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FOR IMMEDIATE RELEASE

### **CGAP leads commitment to move people out of extreme poverty**

**Washington DC, Sept. 23, 2009** –New approach to sustainable development for the poorest of the poor to get a boost at Clinton Global Initiative. Fresh commitment to help the ultra poor move out of poverty led by CGAP.

CGAP, a microfinance group based at the World Bank, is leading a pledge aimed at those living in extreme poverty at the Clinton Global Initiative later this week. Eleven organizations have signed up to expand their commitment to the graduation program, a new approach to moving the ultra poor out of poverty in a sustainable way. The CGAP-Ford Foundation program is currently active in 9 pilot sites around the world. This new, broader, commitment will expand the program to Sub-Saharan Africa, as well as scaling up the program significantly in existing countries.

“Microfinance is an effective tool for poor people who have the stability and skills to operate a microenterprise,” said Elizabeth Littlefield, CGAP CEO, speaking ahead of the Clinton Global Initiative meeting on Friday. “But millions of people around the world are living on as little as 50 cents a day and most of them don’t even have access to microfinance. This program combines support for immediate needs with longer-term investments in training, financial services, and business development so that at the end of the program extremely poor participants are equipped to help themselves get out of poverty. It’s this structured approach to meeting basic needs while planning for the future that makes this program unique.”

CGAP, BRAC, Ford Foundation, MasterCard Foundation, Plan International, USAID, Fonkoze, Trickle Up, Bandhan, Relief Society of Tigray, and the Yemen Social Welfare Fund have all joined the action to expand the program, which combines safety nets and livelihood training with financial services, creating pathways for the poorest out of extreme poverty.

The organizations will commit to expanding the program to sub-Saharan Africa, raising \$15 million from bilateral and national donors to scale up 9 existing pilots on 3 continents and continuing research on ways to address extreme poverty.

The program is based on an approach to working with those living in extreme poverty originally developed by BRAC in Bangladesh. Over the past five years BRAC’s Specially Targeting the Ultra-Poor program has moved over 800,000 households out of safety nets to become successful microentrepreneurs and independent earners.

Since 2006, CGAP and Ford Foundation have been partnering to adapt BRAC’s experience to other countries. Nine “graduation pilots” are now underway in Ethiopia, Haiti, Honduras, India, Pakistan, Peru, and Yemen. All pilots use a comprehensive approach to getting people out of poverty that includes cash stipends, assets to help develop livelihoods, and financial services and business development skills to help people develop income-generating activities to move themselves out of extreme poverty.

“This approach is holistic and intensive,” said Littlefield, “It demands a high level of concerted effort, but it has the potential to sustainably lift people out of extreme poverty in a relatively short time frame.”

For more information visit [www.cgap.org/graduation](http://www.cgap.org/graduation).

Watch a video of the graduation program in Haiti at <http://blip.tv/file/2636539>

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### **About CGAP**

CGAP (The Consultative Group to Assist the Poor) is the world's leading resource for the advancement of microfinance. CGAP provides the financial industry, governments and investors with objective information, expert opinion, and innovative solutions to effectively expand access to finance for poor people around the world. More information: [www.cgap.org](http://www.cgap.org)

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