

Social Protection for Economic Inclusion:
*Adapting the Graduation Approach in Asia and
the Pacific*

Event Delivery Report

April, 2020

Contact Information

Lauren Whitehead

Director of Technical Assistance
Ultra-Poor Graduation Initiative
BRAC

lauren@brac-upgi.org

Jasveen Bindra

Technical Advisor
Ultra-Poor Graduation Initiative
BRAC

jasveen@brac-upgi.org

Event Summary

The Asian Development Bank (ADB) hosted a virtual event on social protection for economic inclusion, which centers on the Graduation approach as a key strategy for addressing remaining poverty and reducing inequality in Asia and the Pacific. The event highlighted key considerations for governments that are planning for, implementing, and scaling up the Graduation approach. Presenters shared new evidence from a randomized evaluation of a Graduation program led by the Government of the Philippines and discussed lessons and insights on economic inclusion and support for poor people from technical experts focused on program adaptation and scale. In addition to the Philippines, the state governments of Bihar and Tamil Nadu in India, and the Government of Mongolia are in various stages of considering or adopting the Graduation approach and offer experiences, lessons, and ideas that are relevant to other governments at similar stages. Interactive sessions facilitated discussions with government representatives to equip them with the knowledge and tools to use evidence from Graduation programs to inform poverty reduction policies in their own country context.

Dates: March 16 and 17, 9.00 am - 12.30 pm (Manila)

Event Speakers and Panelists

Day 1: Breaking the Poverty Trap: Learning from Graduation Programs in the Philippines and across Asia

1. Bambang Susantono, Vice-President Knowledge Management and Sustainable Development, ADB
2. Abhijit Vinayak Banerjee, Ford Foundation International Professor of Economics at the Massachusetts Institute of Technology
3. Dean Karlan, Frederic Esser Nemmers Distinguished Professor of Economics and Finance at Northwestern University
4. Wendy Walker, Chief of Social Development Thematic Group, ADB
5. Yasuyuki Sawada, Chief Economist and Director General, Economic Research and Regional Cooperation Department, ADB
6. Shameran Abed, Senior Director, Microfinance and Ultra-Poor Graduation Programs, BRAC
7. Alex Avila, Assistant Secretary for Labor Relations Social Protection and Policy Support of the Department of Labor and Employment, Government of the Philippines.
8. Lauren Whitehead, Director of Technical Assistance, BRAC Ultra-Poor Graduation Initiative
9. Marlowe Popes, Field Manager, BRAC Ultra-Poor Graduation Initiative
10. Dristy Shrestha, Technical Advisor, BRAC Ultra-Poor Graduation Initiative
11. Emily Beam Assistant Professor, University of Vermont
12. Bruno Carrasco, Director General and Chief Compliance Officer, Sustainable Development and Climate Change Department, ADB

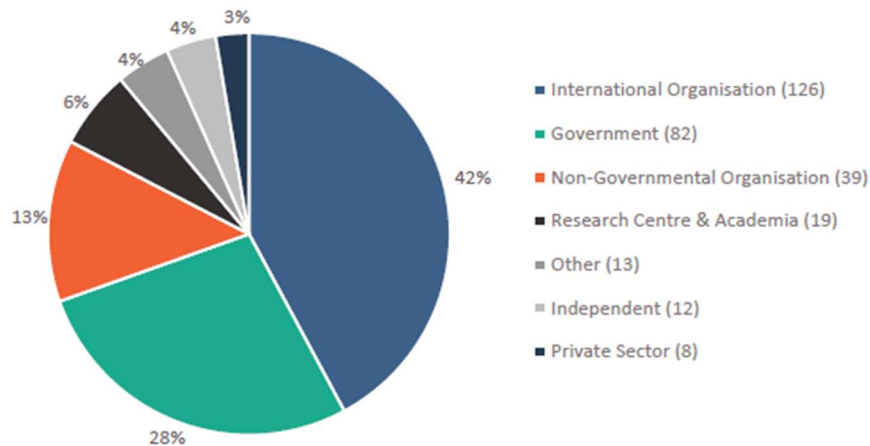
13. Karin Schelzig, Principal Social Sector Specialist, East Asia Department, ADB

Day 2: What do governments need to know to support people living in extreme poverty across diverse contexts?

14. Ariunzaya Ayush, Minister for Labour and Social Protection, Government of Mongolia
15. Ajit Ranjan, State Project Manager, JEEViKA, Government of Bihar
16. Rhea B. Peñaflor, Assistant Secretary for Specialized Programs, Department of Social Welfare and Development, Government of the Philippines
17. Nassreena Sampaco-Baddiri, Country Director for Innovations for Poverty Action in the Philippines
18. Timothy John Batan, Undersecretary for Railways, Department of Transportation, Government of the Philippines
19. Ricardo Carlos Barba, Principal Safeguards Specialist, Portfolio, Results and Quality Control Unit, South Asia Department, ADB
20. Michiko Suga, Senior Social Development Specialist, Southeast Asia Department, ADB
21. James Neil Devasahayam, Head of Technical Programs, World Vision India
22. Julie Kedroske, Technical Advisor, BRAC Ultra-Poor Graduation Initiative
23. Yukiko Ito, Senior Social Development Specialist, Sustainable Development and Climate Change Department, ADB
24. Amir Jilani, Young Professional, Sustainable Development and Climate Change Department, ADB
25. Elaine Thomas, Senior Social Development Specialist, Civil Society and Participation, Sustainable Development and Climate Change Department, ADB

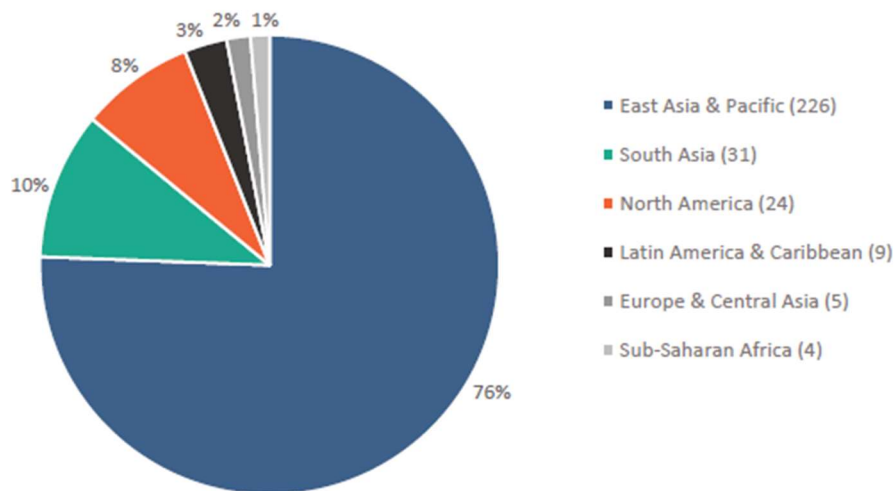
Event Participation

Based on the data collected by socialprotection.org, the first day of the event, which was open to the general public (March 16, 2021) included 707 registrants, and 299 attendees from 41 countries, leading to an attendance rate of over 42 percent. The types of organizations represented by the attendees included International Organizations (42 percent), Governments (28 percent), NGOs (13 percent), Research and Academia (6 percent), with the private sector, independent, and other attendees representing the remaining participants.



Event Day 1: Organizations Represented

In terms of regional representation, over three quarters of the attendees (76 percent) were from East Asia and the Pacific, followed by South Asia (10 percent), North America (8 percent), with Latin America & Caribbean, Europe and Central Asia, and Sub-Saharan Africa representing less than 5 percent each. The highest number of attendees were from the Philippines, followed by Indonesia, USA, and Mongolia.



Event Day 1: Regions Represented

Day 2 of the event (March 17, 2021) was an invitation only roundtable with representatives from governments in Asia and the Pacific, ADB staff, and certain speakers and panelists from NGOs and research organizations. As these sessions used the Zoom meeting format, there is less data on the people that actually attended the sessions. However, registration data shows that these sessions saw an attendance of nearly 300 participants that joined during various sessions. Day 2 also saw a high engagement from the attendees that did not have a speaking role through the chat and Q&A function, with over 60 comments and questions coming in during the course of the event.

Event Proceedings [Day 1]

The event began with **welcome remarks** from Bambang Susantono, Vice-President for Knowledge Management and Sustainable Development, ADB. He highlighted the significant disruptions caused by COVID-19 across Asia and the Pacific, setting economies back in terms of poverty, inequality, and employment, while exacerbating pre-existing vulnerabilities for some groups. He put forth the need to strengthen social protection systems and introduce innovative approaches that recognize the multidimensional nature of poverty, and shared that the Graduation approach is one such innovation. Building on this point, he shared highlights from the Graduation pilot funded by ADB in Negros Occidental province in the Philippines, under the auspices of the Department of Labor and Employment, with support from BRAC and IPA. Inspired by its potential, the Department of Social Welfare and Development is scaling up graduation in the Philippines, with continued ADB support.

In his keynote address, Nobel Laureate **Abhijit Banerjee** emphasized the consistency of evidence on the durable impact of the Graduation approach to help households lift themselves out of poverty. He shared the example of results from West Bengal, India, which showed that ten years after the program was implemented, participants were around 25 percent richer [than the comparison group], both measured by consumption and income. While the initial impact was driven by earnings from the transferred asset, primarily livestock, the driver of economic security during years 3-7 was diversified income sources including small businesses, and during years 7-10, additional income generated by migration earnings i.e. children of participants traveling further than those in comparison group and sending back remittances. This phenomenon shows the unwinding of a vicious cycle of poverty. The evaluation from the Graduation program in Bangladesh found similarly positive results. Broadly, Professor Banerjee notes that the evidence points to the fact that the state of being poor comes from having been born poor, as opposed to the lack of skills, drive, or motivation – and therefore poverty can be addressed through appropriate policy approaches.

Professor Banerjee reiterates that there are still **evidence gaps** on the specific interventions within the program that drive impact. Graduation invests substantial financial and human resources in handholding and psychosocial support, and we need more clarity on the role played by these resource intensive interventions. Research from Ghana found that participants that just received an asset without additional support did not see long-term impacts, pointing to a significant role played by psychosocial support and coaching. However, further evidence is needed from other contexts to understand the relative impact of different Graduation interventions, as well as the role of universal basic income, and how they may play a complimentary role.

The high-level panel on **Road to Resilience: The Graduation Approach in Asia** and the Pacific focused on how scaling up Graduation programs could offer a promising pathway to meeting the needs of the extreme poor and building their resilience to the current and future crises and shocks.

Experts such as Yasuyuki Sawada, Chief Economist and Director General of ADB, and Dean Karlan, founder and president of Innovations for Poverty Action (IPA) discussed the urgent need for improved policy and the impacts of social protection programs. While cash transfers provide an essential component of social protection, especially in short-term response to major shocks, escaping the poverty trap long-term requires a multi-faceted approach. Long-term poverty reduction comes from building resilience through multidimensional programming. Panelists noted the many roots and facets of poverty beyond income alone. Programs like Graduation, however, blend elements of social protection such as cash transfers and other social assistance with income-generating livelihoods, financial inclusion, community integration, and mentorship. This combinatory approach addresses the specific needs of households and communities to strengthen skills and increase resources that lead to long-term economic resilience and lasting progress in areas such as savings, financial services, and psychological resilience—and, despite their customization and complexity, they are able to do it at large scale.

The session on **Engaging Governments on Graduation and Economic Inclusion** delved further into these broad insights. Karin Schelzig, Principal Social Sector Specialist, ADB and Lauren Whitehead, Director of Technical Assistance, BRAC Ultra-Poor Graduation Initiative presented on the Building Blocks of Success for a Graduation program. Their presentation focused on equipping governments to understand what it takes to design and budget for Graduation programs, highlighting (i) the core foundation of social assistance and other government interventions they build on, and (ii) the enabling conditions that create fertile ground for successful programming and impact. The importance of layering Graduation with existing government programs and working with both national and local governments was a key theme throughout the event. By leveraging existing programs, Graduation programs can reduce both governments' budget and logistical demands while encouraging cross-ministerial collaboration and leveraging of resources. Moreover, using these existing programs can amplify the impact of the program itself. Key to this amplification is a foundation of social assistance and certain enabling conditions for successful programming and impact. Among these, the presentation highlighted participant targeting, analysis of household needs, landscape analysis of existing government programs, identification of human capital to leverage, and identification of key impacts to monitor for success. Each of these elements can build off existing government programs and resources. Targeting often begins with government registries and data before supplementing those sources with household surveys or community-based targeting exercises, and governments may build human resources through partnerships with NGOs or could utilize alternative coaching methods such as phone trees, volunteer coaching, or existing community workers.

The session of **Lessons from Adapting Graduation in the Philippines** narrowed down on the implementation insights and early takeaways from the recently completed pilot in Negros Occidental. Assistant Secretary Alex Avila reiterated that the initial results give us the confidence to say that the pilot has succeeded to lay a strong foundation for resilient and sustainable livelihoods. By adapting rapidly to the new constraints of the pandemic, including incorporating digital and remote coaching strategies, the program not only successfully graduated 71 percent of participants, but also led to a new iteration with twice as many households. This new

partnership with the Department of Social Welfare and Development (DSWD), ADB, and BRAC UPGI aims to strengthen the productivity and resilience of 3,000 poor and vulnerable households across three provinces through the Graduation approach with potential to scale through local government units thereafter.

Marlowe Popes, Field Manager, and Dristy Shrestha, Technical Advisor at BRAC Ultra-Poor Graduation Initiative shared **monitoring data from the DOLE pilot** including the participant outcomes on key Graduation criteria around livelihoods development, health, sanitation, savings, financial literacy and life skills. On average, 71% of the pilot households met all nine of the contextually specific Graduation criteria. Some of these results included below:

- Knowledge retention on life skills training led to positive behavior change in health, nutrition, and hygiene practices.
- More households reported treating water before drinking or buying drinking water as emphasized by life skills training on WASH.
- At the end of the pilot, 50.7% of participants reported being able to save in the last 30 days compared to 25.9% at the start of the program. Though indebtedness rose marginally due to the pandemic, of those who reported having an existing or unpaid loan in Sept 2020, over 69% reported having paid back all or part of their loans in the last 30 days.
- For livelihoods, food cart had the highest average income among the different livelihood options selected by participants in individual livelihoods. Swine fattening, though less profitable on its own, retained steady profits throughout quarantine period because they were not subject to closure

Emily Beam, Assistant Professor at the University of Vermont, and researcher for the impact evaluation of the pilot discussed **preliminary results from a COVID-19 diagnostic phone survey** of program participants and insights on economic resilience among participants of the DOLE Graduation pilot. Evidence found that Graduation was able to serve as a protective mechanism for participants experiencing the massive shock of the pandemic. Emily reiterated that while Graduation programs have been successful in increasing income, net worth and consumption, certain questions remain on the role of group interventions. Subsequently, the DOLE pilot focused on testing the relative impact of group and individual livelihoods and coaching. While group livelihoods may increase efficiencies from pooling resources and expand access to higher return assets, there may also be difficulties in coordinating between group members and the possibility of free-riding members. Similarly, group coaching presents the potential of greater information sharing and building social ties, but could result in personalized attention to participants.

Emily also shared preliminary results from the phone survey:

- The Graduation livelihood was served as a source of income diversification to participants' portfolio of livelihoods, but for most participants, it was not a replacement. Thus, participants were not shifting away from wage employment and into businesses, but simply adding to existing income sources.
- Overall work hours across different livelihoods had not changed during the pandemic.

- Participants were coping with massive impacts of income loss, but Graduation households when compared to control households were less likely to report reduced food consumption or purchase of cheaper food, and more likely to say that it would not be difficult or somewhat difficult (as opposed to extremely difficult) to raise 5000 pesos as emergency funds within the next 30 days.
- Women in Graduation households were less likely to report intimate partner violence, and less likely to make fewer decisions compared to before the quarantine.

Bruno Carrasco, Director General, Sustainable Development and Climate Change Department, ADB wrapped up the first day with insights from the rich discussion during these sessions, asserting that the key takeaway is that there is indeed strong and consistent evidence in favor of Graduation programs as an effective solution to extreme poverty.

Event Proceedings [Day 2]

After an introduction to session for day 2 by Lainie Thomas, Senior Social Development Specialist, Sustainable Development and Climate Change Department, ADB, the floor was opened up to the invited government attendees for **questions and comments** about how they are planning, implementing, or scaling up Graduation in their country, or why they are interested in Graduation as a possible solution to the specific challenges in their country. This session saw questions and comments from Minister Ariunzaya Ayush from the Ministry of Labor and Social Protection, Government of Mongolia, on how they are hoping to build the Graduation approach into existing social welfare programs. Asec Avila shared comments on how they had dealt with challenges posed by the pandemic and asked how other governments were mitigating these challenges through their social assistance programs.

Ajit Ranjan, State Project Manager, **JEEVIKA**, Government of Bihar in India shared a presentation on how the Jeevika program had integrated Graduation interventions and were in the process of scaling this program from 10,000 to 100,000 households.

The rest of the day included three panel discussion on Adapting Graduation to the COVID-19 Context, Adapting Graduation for Resettled Populations in the Urban Context, and Graduation Challenges and Solutions.

Panel 1: Adapting Graduation to the COVID-19 Context

The panel discussion on Adapting Graduation to the COVID-19 Context focused on insights from the panelists from DSWD, ADB, IPA and BRAC on how Graduation is an effective pathway to economic recovery from the pandemic. Yukiko Ito shared an **introduction to the topic**, discussing that the pandemic demonstrates the need for a reinvigorated policy response to support the most vulnerable to build economic resilience and prepare for future shocks. The pandemic is expected to push at least 70 million more people into extreme poverty in 2020. Rural areas have also been affected and have seen a swell of reverse migration from urban centers

due to the health consequences and loss of jobs in cities. Graduation can serve as an effective pathway to economic recovery through market-driven sustainable livelihoods and market linkages; diversifying assets to adapt to sudden market changes; increasing savings and financial resilience to adapt to adverse events; and life skills training, social empowerment, and linkages to health services to further improve well-being and respond to unanticipated household shocks.

Panelists discussed key lessons governments can learn on the integration of Graduation with existing government programs like DSWD's Sustainable Livelihoods Program (SLP). Panelists also discussed design features and mechanisms that played an important role in driving some of the impacts of the DOLE Graduation program on participants' financial health, food security, and mental health during the pandemic, and how interventions in the DOLE Graduation pilot were adapted to mitigate adverse impacts to participants. A **sample Q&A** from an attendee is shared below:

Q: Since the outbreak of COVID-19, cash transfer programs and upskilling and reskilling initiatives have been implemented by a number of countries. However, as of now as the governments are preparing the recover plan, what components of graduation approach would the speakers suggest to be incorporated into the recovery plan, especially for developing countries?

A: Yesterday during the event we discussed Graduation as a viable pathway to build resilience before shocks like COVID-19 to enable households to bounce back more readily when the unexpected occurs. At this stage, countries have the opportunity to invest in economic inclusion approaches like Graduation upfront as we rebuild to ensure that households are better prepared and protected than they have been. This does not mean that social assistance will not be required in future massive emergencies like COVID-19, but will mean that households do not backslide as far and can recover much faster in the future. Please feel free to connect with us if you have other questions.

Panel 2: Adapting Graduation for Resettled Populations in the Urban Context

The panel discussion on Adapting Graduation for Resettled Populations in the Urban Context focused on insights from the panelists from Department of Transportation, Government of the Philippines, the South Asia Department at ADB, World Vision India, and BRAC - the last three of whom who have partnered on an urban resettlement project with the Government of Tamil Nadu in India that integrates Graduation interventions for resettled communities. Ricardo Carlos Barba **introduced the topic** and addressed the risks of impoverishment caused by involuntary resettlement including landlessness, homelessness, increased morbidity and food insecurity. He discussed how the ADB financed IRSHUPSP program in Tamil Nadu, India is addressing these risks by building affordable and improved housing and providing a monetary resettlement package for vulnerable communities being relocated. In addition, Graduation interventions are being integrated in this program to mitigate additional risks caused by involuntary resettlement, namely, joblessness, marginalization, and loss of access to community assets.

Panelists discussed disruptions caused by displacement including losing access to economic activities to support their household welfare, weakened social ties, community support, and linkages to local services. Graduation can serve as a potential vehicle for re-engaging households in the local economic and social fabric of their new communities with tremendous benefit to households and communities alike. Panelists also discussed critical considerations around adapting livelihoods for the urban context with a focus on microenterprise options, petty trade, ambulatory sales, and formal employment in service and hospitality industries, among others.

Panel 3: Graduation Challenges and Solutions

The panel discussion on Graduation Challenges and Solutions included panelists from the Department of Labor and Employment, Government of the Philippines, Government of Bihar, India, BRAC, and IPA. Lauren Whitehead **introduced the topic** and discussed potential challenges in designing and implementing the Graduation approach, including at scale. These challenges include assessing how to target households, limited financial resources to fund the implementation, strained human resources to provide appropriate staffing and coaching models, selecting resilient livelihoods, and measuring the multidimensional indicators signifying Graduation.

Panelists focused on the most difficult aspects of designing and implementing Graduation for governments, common mistakes and issues such as viewing Graduation narrowly as an exit pathway, and opportunities for Graduation using foundation of social assistance, difference from other approaches and applicability for governments. Asec Avila reiterated that the livelihood asset transfer either through cash or in kind through the DOLE starter kit provided the greatest potential for economic resilience when accompanied by capacity building and wraparound services for participants. All panelists highlighted the critical importance of coordination between government departments to build a 'convergence model' to enhance the chances of success for an inherently multi-stakeholder intervention. Ajit Ranjan highlighted the importance not only of coaching from program staff, but also the positive impact of peer exchanges, with community members learning from participants that have already graduated successfully. Nassreena Sampaco-Baddirri reiterated the challenge of evaluating a program that is a bundle of interventions, and the need to unpack the unique and complimentary impact of each intervention. Randomized evaluations can be critical to understand the causal drivers of Graduation outcomes. **Sample questions** from two attendees are included below:

Q: What are the approaches to scale up graduation approach effectively? Let say the pilot project of graduation approach shows positive result, would graduation approach being scaled up nationwide at once or region by region since it requires huge amount of human and financial resources?

A: There are a number of strategies for considering scale. This includes diversifying staffing mechanisms such as part time, volunteer, group coaching, digital technologies and so forth. In terms of livelihoods provision, many programs also combine resources such as cash transfers to provide assets or leverage inter ministerial collaboration and inputs across ministries as has been

done in the Philippines. Digital MIS are critical for scaling monitoring, among other uses to iterate the program.

Q: What models are being used by the Government in partnering or using private sector players and civil society organizations (NGOs) in graduation programs such as market linkages, access to finance, access to education/health and other services and in implementation of graduation programs?

A: Yesterday we spoke a bit about the role private sector plays especially when it comes to market linkages, training, access to enterprises and formal employment opportunities (through partnerships often). With civil society we see a critical role in capacity strengthening support to government ministries in areas where needed such as case management for those lacking experience or livelihoods for those for whom this is not their standard work. Financial services is another area we often see many partnerships.

Lainie Thomas, Senior Social Development Specialist, ADB added **closing remarks** and key takeaways to wrap up the event, including how Graduation integrates with existing social protection programs and adds value to them. She also reiterated that it has been a strong pathway to economic recovery because of its focus on sustainable livelihoods, diversification of assets, increase in financial resilience, and existing linkages to basic services. Finally, Graduation can be adopted in very different contexts, such as for resettled populations, providing them a means to restore their economic and social welfare post relocation.