In Practice

A Path to Jobs for the Urban Poor

By Jorge Avalos, Sarang Chaudhury, Timothy Clay, and Puja Vasudeva Dutta
In Practice

The Partnership for Economic Inclusion

In Practice / A Path to Jobs for the Urban Poor
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About the *In Practice* Series

The Partnership for Economic Inclusion introduces the *In Practice* series featuring accessible, practitioner-focused publications that highlight learning, good practice, and emerging innovations for scaling up economic inclusion programs.

This note is one of two designed to serve as a resource for policy makers and practitioners aiming to introduce or scale up economic inclusion programs in urban and peri-urban areas. This first note explores the potential of delivering economic inclusion programs at scale in urban contexts, and the second will describe how to operationalize these programs.

In making the case for economic inclusion programs in urban areas, this note highlights the role these programs have in promoting the social and economic inclusion of the urban poor and vulnerable groups. It lays out a framework for such programming based on the current landscape and evidence and points to the central role that economic inclusion programs can play in meeting the urban jobs challenge, facilitating a COVID-19 recovery, and building inclusive cities. Supported by an expanding pipeline of urban programs, this note also points to the growing learning agenda for economic inclusion programming in urban contexts, including the emerging evidence on the impacts and costs of urban programs.
### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACTIVO</td>
<td>Life Improvement and Livelihood Enhancement for Conditional Cash Transfer Program (Honduras)</td>
</tr>
<tr>
<td>CGAP</td>
<td>Consultative Group to Assist the Poor</td>
</tr>
<tr>
<td>DPF</td>
<td>Development Policy Financing (World Bank)</td>
</tr>
<tr>
<td>ELA</td>
<td>Empowerment and Livelihood for Adolescents (Uganda)</td>
</tr>
<tr>
<td>EPAG</td>
<td>Economic Empowerment of Adolescent Girls and Young Women (Liberia)</td>
</tr>
<tr>
<td>FCV</td>
<td>fragility, conflict, and violence</td>
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<tr>
<td>FI</td>
<td>financial inclusion</td>
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<tr>
<td>IDS</td>
<td>Institute of Development Studies</td>
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<tr>
<td>IF</td>
<td>International Futures</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>IPF</td>
<td>Investment Project Financing (World Bank)</td>
</tr>
<tr>
<td>L&amp;J</td>
<td>livelihoods and jobs</td>
</tr>
<tr>
<td>NGO</td>
<td>nongovernmental organization</td>
</tr>
<tr>
<td>P4R</td>
<td>Program-for-Results (World Bank)</td>
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<tr>
<td>PAD</td>
<td>project appraisal document (World Bank)</td>
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<tr>
<td>PEI</td>
<td>Partnership for Economic Inclusion</td>
</tr>
<tr>
<td>PEIMT</td>
<td>Partnership for Economic Inclusion Management Team</td>
</tr>
<tr>
<td>PEJEDEC</td>
<td>Projet d’Urgence de Création d’Emploi Jeunes et de Développement des Compétences (Côte d’Ivoire)</td>
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<tr>
<td>PID</td>
<td>project information document (World Bank)</td>
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<td>PPP</td>
<td>purchasing power parity</td>
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<tr>
<td>PRODIJI</td>
<td>Youth Inclusion Project (Benin)</td>
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<td>PWP+</td>
<td>public works–plus</td>
</tr>
<tr>
<td>RAISE</td>
<td>Recovery and Advancement of Informal Sector Employment (Bangladesh)</td>
</tr>
<tr>
<td>RE</td>
<td>Recipient Executed (World Bank)</td>
</tr>
<tr>
<td>REALISE</td>
<td>Recovery of Economic Activity for Liberian Informal Sector Employment Project (Liberia)</td>
</tr>
<tr>
<td>SASPP</td>
<td>Sahel Adaptive Social Protection Program</td>
</tr>
<tr>
<td>SCE</td>
<td>Seguro de Capacitación y Empleo (Argentina)</td>
</tr>
<tr>
<td>SEI</td>
<td>State of Economic Inclusion</td>
</tr>
<tr>
<td>SSN</td>
<td>social safety net</td>
</tr>
<tr>
<td>SSN+</td>
<td>social safety net–plus</td>
</tr>
<tr>
<td>TDA</td>
<td>Text and Data Analytics (World Bank)</td>
</tr>
<tr>
<td>TMF</td>
<td>Transforming My Future (Colombia)</td>
</tr>
<tr>
<td>UPSNP</td>
<td>Urban Productive Safety Net Project (Ethiopia)</td>
</tr>
<tr>
<td>UYEP</td>
<td>Urban Youth Employment Project (Papua New Guinea)</td>
</tr>
<tr>
<td>YKK</td>
<td>Yook Koom Koom (Senegal)</td>
</tr>
<tr>
<td>YOP</td>
<td>Youth Opportunities Program (Liberia, Uganda)</td>
</tr>
<tr>
<td>YSDP</td>
<td>Youth Employment and Skills Development Project (Burkino Faso)</td>
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*All dollar amounts are US dollars unless otherwise indicated.*
Introduction

THE URBAN CONTEXT

A rapidly urbanizing world presents enormous economic opportunities for the poor and vulnerable but also presents significant barriers to their economic inclusion. About two-thirds of the world’s population is expected to live in urban centers by 2050, with nearly 90 percent of this increase in Asia and Africa.¹

Urban areas are engines of economic growth and attract people in search of jobs. This concentration of people with diverse skills, experiences, ideas, and businesses facilitates innovation and productivity. However, this potential is often undermined by interconnected, multifaceted urban challenges, including limited infrastructure and services, inefficient land markets and a shortage of affordable housing, and suboptimal city management (mainly as a factor of human and financial resources). These and other challenges have hampered the productivity of both urban residents and businesses (World Bank 2015).²

Because of the spatial, economic, and often social inequalities in urban areas, urban poverty is multifaceted and dynamic (Baker and Gadgil 2017; Gentilini et al. 2021). As a result, for the urban poor the number and quality of jobs are limited, and women and youth especially face additional barriers to accessing the jobs that are available. Moreover, the urban poor may be unable to benefit from the macro- and meso-level interventions that improve the overall business environment for firms or enhance the productivity of people and businesses directly and indirectly by, for example, addressing the spatial mismatch between jobs and homes from an urban planning perspective. In particular, youth from poor families need to acquire foundational skills, technical and vocational skills, and business and entrepreneurship skills. Capital to start or grow a business is also typically harder for youth to access because they have lower rates of financial inclusion than adults and have had less time to accumulate savings or assets. Relative to young men, young women typically attain less formal education on average, experience network constraints more acutely, and find it harder to access capital, especially where social norms or laws limit women’s asset ownership. Young women also typically face limited occupational choices, often clustered in less productive sectors and paying less to women than to men—see, for example, Chakravarty, Das, and Vaillant (2017) for Africa.

Since 2020, the COVID-19 crisis has starkly highlighted the vulnerability of urban residents. Globally, urban households, especially those engaged in the informal
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Economy, have experienced pronounced declines in employment, income, and food security, and insufficient access to education (Chen and Carré 2020). In some countries, households have experienced recovery in income, business revenues, and food security, but the gains have been modest, and they continue to struggle to cope with shocks in a rapidly changing disease environment.

Urban policy makers face the challenge of creating jobs, supporting COVID-19 recovery, and, more broadly, making cities more inclusive for the poor. A common strategy is sectoral support for micro, small, and medium enterprises to promote job creation and address labor informality. Urban local governments contribute to this strategy by, among other things, addressing gaps in infrastructure, improving service delivery, and pursuing land management (World Bank 2015). By complementing these area- and sector-based interventions with programs that promote the income generation potential of individuals and households, countries can bring about spatial, social, and economic inclusion of the poor and vulnerable in urban contexts.

Economic inclusion programs have emerged as a promising instrument to promote job creation for the urban poor, especially for youth and women. This note defines an economic inclusion program (used interchangeably with the term productive inclusion program) as a bundle of coordinated, multidimensional interventions that support poor individuals, households, and communities in their efforts to increase their incomes and assets while working toward the long-term goal of economic self-sufficiency. Thus an economic inclusion program provides a package of interventions rather than one or two stand-alone interventions because its design is based on the recognition that the poorest and most vulnerable people face multiple constraints.

Although economic inclusion programs have traditionally been geared toward rural areas, they can be adapted to address urban poverty and will be critical for facilitating a COVID-19 recovery. The Partnership for Economic Inclusion (PEI) 2020 Landscape Survey revealed that the ongoing global surge of economic inclusion programs already includes several programs operating in urban contexts. Some 118 programs in 63 countries cover at least some beneficiaries in urban and peri-urban contexts. A fast-growing pipeline suggests this number will likely increase rapidly. Since 2020, a new wave of government-led programs is introducing economic inclusion interventions for the first time in response to COVID-19.

The design of economic inclusion programs differs considerably across regions and countries, depending on the extent of urbanization, informality, youth under- and unemployment, and social cohesion. For example, Ethiopia’s Urban Productive Safety Net Project (UPSNP) provides poor urban households with temporary income support (through public works) and facilitates self-employment (with business capital, training, and other support). This approach has great potential in contexts with high informality and limited wage job opportunities, and it has been adopted by several African countries. By contrast, Argentina’s Empleo Joven” (formerly known as “Jóvenes por Más y Mejor Trabajo) and Papua New Guinea’s Urban Youth Employment Project (UYEP) help facilitate wage employment of vulnerable urban youth through training, employment services, and wage subsidies to employers.

**ORGANIZATION OF THIS NOTE**

Section 2 is a brief summary of the urban context and challenges. Section 3 then describes a framework for fostering urban economic inclusion, and section 4 examines the current landscape of economic inclusion.
programs, starting with the policy impetus driving their emergence. Section 5 turns to the case for scaling up urban programs by synthesizing evidence on costs and impacts. Section 6 draws conclusions.

This note draws heavily on the framework and analysis provided in *The State of Economic Inclusion (SEI) Report 2021: The Potential to Scale* (Andrews et al. 2021), especially the PEI 2020 Landscape and Costing Surveys, an updated World Bank portfolio (2021) review, and an updated review of impact evaluations of urban economic inclusion programs (see appendix A for data sources).

The authors acknowledge that economic inclusion in urban contexts is an emerging area. Meanwhile, debates continue about the feasibility and sustainability of government-led economic inclusion programs. The evidence base on urban programs is promising but still nascent. As for the inclusive cities agenda, the shift from traditional interventions focusing largely on infrastructure (such as slum upgrading) to more multidimensional approaches is fairly recent, and urban authorities are grappling with all three dimensions of inclusion—spatial, social, and economic—at the neighborhood and city levels. This note on urban economic inclusion (and the one forthcoming) is an attempt to begin answering these questions.
The Urban Challenge: Understanding the Context

Urbanization, Labor Mobility, and Informality

Cities and urban centers are rapidly becoming the primary habitat of humanity. More than half of the world’s population is already living in urban centers, and this share is expected to rise to two-thirds by 2050, to 6.8 billion urban residents (figure 2.1, panel a). Nearly 90 percent of this increase is concentrated in Asia and Africa.

Urban areas typically offer a wide range of economic opportunities, fueling labor mobility within and across countries. Cities, towns, and peri-urban areas offer upward mobility, better jobs, higher incomes, access to markets, and a denser network of services compared with rural areas. These opportunities spur movement from rural to urban areas, between urban settlements of various sizes, and from one country to another. In the East Asia and Pacific region, for example, an estimated 120,000 people migrate to cities every day. At the same time, internal labor mobility is often characterized by circular and temporary migration, especially in many urban areas of fast-urbanizing Asian and African countries (IOM 2015; UN 2018).

However, rapid urbanization has resulted in congested cities with growing informal and slum settlements. Such congestion is inevitable because economic activity and jobs tend to be concentrated in a relatively small number of urban growth centers. Even though globally the share of urban population living in slums or informal settlements fell from 40 percent to 29 percent between 2000 and 2018, the number of people living in slums has stagnated at around 1.2 billion (figure 2.1, panel b), leading to congestion and strained public utilities. The urban poor tend to live in informal neighborhoods, often in the periphery, where they face insecure housing tenure, and so they frequently move within and across neighborhoods. Because of the deep-rooted spatial, economic, and often social inequalities in urban areas, urban poverty is complex, multifaceted, and dynamic (Baker and Gadgil 2017; Gentilini et al. 2021).

Globally, roughly half of the urban workforce is engaged in the informal sector, with limited social protection coverage. In South Asia, this figure is as high as 87 percent (figure 2.1, panel c). A large informal sector is associated with low productivity, poverty, and income inequality, as well as lack of access to social protection. In addition, the majority of social assistance programs target rural areas—37 percent in rural areas versus 27 percent in urban areas. 

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Globally, the urban population has steadily increased (Figure 2.1, panel a). Urban informality is staggering, especially in South Asia (Figure 2.1, panel c). Youth unemployment in urban areas remains a global challenge (Figure 2.1, panel d). More than a third of the urban population lives in slums (Figure 2.1, panel b). Youth unemployment in urban areas is a pressing economic and social issue in developing economies because sustained unemployment can make youth vulnerable to social exclusion. Youth unemployment is also significantly associated with a greater risk of political instability, violence, and social unrest (Azeng and Thierry 2015).

Figure 2.1 Urbanization and informality

2.1a Globally, the urban population has steadily increased

2.1b More than a third of the urban population lives in slums

2.1c Urban informality is staggeringly high, especially in South Asia

2.1d Youth unemployment in urban areas remains a global challenge


Note: The Global Jobs Indicators Database is compiled from national surveys and subnational microdata and is harmonized across countries. Indicators are disaggregated by urban/rural. However, they are presented only for urban areas. The definition and classification of informality are highly context-specific. EAP = East Asia and Pacific; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa; SA = South Asia; SSA = Sub-Saharan Africa.
COVID-19 AND OTHER SOURCES OF VULNERABILITY

COVID-19 is having catastrophic effects on poverty, especially in urban centers. It is now expected that worldwide the pandemic will push an additional 119–124 million people into extreme poverty (Lakner et al. 2020). These “new poor” are projected to be more likely to live in urban areas (World Bank 2020).

In line with job losses, income has declined substantially in urban areas due to COVID-19, particularly for informal workers and youth. The International Labour Organization (ILO) estimates that in the first month of the pandemic, informal workers experienced a decline in earnings of up to 60 percent globally (ILO Monitor 2021). The crisis also severely affected youth, with youth employment falling by 8.7 percent in 2020, compared with 3.7 percent for adults (ILO Monitor 2021). Overall, more than half of the surveyed urban households reported a drop in total income, and 43 percent of urban households reported a decline in wage income (figure 2.2) after the onset of the pandemic. These households also reported a drop in household consumption and a rise in food insecurity (figure 2.2). Nearly two-thirds of urban households in Sub-Saharan Africa and East Asia and the Pacific reported an increase in food insecurity following the pandemic.6

Women were especially adversely affected in terms of exposure to risk and loss of livelihood. A disproportionately high number of women work as frontline health workers and are employed in sectors highly affected by the pandemic such


Note: Panels a and b show the average percentage of households across 36 countries. Data are harmonized across countries using multiple waves of high frequency phone surveys conducted in the regions shown. Income data are not available for any country in South Asia. Food insecurity is estimated using the following indicator: In the last 30 days, your household ran out of food because of a lack of money or other resources?
as leisure, travel, hospitality, and retail sales (figure 2.3, panel a). As a result, the pandemic is expected to widen gender inequalities. One estimate suggests that, by 2021, about 435 million women and girls will be living on less than $1.90 a day, including 47 million pushed into poverty by COVID-19 impacts (figure 2.3, panel b)—see UN Women (2020). Furthermore, the frequency and severity of violence against women and violence against children may increase as families cope with stressors of economic insecurity, quarantines, and isolation (Peterman et al. 2020).

Even as COVID-19 revealed the vulnerability of urban residents to health and economic shocks, many cities continue to face high disaster risks, and climate change is expected to push urban residents into poverty. Evidence suggests that cities are increasingly vulnerable to natural hazards such as floods and tropical storms. A global study revealed that, in most countries, the urban poor are more exposed than nonpoor urban households to floods (map 2.1). Furthermore, because land is scarcer in urban areas relative to rural areas, the informal settlements where the poor live tend to be higher-risk areas (Hallegatte et al. 2017). In the absence of inclusive and climate-informed development, an additional 100 million people are expected to fall into extreme poverty by 2030 (Hallegatte et al. 2016). With increasing urbanization, a majority of the affected will be the urban poor.

Figure 2.3  Globally, the pandemic set back women’s economic empowerment

2.3a High proportion of women work in frontline and worst-affected sectors

<table>
<thead>
<tr>
<th>Profession</th>
<th>Female (pre-COVID-19)</th>
<th>Male (pre-COVID-19)</th>
<th>Female (COVID-19 forecast)</th>
<th>Male (COVID-19 forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Processing</td>
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<tr>
<td>Sales Workers</td>
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<tr>
<td>Food Preparation Assistants</td>
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<tr>
<td>Health Professionals</td>
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<tr>
<td>Cleaners and Helpers</td>
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<tr>
<td>Health Associate Professionals</td>
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<tr>
<td>Personal Care Workers</td>
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Note: Panels a and b show the average percentage of households across 36 countries. Data are harmonized across countries using multiple waves of high frequency phone surveys conducted in the regions shown. Income data are not available for any country in South Asia. Food insecurity is estimated using the following indicator: In the last 30 days, your household ran out of food because of a lack of money or other resources?
Map 2.1

Cities are at risk of natural hazards

High poverty exposure to floods in urban areas

Sources: Panel a: Hallegatte et al. 2017; panel b: Winsemius et al. 2015.
Note: UNHCR population of concern includes refugees, asylum seekers, internally displaced persons, and other groups to whom UNHCR has extended its protection or assistance services based on humanitarian or other special grounds.
A Framework for Fostering Economic Inclusion in Urban Areas

As noted earlier, economic inclusion programs (used interchangeably with the term productive inclusion programs) is defined here as a bundle of coordinated, multidimensional interventions that support poor individuals, households, and communities in increasing their incomes and assets. Economic inclusion programs therefore aim to help meet the dual goals of strengthening both the resilience of and the opportunities for the poor.

This note adopts the framework laid out in The State of Economic Inclusion Report 2021: The Potential to Scale (hereafter SEI Report 2021), which recognizes that poor and vulnerable households face a range of constraints in integrating into the economy (box 3.1). This target group requires a support package that will address multiple constraints simultaneously. Under the SEI framework, two core elements are thus common to economic inclusion programs: (1) they focus on the poor, often just the extreme poor, or other vulnerable groups; and (2) they provide a coordinated set of interventions that address the multiple constraints these groups face, with the aim of sustainably increasing income generation potential. Economic inclusion programs commonly include the following components: skills training, coaching/mentoring, cash transfers and business grants, wage employment facilitation services, market linkages, financial services facilitation, and natural resource management. Ideally, these programs would also create appropriate midlevel links for households and communities, including to the business environment, health and sanitation services, and environmental restoration and management.

This framework is anchored by the entry points through which governments can customize existing antipoverty programs and the adaptations to scale. Economic inclusion programs are generally built on a foundational intervention that engages the target population and acts as the primary entry point. Governments typically add economic inclusion efforts at the three primary entry points: (1) social safety net (SSN) interventions such as cash transfers and public works programs; (2) single (or limited) intervention livelihoods and jobs (L&J) programs such as training or labor intermediation services; and (3) financial inclusion programs such as microsaving schemes or financial literacy programs. Complementary measures addressing other constraints program participants face that
may limit the success of these foundational interventions are subsequently layered on top. Leveraging existing programs and delivery systems is an important aspect of scaling up, which goes well beyond simply increasing coverage. Adaptations to scaling up involve the programmatic and institutional means by which programs evolve and grow. The design of economic inclusion programs differs considerably, reflecting customization of the package of support for different contexts and groups. Programs that build on existing social safety nets—such as cash transfers or public works programs—may add training, coaching, and business grants to help beneficiaries transition to self-employment (examples are Ethiopia’s UPSNP and Burkina Faso’s Youth Employment and Skills).

Box 3.1 Pathways to economic inclusion at scale: A framework and key definitions

Following is a simplified framework to consider the pathways for scaling up economic inclusion programs that strengthen the resilience and opportunities of the extreme poor and vulnerable. The framework illustrates an overall context and response diagnostic linked to a desired set of outcomes at the household and community level and in government systems.

### Goal: Develop economic inclusion programs that strengthen resilience and opportunity for the extreme poor and vulnerable

#### Context

- Economic lives of the extreme poor and vulnerable
  - Multiple constraints at individual and household, community, local economy, and formal institutional levels

#### Response

- Bundle of coordinated, multidimensional interventions to address multiple constraints
  - Customized to context, influenced by diverse country requirements

#### Entry points

- Social safety nets
- Livelihoods and jobs
- Financial inclusion

#### Adaptations

- Programmatic:
  - Increased coverage: number of program beneficiaries
  - Functional expansion: layering and linkage of interventions across single, complementary, and overlapping programs

- Institutional:
  - Policy and strategy (including budgeting and financing)
  - Organizational (coordination, implementation capacity)
  - Operational (delivery systems and platforms)

#### Outcomes

- Individual, household, and community-level increased income and assets
- Improved program delivery, fiscal, and policy coherence

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Economic (or productive) inclusion is the gradual integration of individuals and households into broader economic and community development processes. Economic (or productive) inclusion programs are a bundle of coordinated, multidimensional interventions that support individuals, households, and communities to increase their incomes and assets. Economic inclusion programs therefore aim to facilitate the dual goals of strengthening both the resilience of and the opportunities for poor individuals and households.

Scaling up is the process by which a program shown to be effective on a small scale or under controlled conditions or both is expanded, replicated, and adapted into broader policy and programming.

Urban scope programs are those operating in urban or peri-urban areas, either exclusively or, more commonly, in multiple locations (including urban and rural areas, peri-urban and rural areas, or all three locations).

Inclusive cities are those providing opportunities and better living conditions for all, involving a complex web of multiple factors—spatial (affordable land, housing, and services for all), social (improving local governance and reaching marginalized groups), and economic (job opportunities for all and building resilience).

Sources: Andrews et al. 2021; World Bank 2015.
Development to Project, YSDP) or job placement support to facilitate wage employment (such as Papua New Guinea’s UYEP). Programs with an L&J entry point typically complement narrow work-related interventions—such as technical training or labor intermediation services—with some combination of a business grant, soft skills training, coaching, access to financial services, employment services, or wage subsidies to employers. These programs may target youth or poor individuals, regardless of age, and almost all programs prioritize women. Examples include Liberia’s Youth Opportunities Program (YOP) and Argentina’s Empleo Joven (formerly known as Jovenes por Mas y Mejor Trabajo) program for youth.

Table 3.1 is a brief description of selected economic inclusion programs (see appendix B for a detailed description). Although all economic inclusion programs offer a package of support, the composition and comprehensiveness of the package differ considerably.

Table 3.1  Examples of economic inclusion programs

<table>
<thead>
<tr>
<th>Country</th>
<th>Program</th>
<th>Entry Point</th>
<th>Location</th>
<th>Target Group</th>
<th>Coverage</th>
<th>Components</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia</td>
<td>Urban Productive Safety Net Program (UPSNP)</td>
<td>Social safety net-</td>
<td>Urban</td>
<td>Women, displacement-</td>
<td>604,000</td>
<td>Transfers (PWP)², coaching, business capital, financial services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>plus</td>
<td></td>
<td>affected</td>
<td></td>
<td>facilitation, wage employment facilitation, natural resource management</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>Recovery and Advancement of Informal Sector</td>
<td>Livelihoods and</td>
<td>Urban/peri-urban</td>
<td>Migrants, youth</td>
<td>500,000</td>
<td>and/or climate change adaptation</td>
</tr>
<tr>
<td></td>
<td>Employment Project (UYEP)</td>
<td>jobs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Papua New</td>
<td>Urban Youth Employment Project (UYEP)</td>
<td>Social safety net-</td>
<td>Urban/peri-urban, Rural</td>
<td>Youth</td>
<td>30,500</td>
<td>Transfers (PWP), financial services facilitation, skills training,</td>
</tr>
<tr>
<td>Guinea</td>
<td></td>
<td>plus</td>
<td></td>
<td></td>
<td></td>
<td>employment facilitation</td>
</tr>
<tr>
<td>Colombia</td>
<td>Transforming My Future (TMF)⁴</td>
<td>Social safety net-</td>
<td>Urban</td>
<td>Women</td>
<td>11,147</td>
<td>Coaching, business capital, financial services facilitation, skills</td>
</tr>
<tr>
<td></td>
<td></td>
<td>plus</td>
<td></td>
<td></td>
<td></td>
<td>training, financial services facilitation</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Boosting Inclusive Growth for Zanzibar: Integrat-</td>
<td>Livelihoods and</td>
<td>Urban, rural</td>
<td>Women</td>
<td>318,703</td>
<td>Financial services facilitation, skills training, wage employment</td>
</tr>
<tr>
<td></td>
<td>ed Development Project</td>
<td>jobs</td>
<td></td>
<td></td>
<td></td>
<td>facilitation, natural resource management and/or climate change adaptation</td>
</tr>
<tr>
<td>Senegal</td>
<td>Yook Koom Koom (YKK)</td>
<td>Social safety net-</td>
<td>Urban/peri-urban</td>
<td>Women, displacement-</td>
<td>126,150</td>
<td>Transfers (CT), coaching, business capital, financial services</td>
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<td></td>
<td></td>
<td>plus</td>
<td></td>
<td>affected</td>
<td></td>
<td>facilitation, skills training, natural resource management and/or climate</td>
</tr>
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</table>

Note: See appendixes A and B for more details.
APPLYING AN URBAN LENS TO THE SEI 2020 REPORT FRAMEWORK

Although this framework applies across all contexts, the urban context shapes the ecosystem in which the poor live and work and thus offers greater opportunities for, as well as several challenges to, economic inclusion. Figure 3.1 summarizes these urban-specific barriers (-) and opportunities (+) at the community, local economy, and institutional levels as follows:

- The urban poor face multiple constraints at the community level in terms of congestion and strain on public utilities, lack of affordable housing, insecure housing tenure, and exposure to crime, health, economic, and climate risks. Urban communities are often characterized by higher anonymity and lower social cohesion than that of villages, with access to resources often mediated by unofficial local power brokers (especially in informal settlements).

- Urban local economies offer opportunities for the poor to integrate into markets, and they offer more earning opportunities than rural areas. In general, urban centers are characterized by greater upward mobility, better services, and a higher quality of life than rural areas (UNDESA 2019). However, even though the lure of economic opportunities attracts many migrants to cities, the number and quality of jobs are limited.

- Finally, barriers at the institutional level—in terms of spatial inequalities and other factors that constrain access to jobs, markets, and services; limitations imposed by urban planning policies; legal and regulatory barriers for migrants and other groups, etc.—can constrain urban livelihoods.

In this note, this lens is applied to the landscape of economic inclusion programs in urban areas, as well as the policy drivers underpinning their emergence. The forthcoming second note on urban economic inclusion will examine how these constraints have shaped program design, delivery, and institutional arrangements. An important aspect, emphasized in both notes, is the critical role of local urban governments in promoting the spatial, economic, and social inclusion of the poor and vulnerable groups.

<table>
<thead>
<tr>
<th>Community level</th>
<th>Local economy level</th>
<th>Institutional level</th>
</tr>
</thead>
<tbody>
<tr>
<td>(-) High population density (with high number of unregistered migrants/displaced persons)</td>
<td>(+) Access to local markets for inputs, goods, and services; integration with regional and national markets</td>
<td>(+/-) Presence of wide range of programs and services, but they may be oversubscribed, expensive, and not tailored to the needs of poor and vulnerable</td>
</tr>
<tr>
<td>(-) Overcrowding, strains on utilities and basic service provision</td>
<td>(+) More options for income generation through self-employment and wage employment (especially off-farm)</td>
<td>(+) Inadequate social protection coverage</td>
</tr>
<tr>
<td>(-) Lack of affordable housing, insecure housing tenure, and fear of eviction</td>
<td>(+) Greater coverage of ICT and financial service infrastructure (number of providers and market penetration)</td>
<td>(+) Legal barriers to work or access to services (migrants, refugees)</td>
</tr>
<tr>
<td>(-) Lower social cohesion and limited community support mechanisms</td>
<td>(+/-) Higher cost of living</td>
<td>(+) Regulatory barriers (permits, zoning regulations, etc.) for small business activities</td>
</tr>
<tr>
<td>(+) High levels of social inequality</td>
<td>(+) High commuting costs</td>
<td>(+/-) Labor legislation for decent work and provisions for childcare (especially for women)</td>
</tr>
<tr>
<td>(+) Exposure to crime, health, economic, and climate risks</td>
<td>(+) High unemployment (especially among youth)</td>
<td></td>
</tr>
</tbody>
</table>
Economic Inclusion Programming in Urban Areas

POLICY DRIVERS

Like all social policy, the adoption and scale-up of urban economic inclusion programs hinge on political acceptability and often involve trade-offs in program design and implementation. Although there is typically strong support for economic inclusion across the political spectrum and among policy makers, there are also concerns about the fiscal costs and operational feasibility of such programs in densely populated urban environments.

Political debates also often include concerns about program dependency and the fear of making cities (even) more attractive to rural migrants, which would increase the competition for already scarce jobs and constrained spaces and services.

Recent political inflection points have begun to reshape the incentives for governments to scale up urban economic inclusion programs. Three main policy drivers provide the impetus to pilot, adopt, and scale up economic inclusion programs in urban contexts (see appendix B for a more in-depth discussion using various program as examples):

- **Addressing the urban jobs challenge, especially among the urban poor, youth, and women.** The majority of urban scope programs reviewed in this note emerged in response to a policy priority to increase income generation opportunities for the urban poor and to address the challenge of urban youth under- and unemployment. The majority of these programs focus on youth, and most also prioritize women. However, objectives, target groups, and the packages of support vary, depending on the context, as follows:
  - Self-employment facilitation through entrepreneurship support, applicable in contexts with limited wage jobs. For example, programs in Senegal (YKK) and Honduras (Life Improvement and Livelihood Enhancement for Conditional Cash Transfer Program, ACTIVO) aimed to bring about meaningful change in the lives and livelihoods of the urban poor by providing a combination of business grants, training, coaching, access to finance, and market linkages. A number of programs (such as in Argentina, Benin, Burkina Faso, Ethiopia, and Liberia) emerged in response to the challenge of urban...
youth under- and unemployment, providing entrepreneurship support often combined with temporary income support through public works programs, especially in Africa.\textsuperscript{13}

- Self-employment facilitation as a means of promoting social cohesion, applicable in urban areas with high crime rates, in fragile and conflict contexts, or in displaced communities. Examples include Colombia’s urban Transforming My Future (TMF) program, which supports income generation activities for displaced populations and victims of conflict.

- Wage employment facilitation, applicable in contexts with high urbanization, dynamic markets, and wage jobs. For example, Papua New Guinea’s UYEP and Argentina’s Empleo Jóven (formerly known as “Jóvenes por Más y Mejor Trabajo”) program emerged to address high youth unemployment and support integration of youth into the formal labor market.

- Supporting COVID-19 recovery. Since 2020, economic inclusion programs have been introduced to mitigate the impacts of COVID-19 on urban informal workers, especially youth. For example, an economic inclusion program in Liberia (Recovery of Economic Activity for Liberian Informal Sector Employment Project, REALISE) aims to support vulnerable workers and informal small businesses affected by the crisis, while another in Bangladesh (RAISE) focuses on low-income urban youth and involuntary returnee migrant workers affected by the crisis. Both provide these groups with entrepreneurship support.

- Advancing the agenda around inclusive cities. Several cities are attempting to address barriers to spatial, social, and economic inclusion by embedding economic inclusion components within an integrated sectoral or spatial development approach, often as part of urban renewal and improvement projects. A common approach is labor-intensive public works for enhancing public spaces, markets, affordable transport systems, slum upgrading, solid waste management, and other important urban infrastructure. Examples include programs in the Democratic Republic of Congo (Kinshasa Multisector Development and Urban Resilience Project) and Tanzania (Boosting Inclusive Growth for Zanzibar: Integrated Development Project) that invest in improvements in access to infrastructure and services and improve the livelihoods of residents in selected urban and peri-urban areas.

**THE CURRENT LANDSCAPE**

An unprecedented surge in economic inclusion programs is occurring worldwide, with many programs already operating in urban and peri-urban areas. The PEI 2020 Landscape Survey provides a global snapshot of economic inclusion programs. Of the 219 programs under way in 75 countries, over half (118 programs in 63 countries) reach urban or peri-urban areas either exclusively or in addition to rural areas (figure 4.1). This is likely an underestimate as, since this survey in 2020, several new urban scope programs have emerged (see box 4.1).\textsuperscript{14}

However, most economic inclusion programs continue to operate either exclusively in rural areas or in multiple locations, with just one in 10 programs operating exclusively in urban or peri-urban areas. Among the 219 surveyed programs, only 26 programs (12 percent) operate exclusively in urban or peri-urban areas; 92 programs (42 percent) operate across a mix of urban, peri-urban, and rural areas; and 101 programs (46 percent) operate exclusively in rural areas.

There is thus considerable scope to scale up programs operating in urban contexts. Programs
focusing exclusively on urban or peri-urban contexts are in their nascent stage of scale-up, reaching a small number of beneficiaries, either directly or indirectly, relative to rural-only programs (1.2 million versus 16.7 million beneficiaries). Programs implemented in multiple locations are significantly larger (27.4 million beneficiaries) because 90 percent of these programs are national in scope or cover several states or regions (figure 4.2). However, it is not possible to ascertain the population coverage of programs operating in multiple contexts because the survey did not capture beneficiary data by location.45

Governments are leading the scale-up of economic inclusion programs in urban areas. The majority (58 percent) of programs with an urban scope are government-led, whereas nongovernment organizations operate mainly rural-only programs. Almost three-fourths (74 percent) of government-led urban scope economic inclusion programs are implemented in low- and lower-middle-income countries, primarily in Sub-Saharan Africa (44 percent), Latin America and the Caribbean (26 percent), and South Asia (10 percent).

The number of government-led urban scope programs is set to increase because several new programs are in the planning stage or have been introduced since 2020. These include several World Bank–supported urban and peri-urban economic inclusion projects in Sub-Saharan Africa and Asia that are in the pipeline (box 4.1).
Box 4.1

A growing pipeline of World Bank projects supporting urban economic inclusion

Since 2020, the number of projects in the pipeline of government-led urban scope programs supported by the World Bank has increased in Africa and Asia. Although the full extent of the pipeline in urban areas is not known, the following are examples of projects in which PEI is providing technical and financial assistance for the design and implementation of urban scope economic inclusion programs.

In Africa, the Angola Social Protection Project builds on a large-scale cash transfer program to introduce economic inclusion interventions to empower poor young women in urban and peri-urban areas. The Benin Youth Inclusion Project (PRODIJI) supports gender-responsive innovations to the national economic inclusion program, Azoli. The second Ghana Productive Safety Net Project supports the expansion of economic inclusion activities to urban areas, with a special emphasis on youth and vulnerable women. The Madagascar Social Safety Net Project aims to provide for the first time economic inclusion programming for extremely poor households in urban areas following COVID-19. The Cameroon Adaptive Safety Nets and Economic Inclusion Project aims to roll out an urban economic inclusion component, with innovative adaptations (such as digital savings, new targeting mechanisms, and value chain integration) to respond to the needs and opportunities of young informal sector workers in urban and peri-urban areas in the COVID-19 context.

In Asia, the Indonesia GEF Sustainable Cities Impact Project aims to support the integration of economic inclusion strategies into the design and implementation of urban regeneration interventions. In Bangladesh, the RAISE project helps low-income urban youth and involuntary returnee migrant workers affected by COVID-19 improve their earning opportunities and resilience.

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Figure 4.3

Distribution of government-led economic inclusion programs, by entry points and locations

Source: PEI 2020 Landscape Survey. Note: Graph reflects findings for 107 government-led programs: 10 programs operating exclusively in urban contexts, 39 programs operating exclusively in rural contexts, and 58 programs operating in mixed/multiple locations.
For government-led programs operating exclusively in urban areas, the dominant entry point is livelihoods and jobs, followed by social safety nets. Among the 10 government-led programs operating exclusively in urban or peri-urban contexts, the primary entry point in 70 percent is livelihoods and jobs (figure 4.3). Urban social safety nets (including public works and cash transfer programs) provided a platform for delivering economic inclusion for 30 percent of these programs. Interestingly, programs operating exclusively in rural areas follow a pattern similar to that of programs operating exclusively in urban contexts, whereas entry points appear to even out for programs serving multiple locations. A small subset of programs (3 percent for programs operating in rural areas only and 2 percent for those operating in multiple locations) build their interventions on financial inclusion platforms.
Examining the Case for Scaling Up Urban Programs

For governments considering economic inclusion programs in urban contexts, a better understanding of the evidence base and fiscal realities will ultimately determine the extent of scale. This section examines the current state of knowledge on the impacts and costs of urban scope programs. This analysis focuses on overall impact and total cost (regardless of location of operation) because disaggregated estimates are not available.

EMERGING EVIDENCE ON IMPACTS

This section reviews 31 impact evaluations of 31 urban scope economic inclusion programs (including one experimental) in 21 countries. The evidence base consists of both government-led programs (58 percent) and nongovernment-led programs (42 percent) that operate either exclusively in urban or peri-urban contexts or in multiple locations. Of these 28 programs, five operate exclusively in urban contexts, whereas the majority report overall impacts across urban, peri-urban, and rural locations. Most of the evaluations report impacts on the primary objectives of economic inclusion programming: enhancing income, employment, and savings. Other commonly reported outcomes relate to assets accumulation, consumption support, and women’s empowerment. A much smaller number of studies report on psychosocial well-being and child outcomes. In general, evaluations of nongovernment-led programs report on a broader set of outcomes relative to government-led programs (figure 5.1, panel a).

The evidence suggests that urban scope economic inclusion programs have promising short-term impacts on a wide range of outcomes. Figure 5.1 presents a summary of impact findings across the reviewed studies (panel a describes the strength of the evidence, and panel b presents the distribution of findings). The evidence indicates that economic inclusion programs help participants increase employment and earnings, invest in productive assets, and expand savings and overall consumption. Most programs increase household resilience to shocks by diversifying livelihoods and sources of income through the provision of skills training and grants, facilitating savings and access to affordable credit, and building social networks. Although the evidence is limited to fewer studies, programs empower women by enhancing economic opportunities and social status and increase child well-being in participating households by increasing investments in human capital (figure 5.1, panel b).

Though promising, evidence on the impact of economic inclusion programs specifically on urban beneficiaries is limited. The majority of the reviewed impact evaluations do not disaggregate
Figure 5.1 Summary of evidence on impact of urban scope programs (overall impact, regardless of location)

5.1a Sources: Distribution of studies reporting on specific outcomes, by lead agency

5.1b Findings: Distribution of studies reporting impact, by specific outcome

Source: See Appendix A, Table A.3, for summary of the reviewed programs and studies.

Note: Within each broad outcome category, the count of evaluations includes those that reported at least one indicator with a positive impact that was significant at the 10 percent level or higher or that reported no impact (that is, none of the indicators in the outcome category was significant even at the 10 percent level, regardless of sign). None of the evaluations reported a significant negative impact for all indicators in the outcome category, although many nonsignificant impacts were negative in sign. Only one evaluation (of the Uganda Youth Livelihood Program) reported a significant negative impact for the employment indicator measuring the number of hours worked per day (Bukenya et al. 2019). If an evaluation reported more than one indicator within the broad outcome, the indicator at the highest level of aggregation was used (such as the total asset index rather than the number of goats or total household consumption rather than household food consumption).

impact by location. However, one exception, Uganda’s Empowerment and Livelihood for Adolescents (ELA) program, showed promising results in both urban and rural contexts. ELA’s vocational and life skills intervention increased the income-generating activities of adolescent girls (mainly driven by self-employment) and key women’s empowerment indicators, even four years post-intervention (Bandiera et al. 2020). The review includes seven evaluations of programs operating exclusively in urban contexts across three entry points, and these provide some promising evidence of impacts specifically on urban beneficiaries:

- Two SSN-plus programs operating exclusively in urban contexts significantly increased income. In the Projet d’Urgence de Création d’Emploi Jeunes et de Développement des Compétences (PEJEDEC) in Côte d’Ivoire, the complementary basic entrepreneurship/job search training provided in addition to the public works program increased earnings by 11.6 percent. However, the program did not have any effect on employment in terms of the number of hours worked (Bertrand et al. 2017). In Colombia, the TMF program layered entrepreneurship support on an existing conditional cash transfer. The program significantly increased per capita income of participants by 15 percent and labor income by 49 percent. The change in income, however, did not bring about a significant increase in per capita expenditure (Leon-Jurado and Maldonado 2021).

- Three L&J programs operating exclusively in urban contexts had a positive impact on employment. The Economic Empowerment of Adolescent Girls and Young Women (EPAG) program in Liberia provided young women and adolescent girls with skills...
training and job placement support and was successful at increasing both wage and self-employment, although the effects were higher for increasing self-employment (Adoho et al. 2014). Another program, the Seguro de Capacitación y Empleo (SCE) in Argentina, provided vocational training, employment intermediation, and self-employment facilitation in 31 urban centers. The program had a sizable impact on wages; program participation raised real hourly wages by 3.7 percent. In addition, program participation reduced the probability of being underemployed by 3.3 percent (Mourelo and Escudero 2016). Finally, the Targeting Ultra Poor (TUP) program implemented exclusively in urban slums in Bangladesh not only boosted self-employment for program participants, but also had a significant positive impact on household savings and consumption as well as women’s empowerment (Ara et al. 2016).

- Two urban economic inclusion programs with a financial inclusion entry point successfully boosted financial inclusion. A program in Peru provided complementary business training and coaching to female microentrepreneurs who had been beneficiaries of a titling program in Metropolitan Lima. The program led to greater use of business credits from either formal or informal sources and an 18 percent or higher increase in sales (Valdivia 2011). Another program in Honduras provided financial literacy training, semi-personalized coaching, and productive assets to women from poor households with infants or children. The intervention led to a 15 percent increase in the treated households saving goals as well as an increase in female empowerment by changing the intra-household bargaining structure (Matsuda et al. 2019).

**EMERGING EVIDENCE ON COSTS**

The PEI 2020 Cost Survey revealed wide variation in the overall price tag for economic inclusion programs operating in urban areas (see appendix A for details on the survey). The total program cost of the surveyed urban scope programs ranged from $77 to $1,899 (in 2011 US$, purchasing power parity (PPP)—adjusted) per beneficiary over the duration (3.7 years on average) of each program. This variance in costs continues when the programs are broken down by typology; SSN-plus programs range from $77 to $1,899 (figure 5.2, panel a), and L&J programs range from $157 to $1,292 (figure 5.2, panel b). However, the variance is less for L&J programs. It is important to note that all of these programs operate in multiple contexts and that these costs are not disaggregated by location—that is, the costs do not represent the overall price tag exclusively in urban contexts. These program “sticker prices” are based on adequacy and impact. The variations in overall program costs reflect different objectives and design elements. In practice, costs are likely to vary across urban and rural areas, depending on decisions surrounding the intervention dosage or adequacy, sequencing, duration of intervention, targeted beneficiary groups, adequacy considerations (for asset transfers and business grants), institutional arrangements (in-house or outsourced), and transportation and remuneration, among other things. However, the sample of urban scope programs is too small to explore these questions across programs.

As an illustration, the cost structure of a program operating exclusively in urban and peri-urban contexts, Senegal’s YKK pilot, is disaggregated. The total program cost is roughly $440 ($407 in 2011 US$, PPP) per capita, and the cash grant is the largest cost driver, accounting for about 60 percent of the total cost (figure 5.3). Grant size is calculated based on international experience and accounts for 70 percent of annual household consumption while also reflecting the higher cost of living.
in urban areas. The training components, including life skills and microentrepreneurship training, account for about 25 percent of total costs (Andrews et al. 2021; Archibald, Bossuroy, and Premand 2021).

Scaling up by leveraging existing government systems can bring down delivery costs. Overall, the delivery and staff costs in the surveyed urban scope programs were considerably lower for SSN-plus programs and for government-led programs. With their growing coverage and efforts to set up delivery systems to serve the poor, SSN systems are a platform for delivering economic inclusion measures efficiently at scale. This is particularly relevant with the expansion of urban SSNs in response to COVID-19 to reaching the urban poor, including informal workers. Evidence from the Sahel suggests scale, in terms of beneficiary numbers and leveraging government systems, matters: per capita nonintervention costs were higher in rural Mauritania, which established a program for about 2,000 household beneficiaries, than in urban Senegal, which delivered an intervention to almost 15,000 households (figure 5.3). In urban Senegal, an already established registry helped reduce the cost of identifying beneficiaries. Where community volunteers were trained and supervised by local program staff, the savings and coaching components cost fell under $20 per beneficiary. In rural Mauritania, where qualified workers from nongovernmental organizations (NGOs) provided those services with a much higher ratio of beneficiaries to providers, the same savings and coaching activities cost $180. Similarly, the administrative costs, which include monitoring and evaluation and targeting costs, were lower where existing systems were used (Bossuroy 2021, forthcoming).

Figure 5.2 Overall price tags of urban scope economic inclusion programs


Note: ACCESS = Support to Communes and Communities for the Expansion of Social Services; DRDIP = Development Response to Displacement Impacts Project; COMSIP = Community Savings and Investment Promotion Program; JEEViKA = Behar Rural Livelihoods Project; L&J = livelihoods and jobs; MPG = Minimum Package for Graduation; NGO = nongovernmental organization; NUSAF = Northern Uganda Social Action Fund; PISEAR = Proyecto de Inclusión Socio-Económica en Areas Rurales (Socio-Economic Inclusion in Rural Areas Project); PPP = purchasing power parity; SSN = social safety net; STEP = Eastern Recovery Project; TUP = Targeting Ultra Poor Program; YSDP = Youth Employment and Skills Development Project.
In summary, the emerging evidence base on urban scope economic inclusion programs is promising. However, it does not yet go far enough to address the ongoing debates on economic inclusion programming. This is an inevitable gap as practitioners wait for the evidence to catch up with their curiosity. Gaps in knowledge remain about the impacts and optimal content of economic inclusion programs specifically on urban and peri-urban beneficiaries. In addition, evidence on the impacts and costs of urban development programs that include economic inclusion components is also limited.

For both rural and urban programs, open questions remain about general equilibrium effects, cost-effectiveness, and long-term sustainability. For general equilibrium effects, a recent evaluation of Ethiopia’s UPSNP found that across Addis Ababa the urban public works component improved local amenities and increased private sector wages by 20 percent in program neighborhoods and 10 percent in other neighborhoods. Overall welfare gains were estimated to be 10 times larger after taking spillover effects into account (Franklin et al. 2021). As for cost-effectiveness, the limited evidence from urban scope programs is mixed. For example, although Uganda’s urban scope Youth Opportunities Program showed an average annual return to investment of 30 percent and 39 percent after two and four years of implementation, respectively (Blattman, Fiala, and Martinez 2014). A similar start-up grant-and-training program with industrial job placement in urban and peri-urban Ethiopia had returns too small to cover the cost of the program (Blattman, Dercon, and Franklin 2019). Because even moderate dissipation of impacts can nullify the investment case for such programs, a more robust understanding of the relationship between impact and cost is critical to guide policy choices.
Conclusion

This note makes the case for economic inclusion programs in urban areas. Urban centers are drivers of economic growth and overall poverty reduction, offering greater earning opportunities than rural areas. However, even in cities in which markets and jobs exist, the urban poor may lack the skills, social networks, access to finance and other resources to start micro and small businesses or to access wage jobs.

Programs that offer standalone interventions would not necessarily help those facing multiple constraints, or they would do so to a lesser extent. The urban poor, and particularly young women and men, require a package of support to address these multiple constraints simultaneously. The emerging evidence suggests that economic inclusion programs can do so effectively, with positive impacts on income, assets, and consumption.

The growing number of urban scope economic inclusion programs in the pipeline is an opportunity to build more inclusive cities. Meeting the jobs challenge, especially for the urban poor, youth, and women, is the primary driver for most economic inclusion programs introduced in urban contexts. Since 2020, many national labor and social ministries have introduced new programs or expanded existing programs to urban settings to support COVID-19 recovery, while city governments have expanded urban development projects to include income support and training, among other things. Embedding economic inclusion programs in city-level planning and policy frameworks provides the scope to combine “place” and “people” interventions and simultaneously promote spatial, social, and economic inclusion of the urban poor.

This note also points to a growing learning agenda around economic inclusion programming in urban contexts. As of 2019, 118 programs in 63 countries were operating in urban and peri-urban areas. And this number is likely to increase rapidly with the fast-growing number of urban scope government-led programs in the pipeline since 2020. From these programs, operational teams will gain useful insights into identifying promising approaches to designing and delivering these programs in urban areas. A key lesson is that urban and rural programs must be designed differently; they cannot simply be transplanted. Successful programs are designed to address urban-specific opportunities and constraints to economic inclusion. These can range from individual- and household-level constraints to community-level and institutional constraints, such as dysfunctional land markets, insecure housing tenure, lower social cohesion, lack of community spaces, exposure to climate risks, and inequitable urban policy frameworks that affect the...
livelihoods of the urban poor. Furthermore, delivery systems also need to be adapted to the needs and lifestyles of the urban poor.

All this raises the critical question of how to operationalize economic inclusion programs in urban areas—the subject of the forthcoming second PEI urban economic inclusion note. Drawing on the growing operational experience, it will systematically gather insights on the program design, delivery systems, and institutional arrangements of urban scope programs. As the pipeline continues to fill, it will be important to collate operational lessons through systematic evaluations and learning from implementation. In addition, better understanding of cost-effectiveness will help build political support to incorporate economic inclusion programming into government policy frameworks.
Appendixes
Appendix A

Data Sources

This appendix describes the various sources of data used by the Partnership for Economic Inclusion (PEI) in this note series. For more information and details, see Andrews et al. (2021).
PEI 2020 Landscape Survey

To map the universe of economic inclusion programs, the survey team conducting the study underlying this note used an online survey tool to gather information from a range of government and technical partners. For World Bank programs, the team, using both manual and text analysis techniques, reviewed approximately 1,200 programs in all geographic regions and falling under six of the World Bank’s Global Practices: Agriculture (AG); Environment and Natural Resources; and Blue Economy (ENB); Finance, Competitiveness and Innovation (FCI); Social Development (SD); Social Protection and Jobs (SP); Urban, Resilience and Land (URL). The survey questionnaire was developed through broad consultation and consisted of 44 questions in eight sections: objectives, target beneficiaries, beneficiary coverage, design and implementation features, institutional arrangements, budgets, financing, and research and evaluation. The survey was completed by staff from the lead implementing agency, implementing partner, or other organization providing support to each program.

During survey preparation, the survey team identified 166 programs supported by the World Bank Group. After reviewing these programs and discounting for overlaps, closed operations, and pipeline projects, the final survey was conducted of 246 programs. The overall response rate to the survey was 89 percent (219 programs). One major challenge is that the data are self-reported, and information and interpretation may vary across survey respondents. The survey authors factored in time for a thorough quality review of each survey response and followed up with respondents for queries and clarifications. The online survey provided detailed guidance and was translated into French and Spanish to ensure clarity.

Fiscal 2021 World Bank portfolio review

To map the universe of economic inclusion programs, the PEI management team (PEIMT) reviewed the World Bank financing portfolio. PEI conducted a rigorous two-stage analysis, combining Text and Data Analytics techniques with manual review of the Operations Portal. This review updates the economic inclusion projects identified in the fiscal 2020 portfolio review.

In the first stage, to validate each economic inclusion program and to speed up the mapping process, PEIMT worked with the Text and Data Analytics (TDA) team in the Development Economics (DEC) department of the World Bank. Using a predefined set of keywords, the TDA team applied advanced text analytics to program summaries as well as to their Project Appraisal Documents (PADs), Project Information Documents (PIDs), Project Papers (PPs), or Implementation Status and Results Reports (ISRs). They applied this technique to a sample of approximately 900 programs (both active and pipeline) across all geographical regions across seven Global Practices: Agriculture (AG); Education (EDU); Environment and Natural Resources; and Blue Economy (ENB); Finance, Competitiveness and Innovation (FCI); Social Development (SD); Social Protection and Jobs (SP); Urban, Resilience and Land (URL). The team then ranked programs based on the number of keywords found, and any program that had at least one keyword was considered an economic inclusion program. PEI restricted projects by lending instrument: Investment Project Financing (IPF), Program-for-Results (P4R), Development Policy Financing (DPF), and Recipient Executed (RE).
In the second-stage review, the PEI team manually reviewed the TDA-assisted selection of economic inclusion programs. The team assessed the relevance of a program based on program summaries, the types of words identified through the TDA techniques, and the frequency with which keywords came up in the project documents. When a summary did not provide enough information, the PAD was reviewed to make a final decision. In the end, 219 unique active and pipeline programs were identified. PEI reviewed each project document to build a database of relevant program information, including COVID-19 adaptations (additional financing, restructuring, etc.), economic inclusion financing, and beneficiary data.

**Impact review**

The PEI team reviewed 31 quantitative impact evaluations of 31 economic inclusion programs with an urban scope in 21 countries. The reviewed programs vary in program typologies, institutional arrangements, and size, and they include experiments as well as small- and large-scale programs. Reviewed programs include single and complementary institutional arrangements.

The following criteria were used to identify programs: (1) those that met the definition of economic inclusion used in this note; (2) those operating in Sub-Saharan countries only (low-income countries, lower-middle-income countries, and upper-middle-income countries); and (3) those with at least one quantitative impact evaluation.

Programs with an available impact evaluation were identified by reviewing (1) programs in the PEI 2020 Landscape Survey with an impact evaluation (the majority did not yet have an evaluation); (2) programs surveyed in the PEI 2017 Landscape Survey report that had an evaluation or assessment, with a focus on large-scale programs (Arévalo, Kaffenberger, and de Montesquiou 2018); and (3) programs that had evaluations listed in online research databases; or had been included in systematic reviews of economic inclusion programming or relevant standalone interventions such as SSN, L&J, and financial inclusion (FI) programs; or had been evaluated as part of institutional research agendas on economic inclusion such as the Consultative Group to Assist the Poor (CGAP), Ford Foundation, International Fund for Agricultural Development (IFAD), Food and Agriculture Organization (FAO), BRAC, Institute of Development Studies (IDS), Concern Worldwide, Save the Children, Transfer Project, and the World Bank.

The following studies were included in the review: (1) experimental impact evaluations (individual or cluster randomized control trials) and (2) quasi-experimental impact evaluations (using a range of methods such as regression discontinuity design, propensity score matching, and difference-in-difference). Only publicly available papers were included in the review, including published papers in peer-reviewed journals (mostly impact evaluations), working papers, reports, books, and unpublished papers available online. The review drew primarily on studies published between 2009 and 2021.
## Table A.1 Summary of impact evaluations reviewed

<table>
<thead>
<tr>
<th>Country</th>
<th>Program</th>
<th>Gov/NGO</th>
<th>Entry point</th>
<th>Lead agency</th>
<th>Program components</th>
<th>Study</th>
<th>Total cost</th>
<th>Outcomes of interest analyzed (broadly defined)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Program</td>
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<td>Outcomes of interest analyzed (broadly defined)</td>
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<td>Country</td>
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<td>Country</td>
<td>Program</td>
<td>Gov/NGO</td>
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<td>Program components</td>
<td>Study</td>
<td>Total cost</td>
<td>Outcomes of interest analyzed (broadly defined)</td>
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<td>----------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Uganda      | Empowerment and Livelihoods for Adolescent Girls (ELA) | Consumption, child health, overall health | Livelihoods and jobs | BRAC | 1. “Hard” vocational skills training  
2. “Soft” life skills training  
3. A safe space to meet and socialize with other adolescent girls | Bandiera et al. (2020) | $25 (2011 US$, PPP) | Income, empowerment, overall health, education |
| Uganda      | Youth Opportunities Program (YOP)            | Livelihoods and jobs | Government                  | 1. Cash grants  
| Uganda      | Youth Livelihood Program (YLP)               | Livelihoods and jobs | Government-led                | 1. Credit/loan  
2. Training          | Bukenery et al. (2019) | __              | Income, assets, employment                                                      |
| Vietnam     | Gender and business training                 | Nongovernment-led | Financial inclusion           | Tao Yeu May Fund (TYM) | 1. Gender and business training  
2. Microfinance                  | Vu et al. (2015) | __              | Income, empowerment                                                            |

Sources: References cited in the table.

Note: Outcomes of interest reported in the last column are broad categories to cover a range of indicators and indexes. The review examined all indicators associated with a broad outcome category (as reported in the table) and recorded the effect size and significance levels of specific indicators. Selected key indicators within the broad outcome categories include the following in this indicative, not exhaustive, list: (1) income and revenue: monthly total household income, average monthly household income, monthly individual income, per capita annual income, total earnings, log household income, household livestock revenue, agricultural income, monthly cash earnings, sales last month; (2) consumption: consumption per capita, per capita daily food expenditure, monthly expenditure on food, total food consumption, log total consumption per capita, total consumption index; (3) assets: value of livestock, total value of household assets, value of productive asset, asset value index, total land owned, durable assets index, overall asset index, total asset holdings; (4) savings: total household savings, cash savings, proportion of households having cash savings, total saving stock, financial inclusion index, probability of savings, log savings; (5) employment: self-employment in agriculture, daily working hours, wage labor, total minutes spent on productive activities in the last day, livelihood security index, hours worked per week, business ownership, labor supply; (6) psychosocial well-being: psychological well-being index, Kesler score, stress index, self-reported happiness, member has not experienced a period of worry in last year; (7) women empowerment: z-score index measuring women’s decision-making in the household, woman has major say on how to manage household finances, empowerment scale, business decision-making, autonomy in purchases (z-score); (8) child health: diarrhea rate in oldest under-five child last two weeks, weight for height (whz), height for age, wasting, child dietary diversity score, child well-being index, child immunization card up to date; (9) overall health: HIV knowledge [0–6 score], physical health index (z-score), member has not missed any days due to illness last month, overall health, self-reported health status, health knowledge and behavior index; and (10) child education: proportion of children enrolled in school, school absenteeism, child schooling index, school attendance reported, currently enrolled in school, primary enrollment rate. NGO = nongovernmental organization; PPP = purchasing power parity.

— = not available.
PEI 2020 Cost Survey

For the PEI Quick Costing Tool 2020, PEI gathered and analyzed self-reported cost data from 34 programs globally, ensuring that the programs represented a mix of income, geographic, and sociopolitical contexts as well as implementation modalities. The programs are in 25 countries primarily in Sub-Saharan Africa and South Asia, and a few are in the other regions. Twenty-four of these programs are government-led, and 10 are led by nongovernmental organizations (NGOs). In terms of program typologies, 12 are social safety net (SSN-plus) programs, and 22 are livelihoods and jobs (L&J) programs. Eight of these programs are implemented in contexts of fragility, conflict, and violence (FCV), as defined by the World Bank.

The cost data reported by program teams are for the full integrated package of layered interventions. This factor naturally brings up the issue of attribution to the economic inclusion program, as costs could be linked to underlying programs that may be included or, depending on the bookkeeping practices in-country, excluded from the reported costs. To the extent possible, the costs have been disaggregated through further consultations with the task team and a review of program documents, as detailed shortly. However, specific cost categories are less amenable than others to this disaggregation approach. These include staff costs (for administrative and intervention delivery), monitoring and evaluation costs, and targeting costs.

The analysis of costing data, supplemented by details from program documents, is largely descriptive in nature and uses various robustness checks for quality assurance. A multipronged approach was taken to quality assurance. First, to supplement and rationalize findings from the cost survey data analysis, the PEI team uses project appraisal documents, operations manuals, and information available on program websites. Second, a sensitivity analysis was undertaken on the purchasing power parity (PPP) conversions to clarify whether specific years may be biasing the cost trends across countries. Third, the team undertook multiple detailed discussions with each country team or organization to confirm data and analysis. These discussions were held (1) immediately after the raw data were received from each program; (2) after the initial cross-program draft analysis was undertaken; and (3) after this appendix was drafted. Fourth, findings are included from another independently undertaken costing exercise by the Sahel Adaptive Social Protection Program (SASPP), which was conducted over a longer period and uses a more sophisticated costing tool. Fifth, extensive consultations were undertaken with technical experts at the World Bank and the PEI network to ground truth the findings.

Figure A.1 presents the costing structure of the urban scope programs analyzed.
Figure A.1  Costing structure of urban scope programs

a. Government-led programs

b. Nongovernment-led programs

Source: PEI Quick Costing Tool 2020.
Note: STEP = Eastern Recovery Project (Democratic Republic of Congo); SSN = Social Safety Nets (Cameroon); YSDP = Youth Employment and Skills Development Project (Burkina Faso); ACCESS = Support to Communities and Communities for the Expansion of Social Services (Benin); MPG = Minimum Package for Graduation (Rwanda); JEEiKA = Bihar Rural Livelihoods Project (India); Graduation = Graduating to Resilience (Uganda) and Graduation Model Approach (Ecuador); Transform = Transforming the Futures of the Ultra Poor (Philippines). M&E = monitoring and evaluation.
Caveats and limitations of the analysis

Because knowledge of urban economic inclusion programs—an emerging area—is still evolving, the following caveats should be noted:

- This note examines the urban economic inclusion landscape by grouping programs surveyed in the PEI 2020 Landscape Survey into three categories: (1) programs operating exclusively in rural areas (“rural context–only programs”); (2) programs operating exclusively in urban or in peri-urban (or in both) areas (“urban context–only programs,” included under “urban scope programs”); and (3) programs with coverage in rural and urban contexts or in rural and peri-urban contexts or in all three locations (“mix/multiple location programs”). It is not possible to determine whether programs operating in multiple locations predominantly reach urban, peri-urban, or rural beneficiaries.

- This note looks at programs operating in peri-urban and urban areas together. Although many peri-urban areas are typically near an urban center and within proximity of industry and services, there are important distinctions between the two contexts. Many peri-urban areas are “rural-like” in the pervasiveness of agriculture and lack of basic services compared with urban areas. Ideally, it would be best to examine adaptations to design and delivery for programs operating separately in peri-urban and urban areas. However, the small number of programs operating in urban and peri-urban areas (26 programs, of which only 10 are government-led) prevented such analysis.

- There are only five evaluations of the overall impacts of programs operating exclusively in urban areas, in peri-urban contexts, or in both. Although this note reviews 31 quantitative evaluations of 31 urban scope economic inclusion programs in 21 countries, most evaluations do not present urban-specific impacts. In addition, the limited evidence on program design features and other aspects, such as bundling of components and heterogeneity of impact, derives from rural-only programs; there is no comparable evidence in urban areas. Furthermore, for both rural and urban programs, there is insufficient knowledge on spillover and general equilibrium effects.
Appendix B

Selected Urban Scope Programs

This appendix provides examples of economic inclusion programs operating in urban contexts, organized by the primary policy driver for the program and broad approach adopted. This information is drawn from the PEI 2020 Landscape Survey, the PEI 2021 Portfolio Review update, and World Bank project appraisal documents. For selected programs, the tables provide additional information on status, design (objectives, target groups, components), geographic scope, coverage, and institutional arrangements.
Meeting the jobs challenge, especially for the urban poor, urban youth, and women

The challenge. Although informality and lack of jobs are a concern for all urban poor, youth face additional barriers to economic inclusion. Young people need to acquire foundational skills, technical and vocational skills, and business and entrepreneurship skills. At the same time, access to capital to start or grow a business is harder for youth, who have lower rates of financial inclusion than adults and have had less time to accumulate savings or assets. Relative to young men, young women typically attain less formal education on average, experience network constraints more acutely, and find it harder to access capital, especially where social norms or laws limit women’s asset ownership. Young women also typically face limited occupational choices, often clustered in less productive sectors and paying women less than men. In contrast with rural youth, however, urban youth are likely to have higher education and access to networks—see, for example, Chakravarty, Das, and Vaillant (2017) for Africa.

Approach 1. Entrepreneurship support and temporary income support (through public works programs), combined with training, coaching, and other components (particularly important in areas with high informality and low formal wage employment). Almost all these programs (including youth-focused programs) prioritize women.

- Primary focus on the poor. Examples of urban safety social net–plus (mainly public work–plus) programs are Ethiopia’s Urban Productive Safety Net Project (UPSNP, see table); Côte d’Ivoire’s Projet d’Urgence de Création d’Emploi Jeunes et de Développement des Compétences (PEJEDEC); the Democratic Republic of Congo’s Eastern Recovery Project (STEP) and Mozambique’s Productive Social Action Program (PSAP). An example of urban L&J programs is Senegal’s Yook Koom Koom project (YKK, see table).

<table>
<thead>
<tr>
<th>Program, country</th>
<th>Basic details</th>
<th>Objective</th>
<th>Components</th>
<th>Participant profile</th>
<th>Institutional arrangements</th>
<th>Program coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Entry point: Social safety net-plus</td>
<td>Objectives: • Self-employment • Income diversification • Financial inclusion</td>
<td>Coaching</td>
<td>Priority vulnerable groups: Women, displacement-affected</td>
<td>Involved in implementation: National/central government, local/municipal government, community, financial service provider</td>
<td>Direct and indirect beneficiaries: 604,000</td>
</tr>
<tr>
<td></td>
<td>Locations: Urban, peri-urban</td>
<td></td>
<td>Business capital</td>
<td></td>
<td>Share of female beneficiaries: 51–75%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Start date: 02/01/2016</td>
<td></td>
<td>Financial services facilitation</td>
<td></td>
<td>Geographic coverage: National</td>
<td></td>
</tr>
</tbody>
</table>
### Program, country

#### Yook Koom Koom (YKK) project, Senegal

<table>
<thead>
<tr>
<th>Program, country</th>
<th>Basic details</th>
<th>Objective</th>
<th>Components</th>
<th>Participant profile</th>
<th>Institutional arrangements</th>
<th>Program coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region: Sub-Saharan Africa</td>
<td>Entry point: Social safety net-plus</td>
<td>Program development objective: By supporting the diversification of household livelihoods, the program helps families become less exposed and vulnerable to climate shocks such as droughts and floods. Objectives: • Self-employment • Income diversification • Financial inclusion • Resilience</td>
<td>• Transfers • Coaching • Business capital • Financial services facilitation • Market links • Skills training • Natural resource management and/or climate change adaptation</td>
<td>Targeted poverty groups: Extreme poor, ultra-poor Priority vulnerable groups: Women, displacement-affected</td>
<td>Financing: National/central government, World Bank Involved in implementation: National/central government, local/municipal government, community, NGO, private sector</td>
<td>Direct beneficiaries: 14,500 Direct and indirect beneficiaries: 126,150 Share of female beneficiaries: 75–100% Geographic coverage: National</td>
</tr>
</tbody>
</table>

**Note (applies to all tables in this appendix):** Transfers refers to cash or in-kind benefits given to participants to smooth consumption and cope with poverty, destitution, and vulnerability, such as conditional and unconditional transfers, public works. Business capital refers to financial support for establishing or developing businesses. Wage employment refers to interventions aimed at helping participants gain wage employment. Skills training refers to structured teaching with the aim of transferring specific skills and knowledge. Coaching is defined as the guidance provided to participants in a less structured, more conversational way to enhance their knowledge. Financial services facilitation refers to interventions geared toward facilitating access to financial services, such as savings, loans, and insurance. Providing market links refers to facilitating access to markets, such as establishing value chain linkages, helping to purchase productive inputs or sell farm or off-farm products, or undertaking infrastructure development. Natural resource management and/or climate change adaptation includes activities aimed at promoting the effective use of natural resources, reducing emissions from livelihood activities, such as agriculture, and mitigating climate change.

**Primary focus on youth.** Burkina Faso’s Youth Employment and Skills Development Project (YSDP) emerged in response to high levels of urban youth unemployment. It provides labor-intensive public works, together with training and other components, for urban youth (see table). Benin’s Youth Inclusion Project offers packages of start-up grants, training, entrepreneurship services, coaching, internships, financial inclusion, and links with

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### Program, country

#### Youth Employment and Skills Development Project, Burkina Faso

<table>
<thead>
<tr>
<th>Program, country</th>
<th>Basic details</th>
<th>Objective</th>
<th>Components</th>
<th>Participant profile</th>
<th>Institutional arrangements</th>
<th>Program coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region: Sub-Saharan Africa</td>
<td>Entry point: Livelihoods and jobs</td>
<td>Program development objective: Increase access to temporary employment and skills development opportunities for out-of-school youth Objectives: • Self-employment • Income diversification • Financial inclusion • Resilience</td>
<td>• Transfers • Coaching • Business capital • Financial services facilitation • Market links • Skills training • Wage employment facilitation • Natural resource management and/or climate change Adaptation</td>
<td>Targeted poverty group: Poor Priority vulnerable groups: Women, youth</td>
<td>Financing: World Bank Involved in implementation: National/central government, financial service provider, NGO, private sector</td>
<td>Direct beneficiaries: 53,835 Direct and indirect beneficiaries: 318,703 Share of female beneficiaries: 50–75% Geographic coverage: Several states/regions</td>
</tr>
</tbody>
</table>
microcredit institutions to youth in urban, peri-urban, and rural contexts. Liberia’s Youth Opportunities Program (YOP) emerged in response to a policy priority to increase income generation opportunities for urban, peri-urban, and rural youth as a means of reducing vulnerability and poverty after years of civil war. Uganda’s Youth Opportunities Program (YOP) promoted youth entrepreneurship through business capital, training, and coaching, relying on business competition plans for screening high-ability applicants.

- **Primary focus on women.** Examples include Honduras’s Life Improvement and Livelihood Enhancement for Conditional Cash Transfer Program (ACTIVO), which offers a package of entrepreneurship support for urban (and rural) women, including facilitating access to financial services and the market as well as training in productive and commercial activities. Similarly, BRAC has a decade-long urban Ultra-Poor Graduation program in Bangladesh that focuses on facilitating urban livelihoods. And the Arab Republic of Egypt’s FORSA program operates in both urban and rural contexts, focusing on self- and wage employment facilitation. See table for all programs.
### FORSA - Egypt

**Region:** Middle East and North Africa  
**Entry point:** Social safety net–plus  
**Location:** Urban, Rural  
**Start date:** 02/01/2020  
**Program development objective:** To support cash transfer beneficiaries and individuals with low income in moving from poverty to prosperity, enabling integration of the largest number into successful economic activities  
**Objectives:**  
- Self-employment  
- Wage-employment  
- Financial inclusion  
- Income diversification

<table>
<thead>
<tr>
<th>Participant profile</th>
<th>Institutional arrangements</th>
<th>Program coverage</th>
</tr>
</thead>
</table>
| Targeted poverty group: Poor  
Priority vulnerable groups: Youth, women | Financing: National/central government, World Bank  
Involved in Implementation: Local/municipal government, NGO, private sector | Direct beneficiaries: 50,000  
Direct and indirect beneficiaries: 205,000  
Share of female beneficiaries: 25–50%  
Geographic coverage: Several states/regions |

### Empleo Joven (formerly known as Jovenes por Mas y Mejor Trabajo) (Youth Employment Support Project), Argentina

**Region:** Latin America and the Caribbean  
**Entry point:** Livelihoods and jobs  
**Location:** Urban  
**Start date:** 09/01/2008  
**Program development objective:** To improve access of vulnerable youth population to labor markets and increase their employability  
**Objectives:**  
- Self-employment  
- Wage-employment  
- Social inclusion

<table>
<thead>
<tr>
<th>Participant profile</th>
<th>Institutional arrangements</th>
<th>Program coverage</th>
</tr>
</thead>
</table>
| Targeted poverty group: Poor  
Priority vulnerable group: Youth | Financing: National/central government, World Bank  
Involved in Implementation: Local/municipal government, NGO, private sector | Direct beneficiaries: 80,000  
Direct and indirect beneficiaries: 288,000  
Share of female beneficiaries: 51–75%  
Geographic coverage: National |

#### Approach 2. Wage employment facilitation (with a focus on formal employment), combined with training, coaching, and other components (particularly important in contexts with low informality and high urbanization).

- Primary focus on urban youth. In East Asia and the Pacific, Papua New Guinea’s two Urban Youth Employment Projects (UYEPs) emerged to address high youth unemployment (about 60 percent) in the country’s two largest urban centers by providing young women and men with income, skills training, and temporary employment opportunities. A UYEP combines public works with training and job placement services. In Latin America, Argentina’s Empleo Joven (formerly known as “Jovenes por Mas y Mejor Trabajo) program was introduced to address high youth unemployment by integrating youth into the formal labor market through training, employment services, and wage subsidies to employers. See table for both programs.
<table>
<thead>
<tr>
<th>Program, country</th>
<th>Basic details</th>
<th>Objective</th>
<th>Components</th>
<th>Participant profile</th>
<th>Institutional arrangements</th>
<th>Program coverage</th>
</tr>
</thead>
</table>
| **Urban Youth Employment Project (UYEP)**, Papua New Guinea                     | Region: East Asia and the Pacific                                               | Program development objective: To improve the capacity of young men and women in project areas to engage in productive income-generating activities | • Transfers  
• Financial services facilitation  
• Skills training  
• Wage employment facilitation | Targeted poverty group: Extreme poor  
Priority vulnerable group: Youth | Financing: World Bank, national/central government  
Involved in implementation: National/central government, regional/district government | Direct beneficiaries: 6,100  
Direct and indirect beneficiaries: 30,500  
Share of female beneficiaries: 50–75%  
Geographic coverage: Several states/regions |
| **Transforming My Future, Colombia**                                            | Region: Latin America and the Caribbean                                         | Program development objective: To test effective alternatives for providing comprehensive guidance to victims interested in investing their compensation in starting or improving their business | • Transfers  
• Coaching  
• Business capital  
• Skills training  
• Financial services facilitation | Targeted poverty group: Poor  
Priority vulnerable group: Women | Financing: National/central government, NGO  
Involved in implementation: Local/municipal government, NGO, private sector | Direct beneficiaries: 3,185  
Direct and indirect beneficiaries: 11,147  
Share of female beneficiaries: 50–75%  
Geographic coverage: Several states/regions |

**Approach 3.** Support for income generation activities as a means of promoting social cohesion (particularly important in post conflict contexts).

- Primary focus on ex-combatants or victims of conflict. Colombia’s urban Transforming My Future (TMF) emerged as part of a government commitment to help victims of conflict effectively utilize reparation resources by providing financial training, entrepreneurship and technical training, coaching, and consumption support. In Turkey, the government launched the Employment Support Project for Syrians Under Temporary Protection and Turkish Citizens to improve the employability of Syrians under Temporary Protection (SuTP) as well as Turkish citizens residing in selected localities.
Supporting COVID-19 recovery

The challenge. The pandemic and related containment measures have affected urban informal sector enterprises and workers, especially youth and women, particularly hard.

Approach. Introduction of new programs or adaptations to existing programs to mitigate impacts of COVID-19 with respect to rising food insecurity, job losses, and drops in income.

Primary focus on the urban poor and vulnerable informal workers affected by COVID-19. Liberia’s Recovery of Economic Activity for Liberian Informal Sector Employment Project (REALISE) builds on its Youth Opportunities Program to provide business capital, along with business skills training, for existing and new informal small businesses affected by the crisis. It also provides temporary employment for vulnerable workers struggling to find gainful employment during and after the crisis through community-based public works. Bangladesh’s Recovery and Advancement of Informal Sector Employment (RAISE) project focuses on low-income urban youth and involuntary returnee migrant workers affected by COVID-19 to improve their earning opportunities and resilience. It aims to help this group access services such as life skills training, apprenticeship programs, counseling, microfinance, and self-employment support (see table).
Promoting inclusive cities

The challenge. Despite the critical role of cities in job creation, many challenges exist in terms of weak city planning, dysfunctional land markets, fragmented product markets, limited finance, and inequitable policies that drive congestion and lack of employment opportunities. As described in section 2, the urban poor face additional barriers to spatial, social, and economic inclusion.

Approach. Economic inclusion components sit within an integrated sectoral or spatial development approach, often as part of urban renewal and improvement projects. There is a strong focus on infrastructure development (such as roads and irrigation systems), mostly to facilitate access to markets, but also social services (such as education and health). Infrastructure development is often linked to the provision of temporary employment opportunities for targeted groups.

Primary focus on urban infrastructure and services. In the Democratic Republic of Congo, the Kinshasa Multisector Development and Urban Resilience Project improves access to infrastructure and services, strengthens the state’s capacity for urban management, and improves the skills and socioeconomic opportunities of residents of selected neighborhoods of Kinshasa. In Tanzania, the Boosting Inclusive Growth for Zanzibar: Integrated Development Project finances investments in infrastructure, basic services, and enhanced institutional capacities, with the goal of improving the livelihoods of local residents in the urban core, fast-growing urban areas, and emerging towns and villages (see table).

<table>
<thead>
<tr>
<th>Program, country</th>
<th>Region</th>
<th>Entry point</th>
<th>Program development objective</th>
<th>Objectives</th>
<th>Components</th>
<th>Participant profile</th>
<th>Institutional arrangements</th>
<th>Program coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boosting Inclusive Growth for Zanzibar: Integrated Development Project, Tanzania (project in pipeline)</td>
<td>Sub-Saharan Africa</td>
<td>Livelihoods and jobs</td>
<td>To increase access to improved living conditions and service delivery in targeted areas in Zanzibar and to enhance the institutional capacity of the government</td>
<td>Wage employment, Income diversification, Resilience</td>
<td>Financial services facilitation, Skills training, Wage employment facilitation, Natural resource management and/or climate change adaptation</td>
<td>Poor, Priority vulnerable group: Women</td>
<td>World Bank</td>
<td>Direct beneficiaries: 53,835, Share of female beneficiaries: 50–75%, Geographic coverage: Regional</td>
</tr>
<tr>
<td></td>
<td>Urban, rural</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Involved in Implementation: National/central government, NGO, private sector</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Locations: Urban, rural</td>
<td>Start date: 03/01/2014</td>
<td></td>
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</tr>
</tbody>
</table>

**Direct and indirect beneficiaries:** 318,703

**Share of female beneficiaries:** 50–75%

**Geographic coverage:** Regional
Notes
Notes


2. See the World Bank’s reviews of urbanization challenges and public policy implications at the regional level (Baker and Gagdil 2017; Ellis and Roberts 2016; Ferreyra and Roberts 2018; Lall, Henderson, and Venables 2017) as well as in several countries.


4. Urban centers are also increasingly housing displaced populations. Roughly 50 percent of internally displaced persons and refugees now live in cities (World Bank 2017), with even higher shares in middle-income countries in South Asia and Latin America and the Caribbean.


7. For example, common constraints to setting up a microenterprise include inadequate business knowledge or skills, lack of finance, imperfect insurance, and limited social networks. Although stand-alone interventions can also affect incomes, assets, and resilience, a single intervention—a cash transfer, an asset transfer, or a business grant; skills training; or access to finance—would not necessarily help those facing multiple constraints, or it would do so to a lesser extent. For example, cash grants ease capital constraints, while training and group formation address human capital and network constraints, especially among the poorest households. Similarly, although cash transfers ease consumption constraints and enable risk-taking, layering on livelihood interventions and financial services addresses production constraints, including technical knowledge and access to inputs, credit, and markets.

8. TMF’s package of interventions does not include consumption support or asset transfers. Instead, most participants receive cash transfers for consumption support from the Familias en Accion conditional cash transfer program and are entitled to reparations (including financial compensation) which can be used as business capital if desired.

9. The Yook Koom Koom (YKK) program builds on an existing cash transfer.

10. PWP: Public Works Program, CT: Cash Transfer

11. See also BRAC-UPGI (2020), Concern Worldwide (2018) and Moqueet et al (2020) for applying an urban lens to program design and delivery.

12. Urban scope programs are those that operate in urban or peri-urban areas either exclusively or in addition to rural areas.
13. In addition to the UPSNP in Ethiopia, similar public works–plus (PWP+) programs have emerged in Côte d’Ivoire (Projet d’Urgence de Création d’Emploi Jeunes et de Développement des Compétences, PEJEDEC), the Democratic Republic of Congo (Eastern Recovery Project, STEP), and Mozambique (Productive Social Action Program, PSAP). City governments are typically supportive of such initiatives because these urban PWP+ programs usually consist of projects such as cleaning and maintaining street and drainage and sanitation networks and rehabilitating and maintaining public gardens and green spaces or local markets.

14. Based on the PEI 2020 Landscape Survey, the surveyed programs are grouped into three categories: (1) programs operating exclusively in rural areas (“rural context–only programs”); (2) programs operating exclusively in urban or in peri-urban areas, or both (“urban context–only programs,” included under “urban scope programs”); and (3) programs with coverage in rural and urban contexts or in rural and peri-urban contexts, or in all three locations (“mix/multiple location programs”). It is not possible to determine whether programs operating in multiple locations predominantly reach urban, peri-urban, or rural areas. See appendix A for details.

15. The next round of the PEI Landscape Survey aims to capture this information. Please go to PEI data portal to submit this information about your programs.

16. These programs were identified using a variety of sources, including the PEI Landscape Surveys of 2018 and 2020, evaluations listed in online research databases, and systematic reviews of economic inclusion programs. All programs included a quantitative evaluation, either experimental (randomized controlled trial) or quasi-experimental.

17. For both rural and urban programs, the relationship between cost and the magnitude of impact is still largely unclear (Sulaiman 2018). Moreover, the rate of return on economic inclusion programs is quite varied, even for the same intervention implemented in different contexts (Banerjee et al. 2015) and sensitive to assumptions about impact dissipation rates (Kidd and Bailey-Athias 2017). Evidence of spillover and general equilibrium impacts on non-participants and the local economy is also very limited.

18. Questions, comments, and suggestions on this subject are welcome (PEIMT@worldbank.org).

References
References


The Partnership for Economic Inclusion (PEI) is a global partnership with a mission to support the adoption of national economic inclusion programs that increase the earnings and assets of extremely poor and vulnerable households. PEI brings together global stakeholders to catalyze country-level innovation, advance innovation and learning and share global knowledge. PEI is hosted by the Social Protection and Jobs Global Practice (SPJ) of the World Bank.