EXECUTIVE SUMMARY The State of Economic Inclusion Report 2024

Pathways to Scale





Inés Arévalo-Sánchez, Janet Heisey, Sarang Chaudhary, Timothy Clay, Victoria Strokova, Puja Vasudeva Dutta, and Colin Andrews

EXECUTIVE SUMMARY

The State of Economic Inclusion Report 2024



Scan the QR code to see this and prior editions of *The State of Economic Inclusion Report*.

EXECUTIVE SUMMARY

The State of Economic Inclusion Report 2024

Pathways to Scale

Inés Arévalo-Sánchez, Janet Heisey, Sarang Chaudhary, Timothy Clay, Victoria Strokova, Puja Vasudeva Dutta, and Colin Andrews



This booklet contains the executive summary from *The State of Economic Inclusion Report 2024: Pathways to Scale*, doi:10.1596/978-1-4648-2076-2. A PDF of the final book, once published, will be available at https:// openknowledge.worldbank.org/ and http://documents.worldbank.org/, and print copies can be ordered at www.amazon.com. Please use the final version of the book for citation, reproduction, and adaptation purposes.

© 2024 International Bank for Reconstruction and Development / The World Bank 1818 H Street NW, Washington, DC 20433 Telephone: 202-473-1000; Internet: www.worldbank.org

Some rights reserved

This work is a product of the staff of The World Bank with external contributions. The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the views of The World Bank, its Board of Executive Directors, or the governments they represent.

The World Bank does not guarantee the accuracy, completeness, or currency of the data included in this work and does not assume responsibility for any errors, omissions, or discrepancies in the information, or liability with respect to the use of or failure to use the information, methods, processes, or conclusions set forth. The boundaries, colors, denominations, links/footnotes, and other information shown in this work do not imply any judgment on the part of The World Bank concerning the legal status of any territory or the endorsement or acceptance of such boundaries. The citation of works authored by others does not mean The World Bank endorses the views expressed by those authors or the content of their works.

Nothing herein shall constitute or be construed or considered to be a limitation upon or waiver of the privileges and immunities of The World Bank, all of which are specifically reserved.

Rights and Permissions



This work is available under the Creative Commons Attribution 3.0 IGO license (CC BY 3.0 IGO) http://creativecommons.org/licenses/by/3.0/igo. Under the Creative Commons Attribution license, you are free to copy, distribute, transmit, and adapt this work, including for commercial purposes, under the following conditions:

Attribution—Please cite the work as follows: Arévalo-Sánchez, Inés, Janet Heisey, Sarang Chaudhary, Timothy Clay, Victoria Strokova, Puja Vasudeva Dutta, and Colin Andrews. 2024. "The State of Economic Inclusion Report 2024: Pathways to Scale." Executive summary booklet. World Bank, Washington, DC. License: Creative Commons Attribution CC BY 3.0 IGO

Translations—If you create a translation of this work, please add the following disclaimer along with the attribution: *This translation was not created by The World Bank and should not be considered an official World Bank translation. The World Bank shall not be liable for any content or error in this translation.*

Adaptations—If you create an adaptation of this work, please add the following disclaimer along with the attribution: *This is an adaptation of an original work by The World Bank. Views and opinions expressed in the adaptation are the sole responsibility of the author or authors of the adaptation and are not endorsed by The World Bank.*

Third-party content—The World Bank does not necessarily own each component of the content contained within the work. The World Bank therefore does not warrant that the use of any third-party-owned individual component or part contained in the work will not infringe on the rights of those third parties. The risk of claims resulting from such infringement rests solely with you. If you wish to re-use a component of the work, it is your responsibility to determine whether permission is needed for that re-use and to obtain permission from the copyright owner. Examples of components can include, but are not limited to, tables, figures, or images.

All queries on rights and licenses should be addressed to World Bank Publications, The World Bank, 1818 H Street NW, Washington, DC 20433, USA; e-mail: pubrights@worldbank.org.

Cover photo: Vincent Tremeau / World Bank. Further permission required for re-use.

Cover design: Will Kemp / World Bank.

Contents

Foreword	vii
Acknowledgments	ix
About the Authors	xi
Executive Summary	1
Introduction	1
Message 1: The Number of Economic Inclusion Programs Has Almost Doubled, and Coverage Has Increased by 50 Percent	1
Message 2: Compelling Evidence of Impact Underpins This Surge and Scale of Programs	2
Message 3: The Program Landscape Is Diverse, in Both Geographic Coverage and Program Design	4
Message 4: Programs Are Taking Diverse Paths to Scale	5
Message 5: Ensuring Program Quality Requires Collaboration Across Stakeholders and Strong Monitoring, Evaluation, and Learning	8
Message 6: Utilizing Community Structures in Program Delivery Can Facilitate Local Buy-In	9
Message 7: Digital Tools and Technologies Are Playing an Increasing Role in Program Delivery	9
Message 8: Expanding Coverage While Addressing the Jobs Challenge, Especially Among Youth, and Enhancing Women's Economic Empowerment Are Needed	10
Message 9: Building Climate Resilience Is Emerging as the Next Frontier for Programming	11
Message 10: Sustainable Financing Remains Critical for Piloting and Scaling Up Programs	12
Notes	13
References	14

BOX

ES.1 Emerging Evidence from Government-Led Programs	3
---	---

FIGURES

ES.1	Distribution of Economic Inclusion Programs and Participants,	
	by Lead Institution	2
ESB1.1	Evidence and Cost of Select Government-Led Programs	3
ES.2	Distribution of Economic Inclusion Programs and Participants, by Region	5
ES.3	Key Features of Program Design	6
ES.4	Programs Have Scaled Up Along Core Dimensions	7
ES.5	Complementary Approaches to Economic Inclusion at the Household and Area (System) Levels	7
ES.6	Percentage of Programs in Which External Organizations Are Involved in Program Service Delivery	8
ES.7	Percentage of Programs Using Digital Technology for Program Management and Delivery	10
ES.8	Percentage of Government- and Nongovernment-Led Programs Financed by External Institutions	13
MAP		

ES.1	CREI Programs and Climate Vulnerability	12
------	---	----

Foreword

People living in extreme poverty have faced tremendous challenges over the past few years, with many having emerged from the global pandemic with their precarious household finances further disrupted by climate shocks or displacement. The number of people living in extreme poverty has also increased, underscoring the importance of development initiatives that are evidence-backed, scalable, and capable of building resilience to future shocks.

Economic inclusion is one such initiative that delivers on that challenge. *The State* of *Economic Report 2024: Pathways to Scale* reveals that millions of people have benefited from economic inclusion programs that empower participants to build skills and experience, secure better employment, provide food for their table, send children to school, and build resilience to shocks and crises. In short, these programs help those who face the greatest challenges find a pathway out of poverty.

The report reveals that the number of economic inclusion programs has grown, in part, because governments extended their social protection programs to help citizens build resilience to multiple shocks. More people were included in these programs, and their geographic footprint has grown. However, as the report highlights, the current scale of these efforts falls short of the need, and there is significant potential to scale up proven economic inclusion models to get back on track to reach the Sustainable Development Goals.

This report documents the progress made in global economic inclusion efforts and builds on the foundation laid by the first report in this series, *The State of Economic Inclusion Report 2021: The Potential to Scale*. While the first report explored the *potential* to scale, this latest report identifies those programs that have *achieved* scale, both government- and nongovernment-led, and highlights the progress and challenges of scaling up. The report also explores the vital roles governments, nongovernment organizations (NGOs), and the private sector are playing to achieve scale and how these institutions are working together. This collaborative effort is vital for achieving scale and ensuring that economic inclusion programs reach their full potential.

Evidence from government-led programs in different countries and contexts shows they can be delivered at scale, cost-effectively. Governments, as the primary drivers of scaled economic inclusion programs, are increasingly institutionalizing these initiatives, integrating them into policies, and are exploring ways to expand coverage, broaden scope, and expand functions. The report summarizes new findings from government-led programs, complementing the extensive evidence presented in the 2021 report; identifies remaining knowledge gaps; and provides insights for future programmatic approaches.

Among the most-pressing priorities shaping the future of economic inclusion are two critical areas: women's economic empowerment and climate resilience. The report provides examples of programs that prioritize gender equality and ensure that women and girls are integral to program scale-up. A Special Focus section on climate-resilient economic inclusion examines the emerging agenda of integrating climate resilience into program design and the need for targeted support to poor and vulnerable communities facing climate-induced challenges.

VIII THE STATE OF ECONOMIC INCLUSION REPORT 2024

As members of the Steering Committee for the Partnership for Economic Inclusion (PEI), we are encouraged by the progress toward scale that economic inclusion programs are making and the critical lessons on good practice that have emerged. PEI's work to support the adoption and scale-up of government-led economic inclusion programs, working with governments, bilateral and multilateral organizations, NGOs, research institutions, and the private sector, remains critical. This partnership network provides an opportunity for all stakeholders to share cutting-edge knowledge on economic inclusion and contribute to evidence-based best practices. It also invests in innovations in government-led economic inclusion to further expand our understanding of how to effectively scale up these programs.

Protecting people living in extreme poverty is at the heart of the World Bank's vision of creating a world free of poverty on a livable planet. The World Bank aims to scale up social protection programs, working alongside partners to support at least 500 million people in developing countries by 2030—aiming for half of those to be women and girls. Economic inclusion is a key component of this ambitious goal, and *The State of Economic Inclusion Report 2024* represents a significant milestone in our ongoing efforts to scale up sustainable economic inclusion programs for the poorest populations.

We look forward to continued and successful collaboration.

A. Che

Gregory Chen Managing Director Ultra-Poor Graduation Initiative BRAC International

Autoel Coffer.

Michael Gaffey Director General Irish Aid

Olivia Leland Co-Founder and CEO Co-Impact

Dr. Ariane Hildebrandt Director General, Global Health, Equality of Opportunity, Digital Technologies, and Food Security Federal Ministry for Economic Cooperation and Development (BMZ)

Sharen

Iffath Sharif Global Director, Social Protection World Bank

Acknowledgments

The report was prepared by an authoring team from the Partnership for Economic Inclusion (PEI) in the World Bank's Social Protection Global Practice, including Inés Arévalo-Sánchez, Janet Heisey, Sarang Chaudhary, Timothy Clay, Victoria Strokova, Puja Vasudeva Dutta, and Colin Andrews. Shilohni Sumanthiran and Yetimwork Habte provided extensive support to the authors and editors during the research, drafting, and editing stages of the report.

The team is grateful for the overall strategic guidance and support from Iffath Sharif, Loli Arribas-Banos, and Jamele Rigolini, as well as to Michal Rutkowski (all with the World Bank) during the report's conceptualization. The team further appreciates guidance from PEI's Steering Committee members Greg Chen (BRAC International), Doris King (Co-Impact), Susanne Lein (Deutsche Gesellschaft für Internationale Zusammenarbeit), and Paula Nolan (Irish Aid).

We are grateful for the thorough guidance and direction from peer reviewers Thomas Bossuroy (World Bank), Aline Coudouel (World Bank), Felipe F. Dizon (World Bank), Ugo Gentilini (World Bank), Keetie Roelen (Open University, UK), Klas Sander (World Bank), and Joana Silva (World Bank). In addition, we appreciate the detailed suggestions on the preliminary draft provided by PEI Advisory Council members Frank DeGiovanni (Ford Foundation, retired), Nathanael Goldberg (Innovations for Poverty Action), Rita Larok (AVSI), Nana Oye Lithur (former cabinet minister, Ghana), Marvi Memon (former minister, Pakistan), and Carolina Trivelli (Peruvian Studies Institute).

This report would not have been possible without the detailed survey contributions from nearly 100 organizations, including governments, nongovernmental organizations, United Nations agencies, and development organizations, as well as from World Bank operational staff. A special thanks goes to PEI's technical partners for providing program data and inputs: BOMA, CARE, Concern Worldwide, the Food and Agriculture Organization, Fundación Capital, ideas42, Innovations for Poverty Action, Trickle Up, the United Nations High Commissioner for Refugees, Village Enterprise, and World Vision International. Appendix C documents the contributing programs in full.

Several individuals generously provided time and resources for background interviews, including Paul Carr and Dermot Hegarty (Concern Worldwide); Kajal Chatterjee (United Nations Development Programme [UNDP], Bangladesh); Sandrine Chetail (Mercy Corps); Carolina de Miranda and Victor Ortiz Mangano (Fundación Capital); Theara Khoun and Mao Meas (UNDP, Cambodia); Anna Mecagni (BOMA); and Harry Edmund Moroz, Alreena Renita Pinto, Claudia Zambra Taibo, and Michele Zini (all of the World Bank).

We thank the following World Bank colleagues who provided valuable contributions, ideas, and feedback during the consultation and report-writing processes: Afrah Alawi Al-Ahmadi, Thomas Bossuroy, Helle Buchhave, Hugo Brousset Chaman, Sarah Coll-Black, Wendy Cunningham, Tracy Hart, Alex Kamurase, Matteo Morgandi, Edmundo Murrugarra, Ashesh Prasann, Patrick Premand, Claudia P. Rodriguez Alas, Luz Stella Rodriguez, Solenne Rougeaux, Nian Sadiq, Klas Sander, Emil Tesliuc, Margaux Vinez, and Stephen Joseph Winkler.

John Felton and Sabra Ledent edited the report. Tyler McClelland (World Bank) coordinated the publication process and oversaw design. The team also appreciates all the administrative support provided by Adriana Cecilia Espinal and Yolaina Montoya (both of the World Bank) during the various stages of the report's preparation. Finally, we are grateful to the team at the World Bank's Publications Office, particularly the close guidance and support provided by Cindy A. Fisher, Jewel McFadden, and Christina Ann Davis.

About the Authors

Colin Andrews is global lead for social assistance in the World Bank's Social Protection Global Practice. He has more than 15 years of social protection experience in Africa and South Asia and in global policy. His current work focuses on social protection financing, food and nutrition security, and disaster risk reduction. From 2019 to 2023, Colin led the Partnership for Economic Inclusion (PEI). Previously, Colin managed lending operations on safety nets and service delivery in Africa. He has published widely on safety net impacts, crisis response, and financing. He also has worked for the Food and Agriculture Organization of the United Nations, the European Commission, and nongovernmental organizations (NGOs). Colin holds a master's degree in economics from Trinity College, Dublin.

Inés Arévalo-Sánchez is a consultant with the World Bank's PEI and Social Protection Global Practice. She is an economist with more than 15 years of experience in economic and financial inclusion, rural development, and social protection in various countries in Africa, Asia, Latin America, and the Middle East. Inés has extensive experience in conducting evaluative and operational research, designing monitoring and evaluation systems, and working with operations to build the capacity of local teams and to translate research and evaluation results into insights for program implementation. She has coauthored several publications on economic inclusion, including *The State of Economic Inclusion Report 2021*. Previously, Inés worked as a consultant with private philanthropical organizations and NGOs, including the Aga Khan Agency for Microfinance and Trickle Up. She holds an MA in development economics from the University of Sussex, England.

Sarang Chaudhary is an advisor with the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, where he focuses on the digital transformation of social protection systems and building global consensus on interoperability standards. Previously, he served as an economist with the World Bank's PEI and Social Protection Global Practice, where he designed and supported the implementation of national social assistance and economic inclusion programs. Sarang also led a nonprofit in India, focused on community-driven development and grassroots program implementation in collaboration with state and city governments. He holds a bachelor's degree in electronics and communication engineering from APJ Abdul Kalam Technical University in India and a master's degree in public policy from the University of California, Berkeley.

Timothy Clay is an economist with the World Bank's PEI and Social Protection Global Practice. He specializes in researching and designing policies and programs focused on job creation, economic inclusion, and climate resilience. Timothy has spent most of his career at the World Bank in technical and operational roles, primarily focusing on programming in Africa and South Asia. Recently, he led PEI's cross-sectoral climate resilience work program to introduce climate-resilient adaptations and innovations to improve the resilience of poor and vulnerable communities. Timothy holds an MSc in public policy from both Maastricht University and the United Nations University–MERIT. **Puja Vasudeva Dutta** is an economist with expertise in social protection and economic inclusion. She was a researcher in the Poverty Research Unit at the University of Sussex in England and the National Council of Applied Economic Research in India, focusing on poverty, inequality, and labor markets research. Puja was then in the World Bank's Social Protection Global Practice in South Asia and East Asia from 2006 to 2018, where she worked on social protection policy reform, program design, and delivery systems in Afghanistan, Cambodia, India, Laos, the Maldives, Myanmar, and Viet Nam. She is now an independent consultant with global assignments with the World Bank's PEI and Social Insurance Administration Diagnostic and in the Pacific with the Partnerships for Social Protection program, funded by the Government of Australia's Department of Foreign Affairs and Trade. She holds a DPhil in economics from the University of Sussex.

Janet Heisey is a senior consultant with the World Bank's PEI, where she leads its partnership work, is the editor of the *In Practice* publication series, and supports country engagement and knowledge management workstreams. She is coauthor of *Working for Inclusion: Economic Inclusion in Contexts of Forced Displacement* and *The State of Economic Inclusion Report 2021*. She also has consulted on World Bank economic inclusion programs in Ethiopia and Kenya. She has more than 20 years of experience developing strategy and partnerships and designing economic inclusion programs for people living in poverty, including people with disabilities and displaced populations. Previously, Janet created and led a technical assistance unit at Trickle Up, working in partnership with the UN High Commissioner for Refugees to design economic inclusion programs that foster refugee self-reliance. She holds a bachelor's degree from Michigan State University.

Victoria Strokova is the program manager for the World Bank's PEI. With more than 15 years of experience in international development, she has technical expertise in social safety nets (cash transfers), building social protection systems (social registries), labor and economic inclusion programs, and cross-sectoral topics such as jobs and human capital. At the World Bank, Victoria has gained extensive experience across multiple regions and global units within the Social Protection Global Practice, as well as in cross-cutting units like the Jobs Group and the Human Capital Project, where she was co–program manager for the Human Capital Umbrella program and coled cross-sectoral analytical work on disruptive technology. Previously, she led operational and analytical work in Ethiopia and Liberia, focusing on the design, implementation, and evaluation of economic inclusion programs in rural; urban; and fragility, conflict, and violence contexts. She holds a master's degree in public policy with honors from the University of Chicago's Harris School of Public Policy.

Executive Summary

Introduction

The State of Economic Inclusion Report (SEI) is a flagship initiative under the Partnership for Economic Inclusion.¹ The first report in this series, *The State of Economic Inclusion Report 2021: The Potential to Scale* (SEI 2021; Andrews et al. 2021), established a baseline of the global landscape, reviewed the evidence on impact and costs, and introduced a framework for scaling up economic inclusion. This new report—*The State of Economic Inclusion Report 2024: Pathways to Scale* (SEI 2024)— explores efforts to scale up policy and programming, including progress and challenges around government-led programs, and the interplay with nongovernment actors and the private sector.

The SEI 2024 emerges in a context of overlapping crises, which have affected poor and vulnerable people disproportionately. For example, since 2020, the COVID-19 pandemic increased the number of people living in extreme poverty to 700 million. Additionally, the number of people experiencing severe food insecurity more than doubled during this period (UNDESA 2023), while up to 122 million more individuals may fall into extreme poverty by 2030 due to climate change (IPCC 2022). These overlapping crises have had global repercussions but have disproportionately affected poor and vulnerable people. The United Nations (UN) Sustainable Development Goal (SDG 1) of ending extreme poverty by 2030 may be missed without a concerted effort (Sachs et al. 2023).

As a result, economic inclusion programs are more relevant now than ever. Using a multidimensional approach, these programs address multiple constraints faced by poor and vulnerable individuals, households, and communities with the aim to increase their incomes and assets. As ample evidence shows, these programs can play a critical role in creating job opportunities for poor and vulnerable individuals and building their resilience to various shocks, including those exacerbated by climate change.

This report identifies the following 10 key messages with respect to the scale-up of economic inclusion programming globally.

Message 1: The Number of Economic Inclusion Programs Has Almost Doubled, and Coverage Has Increased by 50 Percent

This report surveyed 405 economic inclusion programs in 88 countries, an increase from 219 programs in 75 countries in 2021.² Many programs included in the 2021 report have also expanded despite, or in some cases in response to, the current context of overlapping crises. As a result, coverage of these programs has expanded from 9.8 million households in 2021 to more than 15 million households, benefiting more than 70 million individuals directly or indirectly.

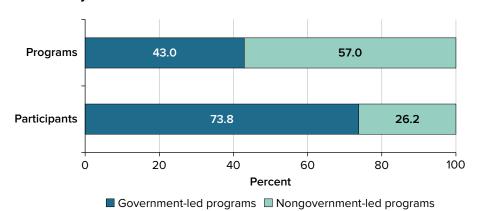


FIGURE ES.1 Distribution of Economic Inclusion Programs and Participants, by Lead Institution

Source: Partnership for Economic Inclusion, World Bank.

Note: Data on the number of participants are missing for 72 programs (16 nongovernmentled and 56 government-led programs), most of which were in the last phases of preparation before actual delivery of support for participants began. Overall, 405 programs were surveyed (231 nongovernment-led and 174 government-led programs). The total number of participants (15,323,059) and beneficiaries (70,043,913) include direct participants and indirect beneficiaries.

Governments continue to lead the scale-up of economic inclusion programs, with 43 percent of all programs being government led, covering 74 percent of participants (refer to figure ES.1). However, nongovernment-led programs also contribute significantly to the increase in coverage, leading 57 percent of economic inclusion programs. Although their coverage is lower (26 percent of participants), nongovernment organizations (NGOs) can help pilot economic inclusion approaches in new geographic areas or with different population groups or test new methods or approaches. NGOs also play a key role in government-led programs as service providers and technical assistance providers, helping increase the capacity of government agencies to implement and scale up economic inclusion programs.

Message 2: Compelling Evidence of Impact Underpins This Surge and Scale of Programs

The growth in programs is in part a result of the strong body of evidence showing that these programs can effectively build resilience and facilitate economic opportunities for the poor population. A global review of evidence in SEI 2021 found that economic inclusion programs can significantly impact food security, consumption, income, business revenues, and asset accumulation (Andrews et al. 2021).

More-recent evidence reviewed in the current report suggests that government-led programs are cost-effective and are high-return investments (refer to box ES.1). Investing in economic inclusion programs pays off in the long run, with the benefits significantly outweighing the initial costs. A recent meta-analysis highlights evidence from studies conducted in Afghanistan, Bangladesh, the Democratic Republic of Congo, Ghana, Nepal, and Niger, revealing cost-benefit ratios between 121 percent and 379 percent and internal rates of return ranging from 16 percent to

66 percent (J-PAL 2023). For policy makers, this robust evidence from diverse settings demonstrates that economic inclusion programs consistently deliver economic benefits that surpass the initial investment, can be considered effective tools for poverty alleviation, and are wise investments with considerable returns, all leading to broader social and economic development. While this evidence is encouraging, more research is required to fill critical learning gaps on how government-led economic inclusion programs can be effectively and efficiently scaled up.

BOX ES.1 Emerging Evidence from Government-Led Programs

Government-led economic inclusion programs have demonstrated significant impacts on various economic outcomes among vulnerable populations. Evidence from programs in Afghanistan, Niger, Senegal, and Zambia highlights substantial improvements in food security, consumption, income, and business revenues (refer to figure ESB1.1). Programs not only improved economic well-being but also contributed to the resilience of rural households, particularly through diversifying women's economic activities. Moreover, these programs have demonstrated positive impacts on psychosocial well-being and women's empowerment.

Although limited to a few studies, evidence shows that, when implemented through government systems, these programs are highly cost-effective and yield high returns on investment. In Niger, for example, the program demonstrated a cost-benefit ratio of 127 percent 18 months after implementation, while in Zambia, the program broke even within 12 months, albeit with a slightly lower cost-effectiveness. Assuming sustained impacts, both Niger and Zambia show positive returns on investment, at 73 percent and 36 percent, respectively (Bossuroy et al. 2022; Botea et al. 2023).

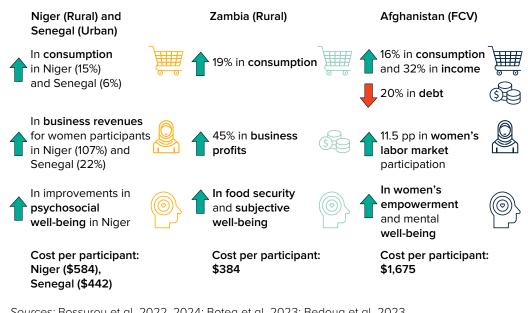


FIGURE ESB1.1 Evidence and Cost of Select Government-Led Programs

Sources: Bossuroy et al. 2022, 2024; Botea et al. 2023; Bedoya et al. 2023.

Note: FCV = fragility, conflict, and violence; pp = percentage points.

BOX ES.1 Emerging Evidence From Government-Led Programs (continued)

However, critical learning gaps still exist. First, assessing the cost-effectiveness of largescale government-led programs in different contexts is needed. Second, researching how more-scalable program delivery methods, such as group coaching and digitally delivered training, can influence program impact and cost-effectiveness is required. Third, identifying the appropriate package that can achieve maximum impact in a given context and for targeted groups is important. By addressing these research questions, policy makers and practitioners can enhance the design and implementation of economic inclusion programs to better serve vulnerable populations and achieve sustainable impacts at scale.

Message 3: The Program Landscape Is Diverse, in Both Geographic Coverage and Program Design

The majority of economic inclusion programs (79 percent) are implemented in low-income and lower-middle-income countries. Sub-Saharan Africa hosts the largest share of these programs and the most participants (refer to figure ES.2), but these programs can be found in all regions of the world.

Rural areas remain the primary focus of operations, accounting for 84 percent of programs, with 43 percent exclusively targeting rural populations. This finding is in line with the majority of the world's extreme-poor population residing in rural areas (World Bank 2022). However, there is a notable trend of economic inclusion programs, particularly more recent ones, expanding their operations into urban areas. Approximately 38 percent of programs now serve urban or peri-urban populations. This percentage includes programs with national coverage, those designed to cater to both urban and rural areas, and those initially launched in rural areas that have since expanded to include urban and peri-urban populations.

Programs are also designed with a range of policy objectives with an emphasis on enhancing job opportunities for the poor and women's empowerment (refer to figure ES.3, panel a). These programs enhance self-employment opportunities for poor and vulnerable populations (47 percent of all programs), diversifying participants' income sources (36 percent), and increasing their productivity (31 percent). With an increased recognition of the need to address the barriers to women's economic empowerment, 33 percent of programs prioritize empowering women—a significant rise since 2021, when only 17 percent of all programs had this objective.

Programs are refining design and delivery to meet the needs of different population groups. Economic inclusion programs typically prioritize vulnerable populations at the lower end of the income distribution, targeting the ultra-poor (40 percent of programs), extreme-poor (53 percent), and poor (55 percent) populations. Many programs also focus on specific demographic groups, including women (90 percent of programs), youth (65 percent), displaced and conflict-affected populations (39 percent), and people with disabilities (39 percent) (refer to figure ES.3, panel b).

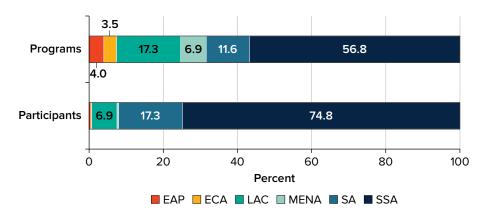


FIGURE ES.2 Distribution of Economic Inclusion Programs and Participants, by Region

Source: Partnership for Economic Inclusion, World Bank.

Note: The figure is based on survey data for 405 programs: 16, EAP; 14, ECA; 70, LAC; 28, MENA; 47, SA; and 230, SSA. The total number of participants is 15,323,059 and beneficiaries is 70,043,913, which includes direct participants and indirect beneficiaries. Data on the number of participants are missing for 72 programs, most of which were in the last phases of preparation before actual delivery of support for participants began. 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.

These multidimensional programs customize a comprehensive package based on constraints, vulnerability, and local context, often providing specific components to a subset of participants to tailor support to their needs (refer to figure ES.3, panel d). Programs seek to achieve the core objectives by providing a comprehensive package of support, and more than 81 percent of programs, both government and nongovernment led, include 5–9 components and so are very complex programs. These components may include training (96 percent), coaching (89 percent), business capital (77 percent), and market links (74 percent) (refer to figure ES.3, panel c). These components are usually delivered in a sequence, ensuring that participants receive support when they can benefit most.

Message 4: Programs Are Taking Diverse Paths to Scale

The majority (74 percent) of economic inclusion programs have scaled up along several dimensions, including and beyond coverage expansion (refer to figure ES.4). In fact, the landscape reveals an increasingly wider range of sectoral interventions that constitute the foundations on which economic inclusion packages are built, including social safety nets, jobs and livelihoods, financial inclusion, social development, and agricultural and environmental interventions.

This report identifies two diverse but often complementary strategies for economic inclusion at scale (refer to figure ES.5). SEI 2021 emphasized household-focused programs that use a "push" strategy to enable households and individuals to build the assets, income, knowledge, and confidence to access services and engage in broader systems, including market systems. In addition to these programs, SEI 2024 also identifies "area-focused" programs or community- or sector-level strategies that seek to improve the broader availability and quality of economic opportunities and services. These programs use a "pull" strategy to enroll people broadly, including those living in extreme poverty, and engage them in the community, region, market, or other systems that the program seeks to change.

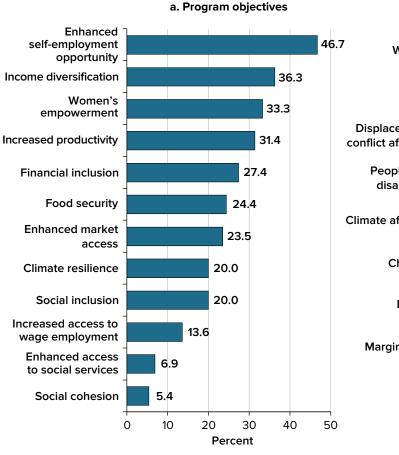
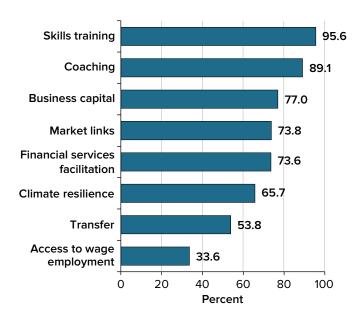
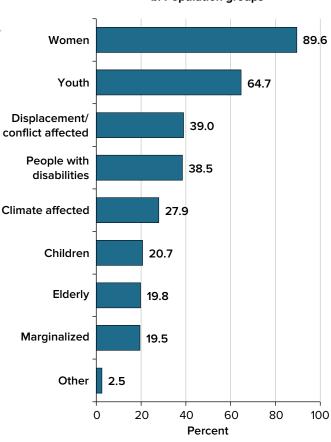


FIGURE ES.3 Key Features of Program Design

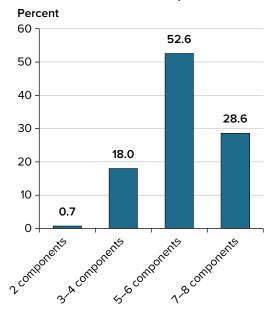
c. Components



Source: Partnership for Economic Inclusion, World Bank. *Note:* Figure shows the percentage of all programs (*N* = 405).



d. Number of components



b. Population groups

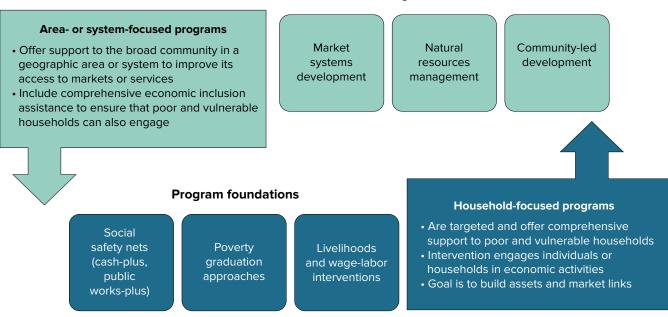
Increased 54% of programs increased coverage to reach more people, by moving coverage to new geographic areas or by reaching new population groups Functional 29% of programs added services or components to improve participant expansion outcomes Institutionalization within national 16% of programs have become more integrated with government structures government 26% of programs have expanded organizational capacity, including by Organizational forming new partnerships 45% of programs have started using digital tools or introduced other changes Operational to how the program is delivered

FIGURE ES.4 Programs Have Scaled Up Along Core Dimensions

Source: Partnership for Economic Inclusion, World Bank.

Note: Figure shows the percentage of all programs (N = 405) that have scaled up along five dimensions.

FIGURE ES.5 Complementary Approaches to Economic Inclusion at the Household and Area (System) Levels



Program foundations

Source: Partnership for Economic Inclusion, World Bank.

Still, significant knowledge gaps remain on how area-focused approaches are helping increase income and assets for poor and vulnerable populations. As programs move to scale, a strategic approach will also involve understanding the interplay between household-focused and area-focused interventions to catalyze sector-wide transformation.

Message 5: Ensuring Program Quality Requires Collaboration Across Stakeholders and Strong Monitoring, Evaluation, and Learning

In this evolving landscape, ensuring program quality is key for sustaining impacts. Both government-led and nongovernment-led programs rely extensively on external agencies for service delivery (refer to figure ES.6). Globally, 81 percent of programs collaborate with external agencies to deliver at least one program component. For government-led programs, this figure rises to 91 percent. Engaging NGOs as service providers can be an important strategy for scaling economic inclusion programs through government systems, especially in low-capacity contexts.

Evidence-based design and effective monitoring, evaluation, and learning can improve program quality and impact. Given the complexity of program bundles, drawing on good practices and diagnosing key constraints for various population groups and in specific contexts can enhance success rates and cost-effectiveness. Successful programs exhibit a commitment to monitoring participant progress, making real-time adjustments, and refining program design as needed. Many large-scale programs have demonstrated agility by adding or removing components, adjusting component sequencing, or making other significant modifications to enhance quality.

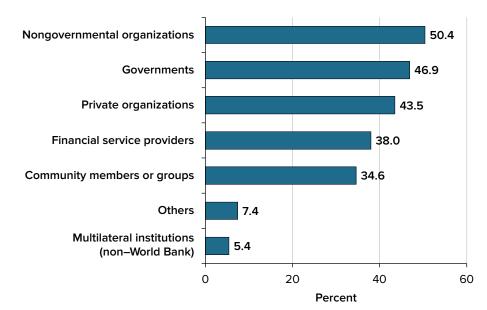


FIGURE ES.6 Percentage of Programs in Which External Organizations Are Involved in Program Service Delivery

Source: Partnership for Economic Inclusion, World Bank.

Note: Figure shows the percentage of all programs (N = 405).

Message 6: Utilizing Community Structures in Program Delivery Can Facilitate Local Buy-In

Economic inclusion programs use community structures and groups across the delivery chain, including for targeting and enrollment, component provision, monitoring, and grievance and case management. Engaging community groups bolsters the social inclusion of participants, encourages active participation in developing and implementing programs, and fosters acceptance and ownership within the community, improving program uptake and sustainability.

Some programs formally engage community members in implementation by introducing selection criteria for their participation as facilitators. These community facilitators are assigned well-defined roles and responsibilities in program activities at both the individual or household and group levels. Notably, a deliberate emphasis on prioritizing women encourages gender inclusion and augments female participation in program delivery. Scaling up programs using local individuals for service delivery can also enhance cost-effectiveness.

Community-led producer groups can support the creation of rural enterprise ecosystems. Programs in both the agricultural and nonagricultural sectors collaborate with producer groups within community structures. These programs encourage smallholder farmers to form groups, thereby improving their market access and economic well-being. By acting collectively, groups can pool their resources, share knowledge, and negotiate together with buyers, boosting their bargaining power. Community savings groups promote financial inclusion and empower individuals, particularly those in economically vulnerable situations, to save money, access financial services, and benefit from financial inclusion. Program facilitators work with community members to form small savings groups based on common interests, geographical proximity, or other relevant criteria.

Message 7: Digital Tools and Technologies Are Playing an Increasing Role in Program Delivery

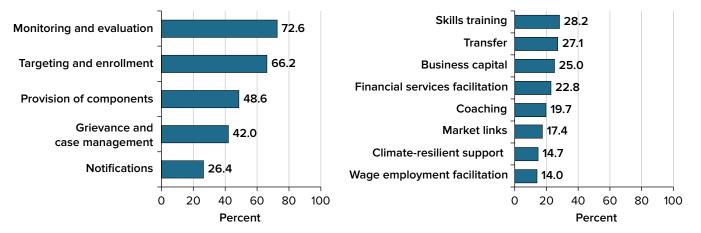
Digital tools and technologies are contributing to enhanced efficiency, accessibility, and effectiveness of program delivery. Ninety-three percent of programs use digital technologies across the delivery chain, particularly for targeting and enrollment and for monitoring and evaluation (refer to figure ES.7). Governments are using digital tools to deliver business capital. Digital financial services and electronic payment systems, including mobile money and direct bank transfers, are commonly used to disburse cash and grants. These methods enhance transparency, reduce leakage, and give beneficiaries convenient and secure access to funds. Expansion of the digital government-to-person payments model underscores the potential to scale up the cash-based components of economic inclusion interventions.

The use of digital technologies holds great promise, especially for reaching remote communities and tailoring interventions for targeted groups. However, design and delivery must account for the digital literacy levels of both program implementers and participants and ensure appropriate training for effective implementation, especially in rural contexts.

FIGURE ES.7 Percentage of Programs Using Digital Technology for Program Management and Delivery

a. Program activities undertaken using digital technologies

b. Components delivered using digital technologies



Source: Partnership for Economic Inclusion, World Bank.

Note: Panel a shows the percentage of all programs (N = 405). Panel b shows the percentage of programs providing components digitally out of those providing a given component (skills training, N = 387; transfer, N = 218; business capital, N = 312; financial services facilitation, N = 298; coaching, N = 361; market links, N = 299; climate-resilient support, N = 266; and wage employment facilitation, N = 136). Multiple responses were possible.

Message 8: Expanding Coverage While Addressing the Jobs Challenge, Especially Among Youth, and Enhancing Women's Economic Empowerment Are Needed

While the number of individuals participating in economic inclusion programs has increased by 50 percent since 2021, this figure still constitutes a small fraction of the global population living in poverty, especially considering the projected increase in poverty due to crises and climate change. In addition, not all programs target the extreme-poor population. Therefore, prioritizing the inclusion of the most-poor and most-vulnerable individuals should be a key focus of scale-up efforts.

At a time of overlapping crises and job displacement due to climate change, addressing the jobs challenge for poor and vulnerable individuals will be an overriding policy challenge. Currently, few programs (34 percent) facilitate wage jobs for participants. However, programs in upper-middle-income countries focus more on wage job opportunities (44 percent of all programs) than in low-income countries (31 percent), particularly in urban areas. Given the characteristics of the local economy and target populations, the majority of programs develop self-employment opportunities through livelihood support and, increasingly, linking participants to markets. A comprehensive set of policies will be necessary to address the job challenges for poor and vulnerable individuals to facilitate their economic and social inclusion.

Programs that integrate young people into the economy are critical given widespread youth unemployment, especially in countries facing a "youth bulge." At present, 65 percent of programs target youth, with 40 percent of these programs facilitating wage employment. Understanding the market failures that prevents youth from accessing job opportunities in urban areas, bridging the socioemotional skills gap, and providing access to apprenticeships in collaboration with the private sector are all important agendas for youth's economic inclusion.

Similarly, although most economic inclusion programs target women and include some measures to support women, more programs could take a gender-intentional approach to design and delivery. About one-third of programs cite women's economic empowerment as a core objective and indicate that they use deliberate strategies to strengthen women's economic inclusion. However, more programs can benefit from taking a more-systematic approach to addressing women's constraints, which could involve addressing social norms, tailoring the timing and nature of program activities, and including components such as childcare to ensure that women can and do succeed. Lessons learned from these innovations must be further mainstreamed.

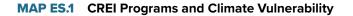
Message 9: Building Climate Resilience Is Emerging as the Next Frontier for Programming

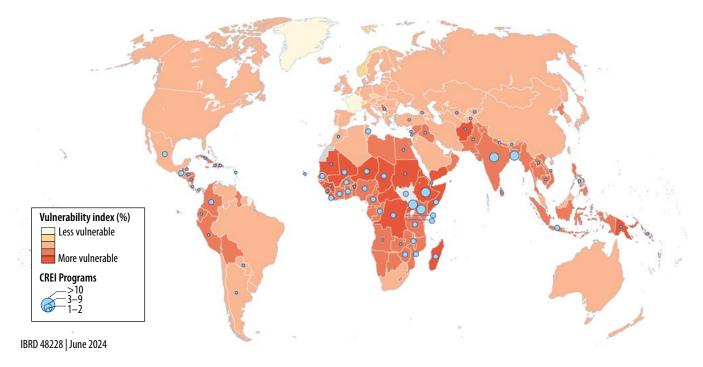
Economic inclusion programs strive to build resilience by helping participants become better able to adapt to and recover from multiple and recurrent shocks. However, there is growing recognition that programs must be designed so that they also address the medium- to long-term threats to economic inclusion posed by climate change. People living in extreme poverty, especially women, face many environmental and natural resources management challenges, with climate change being an accelerating factor.

A new generation of climate-resilient economic inclusion (CREI) programs is needed to build adaptive capacity to respond to climatic threats, to directly contribute to climate mitigation, and to reduce the negative impacts of climate mitigation policies. At present, 66 percent of programs, benefiting more than 58 million individuals, are adapting existing components by introducing climate-smart practices or developing new components to help participants build climate resilience. Some innovations include climate risk insurance, payment for ecosystems, and low-cost green technology. Geographically, 65 percent of CREI programs are in Sub-Saharan Africa, 14 percent in South Asia, and 8 percent in Latin America and the Caribbean (refer to map ES.1).

Despite these seemingly large numbers, this is a nascent agenda, and programs vary considerably in the degree to which they align climate and poverty objectives and how effectively they incorporate climate-resilient activities and outcomes in program design. Three overlapping program areas show high potential for positive climate-resilience outcomes: (1) adaptive safety nets and adaptive social protection that build resilience to climate events and incentivize sustainable livelihoods, (2) sustainable food and ecosystems that enhance natural assets and restore ecosystems, and (3) green livelihoods and jobs that facilitate a transition from extractive and resource-dependent livelihoods (Costella et al. 2023). However, the results of these programs on climate-resilient outcomes remain to be fully assessed.

Going forward, it is critical to build deeper links among adaptive social protection, agrifood programs, and natural resources management programs to enhance climate resilience in economic inclusion efforts. This work will require sustained collaboration at the design, implementation, and evaluation stages for the evidence-informed design of future CREI programs.





Sources: University of Notre Dame 2023; Partnership for Economic Inclusion, World Bank.

Note: Climate data measure a country's level of vulnerability and readiness to adapt. On the map, the darker the color, the more vulnerable a country is to climate impacts and the less prepared it is. Blue dots indicate the locations of all programs. CREI = climate-resilient economic inclusion.

Message 10: Sustainable Financing Remains Critical for Piloting and Scaling Up Programs

Finally, although examples of successful policy integration are emerging, sustainable financing remains critical for piloting and scale-up. In many countries, economic inclusion programs are a key feature in social protection and jobs policies. Even though most governments are funding economic inclusion programs to some extent, most programs still rely primarily on donors for funding and sustainability (refer to figure ES.8).³ However, information on the share of government financing of programs is limited. Country-specific reviews of government expenditures are needed for a deeper understanding of government versus external funding. For nongovernment-led programs, bilateral agencies, the private sector, and regional multilateral institutions remain the key donors.

Given that economic inclusion programs are designed to tackle enduring challenges such as poverty, inequality, and vulnerability, securing adequate and consistent funding is pivotal for attaining lasting impact. In this context, evolving collaboration among philanthropic donors, NGOs, and government-led initiatives offers a promising avenue for donor funding to play a catalytic role in advancing economic inclusion while simultaneously leveraging existing government investments.

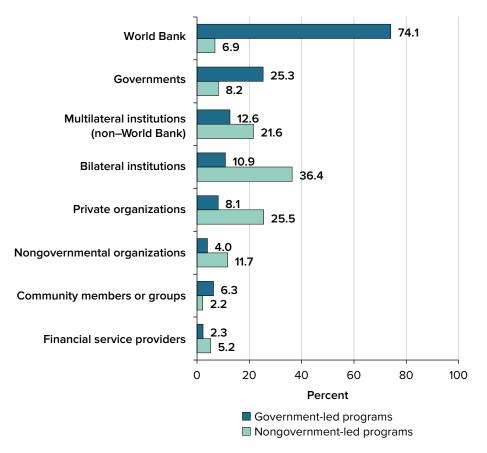


FIGURE ES.8 Percentage of Government- and Nongovernment-Led Programs Financed by External Institutions

Source: Partnership for Economic Inclusion, World Bank.

Note: Figure shows the percentage of government- and nongovernment-led programs ($N_1 = 174$ and $N_2 = 231$).

Notes

- The Partnership for Economic Inclusion (PEI) is a global platform that unites nongovernmental
 organizations, UN agencies, research institutions, funding partners, and the World Bank to
 support government adoption and scale-up of economic inclusion programs, empowering
 extreme-poor and vulnerable people to lift themselves out of poverty.
- 2. The report draws on the Landscape Survey of Economic Inclusion Programs 2023 (Landscape Survey 2023), as well as operational insights garnered through PEI's collaboration with its partners. All the data points in the executive summary and the report are from the 405 surveyed programs.
- 3. According to the Landscape Survey 2023, 74 percent of the surveyed government-led programs are funded by the World Bank and 20 percent by other multilateral or bilateral donors. However, the coverage of the survey is biased toward the World Bank, because most of its programs responded to the survey, and programs funded by bilateral or other multilateral institutions are not fully represented.

References

- Andrews, Colin, Aude de Montesquiou, Inés Arévalo-Sánchez, Puja Vasudeva Dutta, Boban Varghese Paul, Sadna Samaranayake, Janet Heisey, Timothy Clay, and Sarang Chaudhary.
 2021. The State of Economic Inclusion Report 2021: The Potential to Scale. Washington, DC: World Bank. http://hdl.handle.net/10986/34917.
- Bossuroy, Thomas, Markus Goldstein, Bassirou Karimou, Dean Karlan, Harounan Kazianga, William Parienté, Patrick Premand, Catherine C. Thomas, Christopher Udry, Julia Vaillant, and Kelsey A. Wright. 2022. "Tackling Psychosocial and Capital Constraints to Alleviate Poverty." *Nature* 605 (7909): 291–97. https://doi.org/10.1038/s41586-022-04647-8.
- Bossuroy, Thomas, Dean Karlan, William Parienté, Patrick Premand, Christopher Udry, Julia Vaillant, and Kelsey Wright. 2024. "Impact des mesures d'inclusion productive du programme Yom Kom Kom au Sénégal." Banque Mondiale, Washington, DC.
- Botea, Ioana, Andrew Brudevold-Newman, Markus Goldstein, Corrine Low, and Gareth Roberts. 2023. "Supporting Women's Livelihoods at Scale: Evidence from a Nationwide Multi-Faceted Program." NBER Working Paper No. w31625. Cambridge, MA: National Bureau of Economic Research. http://www.nber.org/papers/w31625.
- Costella, Cecilia, Timothy Clay, Manann Donoghoe, and Liz Giron. 2023. "Pathways to Climate-Resilient Economic Inclusion: A Framework for Integrating Climate Action in Economic Inclusion Programs." *PEI in Practice, Volume 9*. World Bank, Washington, DC. http://hdl .handle.net/10986/40542.
- IPCC (Intergovernmental Panel on Climate Change). 2022. Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. H.-O. Pörtner, D. C. Roberts, M. Tignor, E. S. Poloczanska, K. Mintenbeck, A. Alegría, M. Craig, S. Langsdorf, S. Löschke, V. Möller, A. Okem, and B. Rama, eds. Cambridge, UK: Cambridge University Press. https://doi.org/10.1017/9781009325844.
- J-PAL (Abdul Latif Jameel Poverty Action Lab). 2023. "Building Stable Livelihoods for Low-Income Households." *J-PAL Policy Insights*. https://www.povertyactionlab.org/policy -insight/building-stable-livelihoods-low-income-households.
- Sachs, Jeffrey D., Guillaume Lafortune, Grayson Fuller, and Eamon Drumm. 2023. Sustainable Development Report 2023: Implementing the SDG Stimulus. Dublin: Dublin University Press. https://doi.org/10.25546/102924.
- World Bank. 2022. "Poverty and Shared Prosperity: Correcting Course." World Bank, Washington, DC. https://doi.org/10.1596/978-1-4648-1893-6.

ECO-AUDIT Environmental Benefits Statement

The World Bank Group is committed to reducing its environmental footprint. In support of this commitment, we leverage electronic publishing options and print-on-demand technology, which is located in regional hubs worldwide. Together, these initiatives enable print runs to be lowered and shipping distances decreased, resulting in reduced paper consumption, chemical use, greenhouse gas emissions, and waste.

We follow the recommended standards for paper use set by the Green Press Initiative. The majority of our books are printed on Forest Stewardship Council (FSC)–certified paper, with nearly all containing 50–100 percent recycled content. The recycled fiber in our book paper is either unbleached or bleached using totally chlorine-free (TCF), processed chlorine–free (PCF), or enhanced elemental chlorine–free (EECF) processes.

More information about the World Bank's environmental philosophy can be found at http://www.worldbank.org/corporateresponsibility.



The journey of economic inclusion programs has been remarkable, marked by significant strides in creating job opportunities and building resilience for poor and vulnerable populations. The State of Economic Inclusion Report 2024: Pathways to Scale highlights the progress and challenges of scaling up government-led programs, as well as the vital interplay with nongovernment actors and the private sector. The report draws on the 2023 Landscape Survey of Economic Inclusion Programs and on the operational insights garnered through the Partnership for Economic Inclusion's (PEI's) collaboration with its partners, summarizing emerging evidence from government-led programs, highlighting significant knowledge gaps, and offering insights for future programmatic approaches.

This report offers a comprehensive overview of the evolving landscape, global footprint, and key design features of economic inclusion programs. Comparisons with The State of Economic Inclusion Report 2021 provide valuable insights into shifts and trends over the past 3 years, including those for the economic empowerment of women and youth, for collaborative efforts across different stakeholders, and for resilience to climate change. The current report complements the earlier report by exploring efforts to scale up policy and programming, including progress and challenges around government-led programs and the interplay with nongovernment actors and the private sector. This report analyzes shifts in the global landscape, including the degree to which economic inclusion programs are being customized in vastly different contexts and the growing role of economic inclusion in building resilience and providing job opportunities to the poor population in the context of overlapping crises.

Scaling up programs that empower poor and vulnerable populations to access economic opportunities, enhance food security, and build both short- and long-term resilience can contribute to more-inclusive and more-sustainable growth that leaves no one behind. This report provides policy makers with key recommendations for expanding coverage, strengthening outcomes for women and youth, maintaining program quality, continuing to build an evidence base, and designing programs for sustainable impacts.

Data from the report are available on the PEI Data Portal, www.peiglobal.org, where users can explore and submit data.











Implemented by:



Internationale ammenarbeit (GIZ) GmbH

