

ADB



ASIA-PACIFIC
SOCIAL PROTECTION WEEK 2023
Social Protection in a Changing World

26–28 September • ADB Headquarters, Manila, Philippines

Session 3B



Social Protection for Economic Inclusion: Stories of Piloting and Scaling Up the Graduation Approach

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Overview

1. Graduation 101
2. Impact and evidence so far
3. Building economic inclusion into social protection systems



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A Holistic Package

COMPONENTS



5 connected components provide a ladder out of extreme poverty

CHARACTERISTICS

TIME-BOUND
18-36 months

PROVEN IMPACT
Robust evidence via rigorous impact evaluation

SUSTAINABLE
Impact sustained after programs end

COST EFFECTIVE
\$3.20 in benefits for every US\$1 spent

Careful Sequencing



MARKET ASSESSMENT & VALUE CHAIN ANALYSIS

BENEFICIARY TARGETING

COACHING & MENTORING

ASSET TRANSFER

SKILLS TRAINING

ACCESS TO FINANCIAL SERVICES

CONSUMPTION SUPPORT (SOCIAL ASSISTANCE BENEFITS)

Start

Month 3

Month 6

Month 24

Month 36



ADB Support for Graduation Programs



Completed:

- 1 Philippines Piloting the Graduation Approach in the Philippines
- 2 **Philippines Padayon Sustainable Livelihoods Program**
- 3 Philippines Strengthening the Transition of Vulnerable Communities Affected by the Malolos-Clark Railway Project

Ongoing:

- 4 Philippines Strengthening the Transition of Vulnerable Communities Affected by the South Commuter Railway Project
- 5 **India (Tamil Nadu) Inclusive, Resilient and Sustainable Housing for the Urban Poor Sector Project in Tamil Nadu**
- 6 **Mongolia Graduation Pilot Program (under the Second Shock-Responsive Social Protection Project)**

ADB Support for Graduation Programs



Design stage:

- | | | |
|---|-------------------|---|
| 7 | India (Assam) | Climate Resilient Brahmaputra Integrated Flood and Riverbank Erosion Risk Management Project in Assam |
| 8 | India (Meghalaya) | Climate Adaptive Community-Based Water Harvesting Project |
| 9 | Sri Lanka | Samurdhi Graduation / Socio-Economic Empowerment Program |

Concept stage:

- | | | |
|----|----------------------------------|---|
| 10 | Republic of the Marshall Islands | Youth Skills Development and Employment Project |
| 11 | Lao PDR | Climate Resilient Economic Inclusion (under the Building Resilience and Reducing Rural Poverty Project) |
| 12 | India (Meghalaya) | Sustainable Tourism Enhancement for Livelihood Improvement |
| 13 | Bangladesh | Coastal Towns Climate Resilience Project |

Overview



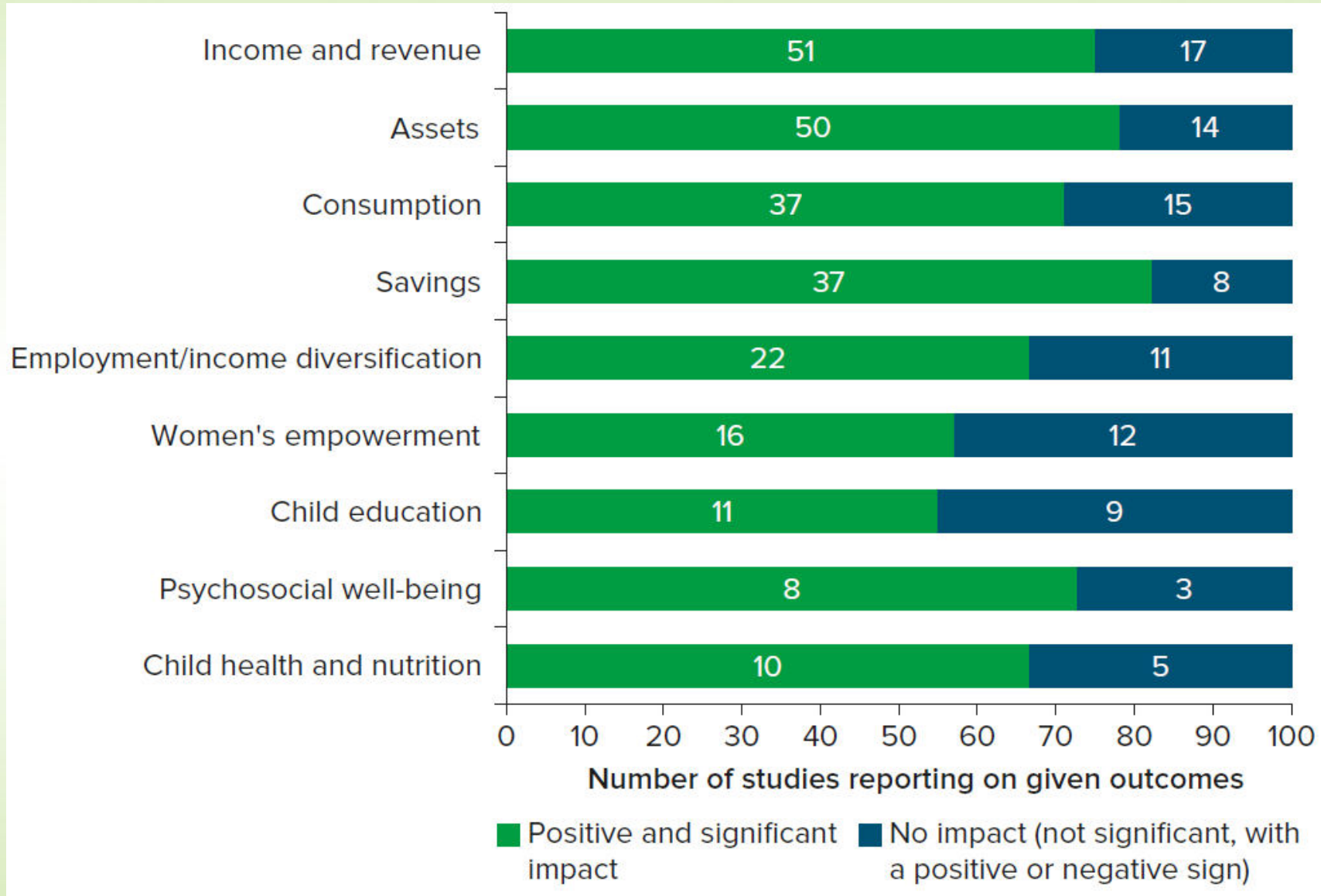
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State of Economic Inclusion 2021: Positive Short-Term Impacts



Summary of
the evidence
on impact



Impact of the Philippines Pilot, 2018-2020

1. Improved life skills
2. Improved nutrition
3. Improved WASH
4. More resilient livelihoods
5. Better savings and financial management
6. Stronger resilience to external shocks

NO. 169

MARCH
2021

ADB BRIEFS

KEY POINTS

- From 2018 to 2020, ADB implemented a pilot project to test the graduation approach, working with 2,400 households in Negros Occidental. One objective was to find cost-effective ways to sustainably reduce poverty and build resilience to socioeconomic shocks.
- Despite severe impacts of the coronavirus disease (COVID-19) pandemic especially on poor and vulnerable households, an average of 71% of the participating households met each of the graduation criteria in September 2020.
- The graduation approach strengthened household resilience to the COVID-19 shock across a range of dimensions including financial security, food security, and mental health.
- Households that received the graduation program interventions on top of government cash transfers fared significantly better than those who received only the government cash transfers.
- Individual livelihoods coupled with group coaching proved to be an impactful variation of the traditional graduation program design. This finding could have significant implications for reducing costs.

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Assessing the Impact of the Graduation Approach in the Philippines

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In an ADB Brief produced in early 2020,¹ we introduced compelling global evidence from an innovation in social protection: the graduation approach. In that brief we also outlined a pilot project in the Philippines to test different variations of this approach. We wanted to know if we could effectively build on existing government social assistance programs to reduce multidimensional poverty, diversify income sources, and build household resilience, all while reducing program costs.² The pilot project ended in September 2020, in the midst of an unanticipated global pandemic with far-reaching impacts, especially on poor and vulnerable families. As in many other countries, the socioeconomic impacts of the coronavirus disease (COVID-19) pandemic in the Philippines were swift and deep, with reports indicating high rates of joblessness, reduction in working hours and earnings, and a rise in risky coping behaviors. In a nationwide mobile phone survey, 70% of the respondents indicated depleting their savings to pay for food, more than 20% reduced the number of meals eaten in a day, and 35% reduced the kinds of food eaten in a day.³

These adverse impacts have accelerated the search and need for evidence-driven policies and programs to protect household incomes and welfare. In this brief, we highlight the findings and results at the end of the pilot's implementation period, including promising new evidence from a September 2020 mobile phone survey of 1,243 households. The survey assessed resilience during the pandemic by comparing the experiences of pilot project households with households that only received government cash transfers.

¹ K. Schelzig and P. Rawal. 2020. Testing the Graduation Approach in the Philippines. *ADB Briefs*. No. 132. Manila: Asian Development Bank.
² According to the World Bank's State of Economic Inclusion Report 2021, graduation (also known as economic inclusion) programs are underway in over 75 countries, reaching approximately 20 million households and benefiting nearly 92 million individuals.
³ Innovations for Poverty Action (IPA). 2020. Philippines RECOVR Survey Analysis. Unpublished. This survey covered a nationally representative sample of 1,389 phone numbers in one mobile network.

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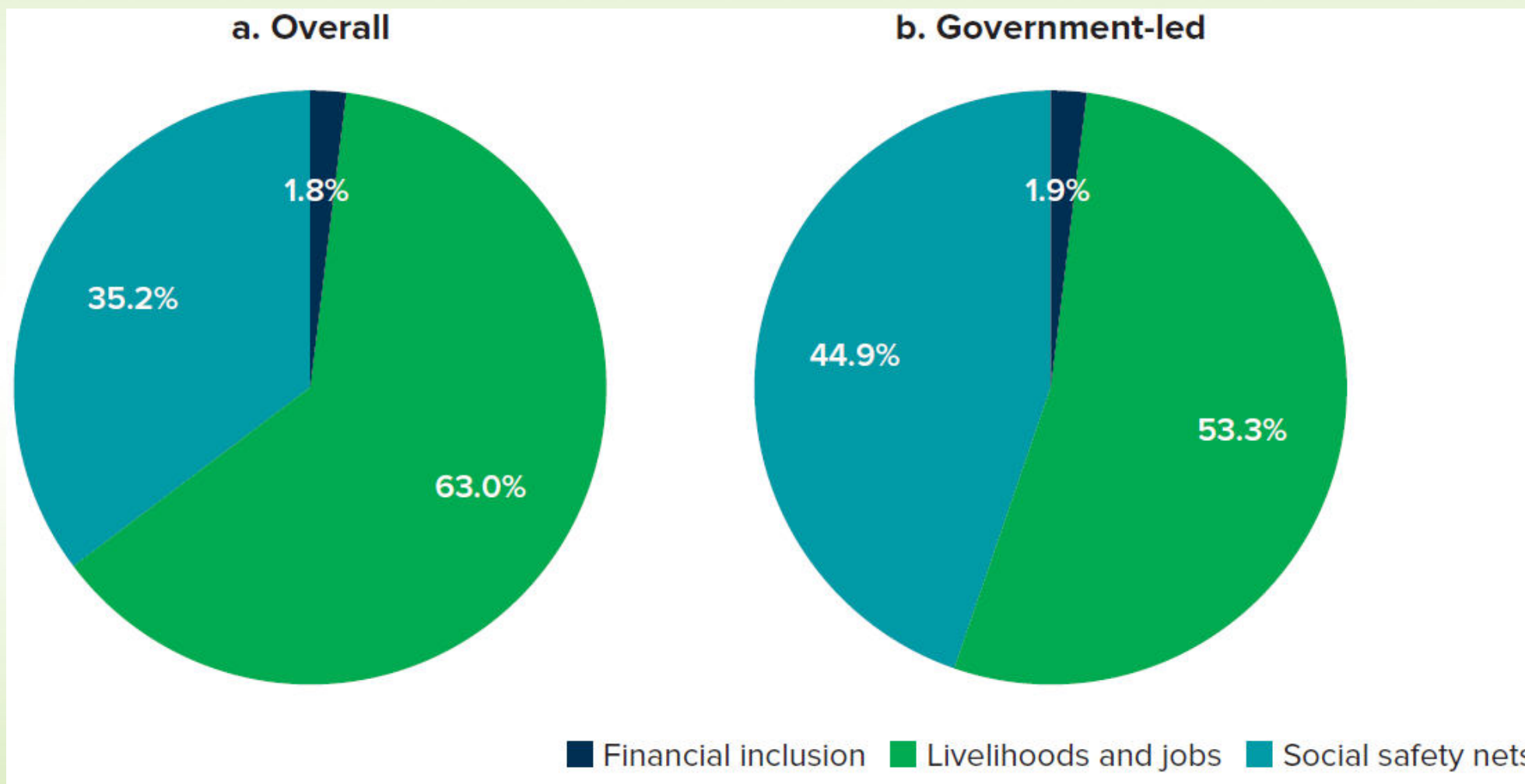
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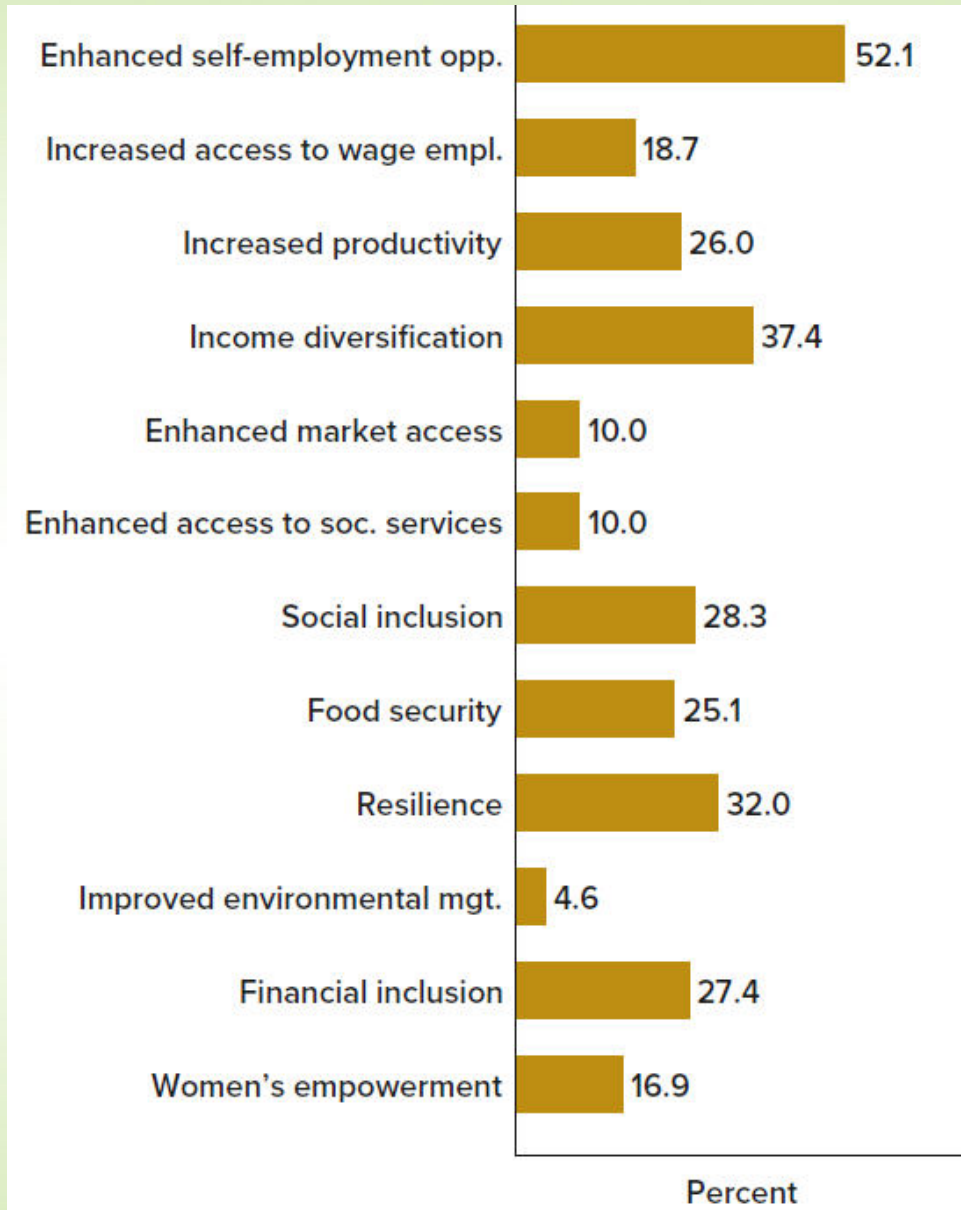
Building on Government Programs and Systems



219 programs in 75 countries → more than 92M beneficiaries



Wide Range of Objectives



Different Pathways to Scaling Up Economic Inclusion



Standalone programs

- NGOs: BRAC (Bangladesh), Fonkoze (Haiti)
- UN Agencies: UNHCR, WFP

Layering on government benefits

- Mongolia Graduation Pilot Project
- Tamil Nadu, India

Full government implementation

- Padayon Sustainable Livelihoods Program, Philippines
- Sri Lanka Food Security and Livelihood Recovering Emergency Assistance Project

Thank you!

