



CASE STUDY

Adapting the Graduation Approach for Refugees in Ecuador

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Acronyms and Abbreviations

AVSI	Association of Volunteers in International Service
BDH	Bono de Desarrollo Humano
BPRM	US Department of State Bureau of Population, Refugees, and Migration
CGAP	Consultative Group to Assist the Poor
CoP	Community of Practice
FSP	Financial Service Provider
Ecuador	Government of Ecuador
GA	Graduation Approach
HIAS	Hebrew Immigrant Aid Society
KYC	Know Your Client
LPMD	Less Poverty, More Development (government program)
LII	Local Integration Index
MIES	Ministry for Economic and Social Inclusion
M&E	Monitoring and Evaluation
NGO	Non-governmental organization
NRC	Norwegian Refugee Council
PEI	Partnership for Economic Inclusion
PAF	Plan de Acompañamiento Familiar (Accompanying Family Support)
PoC	Person of Concern
SGBV	Sexual and gender-based violence
UNHCR	The UN Refugee Agency
WFP	World Food Programme

Background

In 2013, amidst a sharp increase in the number of forced displacements and protracted refugee situations,¹ UNHCR, the UN Refugee Agency, started working with Trickle Up to implement the Graduation Approach (GA) with refugees living in extreme poverty.² Together, they started pilot programs in Burkina Faso, Costa Rica, Ecuador, Egypt, and Zambia. Building on this initial work, in 2016, the US Department of State's Bureau of Population, Refugees, and Migration (PRM) provided a three-year grant for Trickle Up to support UNHCR and a number of international non-governmental organizations (NGOs) to test the design and implementation of Graduation programs with refugees, through the *Building Self-Reliance for Refugees* project. Through this project, with technical support from Trickle Up, UNHCR has designed and implemented Graduation programs in 10 country operations: Argentina, Burkina Faso, Costa Rica, Ecuador, Egypt, Malawi, Mozambique, Sudan, Zambia, and Zimbabwe. Trickle Up has also supported AVSI Foundation in Uganda to design and implement Graduation programming for refugees and host communities, and has helped World Vision Iraq in Iraq and Caritas Switzerland, Norwegian Refugee Council (NRC) Jordan, and UNHCR Jordan in Jordan, to assess the feasibility of designing Graduation programs for refugees in these contexts.

In spring 2019, Trickle Up commissioned an evaluation to assess the results of the project and synthesize the emerging lessons learned. As part of the evaluation, the evaluation team travelled to Ecuador, where UNHCR launched a pilot program, supported by Trickle Up, in 2015 and, together with its lead implementing partner, HIAS, scaled up the program in 2016 through a national roll out program. This case study uses interviews with staff from UNHCR, partners, and participant refugees³ to explore how UNHCR Ecuador and its implementing partner, HIAS, adapted the GA to the refugee context in Ecuador. It begins by providing an overview of the refugee context in Ecuador, followed by a discussion of how UNHCR and HIAS have leveraged the GA to respond to this situation. The study explores key factors that have enabled and hindered the implementation of the GA with refugees in Ecuador, respectively. The report concludes with a discussion of the main lessons learned and options for moving forward.

¹ "A protracted refugee situation [is] one in which 25,000 or more refugees from the same nationality have been in exile for five consecutive years or more in a given host country." (UNHCR, 2018b)

² The GA consists of a package of services provided in a sequenced and time-bound fashion that typically combines elements of social protection (including consumption support, coaching, and access to service facilitation), livelihoods development (seed capital, technical and vocational skills training) and financial inclusion (savings and financial literacy). The premise is that by addressing the multiple sources of vulnerability, the GA helps extreme poor households transition from being unable to meet basic needs into sustainable livelihoods. Banerjee et al. (2015)

³ Appendix C includes the list of people interviewed.

Refugees in Ecuador

The local context

An upper middle-income country situated in South America, Ecuador has been the largest recipient of refugees and other persons of concern (PoCs) in the Latin American and Caribbean region since 2010. According to 2018 figures, 374,879 refugees and asylum-seekers were in Ecuador, which represents a 158% increase from 2017.⁴ Until the recent Venezuelan crisis, over 90% of refugees came from Colombia, escaping a decades-long armed conflict. However, due to the surge in displaced Venezuelans that began in late 2016, the latter are now the largest group in the country, representing about 68% of total displaced people. Most refugees live in urban areas, particularly Quito, the country's capital, and Guayaquil, the second-largest city and main economic hub of the country, located in the south. A significant number of refugees (both Colombians and Venezuelans) cross the northern border on foot and settle in the northern part of the country where the government is implementing several programs aiming to strengthen social inclusion.

Ecuador has a very strong legal framework for the protection of refugees. Since 1992, the Government of Ecuador has included the provisions of the [1951 Geneva Convention](#) and the [1967 Protocol](#) in its national legislation. Going one step further, the 2008 Constitution recognizes the rights of forcibly displaced populations to transit and seek refuge in Ecuador, and establishes that every person in Ecuador, regardless of their nationality or migration status, has the same rights and obligations.⁵ Thus, refugees in Ecuador are legally allowed to move freely around the country, work, and access healthcare, education, and other government services.

In 2017, Ecuador passed the Law on Human Mobility, which seeks to "regulate the exercise of rights, obligations, institutions and mechanisms linked to people in human mobility, including migrants, immigrants, people in transit, Ecuadorian returnees, who require international protection, victims of the crimes of trafficking in persons and illicit traffic of migrants."⁶ More broadly, Ecuador takes a rights-based approach to public service provision for its citizens and demonstrates a strong willingness to include refugees in its systems, as embedded in the Constitution.

Between 2010 and 2014, Ecuador enjoyed significant growth (approximately 5% GDP average growth per year over the period). Economic growth and the implementation of strong wealth redistribution policies throughout the presidency of Rafael Correa contributed to a significant reduction in the poverty rate (from 32.8% in 2010 to 22.5% in 2014) and the rate of extreme poverty (from 5.6% to 2.6%

⁴ UNHCR, 2018b

⁵ UNHCR, 2010

⁶ Ley Orgánica de Movilidad Humana, 2017. Ecuador

over the same period).⁷ However, this trend reversed in 2015 with the economy stalling that year (0.1% GDP growth), and contracting in 2016 (-1.23% GDP growth). Similarly, the poverty rate increased from 22.5% in 2014 to 23.3% in 2015 before declining again in 2016 (to about 23%), though at a slower pace than in previous years. While growth picked up again in 2017 (2.4% GDP growth), high levels of public debt (which more than doubled between 2010 and 2017) and unfavorable economic conditions have worsened the general economic climate.⁸

Most prevalent issues affecting refugees in Ecuador

Despite a favourable enabling legal environment, in practice, refugees still face significant barriers to developing sustainable livelihoods. In many cases they face limits to fully exercising their right to work and do not have access to a full range of government or non-government services. This is further compounded by their refugee experience, which creates additional psychosocial barriers to self-reliance and integration into Ecuadorian society. Based on the discussions held in Ecuador, this

Text Box 1. Types of visas and documentation for PoCs in Ecuador

- **Refugee visa:** This visa provides international protection and is given to those who are granted formal refugee status. In Ecuador, refugee visa holders have the same rights and obligations as Ecuadorian citizens (as per the [Law of Human Mobility](#)). Upon receiving the international protection visa, refugees must apply for an Ecuadorian identity card.
- **Humanitarian Visa:** This visa is granted to those asylum-seekers whose application for the refugee status is accepted. Asylum seekers with a humanitarian visa are not allowed to work.
- **Amparo Visa:** This is a temporary or permanent visa granted to those that have a second degree of blood or family relationship with an Ecuadorian or foreigner who has a valid residency permit. It costs USD250.
- **Visa Mercosur:** A residency permit granted to people from Mercosur Countries (Argentina, Brazil, Uruguay, Paraguay, Bolivia, Chile, Colombia and Peru), this can be a temporary visa (two years; USD250, free for citizens from Colombia and Paraguay) or permanent (USD300). Temporary Mercosur visa holders can appeal to review their refugee status after the two-year valid period of the Mercosur visa.
- **Visa Unasur:** This is a temporary residency permit granted to people from Unasur countries (Argentina, Bolivia, Brazil, Chile, Colombia, Guyana, Paraguay, Peru, Surinam, Uruguay and Venezuela). It is valid for two years and can only be renewed once. It costs USD250 (USD125 for older people; free for people with disabilities).
- **Professional Visa:** This visa is given to professionals, technicians or craftsmen who enter Ecuador to exercise a profession, technical, handicraft profession or activity. This visa costs USD 450. After an initial two-year temporary residence, holders of this visa can apply for a permanent residence.

Source: <https://help.unhcr.org/ecuador/alternativas-migratorias/>

⁷ The poverty rate and the extreme poverty rate are measured as the percentage of people below the national and the international USD1.90 a day poverty lines, respectively.

⁸ World Bank data: <https://data.worldbank.org/country/ecuador?view=chart>

section presents some of the most prevalent issues affecting refugees, asylum-seekers and those in a refugee-like situation in Ecuador.⁹

Difficult procedures to determine the refugee status. The administrative process to acquire a valid visa can be very long, sometimes taking up to two years, if not more. Also, not all those that apply for a refugee visa will be recognized as refugees and will need to find alternative visa options, further lengthening the process of acquiring a valid residency permit (see Box 1 for an overview of the visas and documentation status in Ecuador).¹⁰ This affects when and whether displaced populations have the right to work and access to services, which can ultimately affect their ability to integrate in the country and become economically self-reliant. It can also be difficult to access the documentation required to proceed with the refugee status determination procedure. For example, applicants are required to present a valid passport to submit with their application. However, people may have been unable to bring this documentation as they fled their home country. Others may have an expired passport but are unwilling to renew it for fear of being deported. With the Venezuelan crisis, the refugee processing system is under pressure and the process to determine the migration condition of each individual has become even lengthier and more difficult. At the end of 2018, only 65% of displaced people had been granted refugee status or held another valid visa.¹¹

Lack of refugee awareness on rights and obligations. In order to be eligible to receive refugee status, displaced people need to apply for the international protection visa within 90 days of arrival in Ecuador. However, many do not comply with this regulation due to lack of awareness about the process. Even when awarded a refugee visa, many individuals lack awareness about their rights to services and work.

Administrative and regulatory barriers to accessing services. Many refugees face significant challenges accessing services, including financial and government services, even if they have the required documentation and a legal right to the services. For example, the regulations governing some government social safety nets, such as the Bono de Desarrollo Humano (BDH) (a conditional cash transfer program targeted to extreme poor households) have not been updated to align with the Constitution and the Law on Human Mobility. As a result, the Social Registry, a government database of households eligible to the BDH, is only open to Ecuadoreans.

Xenophobia and discrimination. Refugees in Ecuador often experience xenophobia and discrimination. In the workplace, this translates into lower chances of being employed and poorer working conditions in the job market (e.g. pay below the minimum official salary, longer working hours, etc.). Discrimination is also felt outside of the work space; for example, some participants reported hearing xenophobic remarks at school and in other social settings.

⁹ Asylum-seekers are those people whose refugee status application has been accepted but still pending final decision. According to UNHCR, people in a refugee-like situation are "groups of persons who are outside their country or territory of origin and who face protection risks similar to those of refugees, but for whom refugee status has, for practical or other reasons, not been ascertained." (UNHCR, 2018b)

¹⁰ See <https://help.unhcr.org/ecuador/> and UNHCR and Trickle Up (2017)

¹¹ For more information, see <http://reporting.unhcr.org/node/2543?y=2018#year> and <https://help.unhcr.org/ecuador/alternativas-migratorias/> (accessed 15 July 2019)

Psychological and physical vulnerability. Refugees are prone to grief, depression, and anxiety that is often associated with their experience as a refugee. This is due to both the events that forced them to flee their home country, such as persecution, violence, conflict, etc., as well as the social and emotional experiences that arise upon arrival in the host country, including social isolation, discrimination, xenophobia, etc. Refugees in Ecuador are often victims of violence, including sexual and gender-based violence (SGBV), both within the household and within their communities. Displaced women are particularly vulnerable to SGBV due to their lack of knowledge about the host community; not having support networks; the stress associated with the lack of economic stability; and having limited means to support their families, among other risk factors.¹²

Greater mobility. Refugees in Ecuador tend to move more than locals, both within the same city where they initially settle, but also throughout the country, often moving towards bigger cities where they expect to find better economic opportunities. Higher mobility makes it more difficult for refugees to build social cohesion.

Limited employment opportunities and prevalence of the informal economy. Despite having the legal right to work, wage employment opportunities are very limited for refugees in a context of a weakening economy that is further exacerbated by discrimination against refugees. Instead, many refugees opt to start their own businesses, often focusing on a limited number of income-generating activities, based on what is feasible in the local economy vis-à-vis their skillset. In some cases, this creates oversupply and with that, low returns, leading to near-subsistence income generating activities, which, in turn, makes it very difficult for refugees to formalize their activities.

¹² Camacho (2019)

The Graduation Approach for refugees in Ecuador

In 2015, UNHCR and its lead implementing partner, HIAS, supported by Trickle Up, started a Graduation pilot in Santo Domingo, a small but vibrant city about 150 km from the capital. The pilot targeted 200 participants, including 90 host community members and 110 refugees. Following the pilot, and building on the learnings gathered in Santo Domingo, UNHCR scaled up the approach nationally in 2016.

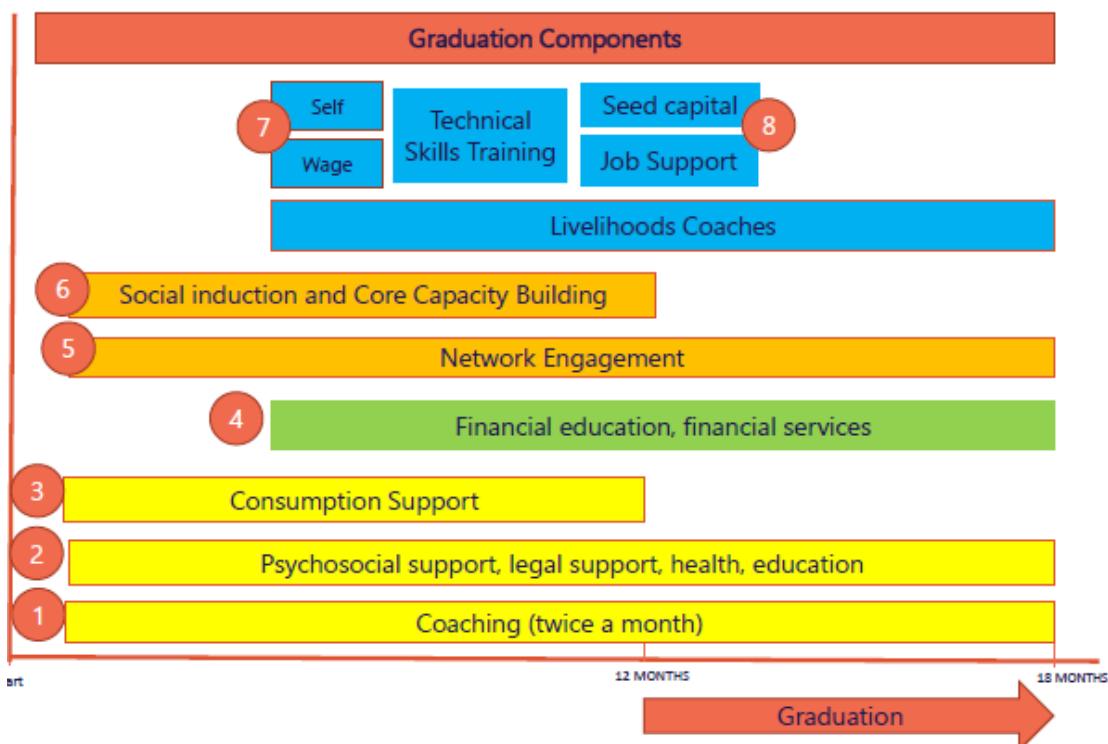


Figure 1. The Graduation Approach for Refugees in Ecuador. Source: HIAS Ecuador/UNHCR

In February 2018, UNHCR and HIAS started a pilot program with the Ministry of Economic and Social Inclusion (MIES) to integrate the GA into the government's social protection systems. The UNHCR-MIES-HIAS pilot built the GA onto the government's cash transfer program for extremely poor households and was developed based on the successful scale up of the UNHCR-HIAS national Graduation program (see Appendix C for more details on the government pilot).¹³ By mid-2019, the

¹³ At the time of writing of this case study, UNHCR and HIAS were working with MIES to scale up the UNHCR-MIES-HIAS pilot, as part of the Ecuadorian Government efforts to strengthen its social protection systems.

Graduation model in Ecuador had reached a total of 2,978 households, including 90 refugees served through the UNHCR-MIES-HIAS pilot program.

Currently, the nation-wide Graduation program in Ecuador that is implemented by UNHCR and HIAS provides participant households with a package of interventions over an 18-month period, which can be extended to up to 24 months depending on the specific needs of the families. Figure 1, below, shows the intervention components and the sequencing through which they are delivered.

The remainder of this section describes the Graduation program as currently implemented by UNHCR and HIAS in Ecuador nation-wide and how the program has evolved and has been successfully leveraged to respond to some of the challenges faced by refugees living in extreme poverty in Ecuador. The orange box under each of the sub-sections below describes each component as it is currently being implemented. This section particularly focuses on the programmatic responses that have been designed to address refugee-prevalent issues through the program preparatory phase (assessments and targeting) and the core components of the GA. Therefore, this section does not directly address the tweaks and adaptations that could be more general to populations living in extreme poverty.

Preparatory phase prior to delivery of program components

Assessments

HIAS conducts market and socio-economic assessments regularly to inform graduation programming. Light-touch assessments are conducted in every region on a quarterly basis and a more in-depth annual exercise is led by the national office. These assessments are undertaken to understand the market vis-à-vis refugees' socio-economic profile and to identify the types of income generating activities refugees could engage in through the Graduation program.

Assessing and responding to refugees' heterogeneity. Assessment findings clearly indicate that there can be significant differences amongst refugees in terms of educational level and previous working experience. For example, some refugees had previously worked in farming, while others had university degrees and had worked in services or trading sectors. Some, mainly women, had no previous experience engaging in income generating activities. Differences appear to depend not only on the country of origin (e.g. between Colombians and Venezuelans) but also the region within the country from which they hail.

There can also be differences in terms of their refugee experience, both before fleeing their country (some may have been victims of violence or may have lost family members as a result of the conflict back in their home country, etc.) and upon arrival in the host country (xenophobia, being forced to live in the street for some time, continuous fear of being persecuted, etc.). This can lead to differences in refugees' psychological conditions, for example in terms of prevalence of trauma, anxiety, grief, etc.

Recognizing there is greater heterogeneity amongst refugees than is likely amongst host communities, assessment tools elicit information about participants' background. This helps the program identify a suitable livelihood option for each participant. In addition, it helps HIAS understand how participants'

past experiences may affect their ability to integrate in the new environment and how program support, such as coaching, can be harnessed to facilitate their integration and their economic and psychosocial wellbeing.

Targeting

Targeting refers to the process of identifying refugees living in extreme poverty to include in the Graduation program. Currently, HIAS interviews refugees prior to their receiving any support from the organization to assess their socio-economic and integration levels. Refugees' responses to the questionnaire used during the interview generate an index score that enables HIAS to identify the livelihood support (including the GA) most suitable for each person. Following this, HIAS further screens households based on a prioritization of refugee profiles, performs a household visit to verify the household's status and gauge interest in participating in the program, and makes the final decision on which programmatic response is most suitable to the refugee household. Households with a low index score and that meet specific vulnerability criteria are eligible for the Graduation program.

Identifying the most vulnerable refugees through a tiered approach. Refugees living in extreme poverty, asylum-seekers, and those in a refugee-like situation are hard to identify in urban settings in Ecuador. They are often prone to move and live scattered throughout the city. In addition, they lack community structures and often want to remain invisible due to lack of trust amongst fellow Colombians. Moreover, most of the refugees that UNHCR and HIAS were already working with and who were therefore easily identifiable, were not amongst the poorest.

Initially, the Graduation pilot in Ecuador used a snowball methodology to identify potential participants. However, for the reasons mentioned above, identifying refugees proved to be difficult, leading to a longer process of targeting to ensure the pilot included refugees living in extreme poverty.

To respond to these challenges, during the roll out program, UNHCR and HIAS established a three-step procedure to select program participants. First, households are screened based on a local integration index (LII) that defines their levels of vulnerability and economic and social inclusion (see Table 1, below).¹⁴ HIAS staff complete a questionnaire during the household registration process, which includes questions on legal, economic and socio-cultural aspects such as the household's situation in the country, perceived integration, access to services, living conditions and income level. Questionnaire results generate the LII; those households that score 35 points or less are eligible for the Graduation program. Those that have special protection needs may be referred to specific protection support before they are considered for the program.

Second, priority households are identified from the pool of pre-selected households based on different protection profiles, including youth- and female-headed households, households with young

¹⁴ UNHCR developed the Local Integration Index (LII) based on a survey of refugees that assessed their socio-cultural, economic and legal status. The LII includes both objective and subjective measures to calculate the level of integration into the local context across the legal, economic and socio-cultural dimensions. For more information on the construction of the index see UNHCR Ecuador (2015).

children and pregnant teenagers, people with disability or chronic diseases and households with victims of SGBV or torture survivors.

Table 1: Types of vulnerability and the local integration index

Legal, social, and economic inclusion index	Definition	Response	LII
Low-middle income households (income: USD 121-135 per person/month. Cover their basic needs.)	Households that are generating income. Can cover their basic needs and save or invest in other activities. Can count on local networks.	Support and guidance for existing services for employment and self-employment. Advocacy (private, public and financial sectors).	0.49 to 0.65
Better conditions (income: USD 86-120 per person/month. Cover most of their basic needs.)	Households that are generating income. Can cover most of their basic needs. Over the poverty line. Cannot save enough to respond to shocks.	Support and guidance for existing services for employment and self-employment. Advocacy (private, public and financial sectors).	0.36 to 0.48
Vulnerable (Income: USD48-85 per person/month. Partially cover basic needs.)	Households in poverty. With a person able to generate income.	Graduation Approach	0.35 or less
Extreme vulnerability (Income: USD0-48 per person/month. Cannot cover basic needs.)	Extreme poverty. With a person able to generate income.	Graduation Approach	0.30 or less

Lastly, a coach from HIAS conducts a home visit to validate the household information and further assess the household's needs and interest in taking part in the program. Based on the result of this three-step process, only those refugees that are amongst the poorest and more vulnerable but with the ability to engage in an economic activity will be eligible to receive the full Graduation package. HIAS directs other refugees to less intensive interventions, as shown in Table 1, above.

Focusing on refugees and asylum-seekers. Another major change that UNHCR and HIAS made to targeting is related to the refugee status of those considered for the program. Initially, the program targeted forcibly displaced people, regardless of their legal status. During the first year of the roll out, HIAS struggled with the large number of participants leaving the program before completion. Findings from an in-depth analysis of program drop-outs conducted in 2017 indicated that lack of adequate visa and documentation was one of the main reasons why participants were leaving the program as many were forced, or decided, to leave the country. Many other participants that dropped out were successfully resettled, which is one of UNHCR's durable solutions for displaced populations.¹⁵ Another

¹⁵ The other two durable solution promoted by UNHCR as part of its core mandate are voluntary repatriation and local integration. The latter is the underlying objective of UNHCR's work around livelihoods, including the Graduation Approach. For more information, see: <https://www.unhcr.org/solutions.html> accessed 15 July 2019

reason participants were dropping out was because they moved (either within the city or to another location within the country) and failed to provide their new contact information to HIAS. These challenges led HIAS and UNHCR to make the decision to target only refugees and asylum-seekers that have been in the country for at least two months (the time that usually takes to receive a humanitarian visa), as this reduces the chance that they will leave the country.

Graduation components

Coaching

Coaching involves regular home visits by a coach who provides mentoring and psychosocial support to help participants progress through the program. Coaching is implemented by HIAS.

Coaching through a case management approach. Before the pilot, HIAS was already providing psychosocial assistance for refugees, supporting UNHCR's efforts to assess and meet refugees' protection needs, and was therefore engaged to implement the pilot's coaching component. However, in order to ensure the coaching component contributed to the Graduation program's overall goal of building refugees' self-reliance, HIAS transformed the role of coaches and how they provide support to program participants, establishing links with livelihoods promotion from the beginning, without losing the focus on the psychosocial intervention needed by refugees. In order to effectively provide and link psychosocial and livelihoods support, both of which graduation participants require in order to succeed, HIAS coaches act as case managers. In addition to guiding participants through the Graduation program process, HIAS coaches, known as "social promoters", assess participant households' needs holistically, including protection, livelihoods development, and other basic needs. Coaches then identify which services can be provided to meet the needs of participants, in addition to what they receive as part of the Graduation package. This may include support provided by other departments within HIAS (such as livelihoods, psychology and social work), by UNHCR (such as legal and protection support), or by other partners (within or external to the program, and inclusive of the government; see the "Referrals and Linkages" component below). Coaches thus develop a holistic understanding of the needs of participants, facilitate coordination within the program, and help provide a structured response. In this way, coaching forms the backbone of the Graduation program in Ecuador.

Being protection sensitive and providing psychosocial support. Core to the work of coaches is identifying protection needs and tracking and addressing the psychosocial issues that may be prevalent amongst refugees. As discussed above, some of these issues include grief, depression, anxiety, intra-household violence and tensions arising due to lack of family support systems, social discrimination, and xenophobia. With the GA, UNHCR and HIAS shifted the analysis of protection needs from the individual to the household level, enabling coaches to also identify intra-household dynamics and assess protection needs more holistically.

Coaches receive support from HIAS psychologists and UNHCR protection teams, who supervise and guide coaches to address psychosocial and protection needs. Together they assess whether participants' emerging psychosocial and protection needs undermine their ability to work. In 2018, the program developed a protocol to pause program participation if protection needs become very acute

and the ability of the family to engage in income generating activities is jeopardized. For example, if a woman that is victim of intra-household SGBV needs to move to a temporary shelter, the program may be put on hold until she has a more stable residence, can engage in economic activities again, and can benefit most from the program's inputs.

Shifting refugees' mindsets to become self-reliant. HIAS works to mainstream its psychosocial intervention through a methodology known as 'Methodology for Change', which seeks to shift refugees' mindsets of 'being assisted' to one of 'being self-reliant'. This also required a change in how staff work with participants, transitioning staff focus from 'assisting' to 'empowering'. HIAS developed tools specifically designed for adults with low literacy levels to guide coaches through the process of building refugees' self-esteem and transforming them into active agents. This is translated into how they ask the refugees questions, and how they guide them through the program (see more under 'Referral Services and Linkages' below).

Referral Services and Linkages

UNHCR and HIAS map the services that are available to refugees and asylum-seekers. Based on needs, coaches refer participants to services for which they are eligible, some of which may be provided by HIAS (e.g. psychosocial and legal support, livelihood mentoring), by UNHCR (e.g. protection support) or by others (e.g. public healthcare and education).

Advocacy. While refugees in Ecuador are entitled to access the same services as nationals, as noted above, refugees continue to face significant barriers to access. This has required a lot of advocacy, including sensitizing both refugees and organizations about refugee issues and raising awareness about refugees' rights to access services.

In interviews, HIAS staff noted that UNHCR carries a lot of 'weight' when it came to facilitating successful advocacy efforts.

Shifting minds to self-reliance. Initially coaches worked quite closely with participants to help them access government and other services. For example, coaches would accompany refugees to the health center to provide moral support and to ensure they were able to gain access. However, upon further reflection of the 'Methodology for Change' approach, coaches concluded that they needed to be less assistance-oriented in order to help empower participants to access services by themselves. To accomplish this, coaches started referring participants to existing services and providing guidance on how to access them, rather than accompanying participants directly.

Consumption Support

Consumption support is provided through a combination of food vouchers and cash transfers. The World Food Programme (WFP) provides participants with food vouchers for six months, which UNHCR "tops up" through cash transfers for 12 months, the amount of which varies by household size. Additionally, refugees receive nutritional guidance from coaches. Further, in two locations (Quito and Esmeralda), coaches also engage families who struggle to achieve food security to participate in "urban gardens" or city allotments.

Building on existing systems. As WFP was already offering food support to refugees in Santo Domingo (the location of the GA pilot), UNHCR and HIAS used this system as the consumption support for the pilot. However, WFP was not providing food support nationally. During the roll out, WFP agreed to expand the geography of its support so long as food assistance recipients were identified based on poverty targeting criteria. In this way, the consumption support for the pilot and national scale up program were able to leverage WFP's support for consumption assistance.

Adapting to the food security profile of refugees living in extreme poverty. UNHCR felt that the food assistance provided by WFP needed to be complemented to help program participants meet other basic needs, including education, health, and shelter. As a result, UNHCR decided to 'top-up' the WFP food voucher with an additional cash stipend to complement the consumption support provided to Graduation participants.

WFP, UNHCR and HIAS also set up a committee on food security to assess how they could further adapt this component to promote and track refugees' food security. They have introduced changes to the Graduation criteria to better reflect changes in refugees' food security status, added nutrition awareness sessions, designed user-friendly guides for coaches, amongst other adaptations to better respond to the vulnerabilities of refugees living in extreme poverty.¹⁶

Financial Education

Fundación CRISFE, the non-profit arm of Banco Pichincha, one of the main banks with a national presence in Ecuador, provides financial literacy trainings for participants.

Building on refugees' knowledge and experience. Fundación CRISFE uses a teaching methodology that takes people's prior experiences as a starting point to frame concepts and build on them to further knowledge and understanding. While this is a methodology widely used with adult populations, it is particularly relevant with refugees given their diversity in terms of previous experience and knowledge, and their socio-economic profiles. For example, staff from Banco Pichincha noticed that refugees' use of financial services in Ecuador mirrored their use of financial services in their home countries, which allowed them to adapt the training materials accordingly to acknowledge these behaviors.

Savings

Participants open savings accounts with financial service providers (FSPs), including banks and cooperatives. In some instances, HIAS also facilitates the creation of savings groups. HIAS's coaching sessions are also used to instill a culture of savings.

¹⁶ These adaptations may respond to vulnerabilities that are commonly faced by people living in extreme poverty and that are not refugee-specific and are, thus, not discussed in greater depth here. Yet, this is a great example of how UNHCR, HIAS, and partners worked together to better understand and respond to the needs of refugees living in extreme poverty, including issues that may not be refugee-specific.

Finding alternative approaches to savings facilitation. During the pilot, the program set up savings groups, an approach typically followed by Graduation programs to enhance financial inclusion. However, in an urban refugee context, it has proven extremely challenging to establish such groups. One reason is that in an urban setting there is often a less cohesive community and a lack of trust. This is compounded by the special circumstances of refugees who have no networks, very few acquaintances and, in some cases, they may be wary of socializing with other refugees, particularly from the same country.¹⁷

In an environment that was not conducive to savings groups, HIAS and UNHCR focused their efforts on facilitating access to savings through setting up formal bank accounts. According to local legislation, refugees have the right to open bank accounts. However, customers must present a valid ID card, which most refugees do not have. As part of the pilot phase, UNHCR and HIAS sensitized Banco Pichincha about the difficulties faced by refugees and how barriers to opening savings accounts was limiting refugees' ability to save. Neither UNHCR nor Banco Pichincha wanted to develop a new savings product for refugees, as they wanted to avoid creating parallel systems that could also lead to resentment amongst local people. Instead, they identified a more basic product, already available at Banco Pichincha, that was available to refugees. Rather than require an ID card, an account could be opened only with proof of residence in Ecuador. This allowed refugees and asylum-seekers with a humanitarian visa to open savings accounts.

However, several challenges remain as refugees face multiple barriers to opening and using savings accounts, including Know-Your-Client (KYC) regulatory restrictions and psychosocial barriers (see more on this in section on Program Challenges).¹⁸ Given the ongoing constraints to financial inclusion for refugees, HIAS is currently referring graduated participants to microfinance institutions that are more willing than banks and credit cooperatives to provide access to financial services for refugees.

Network Engagement

As part of their work with coaches, participants are encouraged to engage in social groups within the communities where they live, e.g. churches, neighborhood-based activities. HIAS has also developed women's groups, mostly amongst refugees, but some including hosts as well, to further help participants build social support systems.

Modifying Graduation criteria and incorporating refugees' perspectives along the way. During the pilot, it became evident that refugees often lack social support networks, which makes integration and building of self-reliance difficult. Without savings groups, the graduation program did not explicitly support the development of social cohesion. In response, UNHCR, and HIAS decided to feature 'Network Engagement' as a distinct component of the Graduation package and include "participation

¹⁷ The experience from the pilot in Ecuador also helped Trickle Up identify the need for building social networks for refugees, which led them to include the "Network Engagement" component as part of the Graduation package for refugees (see more on this in 'Network Engagement', below).

¹⁸ 'Know Your Client' refers to the process used by financial institutions and other organizations to identify and verify their customers' identity.

in social networks” as an additional Graduation criterion.¹⁹ Program participants noted, however, that in order for them to effectively participate in social networks, they needed to feel emotionally and psychologically strong, which further highlighted the need to provide psychosocial support for refugees.

Livelihoods Promotion

UNHCR and HIAS support the development of livelihoods strategies for program participants through various components, including livelihoods coaching, training grants (cash and in-kind), seed capital and market linkages support.

HIAS livelihoods advisors conduct assessment activities to understand and analyze participants’ skills and local markets, and work with participants to define a personalized livelihood plan. Livelihoods advisors also facilitate access to technical and vocational skills training designed to build or enhance the skills required to start a business or get a job. These courses are most often provided by public and private program partners, such as GAD Municipal and COORED Foundation, respectively.

Participants that follow a self-employment route are also eligible to receiving financial support to set up a business (USD500 as seed capital).

Providing additional livelihoods coaching. UNHCR and HIAS have worked to better integrate the humanitarian and development support provided to refugees by developing a two-tiered coaching mechanism wherein participants work with livelihoods advisors in addition to coaches. Coaches and livelihoods advisors share the same cases to facilitate coordination and to provide a more holistic response. During the pilot, support from the livelihoods advisor started after the consumption support (month 12). However, HIAS and UNHCR recognized the need to engage livelihoods advisors earlier on in order to help participants shift focus toward building their self-reliance. Now, coaches introduce the idea of developing a livelihood plan to program participants from the outset, and participants begin engaging with livelihoods advisors around month 2 or 3 of the program.

Increasing wage employment opportunities. Santo Domingo was chosen as the pilot location in part due to its vibrant economy and because its economic activities are linked to both the rural and urban sectors. During the pilot, both self- and wage- employment opportunities were explored and refugees could choose either of these routes to develop their livelihoods.

However, in practice, wage employment opportunities were very limited. This was partly to do with the lack of awareness amongst enterprises about refugees’ right to work. In response, during the roll out phase, UNHCR and HIAS worked to build awareness and sensitize prospective employers about the value and rights of refugees. UNHCR and HIAS have also worked to sensitize companies to reduce the prevalence of discriminatory practices against refugees.

In 2017, HIAS partnered with the Universidad de la Rioja to build the capacity of HIAS to facilitate job intermediation. As a result, HIAS set up an internal program known as “Consultora de Talento

¹⁹ Following the experience of Ecuador (which was one of the first UNHCR pilots supported by Trickle Up), ‘Participation in social networks’ is now a Graduation criterion in all of the Graduation programs for refugees supported by Trickle Up in other refugee contexts.

Humano" ("Human Capital Consulting") that is used to provide legal and administrative support for private companies willing to hire refugees. HIAS also created a job pool of graduation participants seeking wage employment, and works with about 200 private companies to match their needs with the pool of refugee job-seekers.

Documentation requirements. Many pilot participants faced restrictions to engaging in wage employment opportunities, as a result of their documentation status. As mentioned above, the pilot targeted individuals with refugee visas, asylum-seekers (including those who had not processed their application for international protection), and others in a refugee-like situation. Many pilot participants lacked the type of visa that would allow them to work. At the same time, the procedures to determine the refugee status and receive a valid visa were very slow (relative to the 18-month duration of the program). As a result, many pilot participants resorted to working in informal, and often illegal activities, such as street food vendors, who were often harassed by both locals and the police.

To help with this situation, in 2015 UNHCR worked with the Vice-Ministry for Human Mobility to strengthen and speed up the refugee status determination procedure.²⁰ In addition, for the program roll out, UNHCR and HIAS also decided to include migratory status as part of the Graduation program's targeting criteria, as discussed above.

²⁰ UNHCR Global Focus: Ecuador site, <http://reporting.unhcr.org/node/2543?y=2015#year>

Success factors

The Graduation program implemented by UNCHR and HIAS has evolved from a small pilot to a national scale up that has successfully brought together humanitarian and development interventions to help refugees build their self-reliance. Their experience is an example of how humanitarian organizations can transform their operations to support long-term development solutions.

Their experience has also inspired Ecuador to integrate the GA into its social protection systems, opening up an opportunity for significant scale up of the program. Appendix C provides a brief overview of UNHCR and HIAS involvement with the Ministry for Economic and Social Inclusion (MIES) to test the GA within the government's social protection programs.

This section highlights some of the main success factors that have shaped and contributed to the experience of UNHCR and HIAS piloting and scaling the Graduation model in Ecuador.

Enabling Environment

Government openness. Refugees' ability to meet their basic needs and develop sustainable livelihoods depends, to a great extent, on the legal and political context. As described above, Ecuador has a regulatory environment that seeks to guarantee the rights of refugees, including the right to move freely, the right to work, and the right to access government basic services. While there are still barriers for refugees to fully exercise their rights Ecuador has been open to further revising their systems to be more inclusive for refugees, thanks in part to UNHCR's and HIAS' continuous advocacy efforts with the government.

Stable environment. While Colombian refugees continued to arrive in Ecuador between 2015 and 2017, Ecuador enjoyed a relatively stable refugee situation during the pilot and early phases of the national scale up. This reduced pressure on both UNHCR and HIAS to meet pressing humanitarian needs, allowing them to focus on implementing the Graduation program, with space to test, reflect on, and refine, the program.

Strong leadership

Graduation champion at UNHCR. During the pilot, the coordinator of the UNHCR Pichincha-Santo Domingo office was key to getting the process on the right track. Closely supported by Trickle Up, she played a hands-on role in program design and implementation and helped build internal buy-in across UNHCR teams at national level, as well as with HIAS. She also helped build capacity across the organization.

Staff buy-in. Some staff, particularly at management level, feared the GA was going against the core humanitarian mandate of both of these organizations. However, the Graduation program provided strong signals that the program not only successfully helped refugees develop livelihoods and increase

their self-reliance, but also helped them be better protected. As a result, management of both organizations became more supportive of the program.

Increased management buy-in was fundamental for the successful roll out of the GA. First, it allowed both UNHCR and HIAS prioritize fundraising for GA efforts for a national roll out. Next, it enabled the organizations to ambitiously plan and execute the expansion from a pilot of 200 participants in one single location to a national scale-up with 1,500 participants across eight regions in just one year. Lastly, led by senior management, both UNHCR and HIAS were able to generate buy-in across the organizational structure, from headquarters, through field office coordinators, and down to frontline staff.

Strong human capital

Multi-functional teams. The GA has been fully integrated into both UNHCR's and HIAS's operations. As a result, all programmatic areas of both organizations (including UNHCR protection, livelihoods and operations, as well as HIAS livelihoods and psychosocial units) are involved in the implementation of the GA. Leveraging both organizations' knowledge and experience has proved key to providing a holistic response to refugees' needs.

Qualified teams and continuous capacity building. Both UNHCR and HIAS have developed strong teams to coordinate and implement the Graduation program. During the program roll out, HIAS created the position of a full-time Graduation Program Coordinator, responsible for strengthening the "livelihoods promotion" skills of frontline staff. HIAS's frontline staff are also exceptionally qualified; the majority of staff, including coaches and livelihoods advisors, have university degrees in psychology (most coaches), business administration, education science, and engineering, while some even have postgraduate degrees. In addition to being highly educated, all coaches and livelihoods advisors also have a strong interpersonal skills and capacity to engage with individuals to build human capital.

Both HIAS and UNHCR have placed a strong emphasis on continuously training their staff to respond to challenges and the specific needs of participants, making sure their staff are able to address both humanitarian and development aspects. HIAS frontline staff, for example, are trained on all the areas of the organization to familiarize them with the role each component plays in the overall program, and to help them match needs to the responses that can be provided by the organization. Staff also receive continuous training on topics needed to address specific protection concerns or other emerging needs of participants. For example, coaches receive financial education training from Fundación CRISFE to help reinforce the financial education courses participants take part in to improve their cash management practices. HIAS staff also received training to help them identify cases of SGBV and on effective ways to intervene in such cases. In addition, HIAS uses data from their Monitoring and Evaluation (M&E) system (described below) to identify additional staffing and training needs.

Staff retention. While there has been some staff rotation, many of the staff from HIAS who were involved in the pilot are still there, both at headquarters and field office level, including frontline staff. HIAS's and UNHCR's continuous efforts to build staff capacity in an ongoing manner has helped the organization manage challenges related to staff rotation. UNHCR has also been able to adequately manage staff turnover. For example, when the UNHCR Pichincha-Santo Domingo office coordinator who, as noted above, was critical through the initial stages of the pilot, left in 2017, she conducted a

thorough handover and was able to successfully transfer her knowledge to other members of the team, helping sustain capacity within the UNHCR and HIAS teams.

Strategic partnerships, building on existing systems

Lead implementing partner. UNHCR Ecuador selected partners seeking to leverage existing expertise and avoid the creation of parallel systems. This started with the selection of HIAS, which was already delivering much of the humanitarian assistance funded by UNHCR in Ecuador prior to the pilot, as lead implementing partner. After the pilot, UNHCR decided to continue working with HIAS on the Graduation national scale up program, making HIAS responsible for participant case management and for coordinating the program in the field (facilitating access to program components delivered by others, e.g. consumption support, seed capital, training). While UNHCR Ecuador staff noted that HIAS had limited experience in livelihoods programming, they deemed it important to leverage HIAS's experience in case management and psychosocial support, which has been key to applying a refugee lens to Graduation programming. With UNHCR support and a strong commitment from HIAS management, HIAS has made a phenomenal organizational transformation to embed and strengthen their capacity to implement livelihoods programs and provide a holistic response to refugees.

Engaging other strategic partners. UNHCR and HIAS worked together to map stakeholders and identify technical capacity and expertise of different actors, and formed strategic partnerships early on in the pilot. For example, they partnered with Banco Pichincha and CRISFE Foundation at the pilot stage, with a view to leveraging the bank's national presence in the event the program scaled up.

Early engagement with key actors has also been important in that it has allowed UNHCR and HIAS to work jointly to assess and improve the program over time. Working with partners that have been open to change and sensitive to the needs and situation of refugees has been key. For example, for the pilot, the program built on WFP's existing food vouchers to develop the consumption support; during the roll out, UNHCR and HIAS worked with WFP to refine how it measures and supports participants' food security. Together, they jointly developed nutritional guidance materials for coaches, leveraging the expertise and international experience of WFP.

Government Partnerships. Partnering with MIES to pilot the GA within one of the government's flagship social protection programs has also opened up significant opportunities for future scale up plans, particularly as UNHCR's ability to continue to fund Graduation implementation is constrained in the midst of the Venezuelan crisis. See Appendix 3 for additional detail on the UNHCR-MIES-HIAS pilot.

Effective coordination mechanisms

Frequent coordination meetings. Several organizations take part in the implementation of the Graduation program in Ecuador, both at national and local levels. This includes UNHCR, as funder and coordinator, HIAS, as lead implementing partner, and a number of other organizations involved in the direct implementation of some of the program components (see Table 2 below). UNHCR and HIAS

have established mechanisms to facilitate vertical (from national down to municipal level) as well as horizontal (across organizations) coordination. Staff from both organizations think these coordination structures have been fundamental for internal learning and to effectively implement the program.

Meetings held at frequent intervals, sharing of data, and working groups have not only helped HIAS and UNHCR manage the implementation of the program but have also facilitated learning across and between the organizations involved. During roll out, these meetings were held on a monthly basis and focused closely on following up on implementation in the field and assessing and responding to emerging needs.

Table 2. Staff involved in the Graduation program in Ecuador²¹

Organization	Head office	Field Office (FO)
UNHCR	Deputy Representative Senior Durable Solutions Officer Livelihoods Officer Program Officer Senior Protection Associate	FO Coordinator Livelihoods focal points Protection focal points
HIAS	National Director Program Director Graduation National Program Coordinator Livelihoods Coordinator Food Assistance Coordinator Psychologist Coordinator	FO Coordinator Frontline staff from four areas (coaching, livelihoods promotion, psychology and social work)
Other partners	Staff from national partners, including WFP staff Staff from Banco Pichincha and other FSPs Staff responsible for CRISFE's Financial Literacy programs	Municipal government staff Staff from training centers

Horizontal coordination. Following the initial pilot in Santo Domingo, HIAS and UNHCR established what they called the “roll out committee”, which met every month to reflect on the pilot and design the program roll out. They created working groups to address specific technical areas, such as participant targeting and synergies between coaching and livelihoods mentoring, in a holistic manner. As appropriate, working groups also involve other partners. For example, a working group was set up with WFP to develop methodologies and refining the consumption support component to strengthen refugees’ food security.

Building on the success of the “roll out committee”, in 2017 HIAS and UNHCR created an inter-institutional committee that meets every three months to facilitate coordination at a national level between HIAS, UNHCR and WFP. The committee evaluates participant cases, mostly those who are underperforming; assesses overall program progress; and discusses and plans programmatic

²¹ This excludes the pilot with MIES.

responses. Key topics that have been addressed, to date, include how to deal with drop-outs, slow-climbers, and resettlements.

HIAS and UNHCR also coordinate horizontally in numerous other ways. Since 2018, HIAS has shared a database from its M&E system with UNHCR on a quarterly basis. There is also coordination between UNHCR and HIAS Field Offices to regularly plan joint visits to participants and focus group discussions to assess participants' progress.

Vertical coordination. In 2017, HIAS created the role of Graduation Program Coordinator, who manages the GA program nationally, down to the field offices. The Graduation Program Coordinator also supervises the work of frontline staff, oversees the implementation of the M&E system, and liaises with UNHCR and other partners (thus also supporting coordination amongst partners). The UNHCR Senior Durable Solutions Officer provides overall guidance and supervision of the GA from UNHCR and provides technical assistance to UNHCR Livelihoods Focal Points, based in UNHCR Field Offices.

Sound Monitoring, Evaluation and Learning system

Regular collection and sharing of data. UNHCR and HIAS have built ongoing and periodic mechanisms to assess program progress, which have been considerably strengthened throughout program roll out.

HIAS has a robust internal platform to capture data from participants. Initial data is captured by HIAS staff during the targeting process (used to calculate the LII), and additional participant-level data is captured by coaches on every visit using tablets.²² This results in a database with over 60 data fields, including information on participants' LII, demographic profile (household size, age, sex, etc.), and program monitoring data. Monitoring data tracks progress through the GA components, Graduation criteria indicators, and graduation status, etc. HIAS's Graduation Program Coordinator is responsible for analyzing this data and producing two reports annually, which are shared within HIAS and UNHCR. Additional reports and information are shared on an ad-hoc basis.

In addition, UNHCR and HIAS conduct regular monitoring trips. They hold annual focus group discussions with participants from every program site to assess service quality and regularly gather feedback from partners involved. HIAS's Livelihoods Coordinator travels to every region, at least on a quarterly basis, to randomly analyze individual participant cases to check whether the program is implemented as it is designed; identify gaps in implementation; and assess the need for corrective actions. UNHCR also conducts independent focus group discussions with participants to assess how HIAS is meeting program participants' needs through the implementation of the GA.

Adaptive Management. UNHCR and HIAS, with support from Trickle Up, have used the experience from the Graduation pilot and the national scale-up to proactively adapt the program to more appropriately meet the needs of refugees living in Ecuador. This process of adaptive management has been enabled by an organizational culture that has been open to trial and error and to learning by

²² In some instances, for example if there is no internet connection, or if coaches feel it is not safe to carry a tablet, they will take hand-written notes and enter data into the system once back in the office.

doing. Given that both UNHCR and HIAS were new to the GA, this has been especially important for ensuring a successful national scale-up.

The program's robust M&E system and regular reporting facilitates the implementation of adaptive management. For example, HIAS used participant-level M&E data to recognize that it was taking participants too long to set up businesses. Rather than continuing the course, HIAS identified new tools that would help them more efficiently assess business plans and replaced the time-consuming and administratively demanding exercise of drafting a full-fledged business plan with more agile processes. In another HIAS and UNHCR identified a number of participants whose businesses had a high potential for growth. Rather than retain them in the standard graduation program, HIAS partnered with a local university to provide these beneficiaries with additional business support to design and implement strategies for business growth. Similarly, UNHCR and HIAS frequently use adaptive management to identify staff training needs and other areas where additional support may be required, and make the necessary changes accordingly.

Program challenges

Alongside the factors that have helped UNHCR and HIAS scale a small pilot into a successful national program, the Graduation program in Ecuador has also faced several challenges to program implementation and the enhancement of the economic inclusion of refugees.

Implementation challenges

Funding level and structure. UNHCR funding follows an annual budget structure, which is not aligned with a program that is 18 months long. Staff from UNHCR Ecuador head office had to make the necessary calculations to spread the resources required to implement the program for a given number of participants over several budget cycles. In addition to this, most funds are not ear-marked, making it difficult for the UNHCR team in Ecuador to secure funding for the program. The level of funds that UNHCR Ecuador managed to secure has been insufficient to reach all potential participants identified by the program.

Data on program cost-effectiveness. While the HIAS M&E system has been effectively used to track participant progress and identify the need for program adaptations, it has not generated sufficient data to analyze either the cost of the program or the impact it has created in participants' lives. There has not been sufficient funding to conduct an impact evaluation or a thorough cost-benefit analysis of the program. As a result, there is the perception amongst UNHCR top management that the Graduation program is very expensive. This perception, together with a growing demand for meeting the humanitarian needs emerging in the wake of the Venezuelan crisis, has resulted in a decreasing level of funding allocated to the Graduation model since 2017.

The Venezuelan crisis. As a result of the ongoing Venezuelan crisis, the number of refugees in Ecuador grew by 158% between 2017 and 2018, and nearly tripled between 2016 and 2018.²³ In response, UNHCR is focusing on addressing the arising dire humanitarian needs, rather than focusing additional efforts on more holistic interventions.

At the same time, the Venezuelan crisis has led to significant bottlenecks in the refugee status determination procedures, which have lengthened and, in some cases, made it more difficult for asylum-seekers to ascertain their refugee status or acquire an alternative valid visa. Despite the fact that UNHCR has worked with Ecuador to ease the procedures in the past few years, it may still be challenging for displaced populations to access appropriate documentation.

Barriers to economic inclusion of refugees

²³ UNHCR (2018b)

Constraints to sustainable livelihoods development. In the past few years, the economic climate in Ecuador has worsened, leading to an increase in unemployment and underemployment. For refugees, this is further compounded by the persistence of discrimination and exploitation in the labor market. Thus, refugees struggle with limited employment opportunities, particularly salaried work. This has led many refugees to set up their own businesses. Unfortunately, informality prevails due to costly and burdensome bureaucratic procedures required to establish formal businesses. In addition, there are limited opportunities for business growth, due, in part, to the fact that many refugees continue to face barriers to financial inclusion, making it more difficult for them to accumulate savings and access capital required for business growth.

Challenges to financial inclusion. As noted above, even though refugees are legally allowed to open bank accounts, KYC regulations can mean that, in practice, it is difficult for them to actually open one. For example, refugees and asylum seekers need a valid ID card to open the standard savings account, as their refugee/humanitarian visa is not accepted by financial institutions as proof of ID. However, many refugees have an expired passport or ID card and are unwilling or unable to renew them, as discussed above. Despite UNHCR's advocacy efforts with the Ecuadorian Banking Regulator to align banking rules with the Constitution of Ecuador, KYC regulations continue to be restrictive.

Similarly, while the basic savings account provided by Banco Pichincha opened up an opportunity for refugees to access a savings account, refugees continue to face barriers to access. Specifically, this account has a balance limit of USD 1,000 per account, which limits the amount of savings that account holders can accumulate. Banking regulations also require users to justify the source of the funds deposited in savings accounts. Thus, even if refugees arrived from their home countries with savings, it is unlikely they will be able to justify their origin, preventing them from keeping their savings in the bank account. Following the example of Banco Pichincha, some other FSPs have begun to allow refugees and asylum-seekers to open savings accounts with their refugee and humanitarian visas. However, FSPs often close these accounts, at least temporarily, when a user's humanitarian visa expires after three months.

Lastly, the refugee experience may affect participants' ability and confidence to save and engage with financial services. For example, staff from Banco Pichincha noticed that many refugees are unwilling to open formal bank accounts for fear of being located by those who posed a life threat back in their home countries.

Conclusions and way forward

This case study has presented the experience of UNHCR Ecuador and HIAS, with the support of Trickle Up, implementing the GA in the refugee setting in Ecuador. These organizations have successfully managed the transition from a 200 participant pilot in a small city to a national program that has reached nearly 3,000 people in three years, and that has inspired the adaptation of one of the government's social safety nets. The GA has been so successful, in part, due to the fact that it was able to leverage many services that were already provided by UNHCR and HIAS prior to the launch of the Graduation Approach, rearticulated as one cohesive program.

The program has also benefitted from strong leadership within both UNHCR and HIAS, which helped secure resources, build buy-in across the organizations, and instill a culture of learning by doing. Building a strong M&E system and effective coordination mechanisms across organizations were also key to generating learning and building the capacity to adapt to the particularities of the refugee context in Ecuador.

In their drive to build a deep understanding of their targeted population and refine the program to better meet their needs, UNHCR and HIAS have built a program that is responsive to the needs of refugees living in extreme poverty. Both UNHCR and HIAS acknowledge that with Graduation, refugees are not only improving their economic status but are also better protected. This is partly thanks to the regular contact and the trust refugees have with coaches (who are then better positioned to identify protection issues), as well as the fact that needs are understood and responded to in a holistic manner.

The Graduation Approach in Ecuador also benefited from an enabling regulatory environment and a stable refugee setting that gave UNHCR, HIAS, and Trickle Up the space to test, reflect, and adapt as the program evolved. UNHCR and HIAS have established strategic partnerships that have allowed them to build on existing systems and leverage expertise that otherwise may not have been available in the program. More recently, and as a result of the success of the program, UNHCR and HIAS have begun working with MIES to test an adaptation of the GA through one of the government's flagship social protection programs. This has opened up an opportunity through which scale up efforts are currently being explored.

However, the program has also faced several challenges that have impeded implementation of the program at a larger scale. Most importantly, the level and structure of UNHCR funding is not appropriate to sustainability support Graduation programs. In addition, with the large influx of forcibly displaced Venezuelans that began arriving in Ecuador in late 2016, UNHCR and its partners in Ecuador

have had to divert their focus from promoting long-term solutions to responding to more immediate humanitarian needs.²⁴

In addition, despite the success of the program in Ecuador, the Graduation model continues to be perceived by UNHCR management to be very expensive. While there may be features within the model established by UNHCR and HIAS that may make it relatively more expensive than other programs currently funded by UNHCR (including the consumption support top-up, the two-tiered coaching model and highly educated frontline staff), some of these features are also seen by UNHCR and HIAS as key to the effectiveness of the program. However, the lack of sufficient data on the relative cost-effectiveness of the GA with refugees, and lack of funds to undertake an impact evaluation, has not allowed these organizations to sufficiently explore program variations that may lead to program savings without compromising the quality of the package delivered.

Against this background and in a context where refugees continue to face important barriers to economic inclusion and local integration, UNHCR and HIAS are exploring ways to continue to build refugee self-reliance through the GA, including:

- **Building other strategic partnerships**, not only to leverage available resources, both technical and financial, but also to avoid creating parallel systems. This is in line with the Global Compact on Refugees and the purpose of the Global Coalition to Alleviate Poverty, a partnership recently established by UNHCR and the World Bank's Partnership for Economic Inclusion (PEI) and of which HIAS and Trickle Up are members.²⁵ UNHCR Ecuador and HIAS will continue assessing what actors and programs may be leveraged and where there may still be gaps to provide the full GA package. For this, UNHCR Ecuador anticipates that advocacy efforts and engaging with the private sector will also be fundamental.
- **Continuing collaboration with MIES** to integrate refugees in the government's social protection systems, including efforts to add refugees to the government's Social Registry, the entry point for the government's social protection programs. UNHCR and HIAS also plan to continue supporting MIES-led efforts, such as the 'Economic Inclusion Roundtables', which bring together private and public actors to discuss and identify strategies to strengthen the economic inclusion of vulnerable groups.
- **Strengthening market building and linkages** to facilitate the development of sustainable livelihoods for refugees. Both UNHCR and HIAS plan to continue developing initiatives to provide additional support to refugees, with a focus on graduated participants. These initiatives include programs that facilitate access to finance and entrepreneurship development programs, such as business incubators, support for the formalization of businesses as well as the creation of producer groups.

²⁴ This experience has not been unique to Ecuador, also emerging in other UNHCR operations where Trickle Up supported the design and implementation of the GA as part of the Building the Self-Reliance for Refugees project. As a result of this, the UNHCR Global Livelihoods Strategy for the 2019-2023 period recognizes that country operations are not best positioned to continue funding the GA and that UNHCR should focus most of its efforts on facilitating and convening other actors to fund and implement the GA with refugees.

²⁵ See <https://www.unhcr.org/the-global-compact-on-refugees.html> and <https://alleviate-poverty.org/>

Appendices

A: People interviewed

Name	Organization and position
Peter Janssen	UNHCR Ecuador Deputy Representative
Maria Alicia Eguiguren	UNHCR Ecuador Senior Durable Solutions Associate
Leslie Méndez	UNHCR Ecuador Livelihoods Officer
Daniela Navas	UNHCR Ecuador MIES Consultant
Maybritt Rasmussen	UNHCR Ecuador Program Officer
César Chérrez	UNHCR Ecuador Senior Protection Associate
Irene Van Rij	UNHCR Ecuador Head of Pichincha Field Office
Margarita Arboleda	UNHCR Ecuador Livelihoods Officer (Pichincha Field Office)
Sabrina Lustgarten	HIAS National Director
Roberto Jaramillo	HIAS National Graduation Program Coordinator
Galo Quizanga	HIAS Regional Livelihoods Coordinator
Andrea Totoy	HIAS Food Assistance Coordinator
Margarita Ron	HIAS Psychosocial Coordinator
Local Coordinators	From HIAS eight regional offices
Frontline staff	4 Coaches and 4 Livelihoods Mentors, 2 Psychologists and 2 Social Workers from HIAS Quito and Santo Domingo Field Offices
Daniel Suárez	Ministry of Economic and Social Inclusion Coordinator Zone 1
Representatives (2)	GAD Municipal Santo Domingo
Representative	Fundación COORED
Representatives (2)	CRISFE Foundation
Maria Belén Sánchez	Banco Pichincha

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C: UNHCR and HIAS Collaboration with the Government of Ecuador to Integrate the Graduation Approach into Social Protection Systems

Background on Government policies

Since the ratification of the 2008 Constitution, the Government of Ecuador has worked to strengthen its social protection policies through a rights-based approach that seeks to guarantee fundamental human rights and to ensure the universality of protection and social justice (Ref. "Secretaría Técnica Plan Toda una Vida). As part of the *Plan Nacional de Desarrollo 2017-2021* (the current National Development Plan), Ecuador developed the *Plan Toda una Vida* (Lifetime Plan), which consists of seven programs designed to support people throughout their life-cycle. The "Lifetime Plan" includes a number of programs targeting specific vulnerable groups, such as people with disabilities, women, and households living in extreme poverty (per capita income below USD \$47.50, approximately 50% of the national poverty line).

The program designed for households living in extreme poverty, known as *Misión Menos Pobreza, Más Desarrollo* (Less Poverty, More Development Mission) (LPMD Mission) was developed based on three broad strategic objectives: i) Securing households' income to protect their consumption; ii) Facilitating access to government services; and iii) Building capacities and promoting productive inclusion through linkages to economic opportunities. Each of these objectives is linked to three main interventions, respectively: a) A conditional cash transfer (CCT) program (known as the *Bono de Desarrollo Humano Variable*); b) Accompanying Family Support (*Plan de Acompañamiento Familiar* (PAF)); and c) Economic Inclusion support.

The UNHCR-MIES-HIAS pilot program

While these government interventions are akin to some of the core components of the GA (consumption support, coaching, technical skills training and employment support), their implementation, as initially conceived by Ecuador, was neither integrated, nor provided in a sequenced and time-bound fashion. After participating in an exposure visit in 2017 co-led by Trickle Up, HIAS, and UNHCR Ecuador, the Ministry for Economic and Social Inclusion (MIES), the government agency responsible for the coordination of the LPMD Mission, became aware of the positive results of the Graduation program and the similarities between the GA and the government program. In 2018, MIES signed an agreement with UNHCR Ecuador to leverage the Graduation methodology to enhance PAF and the LPMD Mission.

Between 2018 and 2019, MIES, with technical support from UNHCR and HIAS, piloted the adapted program with 135 host families and 90 refugee households living at the northern border with Colombia, a region characterized by higher unemployment rates and a higher need to foster integration between host community members and refugees. The pilot program leverages the Graduation methodology to strengthen the integration between the government program's social and economic inclusion components, including the CCT, family support, and economic inclusion support.

Throughout the design and delivery of the pilot, the three institutions have explored the similarities and differences between the GA and the LPMD Mission, and have often blended both approaches and made adjustments to what was feasible, both financially and legally. In some cases, this meant agreeing on the “must-have” versus “nice-to-have” features. In addition, some components are supported directly by UNHCR to reach refugee participants, and by MIES for Ecuadorian participants. The following outlines some of these key considerations:

- **Consumption Support.** For the pilot, MIES uses the CCT program *Bono de Desarrollo Humano Variable* to provide the consumption support to host populations, while UNHCR/HIAS provide the consumption support to refugees. MIES’s CTT program is only accessible by nationals as it was instituted into law in 2003 for Ecuadorian citizens only, before either the 2008 Constitution or the Human Mobility Law (2017), both of which establish that every person living in Ecuador has the same rights and obligations, regardless of their nationality. In order to ensure that Ecuadorians and refugees under the pilot receive the same consumption support, HIAS provides an amount equivalent to the CCT to refugees, using funds from UNCHR.
- **Coaching.** Coaching, which was also a core element of the PAF, is provided by MIES, with support from HIAS when working with refugee populations. To better align with MIES’s modest level of resources, the pilot included the possibility of group coaching. While the first coaching session is always provided individually, some participants receive follow-on group coaching. HIAS and UNHCR also worked with MIES to provide refugees with the required psychosocial support as part of the overall family coaching.
- **Livelihoods support.** To strengthen the economic inclusion components of the government’s program, the pilot leveraged HIAS’s experience facilitating livelihoods promotion through the GA. Specifically, HIAS is responsible for providing livelihoods mentoring and facilitating access to technical skills and vocational education and training. UNHCR and HIAS also provide refugees with access to seed capital. Ecuadorian households can receive seed capital if they have not previously received an advanced payment of the *Bono de Desarrollo Humano*.

Roll out Plans

As part of the government’s efforts to strengthen its social protection programs, and with support from the World Bank, MIES is currently planning the roll out of the program. MIES aims to provide access to the government’s cash transfer program plus the coaching support to approximately 50,000 families. The roll out will be informed by the experiences and learnings from the UNHCR-MIES-HIAS pilot, including the benefits of integrating social protection mechanisms (such as mentoring and cash transfer) with measures to promote the productive inclusion of vulnerable groups. The methodologies and processes developed during the pilot have been embedded into the PAF and will also be incorporated into the government roll out. One challenge, however, will be finding feasible and sustainable ways of providing social and livelihoods coaching as part of the government program at scale.

In spite of the success of the pilot, there are also challenges related to including refugees in the roll out. Most notably, financial resources have not yet been secured to serve refugees. In addition, there remain regulatory constraints to the inclusion of refugees living in extreme poverty in the government’s social registry, which is used to identify households that are eligible for the governments’ *Bono de Desarrollo Humano Variable*. Going forward, UNHCR and HIAS plan to

continue to explore ways in which the ‘government package’ can continue to be complemented, both to intentionally include refugees and to provide them with the level and intensity of livelihoods support (such as inclusion of seed capital or the level of livelihoods mentoring offered) that are considered necessary to effectively build refugees’ self-reliance.