.

Learning

A focus on quality is essential in realising the value of SHGs. The Islamic Relief Bangladesh model is an effective and practical system. Federating SHGs through apex bodies is not only positive for long-term sustainability but also helps amplify Islamic Relief's efforts in social empowerment and advocacy.

PAKISTAN

Working with government

Challenge

Islamic Relief Pakistan needs to align its work with the flagship National Poverty Graduation Programme, in order to reap the benefits of a harmonised approach.

Practice

- Islamic Relief Pakistan is uniquely positioned to work in harmony with government as a result of signing partnerships and agreements with government departments at district, provincial and national levels.
- Through its collaborations Islamic Relief Pakistan provides a channel to address local needs by connecting RHs to relevant government departments, including those responsible for agriculture, livestock, public health, poverty alleviation, climate change, and disaster management.
- Working with government at multiple levels supports efficient integration of policy and practice, avoids duplication, and creates buy-in from government authorities to address local challenges and needs. For example, Islamic Relief Pakistan has signed a partnership agreement with the departments of livestock and agriculture and the agriculture university to help farmers and fishing communities in the Thatta district of Sindh to get technical guidance on climate-smart agriculture, business development and value chains.

Learning

Partnerships with government present opportunities to leverage the expertise and experience of Islamic Relief country offices and teams in order to connect RHs to channels offering wider support and influence.



NIGER

Designing for inclusion

Challenge

People with disabilities may be excluded from participation in a project through lack of awareness of their needs or perspectives in project design and implementation

Practice

- The needs of people with disabilities were taken into account in the project design and implementation
- Feedback is regularly sought from individuals with disabilities to ensure that the project is responding to their specific needs and that nobody is left behind. For example, if RHs were unable to come to training and awareness sessions, then the training would come to them.
- All training is conducted in the local language and is done with significant use of graphics and images so that those who are illiterate are still able to learn and participate.

Learning

Interviews and discussions with women, the elderly and people with disabilities have confirmed that they have been listened to throughout and their needs addressed by the project.

MALI

Taking a triple-nexus approach

The challenge

Persistent tensions between various groups in northern and central Mali have greatly affected communities in the Gourma Rharous circle. The area is home to many vulnerable families experiencing displacement and facing significant challenges when it comes to trying to earn a living.

The response

Islamic Relief Mali's West Africa Regional Community Resilience Building project has followed a 'triple nexus' approach in which the intertwined challenges of humanitarian response, long-term development needs and underlying conflict are addressed in an integrated way.

The project has four elements:

- Meeting basic needs: The project has improved access to water for household consumption and livestock, and trained management committees to ensure sustainability.
- Climate change adaptation and risk reduction: Climate change is reducing the availability of grazing land in Douentza and Gossi, sometimes leading to conflict between farmers as they move in search of suitable land. Islamic Relief provided information on the Pastoral Charter Law (2001) to enable farmers to gain a better understanding of how to address the challenges involved in managing resources to minimise conflict.
- Facilitating social cohesion: The project oversaw the establishment of inclusive community conflict resolution organisations to resolve conflicts between and within communities and worked to resolve family disputes. By September 2023 more than 500 people, including 318 women, had participated.
- Supporting livelihoods and building resilience: Islamic Relief Mali supported RHs to build savings, invest in small businesses and gain access to interest-free loans through participation in savings groups, while also supporting the rehabilitation of land to provide fodder for livestock.

Learning

The experience of Islamic Relief Mali demonstrates the inter-connectedness of fulfilment of basic needs, supporting livelihoods, and building social cohesion in a context where poverty and resource scarcity fuel tensions and conflict.



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