ADAPTING THE GRADUATION APPROACH TO URBAN CONTEXTS: THEORY AND PRACTICE

CONCERN worldwide

Introduction

Historically, Concern Worldwide's experience of implementing the graduation approach comes from rural contexts however; we are increasingly adapting the approach to urban settings. This document intends to help programme colleagues with this adaptation by setting out considerations for programme design based on certain characteristics found in urban settings. NB. For the purposes of the document, characteristics of rural and urban settings have been generalised. In reality contexts will differ widely.

It does not offer a magic solution, ultimately programmes will still need to be adapted on a case-by-case basis, but it sets out things to consider when designing, planning and implementing graduation programmes in urban settings.

The document looks at programme components in turn summarising, on the left hand side, 'typical' implementation in Concern's rural programmes and then, on the right, it describes possible adaptations in an urban setting based on both theory and practice. It also provides some specific programme examples to demonstrate some of the considerations raised.

This document is a collaborative effort and we would like to thank programme colleagues for contributing to its development. It is intended to be an iterative document and will be updated with new learning as available/appropriate. For any questions, clarifications or feedback please get in touch with jenny.swatton@concern.net

Possible Characteristics:

Rural Settings	Urban Settings
• Low population density (context specific) • Population are likely to own their own shelters (rather than be renting) even if shelters are of a low standard • Lack of basic service infrastructure or basic service provision • Lack of quality service provision • Dependent on agricultural production for consumption and income; likely to be engaged in on—farm income generating activities • Agricultural production methods are more traditional (limited use of technology) • Highly vulnerable to weather-related shocks (droughts, floods, etc.) • Strong social cohesion (social networks) and community-based support mechanism • If even strong local market, a lack of wider market integration and limited access to information • Low literacy and numeracy	• High population density (possible overcrowding) including higher number of unregistered migrants/displaced persons • A higher proportion of the population will not own their own shelter; will be renting or living in camps (in the case of refugee/IDP populations) • Strain on utilities and basic service provision • High unemployment • High 'vulnerable employment' – less likely to be formal working relationship, no regular earnings, not covered by social protection (pension, health care) • Predominately a market-based economy where people purchase most of their goods/services from the market place (less production) where forces of supply and demand govern access • More likely to be engaged in off-farm income generating activities • Lack of social cohesion and limited community-support mechanisms • High levels of social inequality and possible exploitation of the most vulnerable • Lack of equal conditions/opportunities

Targeting:

Rural Settings
- Strong use of community based targeting approaches (community wealth ranking).   - Community based targeting facilitates community buy-in and accountability (complaints response mechanism).   - People generally know each other and are more aware of each other's asset ownership and/or vulnerability status.   - Local and opinion leaders are generally available to support, use their time freely to support the targeting.   - The establishment of targeting committees is relatively straightforward (due to the aforementioned).

Urban Settings
- Higher population density is likely to make it harder to identify people.   - Traditional community based targeting approaches are more challenging due to social dynamics (people are less likely to know their neighbours) and different political structures (where there are local leaders they often have less available time).   - Increased use geographical targeting; i.e. based on the catchment area of certain services (e.g. health centre/school).   - Increased use of referral mechanisms i.e. through local service providers.   - High levels of social inequality and possible exploitation of the poorest and most vulnerable.

Examples
In **Kenya**, a combination of targeting methods have been used in the past: *geographical* (even in informal settlements it is possible to identify poorer areas), *community based* and verification by local leadership and authorities. Community based targeting is possible when certain social structures have developed. This is not necessarily due to having a common place of origin but can be due to how the population has settled. For example, a particular group of people settles in an area due to a common opportunity for employment.
In **Haiti,** the team started by identifying the most vulnerable area geographically. They then conducted a household survey and selected households based on key vulnerability criteria. Community officials then verified selected households.

Consumption/Income Support:

Rural Settings

- 12-18 month duration transferred monthly or bi-monthly.
- Value often aligned with that of national SCT programme or minimum expenditure basket.
- In most cases the value is fixed and does not vary according to household size.
- In most cases the transfer is unconditional.
- The types of payment methods vary based on the financial service infrastructure available.
- Manual payments (through a third party) are common, either for the whole payment process or just to facilitate cashing out. This is due to there often being limited penetration of financial services (agents) or telecommunications coverage.

Urban Settings

- Markets are more likely to be functional and competitive therefore it is likely recipients will have a greater preference for cash over in-kind transfers.
- There is likely to be greater scope for, coverage of, financial service infrastructure to inform the choice of payment mechanism and provide opportunities for financial inclusion into formal systems.
- There is likely to be greater scope for electronic payment mechanisms and options for when and where recipients can cash out making transfers discrete and secure.
- Market prices (cost goods and services) are likely to be higher which will affect the transfer value if transfers are index-based.
- Due to the housing situation (with more people likely to be renting) it is more likely that participants will use consumption/income support to assist with rental payments.
- Population density and living conditions can increase security risks and the risk of misappropriation.

Examples

In **Rwanda**, training on financial management was given prior to transfers as HHs were not used to managing financial resources.

In **Rwanda** and **Burundi** during IAPF I (2012-2016) many participants were already engaged in economic activities prior to commencing the programme therefore they started investing consumption/income transfer in productive activities straight away.

In **Ethiopia**, transfers are conditional on participant households undertaking some public natural resource management works (soil and water conservation; rural road maintenance)

Examples

In **Haiti,** providing cash in larger sums less frequently (every 2/3 months) has led to people managing their money better. If money needs to last longer then participants' tend to make better decisions on how they spend their money.

In **Haiti**, recipients travel outside of their immediate locality in order to cash out due to security concerns.

In **Turkey**, where income support was provided to Syrian Refugees, local landlords' were seen to raise rental prices.

Coaching and Mentoring:

Rural Settings

- Varied coaching structures (Concern staff, volunteers, local extension workers).
- Case managers/workers are usually responsible for a set 'case load' (# of households) within a certain geographical area.
- Households are visited on average two times per month by their case manager/worker who will focus on individual support needs/messaging.
- As well as providing individual support, case managers often deliver messaging through group structures; where households are grouped by economic activities or targeted through their community savings and loan groups.
- The coaching structure is the main channel through which training on life skills is provided.

Urban Settings

- Due to different working patterns home visits might not be feasible. An alternative would be to use different communication channels (technology) or to meet at place of employment or a central location.
- It is likely that a greater number of home-visits will be conducted outside of 'normal working hours' – in the evening for example. This needs to be considered in case manager/worker agreements to ensure that their working hours are acceptable/fair.
- Different governance and community structures need to be taken into account when thinking about sustainability.
- There is the potential for more mentoring-type assistance linked to employment.
- Different coaching structures incur different costs; there may be higher costs for transportation/communication in urban settings.
- Messaging needs to be adapted to the reality of the urban context.

Examples

Examples
The availability of technology in **Kenya** has provided a huge opportunity for the provision of coaching and mentoring.
In **Haiti,** households receive coaching visits by a member of Concern staff (Livelihood Agent) every 6 weeks.
In **Haiti**, under cohort 1, life skills training was too heavy and the benefits did not justify the time involved for delivery. For cohort 2 they plan to reduce the number of modules and simplify the messaging.

Facilitating Access to Basic Service Provision (Linkage and Referral):

Rural Settings

- Links to additional service provision (as required) is done through the case manager based on household need.
- Links to health care services are the most common.
- There is often a challenge due to a lack of knowledge of what services exist in a given area and of service capacity.
- Where a list of service providers does not already exist, a mapping is required.
- There are challenges due to a lack, and low coverage, of (quality) service provision.
- Other barriers to accessing service provision are not well understood.

Urban Settings

- Potential to link recipients to service provision based on need.
- Barriers to access include a possible strain on service provision due to population density/overcrowding or social inequality.
- In the case of migrants, a lack of registration or documentation may also be a barrier to access. Therefore, it may be necessary to work with officials on facilitating this process.
- Presence of government and private service provides means that there should be higher level of supply and more options for linking or referring participants.
- It is likely that private services are likely to be more expensive than state-run services and state-run services are likely to be over-subscribed.
- Services available may not cater to the needs of the extreme poor/vulnerable.

Examples

In **Burundi**, the programme covers the cost of the government health insurance scheme for the first year and participants are encouraged to budget for future contribution. Children U5 and pregnant women are treated free of charge.

In **Malawi**, the government in partnership with UNICEF, have developed lists of service providers which can be used by programme staff).

Technical and Business Skills Training:

Rural Settings

- Income generation is largely through daily labour, small business development and petty trade – or a mix.
- Livelihoods are largely agricultural so there is a strong emphasis on climate smart agriculture and livestock management within technical training.
- The 17-point rule approach used to train illiterate people on business skills.
- Many countries have developed specialised training on IGA identification.
- Training is often delivered through case managers or Concern technical staff either individually or in a group setting. There is some use of rural training providers (where they exist).
- The standard of training provided by external training providers is often of low quality and they lack appropriate tools/materials for delivery.
- Limited access to new technologies and few places for practical application.
- The capacity of participants (skill level) at baseline is often very low.
- Literacy and numeracy are often barriers to training.
- The training curriculum of formal training providers is often not accessible to the extreme poor.

Urban Settings

- Likely to be greater options and variations available for income generation (small business; waged-employment).
- Labour market assessments require engaging with potential employers and identifying future opportunities.
- Different skills sets are required and different barriers to employment exist.
- There is potential to link with non-traditional vocational and technical training providers for flexible training options (night/weekend classes, intensive etc.).
- Vocational training curricular should include modules on employment best practice (i.e. CV development, dress code, punctuality etc.).
- Ensuring basic levels of literacy and numeracy is still important; as is ensuring we tailor training curricular to individual levels and learning styles.
- There is potential to link participants directly with employers (including private companies) and to develop training plans based on technical needs (job placements, internships, apprenticeships etc.).
- It may be necessary to address conditions of employment (ensure decent work conditions) to protect vulnerable groups.

Examples

In **Burundi**, participants receive literacy training as a pre-cursor to technical training in order to make the technical training curriculum more accessible for the extreme poor.

In **Malawi**, Village Agents also receive certain technical training (climate smart agriculture, livestock management and business skills) so that they can provide training to the wider community through the Village Saving and Loan Association structures.

In **Ethiopia**, the schedule for technical training took into account the preferences and to the convenience of participants.

Examples

In **Haiti,** households opting to take an employment pathway received vocational training but, in reality, there are few jobs available. Where jobs are available, the extreme poor often face barriers to access based on discrimination.

In **Haiti,** even participants opting to take an employment pathway are ending up developing small businesses although, those who received the vocational training (instead of the technical/business skills training) seem to be more confident and feel more empowered than their entrepreneurial pathway counterparts. These social impacts will be explored in the mid-term review.

Facilitating Access to Financial Services and Promoting Savings Behaviour:

Rural Settings
• Coverage of formal financial service providers tends to be lower in remote areas (fewer providers and lower market penetration). • The use of community level saving and loan structures (VSLA, SILC, VESA) as a bridging structure to more formal financial structures is high. • Forming community level saving and loan structures tends to be straight forward, as people often know each other already. • Community level saving and loan structures are often linked to a formal financial service provide to save money and as a guarantee. • Community level saving structures are an important social network in rural areas; there is evidence of impact on confidence and empowerment. • Training on financial literacy is often covered and reinforced at a household level by case manager/workers.

Urban Settings
• There is likely to be greater coverage of financial service infrastructure (a higher number of providers and greater market penetration). • There might be a need to work with financial service providers on/or advocate for suitable products for the extreme poor or addressing any barriers to access (i.e. documentation requirements). • It is possible to organise community-level savings groups around a common source of income (e.g. water vendors, rubbish workers) or around vulnerability issues (e.g. support groups) where there is likely to be social cohesion. • In the absence of community level savings groups, which offer important social networks, we need to consider what other networks participants can be encouraged to engage with (neighbourhood groups etc.). • Training on financial literacy is still likely to be relevant.

Examples
In **Burundi**, community level saving and loan associations are linked to formal microfinance institutions after the first saving cycle (one year). This is done to demonstrate to participants how they can save their money more securely and so that they can access larger loans.
In **Malawi**, Village Agents are used to support the Village Saving and Loan Associations and act as an interlocutor between Concern staff and the VSLA groups themselves.

Examples
In **Haiti**, the programme works with a financial institution who trains participants on financial management and the different products/services on the market and available to them.

Capital/Asset Transfer:

Rural Settings

- Often the transfer (if a capital transfer) is provided as a lump sum or in 2 or 3 smaller tranches.
- Tranches are often used to mitigate the risks associated with recipients receiving a large amount of money in a lump sum (security; misappropriation; mis-use).
- Capital transfers are traditionally used to purchase productive assets in order to kick start a new or expand an existing economic/business activity.
- Market assessments and/or value chain analysis is undertaken to inform participants of viable income generating activities.
- There are often challenges with market integration, marketing and access to quality inputs.
- The transfer value is often aligned with market prices based on the 'types' of productive assets people are expected to purchase.
- Most members of the household contribute to the economic activity in some way (collective ownership).

Urban Settings

- The nature and amount of the capital/asset transfer will depend on the livelihood pathway (small business, employment).
- Any business plans (plans on how the capital transfer will be spent) need to be adapted to the type and scale of economic activity people will engage in.
- It is possible to provide a capital transfer to support access to employment (i.e. fund further training, to purchase clothing necessary to secure employment and/or cover the cost transport to employment for a set period of time).
- Markets are more likely to be functional and competitive therefore it is likely recipients will have a greater preference for capital over asset transfers.
- It is possible to consider providing small loans instead of credit-free transfers if participants are located in a more vibrant economic area.
- For participants involved in small business activities there may be challenges to securing locations or permits for these activities therefore there is a greater need to work with local trade officials to understand the operational environment and address any constraints.
- It is unlikely that all household members will contribute to the same economic activity.

Examples

In **Zambia**, the provision of the capital transfer in smaller 3 smaller tranches led to groups' of participants combining funds to purchase a larger item and people saving up to purchase a larger item at a later date.

In **Ethiopia**, capital transfers are part-grant (50%) and part- small loan (50%) - the loan portion will have to repaid over time. This was a necessary condition required to gain political acceptability. Impact to be explored in the mid-term review.

Examples

In **Haiti**, participants who receive professional training rather than technical/business skills training will still receive small business 'starter kits' related to their selected vocation as most are not securing employment.

Cover Image: The neighbourhood of Droulliard in Cite du Soleil, Haiti. One of the areas covered by the IAPF Graduation Programme. © Antoine/K, Concern Worldwide (2018)