

# POVERTY ALLEVIATION COALITION

INCREASING INCOME FOR THE WORLD'S POOREST REFUGEES AND THEIR HOSTS



# EXECUTIVE SUMMARY

**The Poverty Alleviation Coalition was formed in 2019, in response to the increasing number of refugees and host communities living in extreme poverty.** The Coalition is convened by the UNHCR and the World Bank's Partnership for Economic Inclusion (PEI), and includes 13 international NGOs with expertise in poverty alleviation, local economic development and humanitarian assistance: BRAC, World Vision, Mercy Corps, HIAS, Concern Worldwide, BOMA Project, Caritas Switzerland, GOAL, Trickle Up, Village Enterprise and the Norwegian Refugee Council (NRC). Most organizations have ongoing development programmes in the coalition's target countries with nationals, and will expand and create new programmes to include extremely poor refugees and host community members.

**The overall objective is to alleviate poverty of 500,000 refugee- and host community households in 35 countries from 2020-2025.** This will be reached through the Coalition's common vision of increasing self-reliance, economic and social inclusion of refugees and host communities by sustainably increasing income opportunities.

**The coalition will adopt the well proven poverty alleviation model – the Graduation Approach – which targets extremely poor households.** The duration of a graduation programme is approximately 18-36 months per household, and includes a combination of consumption support, development of market-oriented skills for self- and wage employment, cash/asset transfer and access to savings, financial inclusion, social and legal services and mentoring. The model shows strong results with 95% of participants graduated out of poverty in a review of the creator, BRAC's, programmes in 43 countries

**Combining strengths of humanitarian and development assistance is at the heart of the coalition.**<sup>1</sup> This is evident in the composition of the coalition members which counts both humanitarian and development actors. Further, it draws heavily on both the 2018 Global Compact on Refugees' objectives of easing pressure on host communities and increasing refugee self-reliance and the Agenda 2030 Sustainable Development Goals 1, 8 and 10.

**The budget per household targeted for poverty alleviation is approximately 1,400 USD or US\$ 700 million to alleviate half a million households of poverty from 2020-2025.** The Coalition uses the 'Parallel Funding'-model, in which each organization is responsible for own fund management. However, the coalition's members will conduct joint fundraising, where and when feasible and appropriate.

**To ensure consistency and coordination, the implementing coalition members will report M&E to the UNHCR and World Bank's Partnership for Economic Inclusion (PEI).** This counts for example coordinating and monitoring responses, facilitating access to target households and creating awareness. The UNHCR will support the members and interested donors in preparing a common pledge for the Global Refugee Forum on 17-18 December 2019.<sup>2</sup>

1. Such as called for in the Global Compact for Refugees 2018 (GCR) paragraph 35

2. Such as called for in the Global Compact for Refugees 2018 (GCR) paragraph 17

CONVENING PARTNERS



**UNHCR**  
United Nations High Commissioner  
for Refugees



**PEI**  
Partnership for Economic Inclusion

COALITION MEMBERS



**BOMA Project**



**BRAC**



**Caritas Switzerland**



**Concern Worldwide**



**DRC**  
Danish Refugee Council



**GOAL**



**HIAS**  
Hebrew Immigrant Aid Society



**Mercy Corps**



**NRC**  
Norwegian Refugee Council



**Trickle Up**



**Village Enterprise**



**World Vision**



**IPA**  
Innovations for Poverty Action



# BACKGROUND:

## Global Poverty Situation of Refugees and Host Communities

“IT’S CALLED THE GRADUATION APPROACH, BECAUSE THE IDEA IS TO GRADUATE PEOPLE FROM POVERTY, NOT JUST TREAT ITS SYMPTOMS.”

- Nicholas Kristof, New York Times, 2019

1. The Global Coalition to Alleviate Poverty among Refugees and Host Communities comes at a time when an unprecedented 71.4 million people worldwide have been forced from their homes. To compound matters, 85% of 25.1 million refugees globally are hosted in developing countries.<sup>3</sup> Here, refugees and host communities alike often find themselves enduring extreme poverty and scarce economic opportunities. Further, the majority of refugees worldwide live in protracted situations for five years or more, making most refugees less suited for emergency relief than for longer term solutions.<sup>4</sup>
2. With an average of 30 persons being forcibly displaced every minute of every day, both refugees, nationals in host communities, and host country governments experience increasing social and economic pressure. In addition to new and protracted conflicts, climate change impacts will significantly add to the numbers of the forcibly displaced in coming years. Refugees and nationals in host communities are often forced into informal employment without regular earnings and social protection, thus, leaving many with little resilience to shocks and highly dependent on humanitarian aid. In locations where the level of poverty of refugees and host communities is on par, disparities in access to relief, resources and infrastructure often create pressure on refugees and nationals alike.<sup>5</sup> This in turn puts fiscal and political pressures on hosting governments and social services, particularly in low-income countries.<sup>6</sup>
3. Enabling refugees to work in their host country has received renewed attention in the past years as a way to combine development needs of host communities and countries with the humanitarian needs of refugees. When refugees are able to work, their self-reliance is enhanced, and they are able to provide for themselves and their families, increase resilience, regain dignity, and build independent and meaningful future. Ultimately, access to livelihoods and jobs enables the impoverished to meet their needs for protection, food security, health, housing, and other essential services in a safe, sustainable, and dignified manner. A growing body of evidence suggests that including refugees in local economies contributes to economic growth,<sup>7</sup> and can thus be mutually beneficial for refugees and host communities. Overall, access to work reduces pressure on refugees and hosts locally, contributes to economic growth, and therefore eases pressure on the host country as a whole.
4. In December 2018 the United Nations adopted the Global Compact on Refugees (GCR) in which member states committed to the objectives of reducing pressure on host countries and enhancing refugee self-reliance.<sup>8</sup> This is to be achieved by increased international burden and responsibility sharing, and by mobilizing the international community and stakeholders as a whole.<sup>9</sup> In line with the 2030 Agenda’s Sustainable Development Goals, the Compact calls for alleviating poverty<sup>10</sup> which is itself a significant root cause of large refugee populations.<sup>11</sup>

4. UNHCR Brief: Economic Inclusion of the Poorest Refugees.

5. World Bank, 2016

6. Referring to the World Bank’s country income categorization

7. See for example: YES! In My Backyard. Worldbank & UNHCR

8. Such as called for in the Global Compact for Refugees 2018 (GCR) paragraph 3: Objective I & II

9. Such as called for in the Global Compact for Refugees 2018 (GCR) paragraph 3

10. Such as called for in the Global Compact for Refugees 2018 (GCR) paragraph 9

11. Such as called for in the Global Compact for Refugees 2018 (GCR) paragraph 9

# RESPONSE:

## The Global Coalition to Alleviate Poverty among Refugees and Host Communities

5. In response to the global poverty situation among refugees and nationals in host communities, and in line with the GCR spirit, a coalition between the UNHCR, The World Bank Partnership for Economic Inclusion (PEI) and 13 NGOs has been formed with the goal of alleviating poverty for refugees and host communities in selected countries. The partners are: World Vision, Mercy Corps, Concern Worldwide, BOMA Project, Caritas Suisse, GOAL, BRAC, HIAS, Trickle Up, Village Enterprise and the Norwegian Refugee Council (NRC).

The Coalition is uniquely equipped to take on the challenge of poverty alleviation among vulnerable refugees and host communities in the sense that it combines forces of humanitarian and development actors. Further, it combines actors with three types of backgrounds:

- a. Members with proven technical experience in (extreme) poverty alleviation programming using tools from the livelihoods and economic inclusion sector. These provide technical support.
- b. Members with a strong and wide presence in developing and refugee hosting countries, these provide the on-ground implementation; and
- c. International and intergovernmental organizations able to mobilize political will and financial support required for an impactful response to the poverty situation of refugees and host communities. These are UNHCR and PEI, and provide access to refugee populations, convene and provide technical advise.

Many of these partners, including UNHCR, also participate in the Refugee Self-Reliance Initiative (RSRI)<sup>12</sup> – a global community of learning and practice focused on building the evidence base and promoting standards of practice for effective refugee self-reliance programming. The results achieved by this Coalition will help inform and advance the goals of the RSRI, thereby leveraging the reach and influencing a broader set of refugee service providers.

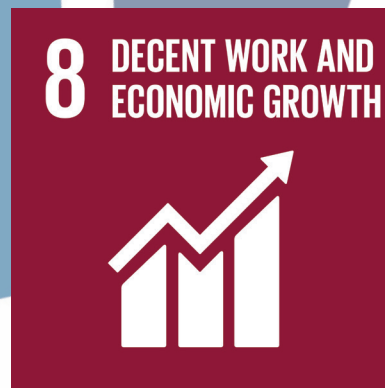
6. The Coalition will work towards the common vision of increasing resilience, self-reliance and social inclusion of refugees & host communities by sustainably increasing their income-earning opportunities. The Coalition has set an ambitious goal of alleviating poverty of 500,000 households consisting of refugees and nationals in 35 countries within 5 years through increasing self-reliance. Key to achieving this is targeting the causes of poverty: The absence of sustainable economic opportunities, income, jobs and livelihoods for refugees and their hosts.



12. [www.refugeeselfreliance.org](http://www.refugeeselfreliance.org)

7. The vision and objectives are guided by the Global Compact on Refugees (GCR) and Sustainable Development Goals (SDG) of the Agenda 2030. In particular, the Coalition will be guided by the GCR objective I (ease pressure on host countries) & II (refugee self-reliance), and the Sustainable Development Goals 1 (End Poverty), 8 (Economic Growth) and 10 (Reduced Inequalities).

What links the GCR objectives (I&II) and SDGs (1, 8, and 10) are common roots in poverty for refugees and hosts alike. This is expressed either directly in poverty levels, or indirectly as for example high unemployment rates, lack of economic opportunities, lack of access to decent work, economic or legal and social inequalities. It is by addressing this that the Coalition will achieve its objectives.



# METHODOLOGY:

## The Graduation Approach

8. The Coalition will use the well-proven poverty alleviation model, The Graduation Approach. The model has been extensively used in the development community<sup>13</sup>, and, as noted by the Economist, is one of the few poverty alleviation strategies that works consistently across countries, cultures, and conditions. Economists argue that the model's success is due to a combination of consumption support and asset/cash transfers, followed by 18-36 months of training, mentoring and encouragement. The consumption support ensures that the extremely poor are not forced to spend, sell, or consume their future asset transfer – be this in the form of cash or in-kind for entrepreneurial activities. Further, continuous mentoring ensures capacity building for the extremely poor. This ensures that the programme participant is on the right path to self-reliance and builds the skills necessary.

The approach was pioneered by BRAC in Bangladesh in 2002 with a success rate of 95% poverty graduation<sup>14</sup>. It has since been tested in over 43 countries worldwide by international organizations, NGOs and governments. These count for example World Vision, UNHCR, World Bank, GOAL, Concern Worldwide, HIAS, Village Enterprise and Mercy-Corps. The approach guides households step-by-step from poverty to self-reliance. The duration of graduation programmes agreed by the Coalition is approximately 18-36 months per household. It includes consumption support, market-oriented skills training for self- or wage employment, asset transfer, access to inclusive financial services through savings groups and/or linkages to formal services, access to social and legal services and continuous mentoring.

### Locating target populations

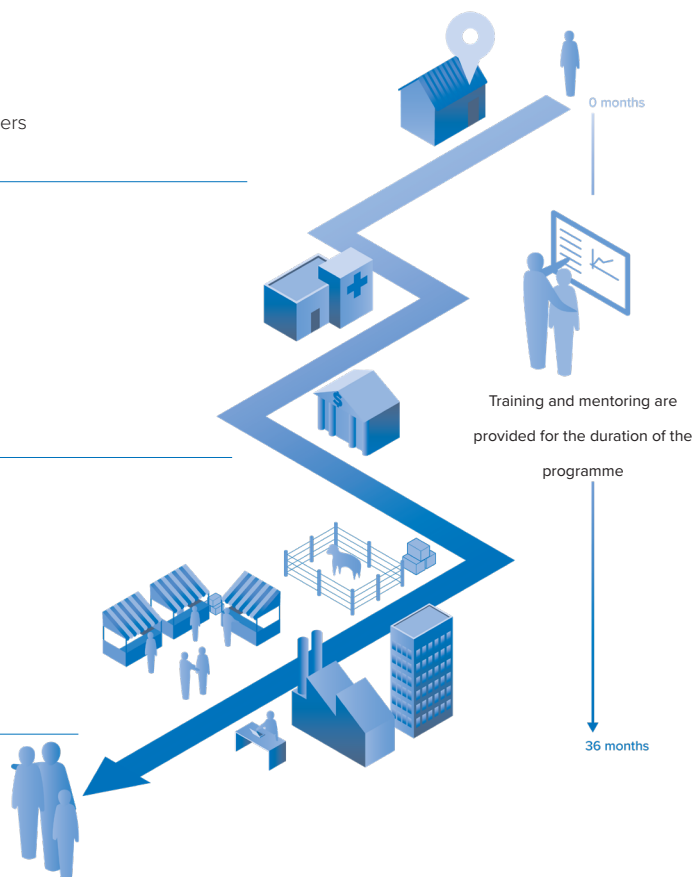
Jointly done with local communities targeting extremely poor individuals such as single mothers and those in need of aid for livelihoods.

### Cover basic needs such as Food access to healthcare & financial institutions.

Participants gain access to quality healthcare, including nutrition and hygiene training. Households are encouraged to open savings accounts and apply for micro-credit.

### Assets Transfer and Access to Local job markets

Participants are given an asset as a sustainable income generator. for example livestock, crops, business start up kits or help to find a job.



13. <https://science.sciencemag.org/content/348/6236/1260799>

14. <http://www.brac.net/sites/default/files/BRAC%20Briefing%20-%20TUP.pdf>





Graduation programs are most effective when they build on existing services/programs. Further, as a CGAP study shows, it is highly cost effective as there is a clear end date to the programme.<sup>15</sup>

9. In the period 2013-2018, UNHCR with support of Trickle Up, piloted the Graduation Approach in 8 countries, with encouraging results.<sup>16</sup> An example is the Ecuadorian pilot and scale-up in Santo Domingo de las Tsáchilas, targeting the most vulnerable refugees and nationals, namely, female-headed households, households with children, elderly, disabled, and youth (16-30 years). Of the 2,272 households targeted in 2015 the graduation from poverty rate was 72% after two years (2017). Average per capita income increased from 66 to 86 US Dollars per month, and households with regular incomes increased from 67% to 97%.
10. The time has now come to scale-up the approach. The Coalition has set an ambitious goal of alleviating poverty of 500,000 refugee and host community households in 35 countries using the Graduation Approach across Africa, Middle East, Asia, Americas and Europe. The scale-up will be primarily in refugee hosting countries where the coalition's NGO members already have (or are planning) Graduation Programmes for nationals, and where there is a po-

tential to include refugees. Drawing on the existing expertise of the NGO members combined with the UNHCR's knowledge of, and access to, refugee situations and commitment to refugee protection will be pivotal to the program's success.

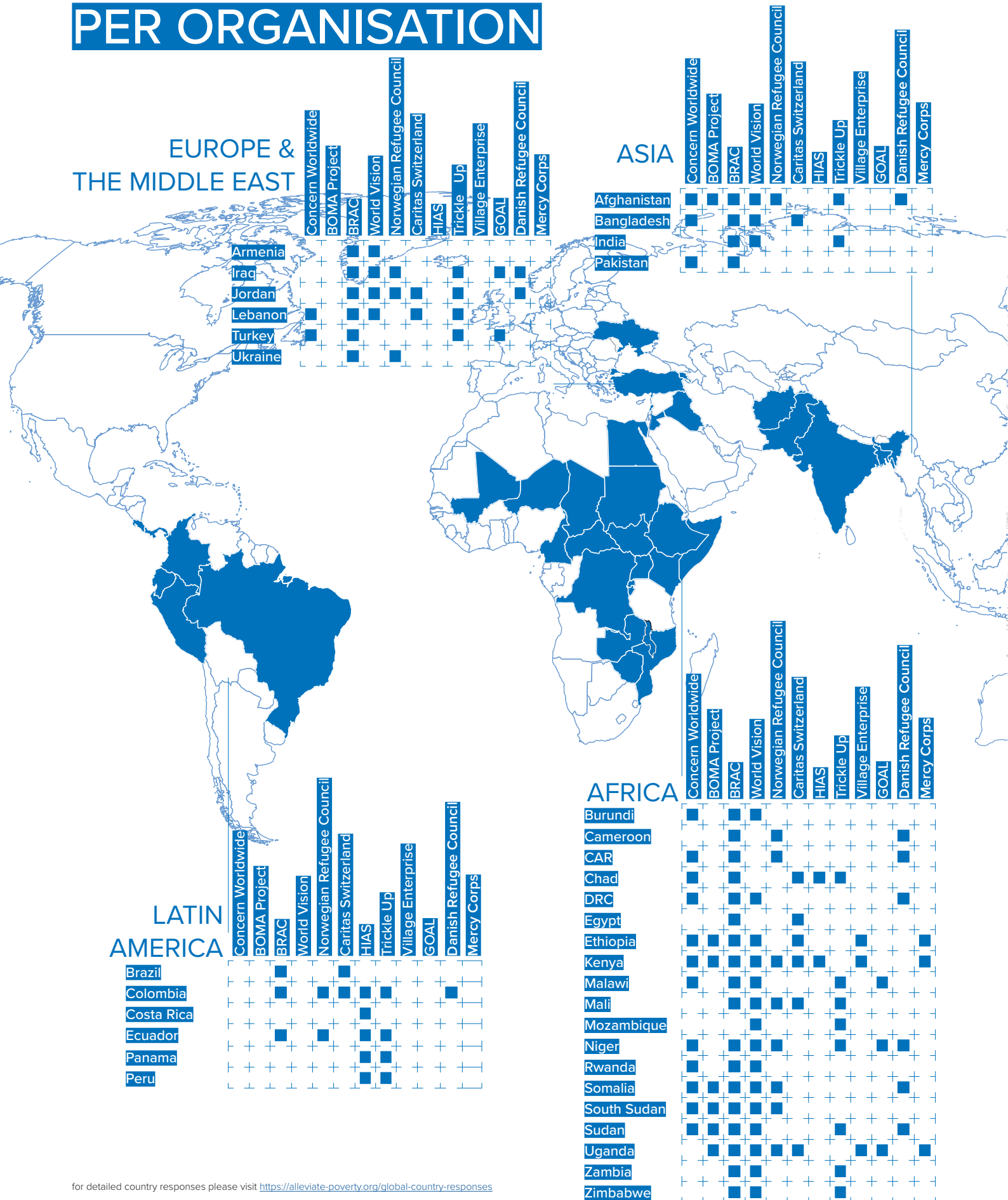
The total programme is expected to take 5 years including preparation (6 months), Pilots (approximately 24 months), Adaptation (6 months) and second-cycle scale up (approximately 24 months). A satisfactory outcome will be a Graduation percentage of no less than 70% of households targeted (for further information, see Monitoring & Evaluation below).

11. The Coalition has identified 35 countries in which there is both an imminent need for poverty alleviation programmes and where the coalition members in combination have the appropriate presence, capabilities and experience. In all 35 countries, a mix of poverty among refugees, IDPs or returnees and nationals in host communities have been identified. Of the 35 countries, more than half are in low-income countries.

An overview of target countries can be found below. In depth details on the proposed interventions and socio-economic situation in each country can be found on [www.alleviate-poverty.org/](http://www.alleviate-poverty.org/).

15. <https://www.cgap.org/sites/default/files/Brief-Graduation-Pathways-Dec-2016.pdf>  
 16. Microfinance Gateway

# OVERVIEW OF COUNTRIES PER ORGANISATION



for detailed country responses please visit <https://alleviate-poverty.org/global-country-responses>

## Response features

12. To ensure the intended effect of the programme, The Coalition's Graduation Approach will, in every country, meet a number of features. Although the exact design of graduation programmes is contextual, evidence points to the following features being pivotal for the efficacy of the programme.

<b>1</b>	<p><b>Time-bound:</b></p> <p>A programme intervention is at approximately 18-36 months long</p>
<b>2</b>	<p><b>Consumption support:</b></p> <p>Programmes build on existing safety net transfers. They might provide directly cash for consumption only if this is not done already or the existing ones are not stable or guaranteed for the duration of the programme. The stipend must be enough to meet basic needs of households. It should be noted that a household may not need a stipend for the duration of the programme.</p>
<b>3</b>	<p><b>Asset transfer/seed capital/employment:</b></p> <p>Programmes provide "big-push" seed capital and/or employment opportunities which are informed on strong and updated market/value analysis with household level business plans.</p>
<b>4</b>	<p><b>Cash:</b></p> <p>Preference will be given to cash over in-kind. Value will be informed by market assessments.</p>
<b>5</b>	<p><b>Access to financial services and savings:</b></p> <p>Programmes need to facilitate access to financial services, with access to informal savings mechanisms as a minimum, and preference for full range of formal financial services where possible.</p>
<b>6</b>	<p><b>Social services:</b></p> <p>Programmes need to build on a mapping of social services available in the area and facilitate referrals to services like legal counselling, psychosocial, language, prevention, protection and response to Gender Based Violence, education, and health. If not available locally, programmes will need to ensure that they are provided in accordance with the individual participant's graduation plan.</p>
<b>7</b>	<p><b>Coaching and mentoring:</b></p> <p>Programmes include a strong coaching component to ensure financial education, soft skills development and follow-up on referral and access to services and implementations of households' livelihoods plans.</p>
<b>8</b>	<p><b>Clear communication with participants</b></p> <p>Concerning timeframe and expectations, relation between consumption support and livelihoods, and how outcomes might be transferable in case of return or any other possible solution.</p>
<b>9</b>	<p><b>Targeting those in need and with the ability to reach self-reliance.</b></p> <p>A vigorous targeting process that helps select the extreme poor among refugee and host communities is of utmost importance.</p>

13. The Coalition’s targeting strategy will be both needs based (only extremely poor are targeted) and capacity based (only those able to work can be targeted). With limited resources and an estimated 10% of the world’s population living in poverty,<sup>17</sup> fulfilling the following criteria is important for the program’s success and appropriate use of funds:

<b>1</b>	<b>Programmes target extreme poor or otherwise most vulnerable households based on proven targeting methodologies.</b>
<b>2</b>	<b>Households must include at least one working age person who is physically and mentally able to work.</b>
<b>3</b>	<b>Programmes mix host and refugee members and apply similar programme features for both groups.</b>
<b>4</b>	<b>Targeting process needs to be transparent and communicated clearly.</b>
<b>5</b>	<b>Participants must agree to participate, often through self-selection in communities</b>

## Budget & Fund Management

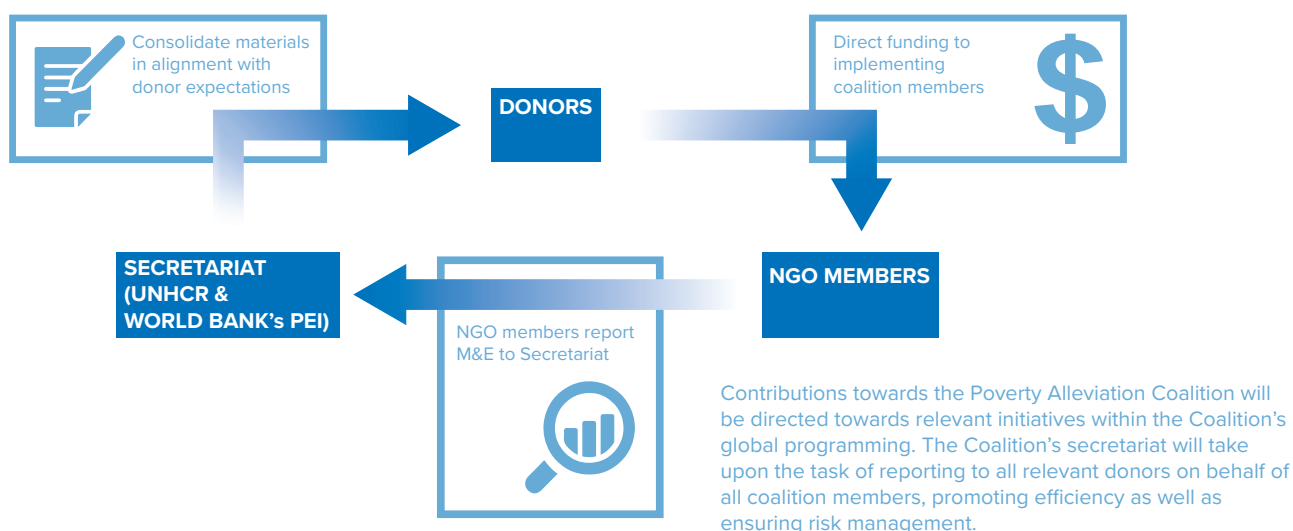
14. The cost of alleviating a household of poverty into self-reliance within 18-36 months is approximately US\$ 1,400.<sup>18</sup> The total funding required for the Coalition’s objective of alleviating 500,000 households in 35 countries of poverty within 5 years, is 700 million US Dollars. The Global Forum for Refugees in December 2019 is a good opportunity for the international community to pledge on the Coalition’s goals through financial support or legal changes allowing refugees the right to work.

In the pledging guidance for the GRF 2019 pledging guidance it is explicitly stated that pledges could for example support “...new and ongoing programmes

aimed at alleviating poverty amongst refugees, including through using microfinance and the graduation approach. These could focus on specific groups, such as women or refugees with disabilities, who may be particularly exposed to protection risks associated with economic vulnerability.”<sup>19</sup>

15. The coalition will apply parallel funding in which each member organization manages its own fund. Funds are channeled directly from the donor to each participating agency. Fundraising will be considered at the global, regional and country levels. Specifically, and based on the need and local contexts, country level joint programmes may be set up.<sup>20</sup>

### FUNDING MODULE FOR THE POVERTY ALLEVIATION COALITION



17. The World Bank, 2018 (<https://www.worldbank.org/en/news/press-release/2018/09/19/decline-of-global-extreme-poverty-continues-but-has-slowed-world-bank>)

18. This is an average based on budgets for all 35 countries, divided by number of targeted households. The exact number is US\$ 1,403.

19. <https://www.unhcr.org/5cc836594> p. 20

20. Parallel funding has a number of benefits which count: i) Easy to set up, and does not require lengthy or bureaucratic processes, ii) No minimum expected funds needed iii) Allows donors to choose projects of particular interest iv) uses a joint programme document to fundraise v) Allows for easy combination of different budget and funding structures of the organizations.

## Monitoring & Evaluation (M&E)

16. Each coalition member will be report on proven indicators within self-reliance measurement. The UNHCR will monitor the progress on each organization and the Coalition on a country, regional and global level on a biannual basis. This will ensure appropriate risk management, response adjustments and joint learning.
17. A strong results framework and clear indicators are essential for monitoring and providing evidence towards the coalition's objectives as well as building evidence and learnings. While the nature of parallel funding means that donor reporting will be conducted in a bilateral manner in relation to specific reporting criteria, the coalition will also have its own central reporting system. The monitoring will draw on proven indicators of self-reliance such as percentage of participants graduated, improved food security, increased income levels, increased savings levels & access to finance, enhanced social inclusion and women's empowerment.
18. Opportunities to establish joint research initiatives through joint funding proposals will be taken forward to enhance learning and evidence for the Coalition and other actors in the 'Graduation Approach for refugees'-community. Engaging universities and researchers will allow the Coalition to continuously learn and enhance programmes, as well as further increasing the scale and scope of Graduation Programmes globally.

## DETAILED COUNTRY RESPONSES

19. For updated country responses Please visit <https://alleviate-poverty.org/global-country-responses>

# RESOURCES

- **Pverty Alleviation Coalition:** <https://alleviate-poverty.org/about>
- **Science:** <https://science.sciencemag.org/content/348/6236/1260799>
- **New York Times: Nicholas Kristof** <https://www.nytimes.com/2019/05/29/opinion/poverty-paraguay.html>
- **Poverty Action Lab** <https://www.povertyactionlab.org/case-study/building-stable-livelihoods>
- **ILO:** [https://www.ilo.org/wcmsp5/groups/public/---dgreports/--inst/documents/genericdocument/wcms\\_494535.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/--inst/documents/genericdocument/wcms_494535.pdf)
- **World Vision International:** <https://www.wvi.org/sites/default/files/WV%20Ultra-Poor%20Graduation%20Handbook.pdf>
- **Yale Insights. Tony Sheldon:** <https://insights.som.yale.edu/insights/can-the-graduation-approach-help-to-end-extreme-poverty>
- **Center for Financial Inclusion:** <https://www.centerforfinancialinclusion.org/ultra-poor-graduation-the-strongest-case-so-far-for-why-financial-services-must-be-a-part-of-the-solution-to-extreme-poverty/>
- **UNDP:** [https://www.ipc-undp.org/pub/eng/PIF39\\_Debating\\_Graduation.pdf](https://www.ipc-undp.org/pub/eng/PIF39_Debating_Graduation.pdf)
- **Stephem Kidd:** [https://www.researchgate.net/publication/319112626\\_The\\_Effectiveness\\_of\\_the\\_Graduation\\_Approach\\_what\\_does\\_the\\_evidence\\_tell\\_us](https://www.researchgate.net/publication/319112626_The_Effectiveness_of_the_Graduation_Approach_what_does_the_evidence_tell_us)
- **Development Pathways:** <https://www.developmentpathways.co.uk/publications/the-effectiveness-of-the-graduation-approach-what-does-the-evidence-tell-us/>
- **UNRISD:** <http://www.unrisd.org/80256B3C005BD6AB/search/E32E06DC0FE7FB56C1257FD500432493?OpenDocument&cntxt=CBDDD&cookieLang=fr#top>
- **SDG Funders:** <https://sdgfunders.org/reports/tackling-ultra-poverty-through-the-graduation-approach-situating-sustainable-livelihoods-in-the-landscape-of-social-protection-and-safety-nets/>
- **Siva and Macwan:** [https://www.academia.edu/35698000/Graduation\\_Approach\\_-\\_Economic\\_Resilience\\_for\\_Extreme\\_Poor\\_-\\_Ethnography\\_Study\\_From\\_World\\_Vision\\_Indias\\_Intervention\\_in\\_Assam](https://www.academia.edu/35698000/Graduation_Approach_-_Economic_Resilience_for_Extreme_Poor_-_Ethnography_Study_From_World_Vision_Indias_Intervention_in_Assam)



# CONTACT

For more information please visit:

- [www.alleviate-poverty.org](http://www.alleviate-poverty.org)

or contact the Coalition Secretariat at;

- [livelihoods@unhcr.org](mailto:livelihoods@unhcr.org)
- [obrienc@unhcr.org](mailto:obrienc@unhcr.org)

## Coalition Partners

- **UNHCR** <https://www.unhcr.org>
- **PEI** <https://www.jobsanddevelopment.org/pei/>
- **BOMA project** <https://bomaproject.org/>
- **BRAC** <http://www.brac.net/>
- **Caritas** <https://www.caritas.ch/en/home.html>
- **Concern Worldwide** <https://www.concern.net/>
- **Danish Refugee Council** <https://drc.ngo/>
- **GOAL** <https://www.goalglobal.org/>
- **HIAS** <https://www.hias.org/>
- **IPA** <https://www.poverty-action.org/>
- **Mercy Corps** <https://www.mercycorps.org.uk/>
- **NRC** <https://www.nrc.no/>
- **Trickle UP** <https://trickleup.org/>
- **Village Enterprise** <https://villageenterprise.org/>
- **World Vision** <https://www.wvi.org/>

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