Preserving the Essence, Adapting for Reach:

Early Lessons from Large-Scale Implementations of the Graduation Approach

COLOMBIA Case Study
by Alissa Moen

Series Editor: Tony Sheldon

NOVEMBER 2016

FORD FOUNDATION

CONTENTS

Graduation Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

FOREWORD

Inequality remains at very high levels globally, limiting prospects for overall economic growth as well as opportunities for the poor and disadvantaged to get ahead. Combatting inequality in all of its forms is central to the mission of the Ford Foundation, and reducing inequality requires addressing the incomes and assets of the poor *and* addressing the alarming gap between those at the top and bottom of the economic ladder.

In this context, reducing or eliminating extreme poverty worldwide is a critical strategy, encompassed in the United Nations' Sustainable Development Goal #1: "End poverty in all its forms everywhere." A recent World Bank report estimated that close to 900 million people, or about 13 percent of the world's population and 15 percent of the population of developing countries, live on less than $1.90 per day – the updated international poverty line as of 2015.[1]
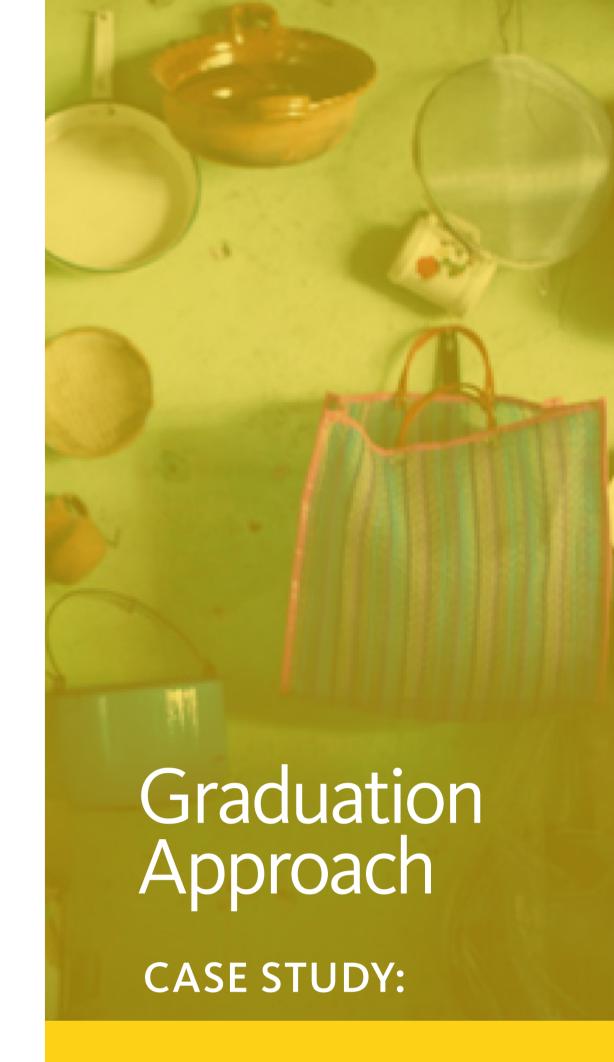
Unfortunately, most development interventions, including microfinance and livelihood development programs, have not addressed the needs of the extreme or ultra-poor because these populations tend to be the hardest to serve: they are socially and geographically isolated, own few or no assets, have limited livelihood prospects, and often suffer from poor health.

As a striking exception, one of the most promising approaches for promoting the social and economic mobility of the extreme poor has been the "Graduation Approach," originally developed as the "Targeting the Ultra Poor" program by BRAC in Bangladesh. The Graduation Approach is a holistic livelihoods program designed to address the multi-dimensional needs of extreme poor households. The Approach consists of five core components: time-limited consumption support; a savings component; an asset transfer; training in how to use the asset; and life skills coaching and mentoring. The theory of change underlying the model is that this mix of interventions, offered in the appropriate sequence, would help the ultra-poor to "graduate" out of extreme poverty within a defined time period.

Based on the promising results achieved by the BRAC model, the Ford Foundation partnered with the Consultative Group to Assist the Poor (CGAP), a global partnership of 34 leading development organizations housed at the World Bank that seeks to advance financial inclusion. Together, we decided to adapt and test the Graduation Approach through pilot projects implemented by nongovernmental organizations at 10 sites in eight countries in Asia, Africa, and Latin America between 2006 and 2014. The Foundation and CGAP also put in place an ambitious research and learning program to document the impacts of the pilot projects and to disseminate the results widely. I want to thank our CGAP partners as well as Frank DeGiovanni, former Director of Financial Assets here at the Ford Foundation, who played a vital role in developing this powerful work and documenting its impact.

The findings from the rigorous evaluations of the CGAP-Ford Foundation pilots, as well as from BRAC's ongoing program, have been extremely positive.[2] Results of the randomized experiments from the pilots show that, compared to control groups, program participants earned increased levels of income and achieved sustained gains in household consumption, assets, and food security at least one year after the two-year pilot programs ended.[3]
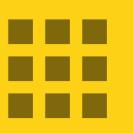
[1] See Cruz, Marcio, James Foster, Bryce Quillin, and Philip Schellekens. October 2015. *Ending Extreme Poverty and Sharing Prosperity: Progress and Policies*. World Bank Group Policy Research Note. Washington, DC: World Bank.

[2] See for example: Banerjee, Abhijit, Esther Duflos, Nathanael Goldberg, Dean Karlan, et al. "A multifaceted program causes lasting progress for the very poor: Evidence from six countries." *Science*. 15 May 2015. Vol. 349, Issue 6236, p. 12; Balboni, Clare, Oriana Bandiera, et al. December 2015. *Transforming the economic lives of the ultra-poor*. London: International Growth Centre.; Fahey, Alison. 2015. *Building Stable Livelihoods for the Ultra-Poor*. J-PAL and IPA Policy Bulletin. Cambridge, MA: Abdul Latif Jameel Poverty Action Lab and Innovations for Poverty Action.

[3] The evaluations of one of the pilots in India and the BRAC Targeting the Ultra Poor Program tracked the impacts of the Graduation Approach five years after the end of the interventions. In both cases, the improvements in well-being for program participants persisted.

Renowned economists have in fact characterized these results as among the most powerful and impressive ever achieved by an anti-poverty intervention.[4]

These findings suggest that the Graduation Approach is an effective and scalable intervention with impacts that are sufficiently robust to persist over time.

Based on these interim findings, the Foundation and CGAP designed an ambitious strategy to reach out to government policy makers to help them understand the potential of the Graduation Approach to serve large numbers of extremely poor people develop sustainable livelihoods and move into the market economy over time. They key is embedding the Approach in government social protection or large-scale anti-poverty programs.

The Foundation and CGAP undertook three years of systematic outreach to bilateral and multi-lateral donors and policy makers from 24 developing countries beginning in 2012. In addition, the Foundation funded technical assistance and outreach to governments in Latin America to assist them in adapting and piloting the Graduation Approach. These efforts have borne fruit. A scan conducted by CGAP in December 2015 indicated that 22 governments in Asia, Africa, and Latin America were in the process of piloting or adapting the Graduation Approach within their national social protection strategies, while 13 NGOs and one donor agency also were developing their own versions of the Graduation Approach.[5] This level of uptake is very encouraging.

We recognize that governments and NGOs will need to adapt the "classic" version of the Graduation Approach as broader integration with social policy happens around the world. Governments face different challenges than NGOs, scaling brings its own set of challenges, and programs must be tailored to address differences in regional contexts. With these factors in mind, we commissioned these case studies of three governments and one large NGO who are scaling the Graduation Approach within their ongoing programs.

The widespread prevalence of extreme poverty across the world is unacceptable. It affects both current and future generations. But beyond being unacceptable, it is unnecessary, as these powerful Graduation results underscore. We celebrate the commitment of governments, NGOs and private sector partners to helping extremely poor households develop sustainable livelihoods. And we hope that the lessons provided—by the case studies and the companion analysis which synthesizes the lessons learned—will embolden other governments and NGOs to adopt, adapt, and scale up an approach that works.

Xavier de Souza Briggs
Vice President, Economic Opportunity and Markets
The Ford Foundation

---

[4] At the CGAP-Ford Foundation convening on the Graduation Approach held in Paris in June 2014, Yale economist and founder of Innovations for Poverty Action (IPA) Dean Karlan stated: "IPA had been involved in about 500 or so randomized trials over the years. Of these, I could count on one hand those I was confident enough advising policymakers to scale up. The Graduation Program would now be on that list."

[5] See CGAP, "Graduation Factsheets", www.microfinancegateway.org/sites/default/files/graduation_factsheets_overview_december_2015_pdf

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

INTRODUCTION TO THE GRADUATION APPROACH

Among the development approaches aimed at reaching the extreme poor, one of the most promising has been the "Graduation Approach," originally developed by BRAC in Bangladesh. BRAC's theory of change was that with the right mix of interventions, offered in the right sequence, households could "graduate" from extreme poverty into sustainable livelihoods within a defined time period.
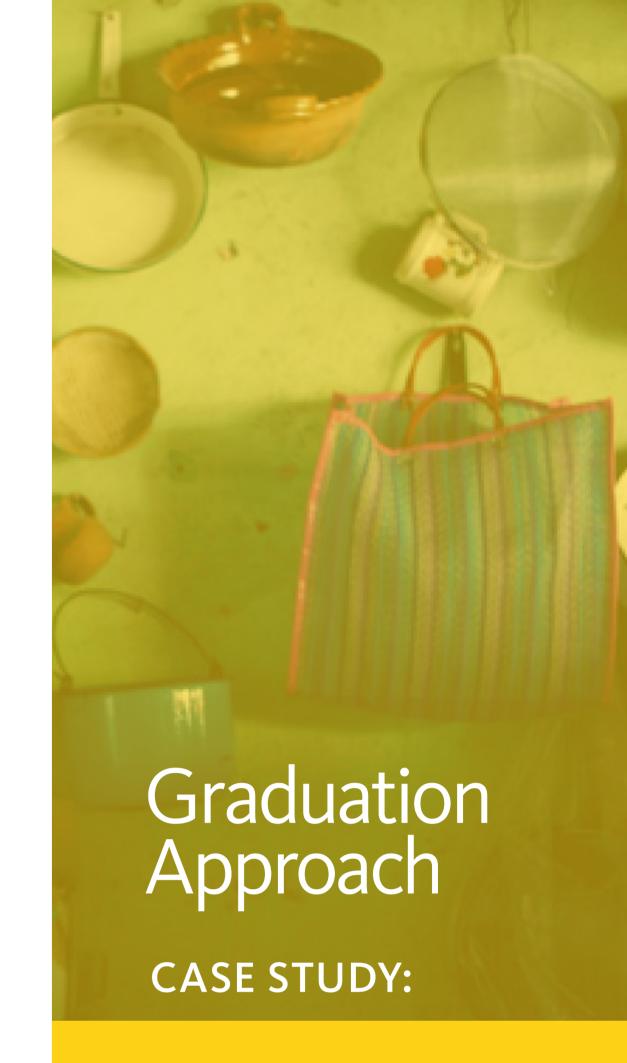
The "classic" Graduation Approach begins with consumption support, mindful that part of what it means to be extremely poor is that the person is so overwhelmed by survival-level issues such as food security that she cannot meaningfully tackle any longer-term livelihood strategies. Once those basic needs have been met, participants receive support in saving money (a vital tool in managing risks). They are also helped to identify a sustainable livelihood that is suitable for their interests and aptitudes, and also for the local market (e.g., animal husbandry, shop-keeping, weaving or tailoring). Then they receive an asset to help launch that livelihood (e.g., goats or sheep for animal husbandry; an inventory of goods for shop-keeping) and related technical skills training. Finally, Graduation participants receive intensive personalized life-skills coaching throughout the life of the program.[6]

BRAC clients who participated in the Graduation Approach appeared to experience improved family nutrition, health, and other well-being indicators and, moreover, to sustain these improvements over time. The question then became whether the BRAC experience in Bangladesh could be replicated by other providers in other geographical and cultural contexts. So from 2006 to 2014, the Ford Foundation, CGAP, and several international and local partners tested and adapted the Approach through 10 pilot programs in eight countries.

The findings from the CGAP-Ford Foundation pilots, as well as from BRAC's ongoing program, have been extremely positive.[7] Quantitative and qualitative studies show that, compared to peer groups, program participants were earning more income and achieving stable improvements in their well-being long after the program concluded, with sustained gains in household consumption, assets, and food security. In other words, the answer to the question about whether the successes achieved with the Graduation Approach in Bangladesh could be replicated elsewhere appeared to be a resounding "yes."

The question remained, however, how to operate the Graduation Approach at scale. The very factors believed to make it so effective—highly personalized, wrap-around services delivered with compassionate, skilled, and individual attention—also make the "classic" Graduation Approach time- and labor-intensive and costly. So CGAP, the Ford Foundation and their partners next began exploring how best to support large-scale adaptations and implementations of the Graduation Approach, especially by governments. The results of four of those adaptations are the subject of this series of case studies commissioned by the Ford Foundation. Three of the cases (Ethiopia, Colombia and Peru) describe government-led programs; the fourth (India) covers the ongoing Graduation work of Bandhan Konnagar, one of the original 10 CGAP-Ford Foundation pilot programs.
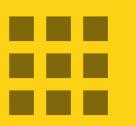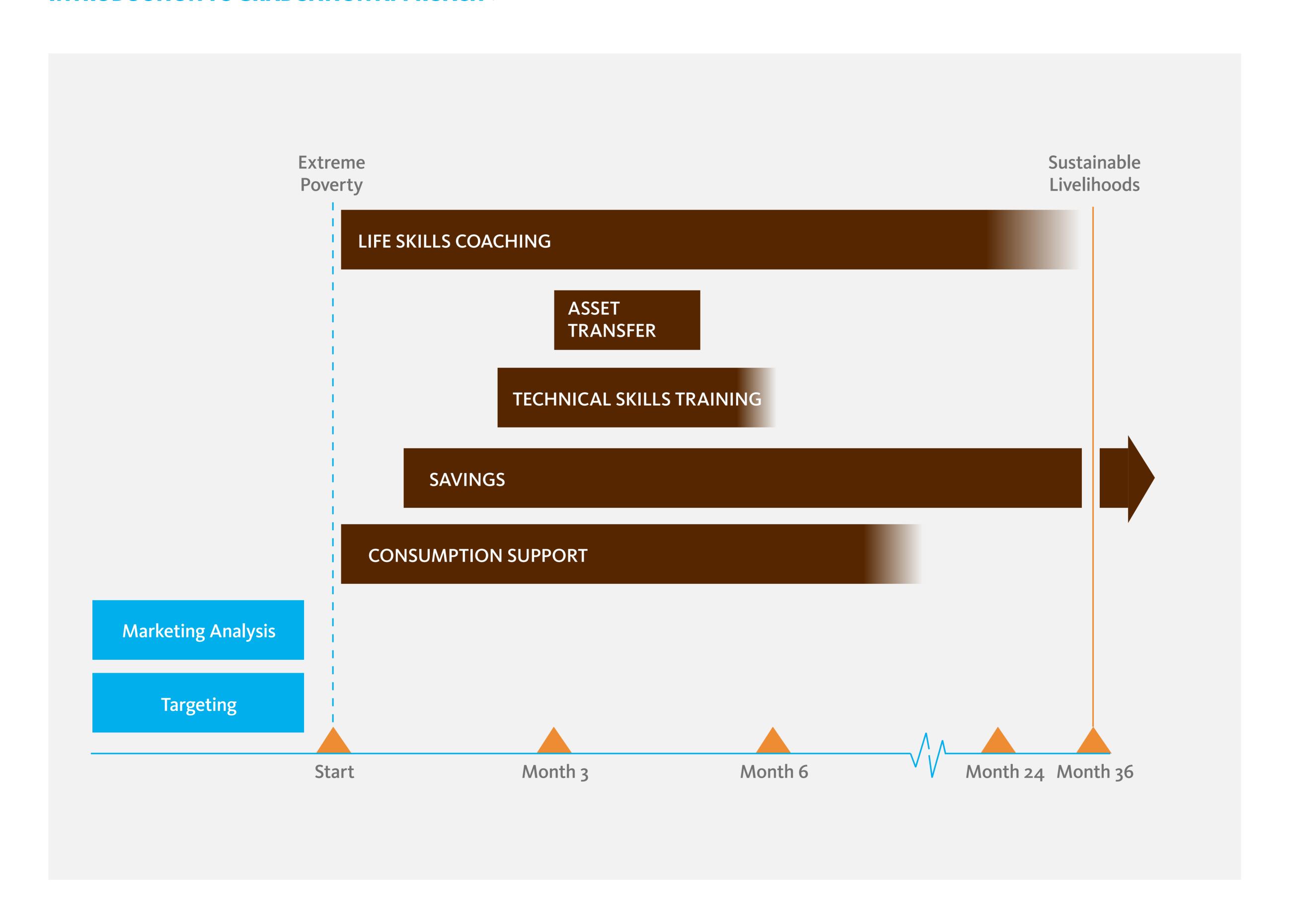
---

[6] CGAP has recently changed the terminology it uses to describe the elements of the Graduation Approach. As the case studies were written before this change, we have kept the original terms. CGAP's new terminology for each component is: Consumption Assistance; Financial Inclusion; Training; Seed Capital; Mentoring.

[7] SSee for example: Banerjee, Abhijit, Esther Duflos, Nathanael Goldberg, Dean Karlan, et al. "A multifaceted program causes lasting progress for the very poor: Evidence from six countries." *Science*. 15 May 2015. Vol. 349, Issue 6236, p. 12; Balboni, Clare, Oriana Bandiera, et al. December 2015. *Transforming the economic lives of the ultra-poor*. London: International Growth Centre.; Fahey, Alison. 2015. *Building Stable Livelihoods for the Ultra-Poor*. J-PAL and IPA Policy Bulletin. Cambridge, MA: Abdul Latif Jameel Poverty Action Lab and Innovations for Poverty Action.

When a government agency or other large-scale organization implements a program as complex, multi-faceted, and cross-sectora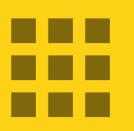l as the Graduation Approach, inevitably some of the "standard" features will need to be adapted, often in innovative and imaginative ways, while still preserving the core elements that make the Approach effective. CGAP and the Ford Foundation originally published *From Extreme Poverty to Sustainable Livelihoods*, a technical guide on the design and implementation of the Graduation Approach, in 2014; an updated version will be released in late 2016. It is our hope that the revised technical guide, together with this series of case studies, will provide valuable insights to those looking to implement the Graduation Approach, especially at large scale.

We are also pleased that policymakers are increasingly recognizing the power of the Graduation Approach to alleviate poverty, and that the community of practice continues to grow rapidly. As of September 2016, 58 Graduation projects were in operation, an increase of 30 percent since December 2015.[8] Among the notable features:

Growing government interest. One third of ongoing Graduation projects are implemented by governments, reflecting the trend that Graduation style programming is increasing within national social protections systems.

Less rural. Projects have shifted their focus from predominantly rural (75 percent in December 2015) to 48 percent rural, 25 percent mixed, and 7 percent purely urban.

More diverse targeting. Targeting has also shifted from a predominant focus on the poorest (73 percent in 2015) to a little over half of the projects (56 percent) targeting people below USD 1.90 per day. Projects now target a broader range of excluded groups such as indigenous populations (16 projects), youth (15

projects), people with disabilities (11 projects), elderly people (11 projects), refugees and internally displaced persons (7 projects with 17 more planned by 2018). From a predominant focus on women in the past, only 30 percent of projects solely target women today.

Implementation and innovation. A vast majority of projects still offer the full Graduation package, but there is an increasing number of adaptations. A dozen programs are now offering some element of the package digitally.

Research. Nearly half the projects conduct research and 19 projects have reported ongoing or planned randomized impact assessments.

Graduation Programs as of Sept 2016
(58 programs in 36 countries)

- 🔴 BRAC Bangladesh (1) – Since 2002
- 🟡 CGAP- Ford Foundation Pilots (10) – 2006-2014
- 🟢 NGO-implemented (30) – Since 2010
- 🟣 Donor-implemented (8) – Since 2013
- 🔵 Government-implemented (20) – Since 2013

8 Source: CGAP.

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

CGAP

GLOSSARY

Acción Social – Social Action

ANSPE– *Agencia Nacional para la Superación de la Pobreza Extrema* (National Agency to Overcome Extreme Poverty)

CNMH – *Centro Nacional de Memoria Histórica* (National Center for Historical Memory)

Dirección de Inclusión Productiva y Sostenibilidad – Division for Productive Inclusion and Sustainability, the division of DPS that implemented the Graduation pilots

DPS – *Departamento para la Prosperidad Social* (Department for Social Prosperity, the lead ministry responsible for Producing for My Future Since the completion of the Graduation pilot, this ministry's name has been changed to Prosperidad Social.)

ICBF – *Instituto Colombiano de Bienestar Familiar* (Colombian Institute for Family Well-Being)

IRACA – Social program, supported by the Department of Social Prosperity, targeted toward vulnerable ethnic groups, specifically indigenous and Afro-Colombian communities

Más Familias en Acción – More Families in Action – A national program to address consumption needs of vulnerable families who meet certain criteria.

Produciendo por Mi Futuro – Producing for My Future – A pilot initiative aimed at improving the productive, financial, human and social capital of Colombia's rural extreme poor.

Red Unidos para la Superación de la Pobreza Extrema – Network to Overcome Extreme Poverty, a national government strategy to address households in extreme poverty in Colombia

SENA – *Servicio Nacional de Aprendizaje* (National Learning Service Agency)

Unidad Administrativa Especial para la Consolidación Territorial – Special Administrative Unit for Land Consolidation

Unidad para la Atención y Reparación Integral a las Victimas – Unit for Integrated Attention and Reparation to Victims

Graduation Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT
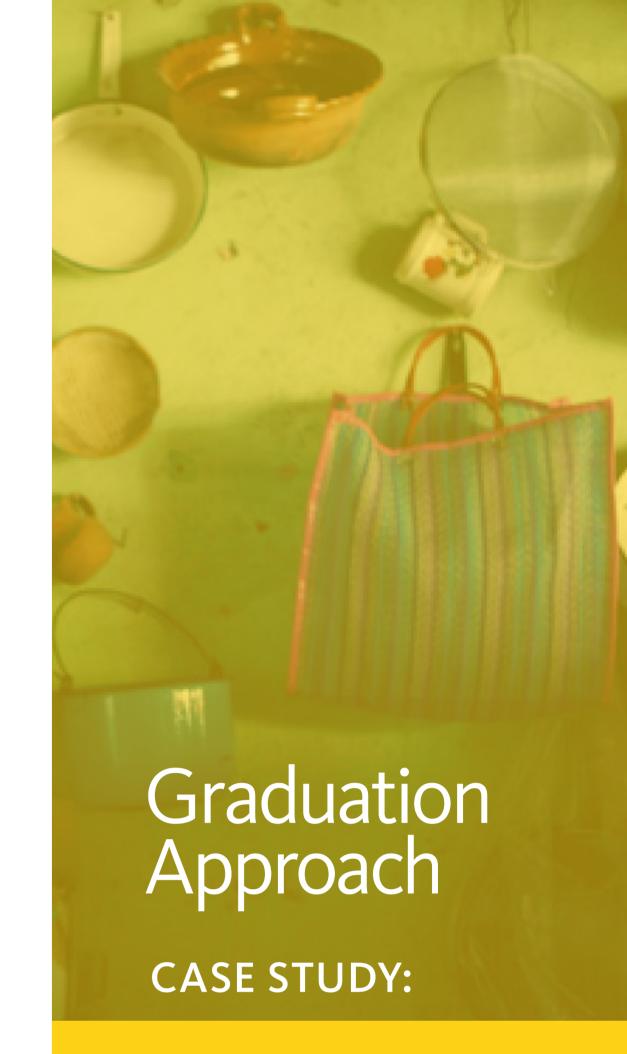
CONCLUSIONS & IMPLICATIONS

CASE CONTEXT

Background on Graduation Approach in Colombia

Close to four million people in Colombia, primarily in the country's rural areas, live in extreme poverty, meaning that they are unable to meet their basic daily needs (e.g., for food or water). Colombia's national government is committed to exploring and investing in opportunities to improve the socioeconomic status and well-being of its extremely poor citizens. Between January 2013 and December 2014, Colombia's Department for Social Prosperity (or DPS, for its Spanish name, *Departamento para la Prosperidad Social)* invested in a pilot initiative aimed at improving the productive, financial, human and social capital of Colombia's rural extreme poor. The initiative, called *Produciendo por Mi Futuro* (Producing for My Future), was implemented by DPS in partnership with Fundación Capital, a nongovernmental organization focused on economic development, with additional support from the Ford Foundation. Producing for My Future was implemented in the municipalities of San Luis, Tolima, and Sitionuevo, Magdalena with a total of approximately 1,000 families over a two-year pilot period.

Producing for My Future is based on the Graduation Approach, devised in Bangladesh by BRAC and further developed in eight countries through ten pilot programs launched by CGAP and the Ford Foundation between 2006 and 2012. Recognizing the value of the Graduation Approach pilots in other parts of the world, the Colombian government agreed to test large-scale adaptation and implementation of the approach through Producing for My Future during 2013 - 2014. The two-year Producing for My Future program follows a multi-stage sequence that includes the following general components:

- Consumption support
- Exposure to savings
- Market analysis and asset transfer to create or strengthen a small business
- Technical skills training
- Life skills coaching, including access to training through technology with electronic tablets, home visits and group activities

In Colombia, the pilot of Producing for My Future[9] tested adaptations to the Graduation Approach, intentionally leveraging existing government social protection programs by integrating them into the Graduation Approach.
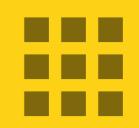
---

[9] This case uses the term "pilot" for the 24-month phase of the Graduation Approach implemented by the Department of Social Prosperity (DPS) in Colombia.

Next iteration of roll-out, government-led implementation / scaling

The Graduation Community of Practice is exploring how best to support large-scale adaptation and implementation of the Graduation Approach by governments and other implementers. This case study focuses on one country program in the second iteration of pilot projects, Producing For My Future, which, as noted, was implemented by the Department of Social Prosperity (DPS) in partnership with Fundación Capital in Colombia. Fundación Capital is an international social enterprise aimed at building the assets of the poor on a massive scale. Fundación Capital partners with governments in 14 countries, including Colombia, to pilot and scale initiatives and to promote exchanges among policymakers about pro-poor and inclusive social policy. DPS, as Colombia's lead federal agency on programs for social inclusion and reconciliation, is responsible for programs that promote productive inclusion and sustainability for vulnerable populations, including the extreme poor, through capacity-building and access to opportunities and assets.

Producing For My Future was implemented as part of broader public policy efforts in Colombia. The pilot was embedded into a comprehensive national social policy

AT A GLANCE
Producing for My Future

Project sites: Sitionuevo (northern coast) and San Luis (central inland), Colombia

Project direction: Colombian government's Department for Social Prosperity

Project implementation partners: Union Temporal Trabajando Unidos (first year); Fundación Capital (technical adviser; implementing partner second year)

Additional support: Ford Foundation

Supplemental technical training: SENA, Colombia's National Service of Learning Agency
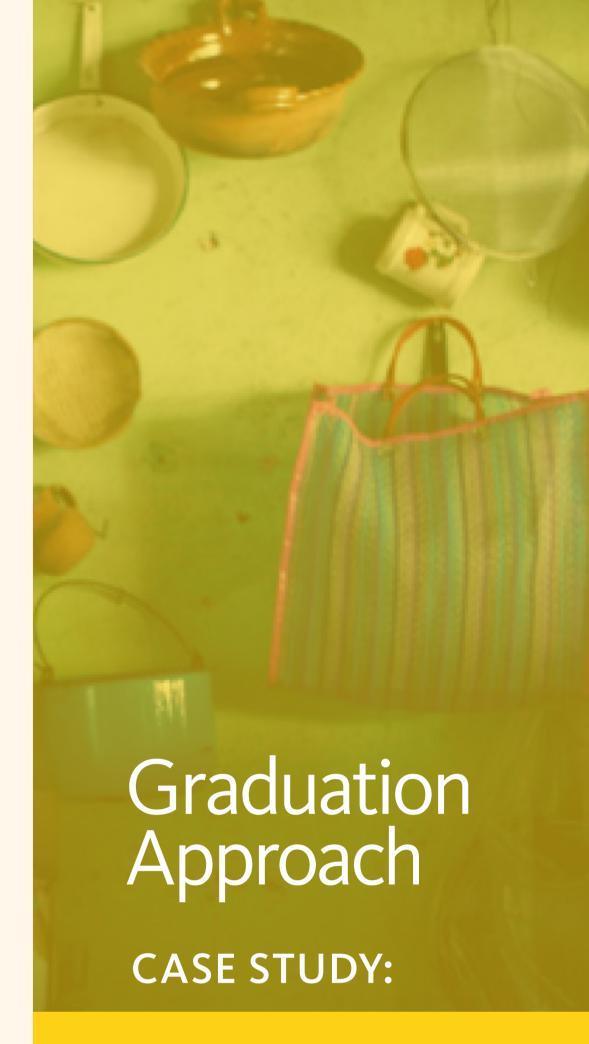
Participants: 1,000 recruited; 911 completed

Duration: Two years (2013-2014)

Cost: USD 1,170 per participant

Initial findings: Noticeable improvements observed in areas such as increased income, savings, business acumen, and confidence/optimism.

Next steps: Three new expansion sites in Colombia targeting 10,000 new participants.

Graduation
Approach

portfolio to support economic development for the nation's vulnerable populations, providing new tools and training that could leverage other investments by DPS and generate best practices to reach the extreme poor at nationwide scale. This case examines each phase of the project, and explores how changes in methodology (including using tablet-based educational materials) and government-led implementation have affected the program. The case also provides lessons learned and reviews additional changes that will be implemented as the Colombian government continues to expand the program in new regions across the country.

As the Colombian government plans future phases of Producing for My Future, and as other governments consider implementing the Graduation Approach, the lessons learned during the pilot project will be critical for improving the Approach's impact. This case study aims to capture the successes and the challenges with which pioneers are grappling. These lessons will contribute to the evolving global knowledge base of the Graduation Approach.

Graduation Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

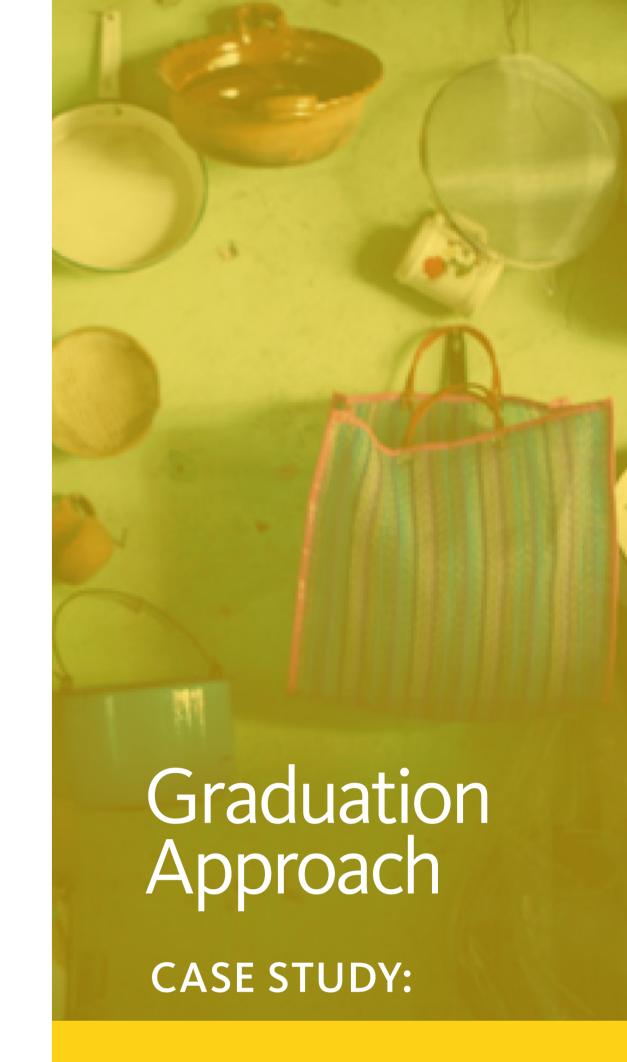# Country (demographic indicators, government policies and programs)

Colombia is an incredibly diverse country in terms of demographics, race and culture. According to 2014 data from the World Bank, approximately 14 (out of 46) million people live in poverty, and four million are considered extremely poor (defined as being unable to meet basic daily sustenance needs, as noted earlier).

The country has a significant Afro-Colombian community and indigenous populations—approximately 1.5 million people—who maintain a strong cultural identity and traditions. Both groups have historically been marginalized socially, politically and economically, and as a result have suffered disproportionately from systemic poverty. Furthermore, approximately seven million Colombians are displaced or victims of the long-term internal conflict. The majority of female heads of households are widows and families with grandparents and young children.

According to DPS data, between 2010 and 2014, 4.4 million people moved out of poverty. However, the poverty gap between urban and rural populations widened, and income inequality remains a major challenge for Colombia. Average income per capita of the top 10 percent is almost 40 times higher than the income of the lowest 10 percent (DPS based on

GEIH [general household survey] data from 2013).[10] In response, the Colombian government has, as noted, begun investing in programs to provide support (financial, psychological, etc.) to vulnerable households, particularly those living in extreme poverty and/or in households displaced by the civil conflict.

The *Department of Social Prosperity* was created in 2011 by the Government of President Juan Manuel Santos, as an offshoot of the presidential initiative Social Action (*Acción Social*). DPS' mandate was to contribute to the socioeconomic stabilization of vulnerable groups and marginalized territories in an effort to build a more equitable society and achieve long-lasting peace. DPS sets policies and implements programs for social inclusion and economic reintegration, and provides assistance to victims of violence. DPS also includes the National Agency to Overcome Extreme Poverty (*Agencia Nacional para la Superación de la Pobreza Extrema*—ANSPE), the National Center for Historical Memory (*Centro Nacional de Memoria Histórica*—CNMH), the Colombian Institute for Family Well-Being (*Instituto Colombiano de Bienestar Familiar*–ICBF), the Unit for Integrated Attention and Reparation to Victims (*Unidad para la Atención y Reparación Integral a las Victimas*), and the Special Administrative Unit for Land Consolidation *(Unidad Administrativa Especial*

[10] Central data catalogue maintained by the University of the Andes. Available at: https://datoscede. uniandes.edu.co/microdatos-detalle.php/48/

para la Consolidación Territorial). The Producing for My Future pilot was supported by DPS's Department for Productive Inclusion and Sustainability *(Dirección de Inclusión Productiva y Sostenibilidad)* under its umbrella of social programs for rural communities.

DPS' strategy for Producing for My Future has been to leverage existing government-run programs, particularly the conditional cash transfer program (*Más Familias en Acción*) which provides a consumption stipend to extremely poor families and to households that have been victims of the internal conflict. This pre-existing program provided the channel to deliver Producing for My Future's consumption support to the majority of families in the pilot. Importantly for DPS' overall objectives, the addition of the Producing for My Future initiative in the DPS portfolio provided economic development opportunities for this population as a next step to improve their overall well-being.

Graduation Approach

Region and towns selected for Graduation project

Fundación Capital worked with DPS as well as the National Planning Department to identify the most relevant and appropriate municipalities to pilot the Graduation Approach, in accordance with the government's priorities and territorial objectives. In February 2012, a working group devised specific parameters to choose the pilot communities. They took into account multi-dimensional poverty indicators like access to education and health services, road conditions and level of access to municipalities and urban centers. The group also assessed potential for synergy with existing government programs targeting the needs of vulnerable populations.

After reviewing the factors and context of potential communities, DPS selected two. The chosen sites represented different cultures and customs in Colombia—Sitionuevo, representing Colombia's more outgoing coastal culture, and San Luis, representing the more reticent inland culture.

Sitionuevo is located in the Magdalena department (or district) on the northern coast of Colombia. The nearest city is Barranquilla, Colombia's fourth-largest city, approximately 20 miles away.

Neighborhood in Sitionuevo

Graduation Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

Economic activities include small-scale crops (onions, cilantro, etc.), raising pigs and chickens, running small variety and food shops, or services like sewing and tailoring. Sitionuevo and the surrounding communities are situated around major thoroughfares that connect to Barranquilla, so transportation to markets and other urban services is fairly regular.

San Luis is located in the inland department of Tolima, in central Colombia. The majority of the population in San Luis is dedicated to agriculture—corn, yucca, and cattle ranching are the main income-generating activities. Most families depend for water on streams and springs, and water contamination, from both agricultural and human sources, is a major problem. Those who have the resources can pipe water in with a gasoline-generated water pump for daily use as well as for crop irrigation and animal husbandry (e.g., pigs, chickens) needs. Others must collect water every day to fill their small tanks. Public transportation is limited or non-existent in the rural areas where most of the population lives, making market connections and access to other services a challenge.

San Luis, Tolima

Graduation
Approach
CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

SITIONUEVO
Magdalena

SAN LUIS
Tolima

Pilot sites photos (Sitionuevo (top) and San Luis (bottom)) and map

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

**GRADUATION
PROJECT**

**CONCLUSIONS &
IMPLICATIONS**

GRADUATION PROJECT

Program objectives and theory of change

The objective of Producing for My Future is to help families living in extreme poverty accumulate assets (human, social, productive and financial) to strengthen their socioeconomic status, increase resilience, and build economic independence.

The project design process began in 2011, led by DPS and with the participation of the Department of National Planning (DNP) and ANSPE, along with the technical expertise of Fundación Capital. In 2012, after extensive consultations among the stakeholders, Producing for My Future was established as a pilot program within DPS. To balance the various priorities of the diverse range of participating entities and decision-makers (including DPN, ANSPE, DPS and Fundación Capital with guidance from the Ford Foundation), DPS chose to focus on extremely vulnerable populations, including victims of Colombia's internal conflict. Other DPS programs, like the Unit for Integrated Attention and Reparation of Victims *(Unidad para la Atención y Reparación Integral a las Victimas),* solely target families displaced by the country's internal conflict;[11] ANSPE facilitates social welfare programs to poor families across the country. As noted earlier, DPS wanted Producing for My Future to leverage resources that were already addressing the needs of the extreme poor in Colombia, especially the government's conditional cash transfer program.

[11] A separate Graduation pilot was implemented in 2014- 2015 serving only families affected by the country's internal conflict, reaching over 1,000 households.

Target participants, scale of program

Producing for My Future aimed to include 1,000 total participants from the two different regions. Due to program attrition (including participants moving, dropping out, and even dying, in a few cases), 911 completed the entire program. The pilot targeted participants in situations of extreme poverty living in the two rural centers described earlier. A multi-dimensional poverty index[12] was used initially to identify potential participants from those two areas.
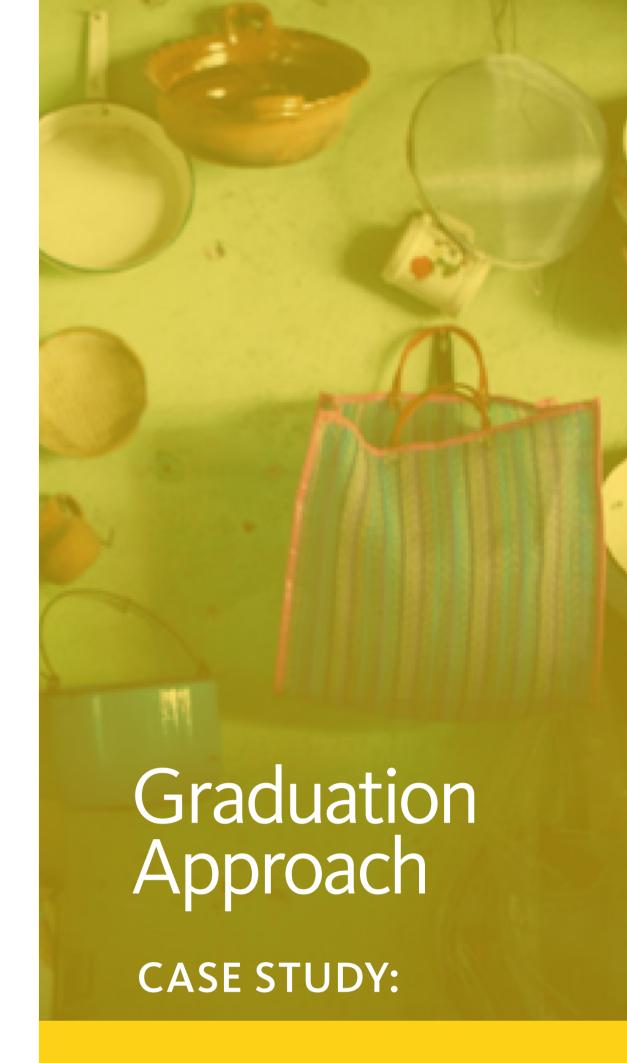
Participants were then chosen using two methods:

- A government system and database that categorizes and ranks Colombia's poorest citizens according to certain criteria, including health, housing, education and vulnerability levels (*Red Unidos para la Superación de la Pobreza Extrema*[13] *and Sisbén*[14]).
- A community mapping exercise to identify needy families.

[12] "Policy – A Multidimensional Approach." OPHI. http://www.ophi.org.uk/policy/multidimensional-poverty-index/. The Índice de Pobreza Multidimensional (IPM)–or Multidimensional Poverty Index–is used as an indicator to represent the nature and intensity of poverty-related hardship in households. The dimensions include education levels, work, health, housing conditions and family size (including number for children), among others.
[13] *Red Unidos para la Superación de la Pobreza Extrema* is a national government strategy to address households in extreme poverty in Colombia, led by ANSPE, the national Agency to Overcome Extreme Poverty. It ranks families in a national database.
[14] "Sisbén." https://www.sisben.gov.co/. February 18, 2016. The Sisbén is a survey used by the Colombian government to identify potential beneficiaries of government-sponsored social programs, using health, education, housing and vulnerability indicators.
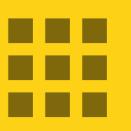
Graduation Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

Stream that supplied drinking and cooking water for families near San Luis

Of the 1,000 families originally chosen, fifty percent were chosen using the government database, and the other half were chosen through the community mapping and identification.
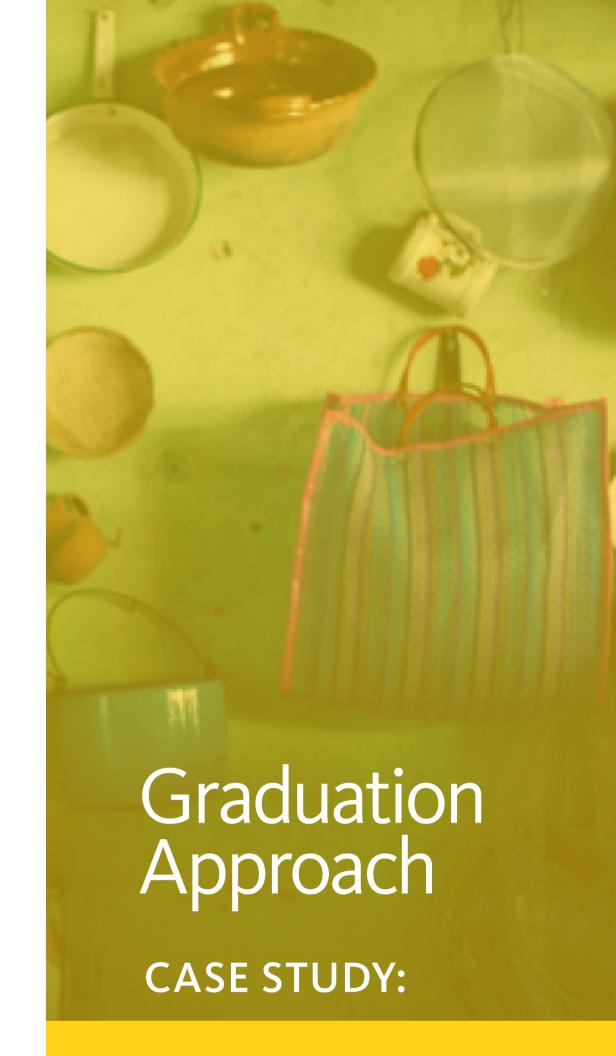
Generally, the pilot aimed to identify and integrate women heads of households as the main participants. Global research has shown that when women manage household finances, they tend to spend resources on family well-being and domestic needs more consistently than men do. Both men and women were welcome, however, and participated in the program. In some cases, the beneficiary was the male head of house, but his wife or female partner attended the group trainings and participated during the home-visits with the

coaches. But even when women attended the workshops and learned alongside with their husbands or male partners, the men were often still the ones who made the decisions about how money was used.

For the families identified through the Sisbén government database, DPS and Fundación Capital received a list of initial participant names and then verified the families' eligibility for the program through in-person home visits. The list was adjusted to correct any outdated information in the system—for example, records had old addresses and contact information for some families originally flagged by the Sisbén score.

To test the other participant identification strategy, DPS and Fundación Capital met with community members and local leaders in both municipalities to create maps of vulnerable households and identify the neediest families. The objective was to identify such families via collaboration with the communities, both to ensure local buy-in and to avoid oversights that the government database might make.

The average participant age was 45 years old (although there were several senior citizen participants, about which more below). One-third of the participants have five of more children; some families reported up to eleven family members living in the same house. Education levels were generally low among the population: 31 percent of the pilot participants reported not knowing how to read at all (functional illiteracy was
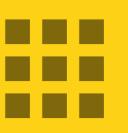
Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

actually much higher), and 27 percent had never attended school. In terms of household services, participants reported the following situations:

- 52 percent lacked potable water (34 percent sourced water from rivers, streams or springs).
- 44 percent of participants had floors made of dirt or sand.

The pilot included a number of participants who were aged 70 or older, and some of them faced additional challenges because of age-related health issues or because of limited educational skills that prevented them from taking full advantage of the program's tools (e.g. workbooks, to be discussed in greater detail in the Life Skills Coaching section). The program learned that including a younger household member could help mitigate the potential attrition rates of older participants.
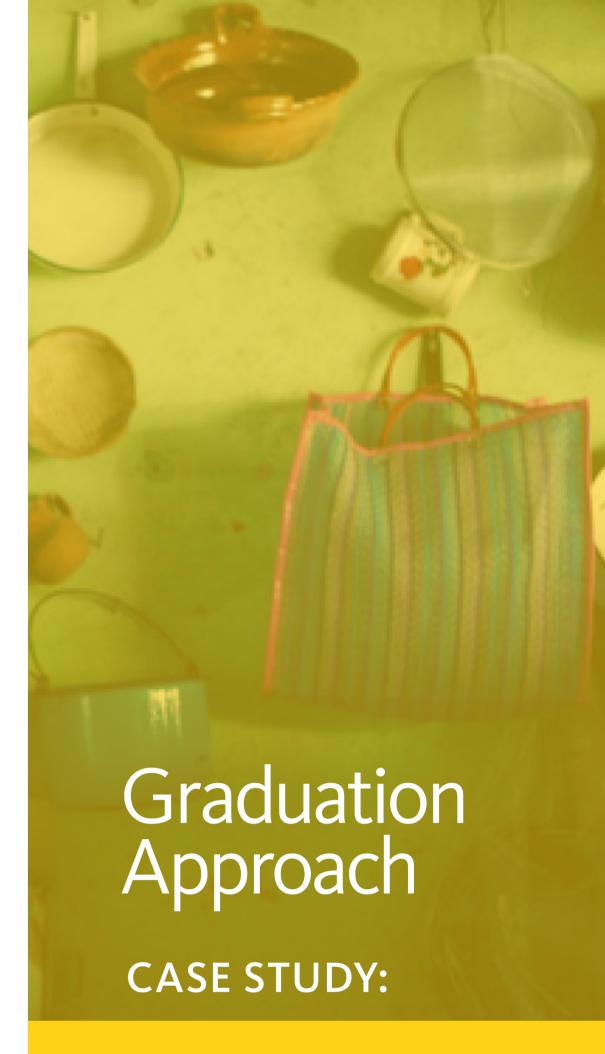
Several challenges arose during the selection process. The community mapping exercise at times created difficult social dynamics in the communities. Some families wanted to participate because they wanted the financial support, even though they were not necessarily the neediest. At certain points, program staff—especially those who themselves came from the same or nearby municipalities—were pressured to choose influential people in the communities, even though those people were not necessarily the neediest. In other words, local power dynamics still entered into the selection process. The additional step of household visits to verify the socioeconomic status of potential

participants was often used to ensure the program targeted the most appropriate households.

Once all the participants were chosen, Fundación Capital cross-referenced the list of participants identified during the community mapping exercise against the list generated by the Sisben database. The two methods identified families of a similar vulnerability level as potential participants, but the Sisben database was more cost-effective.

LESSONS LEARNED: TARGETING AND SELECTING PARTICIPANTS

- Selecting participants from the national government (Sisbén) database provided a comparable list of eligible households as the participatory mapping exercise but was more cost-effective.

- The government has to keep the national database up-to-date, however, if those records are to provide reliable information for this type of participant identification exercise.

- In-person visits to verify household eligibility provides added assurance that the target population is being reached.

- Including more elderly participants can help ensure that the poorest and most vulnerable are indeed participating, but an upper age limit may be needed for the program's resources to be most effectively and efficiently deployed.

Graduation Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

19

Key partners

Producing for My Future was implemented by DPS with a consortium of partners over the course of the two-year pilot program. During the first year (2013), the project was funded by a larger government grant with multiple components,[15] of which Producing for My Future was one part. In the second year, full responsibility shifted to Fundación Capital which helped streamline operations. Fundación Capital coordinated activities with DPS during the second year to ensure that the government's objectives for the pilot were being met, but Fundación Capital alone became responsible for day-to-day, on-the-ground operations and management of the pilot, including training and managing the coordinators and coaches.

Additional technical assistance support was informally provided in Sitionuevo by Colombia's National Service of Learning Agency (*Servicio Nacional de Aprendizaje,* or SENA). SENA is a government initiative dedicated to professional development. Participants in Sitionuevo received training from SENA through a municipal agreement that complemented the efforts of the Producing for My Future program. Although the

[15] In 2013, funding and operations for Producing for My Future was channeled through a larger grant program that was being implemented by DPS. As noted above, certain components (e.g., consumption support), were covered by other programs as DPS leveraged existing resources. Specifically, this first of year of implementation of Producing for My Future was financed and administered through one workstream within a comprehensive, multi-pronged program supported by DPS. Operational management of the program was through a "*union temporal*" – or temporary partnership. During the first year, Fundación Capital's role was as strategic advisor around technical issues of program implementation of the Graduation Approach.
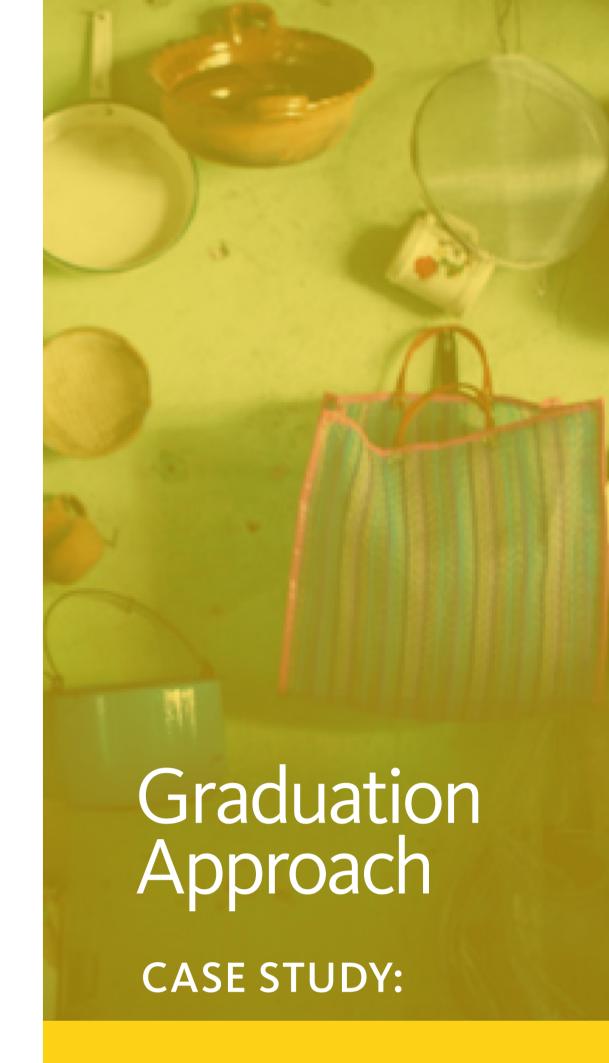
relationship was informal in terms of the pilot, there were certain DPS requests for training that SENA was able to fulfill, and the participants gained valuable additional learning opportunities through SENA's capacity-building sessions.

Planning: Adaptations to prior Graduation Approach models

The DPS pilot intentionally deviated in several ways from the original Graduation Approach in order to contextualize the program to Colombia. The main adaptations are discussed below.

The Colombian government was the key implementer, providing most of the funding and the strategic vision for the intervention. As noted, DPS saw the opportunity to integrate an economic development component into its portfolio of social programs. Government implementation strengthens the link to broader public policy, which may facilitate program sustainability. The availability of ongoing funding and a dedicated workforce can also be a benefit, with the ability to scale more efficiently and quickly to multiple regions or to a nationwide level.

The asset transfers for business development were provided in cash, rather than in in-kind material. DPS

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

**GRADUATION
PROJECT**

**CONCLUSIONS &
IMPLICATIONS**

and Fundación Capital wanted to test the efficiency of providing cash to participants to acquire their own assets, rather than having the program take responsibility for identifying and procuring suitable assets for each participant. The cash transfer also provided an opportunity for participants to increase their engagement in business decision-making as well as their confidence with cash management, both of which were low for most households. Finally, the implementers wanted to test how injecting cash into the local economy would benefit the community.
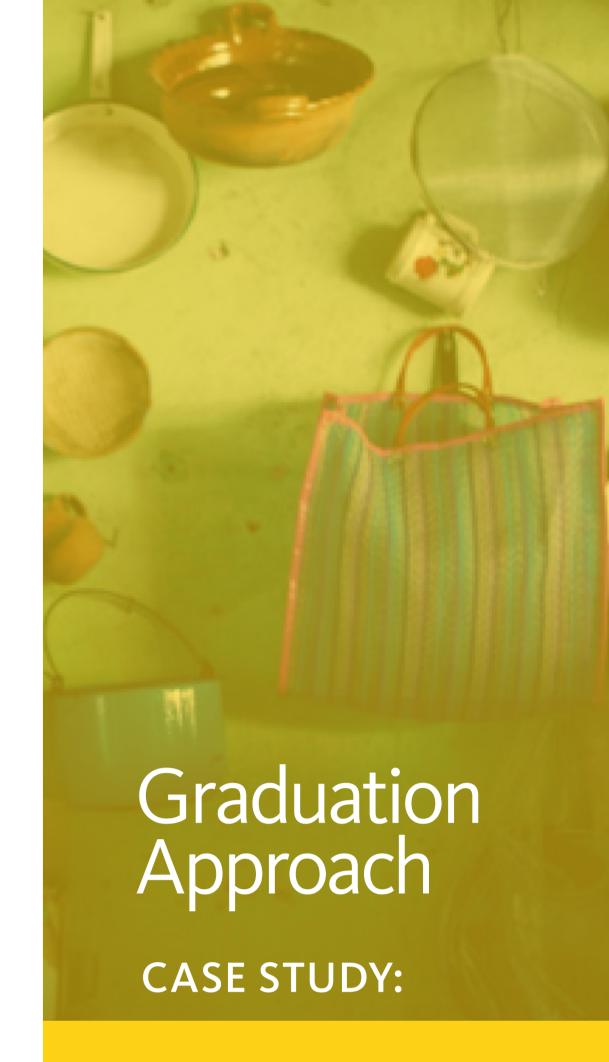
The life-skills coaching component was facilitated by coaches who used a computer tablet to teach each lesson. DPS and Fundación Capital integrated the tablet and 22 training modules with the objective of increasing consistency of the training across program sites and participating households, regardless of the training style or abilities of the various coaches. Also, given the education levels of most participants, DPS and Fundación Capital believed that the tablet technology would be more user-friendly and thus ultimately more successful at building participants' capacity than written materials (which participants may or may not have been able to read).

Further details of these adaptations will be addressed in detail in the following sections.

Implementation

Staffing

Staffing of the pilot included teams from DPS and Fundación Capital, with strategic and financial support from the Ford Foundation as well. Ultimate responsibility for project management rested with a project manager from DPS (with strategic guidance and alignment to overall DPS objectives provided by the Deputy Director of DPS) and technical advice from a small advisory/implementing team from Fundación Capital. The project's operations manager, from the implementing partner contracted by DPS, oversaw administrative and operational aspects of the pilot. She was responsible for supervising the work of two regional coordinators on site, as well as for relationship management and communication with municipal leaders and DPS. She also spoke at least weekly with the coordinators and the coaches and made monthly visits to each site. Fundación Capital helped train the coaches and oversee field activities.[16] (See the figure on the following page for the overall organization structure of the project.)

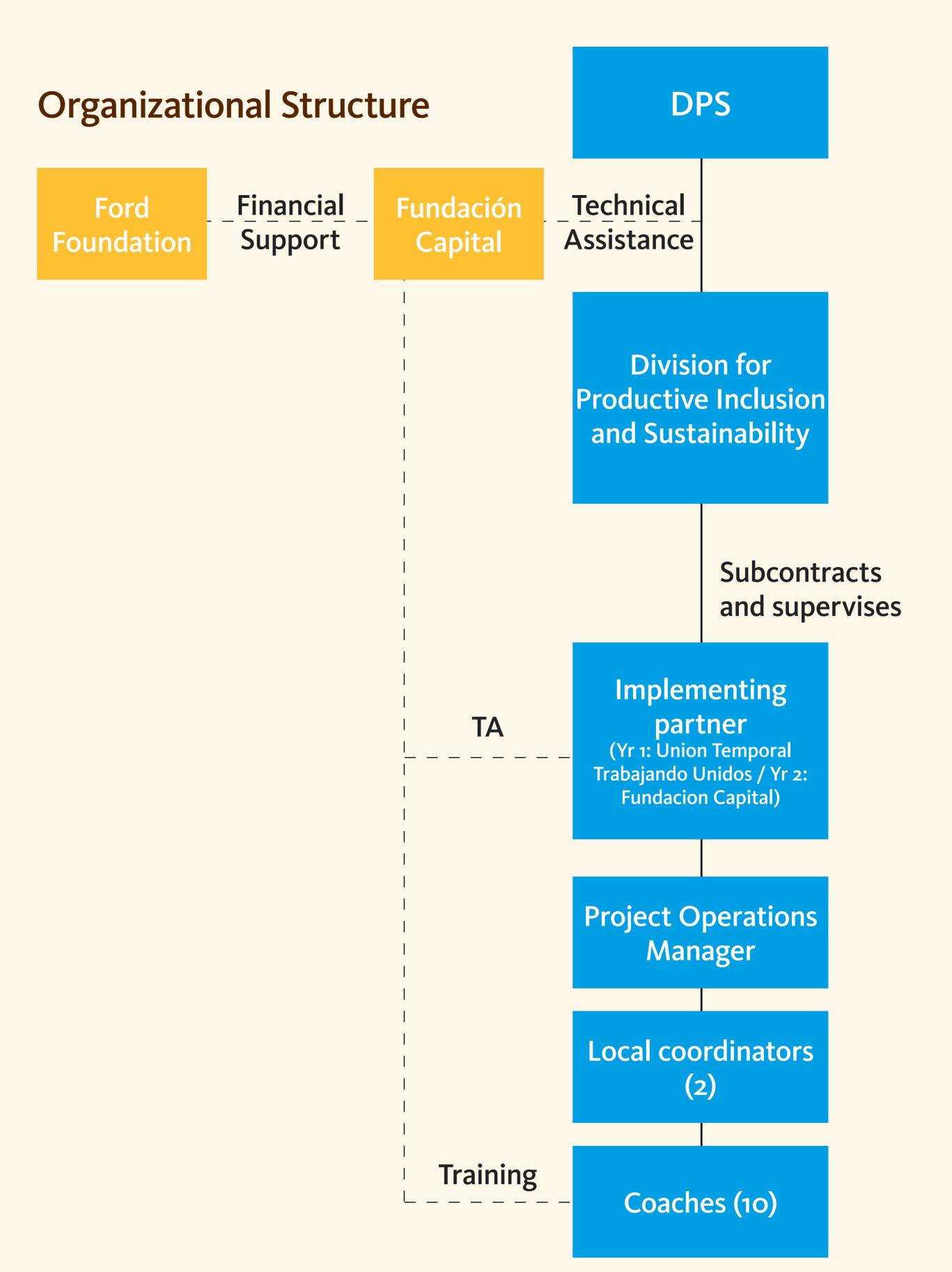[16] During the first year of pilot implementation, Union Temporal Trabajando Unidos served as the implementing partner, with Fundación Capital providing technical assistance to ensure the project was being implemented in accordance with the design and to help address issues that arose in the field. During the second year of pilot implementation, Fundación Capital served as the implementing partner.

Graduation
Approach

In each pilot site, one coordinator oversaw the work of five coaches who were each, in turn, responsible for visiting 100 participants and their families over the course of the 24-month program. On average, each coach was scheduled to make 10 visits per day; this meant that each family was visited (by the same coach) approximately twice per month.

Each week the coordinators would meet with the coaches to review weekly work plans and troubleshoot any challenges. They monitored weekly progress reports submitted by the coaches to ensure that the coaches' weekly goals were being met, and facilitated any additional communication regarding challenges, important milestones, or other issues. The site coordinator would also perform random checks during planned site visits to ensure each coach was in fact carrying out the required visits. Particularly as the coaches and families got to know each other, the visits—which were designed to last about 30 minutes—would extend as the participants established a level of trust and friendship with the coach. Often, coaches played a larger role as confidante and friend to the participants. According to one coach in Sitionuevo, it was an ongoing challenge to complete all visits on a given day, resulting in an ongoing negotiation of workload.

Turnover was high among the coaches during the first year of the pilot. When a new coach joined the team, the coordinators had to devote considerable time and

Organizational Structure

DPS

Ford Foundation — Financial Support — Fundación Capital — Technical Assistance

Division for Productive Inclusion and Sustainability

Subcontracts and supervises

Implementing partner
(Yr 1: Union Temporal Trabajando Unidos / Yr 2: Fundacion Capital)

TA

Project Operations Manager

Local coordinators (2)

Training

Coaches (10)

resources to on-boarding. To contain on-boarding costs, Fundación Capital eventually created an online, virtual classroom to train new coaches (which is now being implemented as part of the coach training in the next phase of the program).

Coaches were hired locally, a strategy to help build participants' trust in their coaches (they would have the same accent and know the area). However, due to the rural nature of the pilot sites, finding a sufficient number of qualified coaches was a challenge. Because of their local ties, the coaches also faced occasional temptations to cut corners during the one-on-one visits, for example, combining a work visit with a social visit, or consolidating individual visits into a group visit. Fundación Capital and DPS worked together to establish a system of monitoring and evaluation (and discipline in some cases) to address performance issues of the coaches. The implementers learned that when hiring coaches, certain trade-offs (e.g., between formal qualifications vs. local knowledge) may be necessary and that a formal performance evaluation system can be helpful to ensure quality work from the coaches.
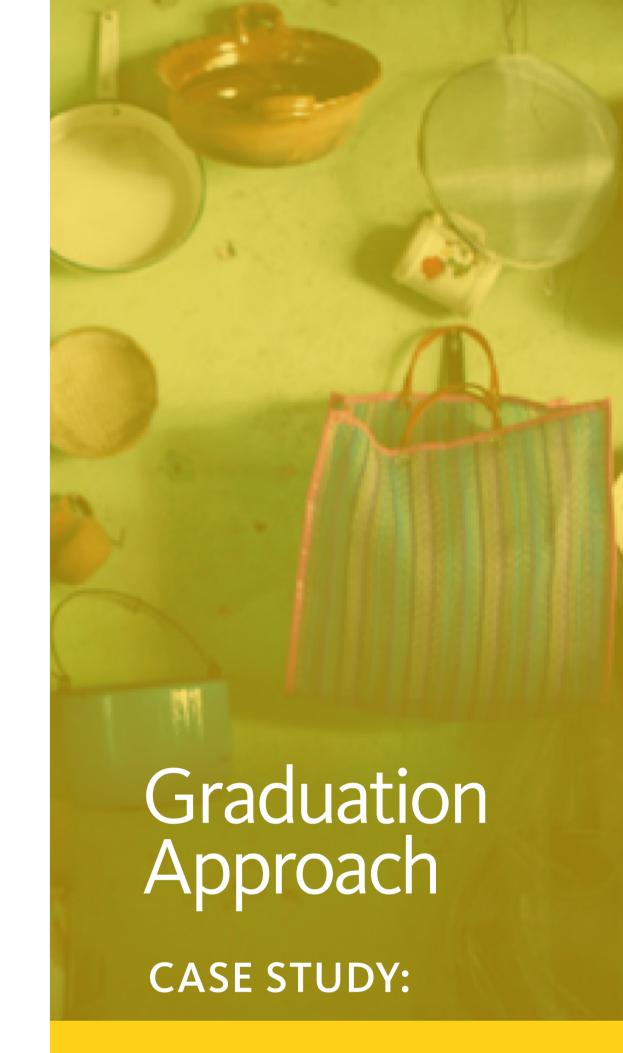
Providing a detailed explanation on the program's theory of change, as well as the sequencing of its modules and lessons, is important to build the coaches' understanding and skills. This type of training ensures that the coaches are prepared for the responsibility of facilitating each module and the group activities. Each coach was given an implementation manual and guide

as preparation, and as noted above Fundación Capital has now designed an online course for coach training.

During the program, Fundación Capital and DPS had a collaborative relationship, with aligned programmatic objectives and consistent ongoing communication. All the project stakeholders stressed the importance of regular communication across institutions and at different levels. This included strong communication within and across all the government agencies involved, as well as between the implementation and leadership teams at DPS and Fundación Capital.

LESSONS LEARNED: STAFFING

- Bi-monthly in-person visits are critical to build trust between coaches and participants and to ensure participants stay on track with their business development and the associated activities.

- Institutional memory is difficult to maintain because staff turns over at all levels. Government agencies and implementing partners must develop training strategies and tools, tips, and guides to help ensure smooth transitions and efficient and effective on-boarding of new staff.

- Time-management training for the coaches is essential to help them meet their coaching session responsibilities.

- Hiring local coaches has trade-offs (professional criteria and education levels versus local knowledge of the area and population).

- Ongoing communication among key implementing partners (e.g., between Fundación Capital and DPS) facilitated successful pilot implementation.

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

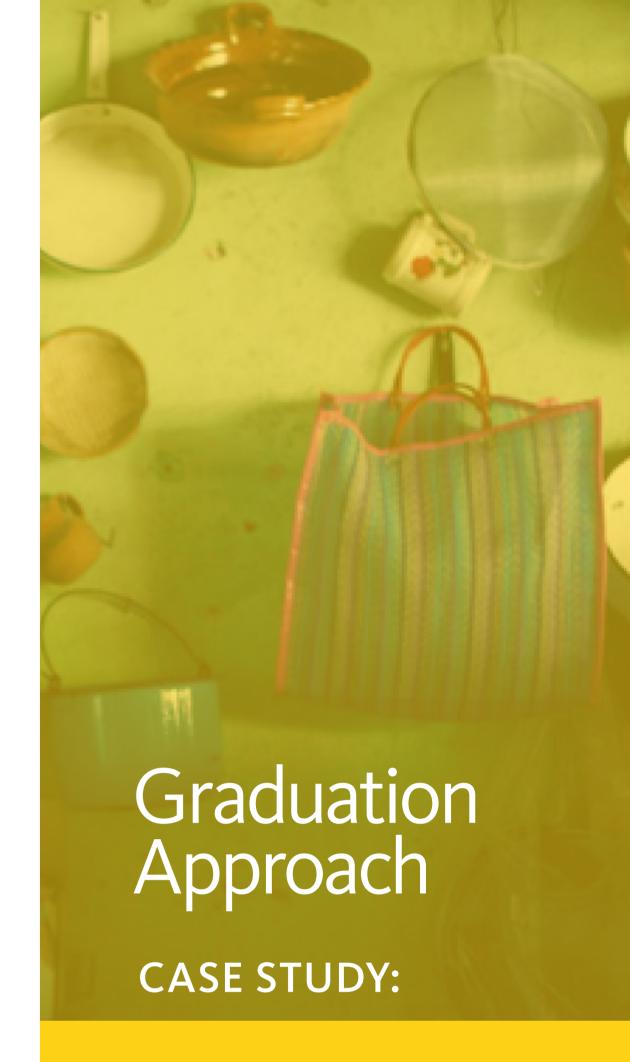**GLOSSARY**

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

23

Graduation Criteria

The program did not set specific performance criteria for graduation but did set certain expectations at the outset for each participating family. To successfully finish the program, participants had to complete all capacity-building modules and be present for the coaches' home visits. If the registered participant was unable to be present on a specific day, someone else from the family was expected to meet with the coach, complete the training module (using the tablet), and pass along the information. All participants were also required to attend group activities that promoted team building and cooperation to strengthen community connections and to encourage savings plans (which included the distribution of piggy banks for each participant). Each participant signed enrollment forms, indicating his or her commitment to completing all one-on-one coaching sessions and group activities, as well as to the appropriate use of the seed capital (i.e., for business purposes only). If the first disbursement of money was misspent, for example, a participant would be ineligible for the second. There was no requirement, however, that any participant return any misspent money. Both the government and Fundación Capital recognized this risk factor in the program, but believed it would be impossible to ask for money back from families facing dire household needs and situations. Notwithstanding that reality, the goal remained to establish a sense of responsibility and trust in each participant so that they would responsibly invest the funds.

LESSONS LEARNED: GRADUATION CRITERIA

- Participants are expected to attend all coaching sessions and group activities in order to successfully complete the program.

- If a participant is unable to attend a one-on-one or group session, a family member should attend instead and complete the module and lesson with the coach, being sure to convey the relevant information.

- Although participants commit to full participation in the program, sometimes external factors make it impossible for a participant/family to complete the program.

- A certain level of attrition or diversion of funds is likely, due to the vulnerable population targeted by the project, but participants should not be expected to pay back any asset transfer funds that may have been diverted to another purpose.
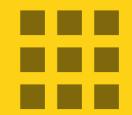
Graduation Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

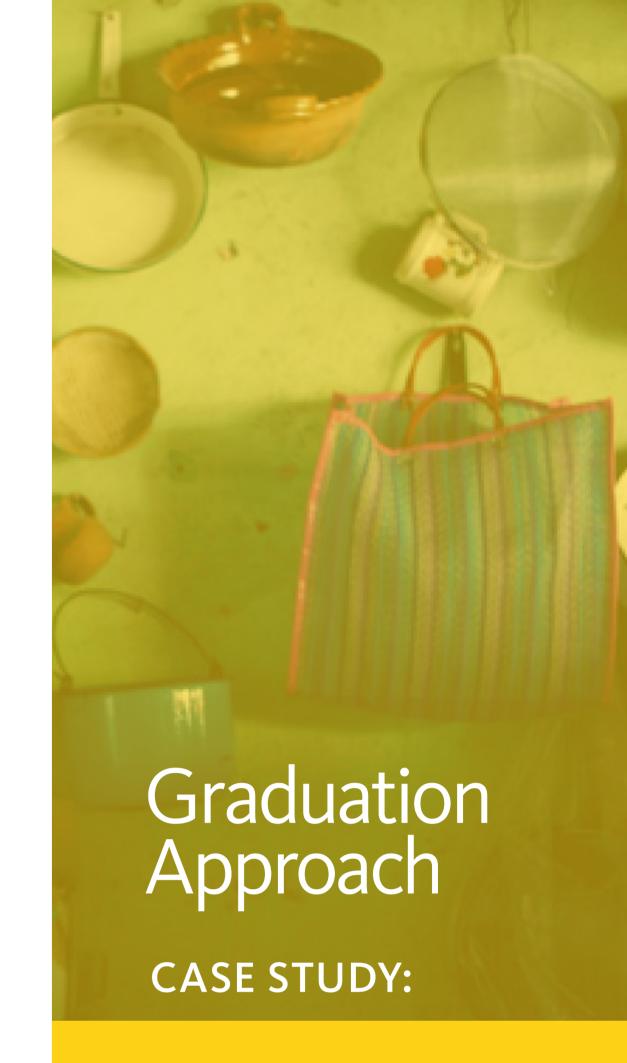GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

Consumption Support

Consumption support is a critical component of the Graduation Approach. As noted earlier, the Colombian government leveraged existing consumption-support initiatives to serve as the foundation for Producing for My Future. To avoid duplicating efforts, the pilot worked with the *Más Familias en Acción*, a national program to address consumption needs of vulnerable families which effectively included many of the pilot-program families. *Más Familias en Acción* provides support to Colombian families who meet certain criteria—but some of these differ from the criteria used to screen Producing for My Future participants. Due to legal constraints and the fact that both Producing for My Future and *Más Familias en Acción* are government-supported programs, the non-Familias participants (about 40 percent of the total pilot-program participants) did not receive the consumption support that was a key feature of the "classic" Graduation Approach. DPS and Fundación Capital considered providing a separate, one-time transfer for consumption support to those Producing for My Future participants who did not receive consumption support from *Más Familias en Acción*. The program staff were concerned, however, that Producing for My Future might be perceived as playing favorites if it provided consumption support to some participants but not others (even if such a move had been undertaken with the good intention of bringing the non-

Familias participants up to parity). In the end, Producing for My Future elected to provide consumption support to no one rather than to only some.

Upon reflection on the choice to use consumption support from Más Familias en Acción, a DPS project manager noted that it was hard to assess whether or not the families who received consumption support had higher success rates than those who did not. Carrying out a longer-term comparative study among families who received consumption support versus those who did not could provide important data for program decision-making, in Colombia and more broadly.

LESSONS LEARNED: CONSUMPTION SUPPORT

- Leveraging existing consumption support programs is a cost-efficient way to integrate new initiatives such as the Graduation Approach without duplicating efforts and resources.

- However, not all families participating in the Graduation program may receive full consumption support because of differing eligibility criteria between the two programs.

- A potential long-term study question should compare the well-being of families who received consumption support from *Más Familias en Acción* with that of families who participated only in Producing for My Future (and therefore received no consumption support).

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT
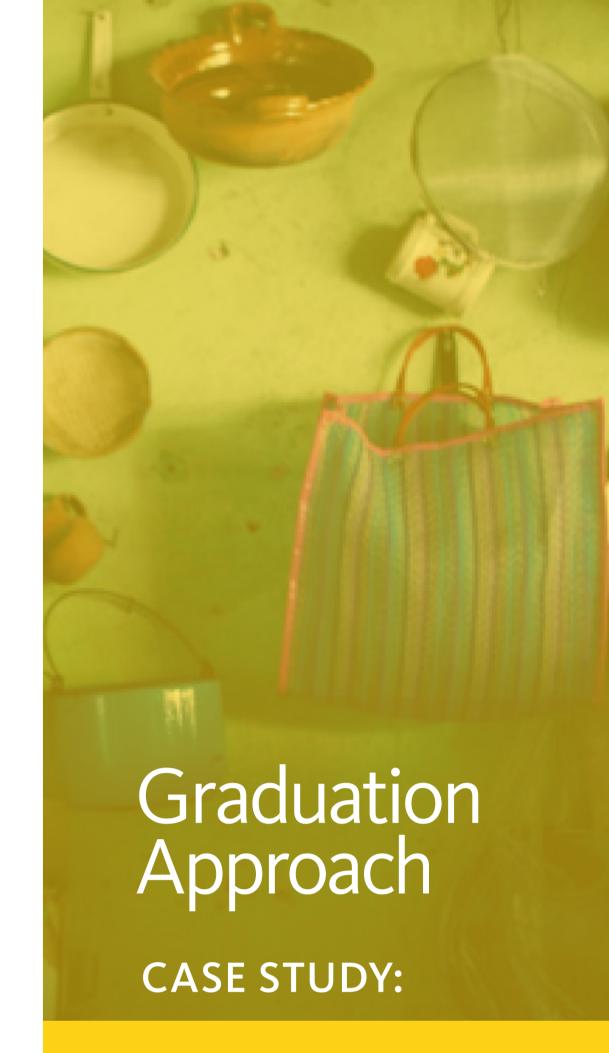
CONCLUSIONS & IMPLICATIONS

Savings

Another key component of the Graduation Approach is savings promotion. In Colombia, the pilot encouraged savings primarily through individual saving at home (in a traditional piggy bank) and through savings groups. For several reasons (discussed below), formal savings in a traditional bank savings account—which was one of the goals of the program—is very uncommon for the participants in both San Luis and Sitionuevo.

Training modules were dedicated to the importance and value of savings. Each participant received a small piggy bank, which they painted and decorated in a group meeting, and were encouraged to use to set aside a portion of their income as savings. Each family had its own process for deciding the percentage they wanted to save and the percentage they intended to reinvest in their business. For many, Producing for My Future facilitated their first-ever household savings plan. The participants who reported saving did so with obvious pride. The savings enabled them to meet their personal and family goals, including sending their children to school, as well as expanding or improving their homes. Many relied on their savings in moments of family emergencies. Producing for My Future helped many participants to establish the discipline and the habit of setting aside money for savings.

Elena, a participant from San Luis, continued to participate in a savings group with neighbors, even after the pilot had officially ended. Over the course of seven months (post-pilot), Elena saved nearly USD 150 from sales in her small store, whose inventory she was able to expand with the asset transfer from Producing for My Future.

In general, participants expressed hesitation about using banks. For one thing, the formal financial services infrastructure (whether banks or other providers) was weak in the rural pilot sites. Many participants were also wary of formal banking because of a lack of experience with the banking system, limited financial education, negative customer service experiences, and perceived (and real) high transaction fees. Myths about banks also abound, including that money in a bank could be seized from a depositor if it is not withdrawn or added to after a certain amount of time.

The pilot included savings groups, which are locally-managed, peer support circles that encourage participants to save in a more supportive setting. Savings groups in the pilot sites were established late

Graduation
Approach

CASE STUDY:

COLOMBIA

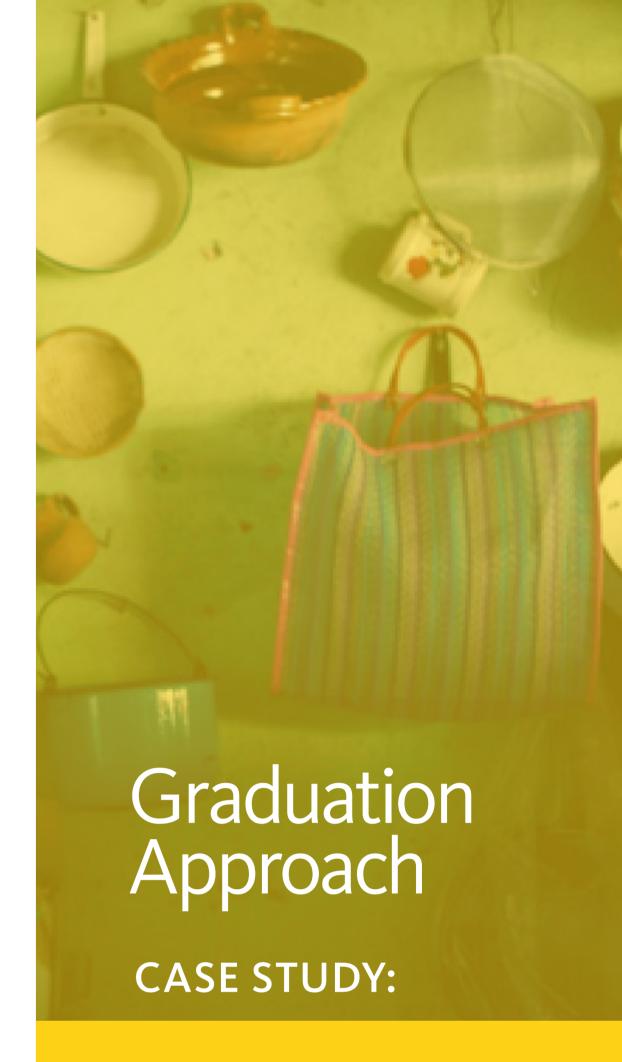**INTRODUCTION**

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

in the project cycle, when approximately four months remained in the project. Plans for future Graduation programs include initiating the savings groups much earlier. The savings groups were voluntary, with about eight participants in each group. They met every week or two to contribute to the savings funds, and each participant's contributions were recorded in an accounting book. The groups were supported with guidance and mentoring from the coaches, who helped motivate the participants to save. Savings groups enabled participants to establish the discipline of saving on a regular basis and contributed to improved communication among neighbors. At the end of the pilot, most of the groups disbanded, in part because they no longer had the external motivation and guidance from the coach to keep saving. However, one savings group has been sustained post-pilot by the participants on their own.

In spite of the challenges, there were many bright spots with the savings groups. In San Luis, a few members joined the savings group, adding whatever they could every week to the wooden box of communal savings (which was kept secure via three keys that rotated among members). Herminia, in San Luis, diligently saved through the savings group, sometimes adding the equivalent of just a few dollars every week. Over time, she was able to save COP 190,000 (about USD 60) in one week, a major achievement considering her small business raising pigs.

LESSONS LEARNED: SAVINGS

- Basic savings training is valuable for extremely poor and vulnerable populations. Establishing the discipline of setting aside money for emergencies and for long-term goals provides important security for participants. Savings, through groups or other methods, should be introduced as early as possible in the program cycle.

- Participants felt pride in their savings, particularly with their piggy banks.

- Trust and experience working together are the foundation for successful savings groups.

- During the first few months, savings groups need consistent guidance and support from the coaches and operational partner (Fundación Capital, in this case).

- Encouraging participants to save in formal financial institutions proved more challenging than anticipated, given issues at the pilot sites of access, familiarity, and trust.

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

Market analysis

For each proposed business, participants developed a business plan with the support of the coach during a one-on-one visit. Only a general market analysis was performed by Fundación Capital and DPS, using regional data and reviewing the economic drivers (including animal husbandry and agriculture production) in the region. Government data and studies provided basic background information on the socioeconomic trends of the populations, and the general business environment, but it was not intended to provide an in-depth analysis of the market. In many cases, the markets for several of the participants' products became flooded and the participants earned less than their projections. A more comprehensive market review, leading to a more diversified array of economic activities, may have benefitted the participants in their decision-making for business ventures, especially in San Luis.

Diversity among the types of small business ventures was more limited in San Luis compared to Sitionuevo. This was due to cultural factors as well as general socioeconomic activities of each region. In Sitionuevo, access to the wider and more diverse market of Barranquilla enabled a broader diversity of ideas. In San Luis, it was harder to convince the participants to think beyond pig farming or lemon growing, based on traditional production in the area. This narrow focus was exacerbated when the participants saw an example of a pig farm in the workbook, which led many to the mistaken conclusion that pig farming was the recommended business option. As a result, the majority of the participants in San Luis chose to raise young pigs, which are generally in high demand for celebrations and parties. Although the decision was smart in terms of building on established knowledge and capacity (many have raised pigs for years in their patios), the volume of pigs on sale at the market increased such that the price per pig dropped significantly as the market became flooded. Participants and their coaches identified creative ways to diversify even within the same productive activity (for instance some specialized in raising pigs, while other specialized in making pork-based traditional dishes).

LESSONS LEARNED: MARKET ANALYSIS

- Investing sufficient time in each participant's business plan helps ensure a higher success rate. While the training modules teach general concepts related to upfront costs, revenues, and expenses of a small business, more planning and projection work is necessary to ensure participants are taking a longer-term vision of their entrepreneurial investments.

- Businesses succeed when they build on participants' existing skills, knowledge and resources, as long as there are sufficient markets for their products. Coaches must provide guidance and encourage participants to focus on past experiences and knowledge (e.g., experience raising pigs), as well as existing assets and resources, to build out their businesses.

- If a comprehensive market analysis is not possible, efforts should be made to help participants diversify the range of economic activities undertaken, based on an understanding of the existing landscape of businesses, including potential opportunities and competition.

Graduation Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

Asset Transfer

As noted earlier, Fundación Capital and DPS decided to provide the asset transfer in cash to the participants instead of providing it in-kind. This decision was made for a number of reasons:

- Increased financial literacy and cash management skills, particularly for extreme poor and marginalized communities, are a priority goal for DPS. Managing cash flow is an "on-ramp" for individuals and households to manage more complex financial transactions. Over time, the goal is to increase the financial inclusion of households living in extreme poverty. It was noted that poor communities often have a reputation for misusing government funds and being incapable of properly managing money. Giving the households cash signaled trust and empowered the participants to demonstrate responsible use of the money and take responsibility for their business decisions. An internal evaluation by Fundación Capital found that 94 percent of participants used the cash in the way they said they would in their business plan.[17]

- Assets delivered "in kind" generally require a middleman who handles purchasing and delivery to the participants. In other projects, DPS had seen poor quality or delayed delivery of assets trigger project failure.

- Finally, cash transfers were provided as a way to contribute to the local economy. As participants spent the cash near their homes, they were injecting resources into the local markets.

[17] Fundación Capital and the Department for Social Prosperity. March 2015. *Report on Evaluation of Concepts, Processes, and Results: Producing for My Future.* Bogotá: Fundación Capital.
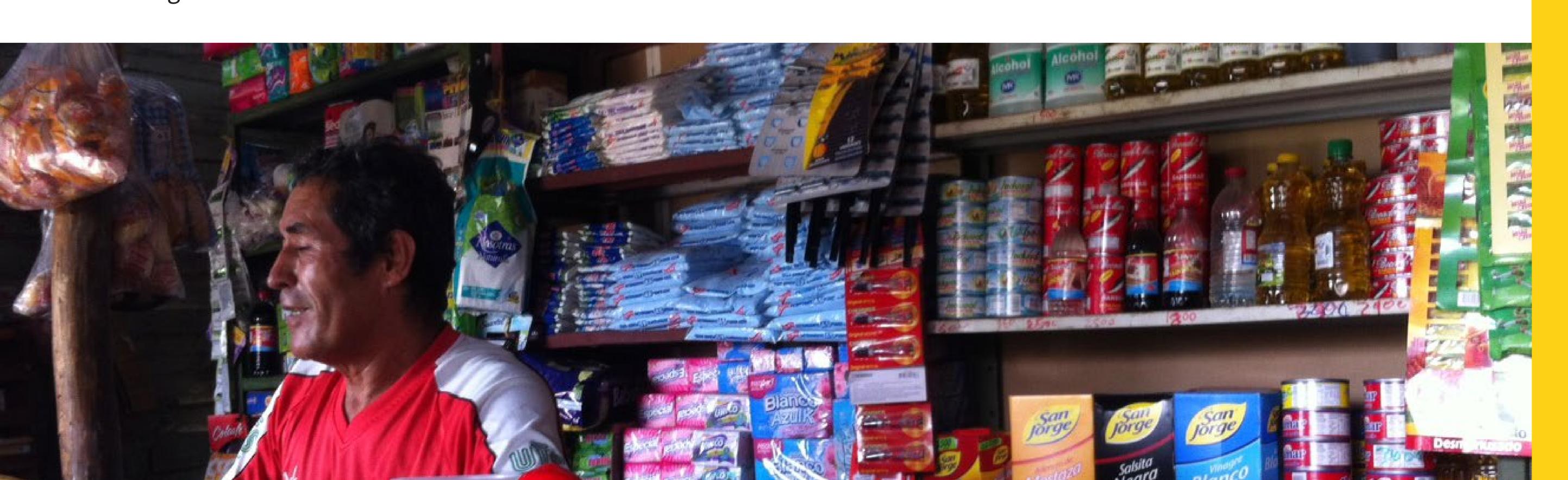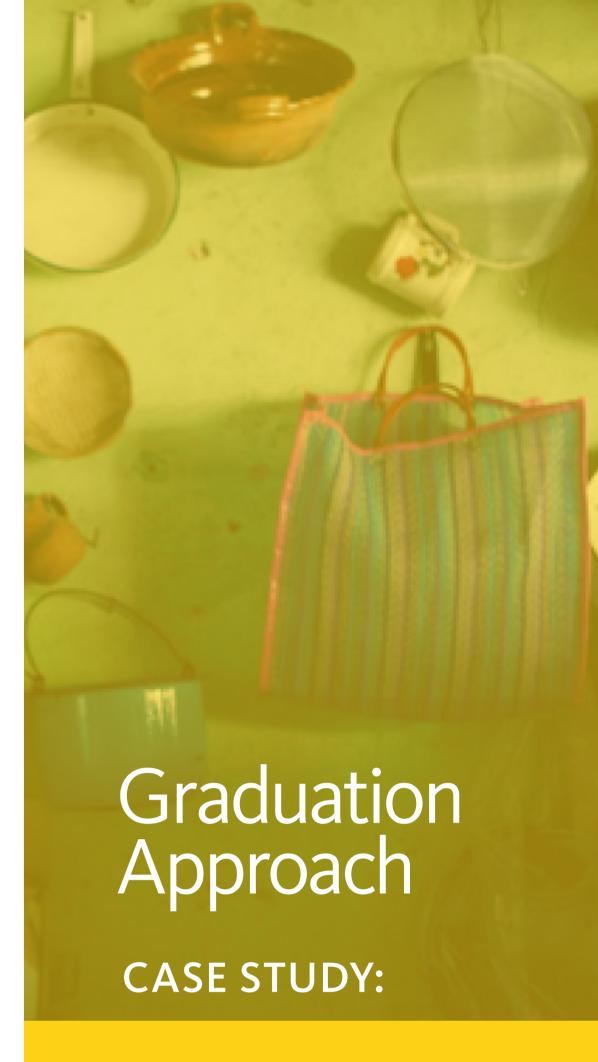
Participant in Sitionuevo in her shop

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

29

Not all participants used the cash transfer entirely to cover business costs. Julia, a participant in Sitionuevo, spent her first disbursement on a sewing machine for her business. However, when the second disbursement came, she bought a new well pump—not a business expense. Programmatically, there were no negative repercussions or sanctions from DPS for using the cash for non-business needs. They anticipated a certain level of funds diversion due to the poverty levels and socioeconomic challenges facing the target households. DPS and Fundación Capital recognize that certain other needs may outweigh business interests, such as family health needs. These decisions to use the money for family emergencies are logical and understandable. Therefore, a certain percentage of "loss" should be anticipated and worked into impact expectations with regard to use of the cash transfers.

By design, the asset transfer was made in two disbursements. In order to receive the first disbursement, participants were required to present their business plan, along with logistical steps (e.g. presenting appropriate paperwork for the transfer). Then, to receive the second disbursement, participants were asked to show receipts to demonstrate appropriate use of the first disbursement and proof of investment in the business (e.g., photos, invoices). However, there were operational delays in the delivery of the cash transfers due to strict regulations of passing money through the government.

In Sitionuevo, the transfer was made through Banco Agrario, the Colombian national bank, and each participant was required to show formal government identification (cedula) to receive the funds. This proved

Graduation
Approach

CASE STUDY:

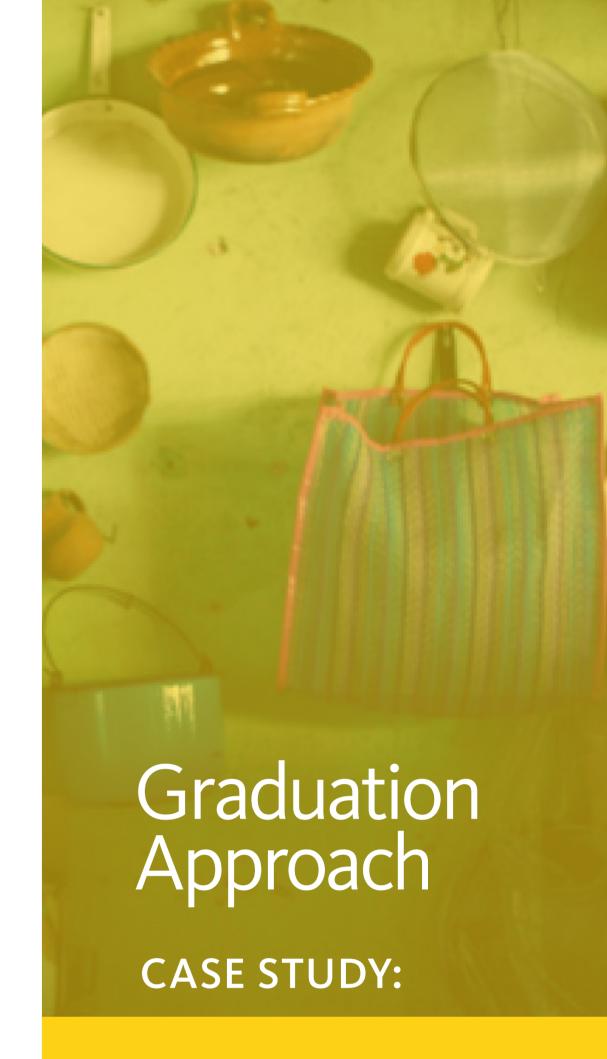# COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

to be problematic because several participants had cedulas that were hard to read, expired or in poor condition, which is not uncommon in rural areas of Colombia. The banks were reluctant to accept them as an appropriate form of identification, and this caused delays. Many participants also had to travel multiple hours and long distances to go to the bank; when their cards were rejected, it was a set-back for their businesses and the project in general.

Once the cash transfers were completed, the coaches accompanied the participants during the purchasing of the first round of business "inputs." DPS, as a Colombian government agency, is bound by strict procurement and purchasing regulations around the use of government funds. Official receipts were required for all purchases made with funds from the cash transfer. Therefore, 10 temporary staff were hired at each pilot site for approximately three months to accompany the participants during the transactions (since the coaches were unable to accompany all 500 participants). The temporary staff helped to verify each purchase and ensure the required proof of purchase paperwork was provided to meet the government's legal requirements.

Some asset purchases were delayed due to unavailability of funds. The participants created their life plan and business plans, but then had to wait for the capital to start their businesses. Another challenge was that some participants created their business plans around certain crops with

Flor Marina, a participant from the San Luis pilot, worked as a day laborer in a nearby passion fruit farm before the project. With the first disbursement, Flor Marina bought 50 chickens and chicken feed and raised them for sale. With the second disbursement, she built a sturdier chicken coop to double the space to raise them. Over the course of the pilot, Flor Marina was able to sell her chickens in the local market; she also composted the chicken manure into organic fertilizer that she and her family used on their crops. Thanks to her chicken business, Flor Marina is now able to cover her household expenses and school expenses for her two children—one who is finishing culinary training in a nearby vocational high school and the other who is in middle school.
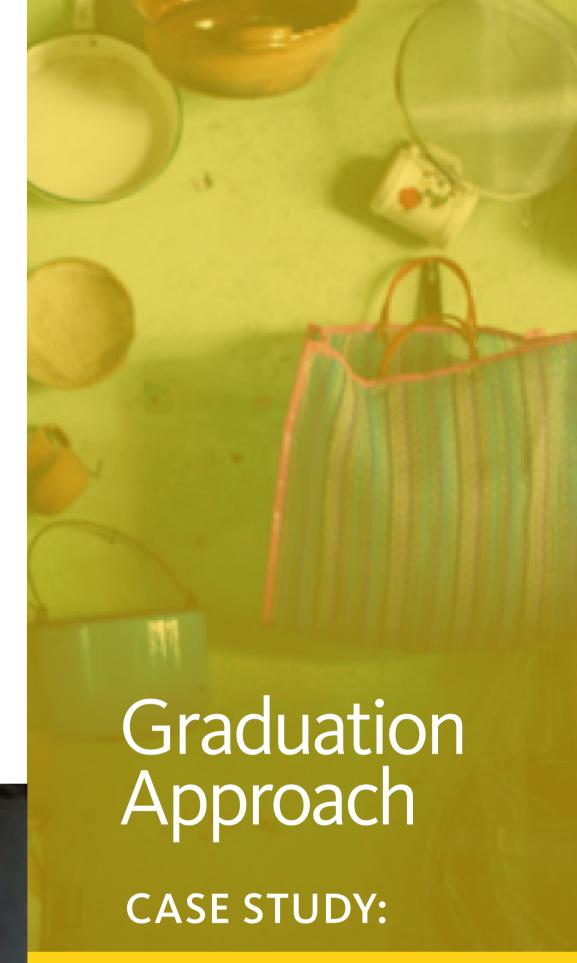
specific planting seasons. As a result of the disbursement delay, some business plans had to be completely changed since the planting season had already passed by the time funds were received. Finally, the operational delay between the two disbursements caused some participants to have to dip into their piggy-bank savings to be able to invest in their businesses.

The project was based on a good-faith agreement among the implementing agencies and the participating families and community. During the pilot period, some participants did leave the program, with approximately 8 percent receiving money and then moving away before the end of the project. Others dropped out due to family problems. When possible, as a participant left the program, a dissolution document was signed by that former participant and DPS, in the same way that participants signed agreements at the beginning of the program committing to its completion. In the cases where a person left and was never heard from again, the neighbors and coach signed the dissolution document.

LESSONS LEARNED: ASSET TRANSFER

- Disbursing the cash for the asset purchase in tranches decreases the risk of financial mismanagement. At the same time, this tranche structure can delay timely investment in productive assets.

- Providing cash, rather than in-kind transfers, builds participants' confidence and capacity for money management.

- A certain level of funds diversion is likely, particularly for vulnerable households in situations of extreme poverty.

Herminia in the second pig pen she built with the asset transfer.

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

Technical Skills Training

Technical skills training is another core component of the Graduation Approach. In the design phase, DPS intended to create alliances with universities and institutions so that technical assistance could be provided locally, including by students from regional universities who could provide assistance, for example, in animal husbandry or agricultural techniques. At each project site, DPS had wanted a formal agreement with a regional institution that would provide professional technical assistance and a consistent level of support and follow-up throughout the project, not just an initial consultation. However, DPS was unable to formalize a working agreement with such institutions, so participants were dependent on local, general assistance, rather than formal, specialized technical support.

In San Luis, many of the participants set aside some of their asset transfer funds to pay for technical assistance from a local veterinarian who was contracted to make three visits to each paying participant. The cost was approximately COP 50,000 (or about USD 20) for the visits. Unfortunately, participants reported that the technical assistance visits were very short— approximately 10 minutes or less—and the information provided was very general and not specific to the families' needs. The participants recalled frustration at

Pig-raising was a popular business choice in San Luis.

Consistent and relevant technical training and assistance is critical for the success of small business development. In San Luis, a virus killed many pigs that participating families had bought with the asset transfer funds. Due to limited veterinary technical assistance, the participants lacked knowledge about treatment options for their pigs. If technical assistance had been more consistent and relevant during the months of the pilot, fewer pigs would have been lost. Similarly, in Sitionuevo, one participant bought a large quantity of animal feed, as suggested by the local veterinarian. However, the feed was to be used across multiple months, and because of insufficient storage space, half the feed rotted.
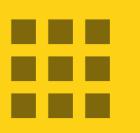
Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT
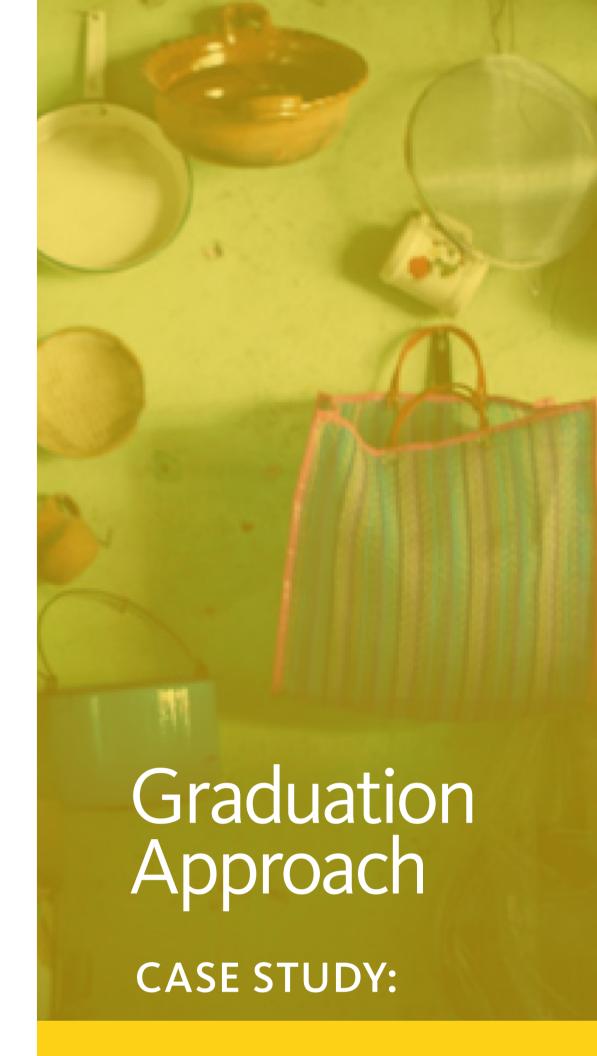
CONCLUSIONS & IMPLICATIONS

33

receiving a standard form outlining food and medicinal needs for pigs at certain weights, but participants had no way to weigh the animals. In the future, project implementers should design a verification process to ensure frequency, duration, and quality of technical assistance.

Along with the challenges, there were bright spots across the two years of experience with technical assistance provision. In Sitionuevo, DPS and Fundación Capital connected the participants with the National Learning Service Agency (*Servicio Nacional de Aprendizaje,* or *SENA*), a national institution that provides training and education to adults and youth. SENA made free courses available to pilot-program participants; those who enrolled gained valuable knowledge for their businesses. Enrollees also received a certificate from SENA, a point of pride because many had limited formal education and the certificate was a credential attesting to their professional and personal development. In addition, the mayor in Sitionuevo funded literacy classes during the pilot, a value-add to many participants who had limited (or no) reading and writing skills. Although SENA provided a certain level of technical support, even this was not the formal assistance that DPS and Fundación Capital originally envisioned for the participants.

LESSONS LEARNED: TECHNICAL SKILLS TRAINING

- Partnering with national-level capacity-building programs can bolster the economic development capacity building provided by the program, though this can be very challenging to implement.

- Technical assistance should be provided over the course of the project, not just as participants are in start-up mode.

- A variety of appropriately skilled technical assistance providers should be formally engaged in the project in order to assess and meet the business needs of the participants.

- Businesses are more likely to succeed when they build on participants' existing skills, knowledge and resources. Coaches must provide guidance and encourage participants to focus on past experiences and knowledge (e.g., experience raising pigs), as well as existing assets and resources, to build out their businesses.

- A verification process to ensure both quantity and quality of technical assistance is important in order to ensure participants receive the help they need.

Graduation
Approach
CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT
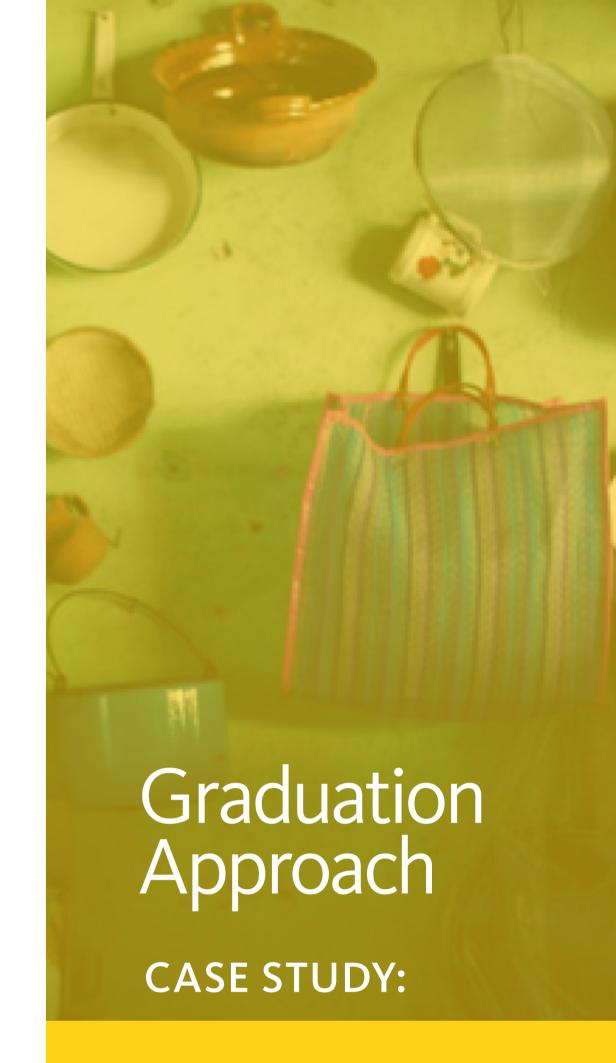
CONCLUSIONS & IMPLICATIONS

Life Skills Coaching

The aim of the life skills coaching in the Producing for My Future pilot was to build skills in communication, entrepreneurship and financial literacy. The majority of the coaching sessions took place during home visits, in addition to four group activities designed to build community and strengthen social ties among participants. For the home visits, Fundación Capital introduced an electronic tablet loaded with materials for each training module, including, for example, advice about how to manage accounting for a small enterprise and tips for saving. The tablet-enabled content was accompanied by a workbook that each participant received and which included additional learning material based on each module. The group activities included team-based activities to build trust and skills, including painting and decorating the piggy banks each participant was given to encourage at-home savings.

At the beginning of the project, each participant was asked to articulate three goals: one business-related goal, one family goal, and one personal goal. From the start, most had an idea about the type of business they wanted to pursue. Family goals often focused on ensuring educational opportunities for their children. Personal goals were the most difficult for participants to articulate—most had never been asked to think about their own goals and what they envisioned for themselves. The exercise proved to be important to help build their self-confidence and views of themselves as achievers.

The workbook in the pilot phase was quite dense with text. It proved to be an overwhelming challenge for many of the participants, especially given the high illiteracy rates and the low level of education among the participants. Fundación Capital made revisions to the workbook for the second phase of the program, and DPS suggested additional changes to create a third version. Unfortunately, implementing the changes was difficult due budget limitations and to the multiple layers and bureaucracy of decision-making. Government program budgets are reviewed annually, and once they are accepted, changes are nearly impossible to make.

As noted, in Colombia one of the adaptations to the original Graduation Approach was the integration of the electronic tablet to facilitate learning during the home visits. The digitized content loaded onto the tablets was intended to improve the consistency and quality of the delivery of the lessons. Each coach took the tablet on the home visits to review the relevant lesson with the participants. In general, the tablets were considered a useful tool for additional support for the coaching visits. They engaged the entire families, particularly the children, and represented something novel for many of the participants, particularly among the older generation, whose exposure to technology had been limited. (Some older participants would ask their family members to operate the tablet rather than doing it themselves, out of fear of damaging the tablet.) When asked later about the one-on-one coaching visits, many participants recalled the stories and fables included in the modules on the
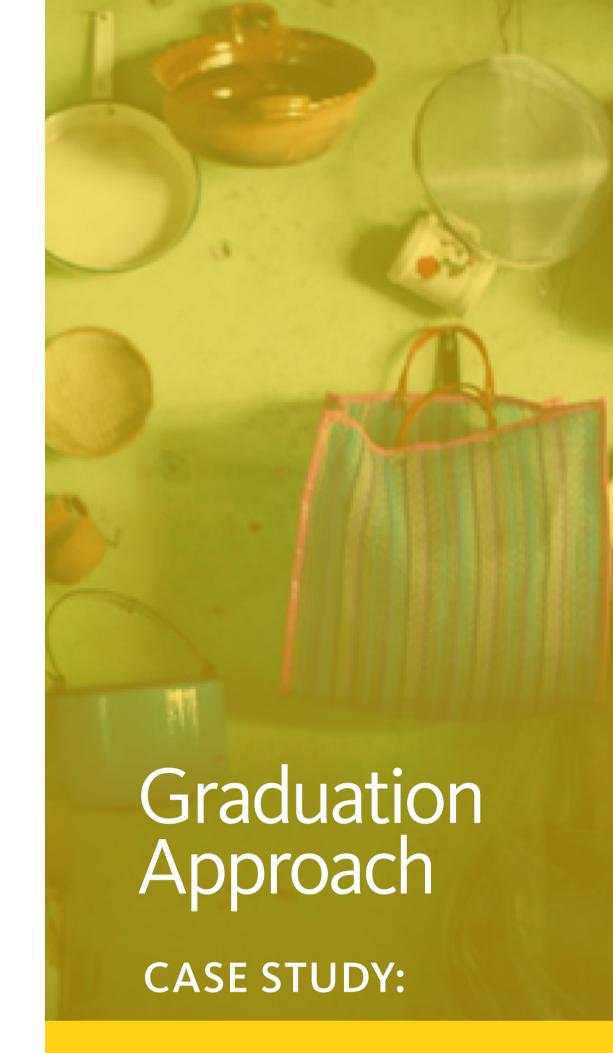
35

tablet, which indicated its effectiveness and importance for educational purposes. Most participants liked to watch the videos first and then have a follow-up conversation with the coach.

The tablet helps standardize the training and ensures a certain baseline of information will be conveyed to each participant regardless of the coach's training ability. However, all stakeholders noted that use of the tablet cannot, and should not, be conceived as replacing the role of the coach. The table is instead used as a tool to bolster the one-on-one meetings. Furthermore, this exposure to technology was an important secondary benefit, and particularly interesting to other potential Colombian government partners (e.g. the Ministry of Information Technology and Communication) who want to expand technology access and education to rural areas.

Collaboration and communications between neighbors improved as a result of the life-skills learning. Group activities are important for building social capital, so having the model include both individual and group sessions is positive. The lessons and stories contributed to a greater sense of community awareness. Participants learned how to help and support each other, and not just in their business ventures. The program helped build trust among neighbors and community members who provided economic, social and moral support. These socialization and community development effects are less tangible and harder to measure, but are nevertheless important outcomes.

LESSONS LEARNED: LIFE SKILLS COACHING

- The one-on-one home visit is a critical component of life skills coaching.

- Technology (e.g., the tablets) can help standardize the consistency and quality of training, regardless of the coach's training ability.

- The tablets complement in-person coaching sessions and contribute to participants' learning and knowledge acquisition.

- Group activities strengthen both economic and social connections among participants through trust-building and cooperative activities.

- While exposure to technology is a secondary benefit for many, older participants may face challenges with the tablets because of limited education and technology use. Implementing partners must assess the options of using technology based on participants' skills and education.

- Participants may have limited experience or practice setting personal or professional goals, given the daily pressure to meet immediate needs such as food and clothing. Coaches must facilitate the process and encourage the participants to be creative and think about long-term goals.

- Training on the methodology and programmatic theory of change for coaches, implementing partners, technical assistance providers, and other government staff can strengthen the understanding and thus performance of all those working to deliver the program.
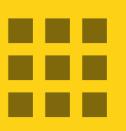
Graduation
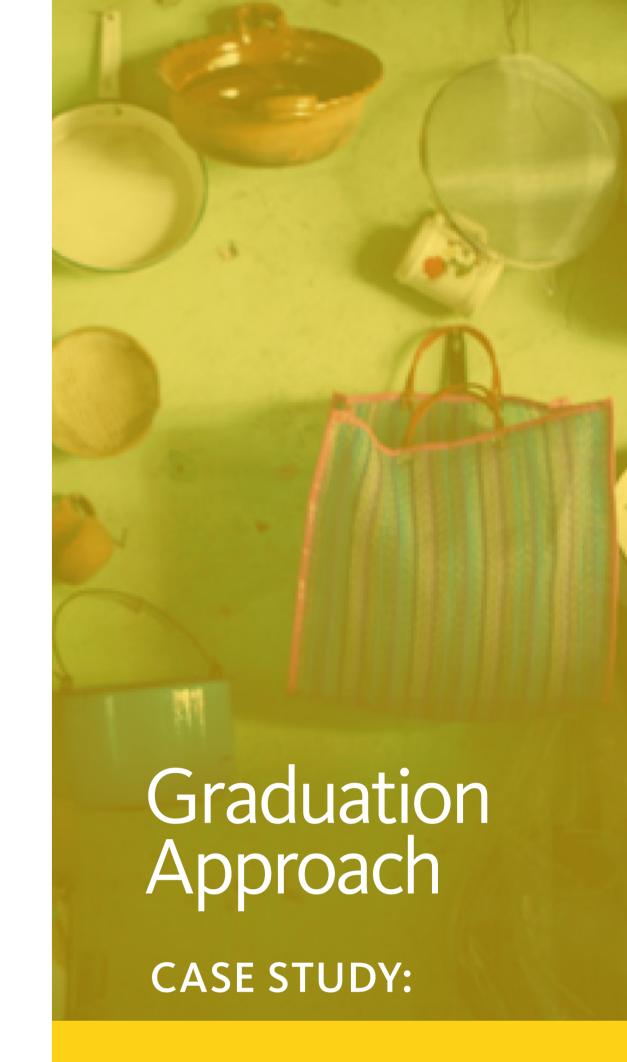Approach

CASE STUDY:

COLOMBIA

Monitoring

Coaches were responsible for monitoring participants' progress during the one-on-one visits. These bi-monthly sessions provided a chance for the coaches to track the economic activities of each participant, provide advice, help trouble-shoot challenges, and encourage the families to stay on track. The coaches were required to file reports on every visit to update economic progress using an Excel spreadsheet template. In the next phase of the project, the reports will be made through an online platform.

Regular project monitoring and staff meetings kept the pilot workplan on track and allowed for necessary adjustments along the way. The project operations manager and the site coordinators from San Luis and Sitionuevo had joint monthly meetings to review progress during the pilot program. The implementing partner (the Union Temporal Trabajando Unidos in Year 1, and Fundación Capital in Year 2) sent a formal monthly report to DPS, including a financial reconciliation of the project budget. During the monthly meetings, DPS and the implementing partner would review progress, problem-solve any issues, and review the financials. Representatives from DPS and Fundación Capital head offices carried out frequent in-person site visits. Initially, the Producing for My Future project manager from DPS went monthly to each site; later in the project, these site visits were conducted every few months. The project

operations manager attended more frequently and provided regular updates to the DPS project manager.

Coordinators met with their ten coaches each week to review the family visit plans and monitor progress. The coordinators worked with the coaches to address any project management or implementation issues during the week, such as business challenges or participant no-shows for the one-on-one home visits. As noted earlier, each coach was responsible for training and visiting 100 families. The suggested schedule was designed to cover the 100 in-person visits in two weeks, meaning the coaches would visit 50 per week (assuming a five-day work week and 10 family visits per day). However, at times the coaches ended up working on Saturdays if they were unable to complete all 50 weekly visits during the Monday-to-Friday work week.

The tablet onto which the modules' content was loaded also included a function that could record the log-in of each participant to each module. It would also record the time when the module was completed. This was designed to serve as a back-up monitoring tool to ensure all the coaches stayed on track. Unfortunately, there were some technological challenges with the log-in records, compromising their accuracy. Fundación Capital has already fixed this glitch for the next phase of the pilot.

Graduation
Approach
CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

LESSONS LEARNED: MONITORING

- Field monitoring visits are a critical part of project monitoring to ensure implementation of the program is on track, to assess any necessary changes, and to adjust the timeline and project activities accordingly.

- Monthly meetings are important for open and regular communication between DPS and the implementing partner, and between head office and field staff.

- As coaches and the participants get to know each other over the course of the project's implementation, visiting schedules may shift and the benchmark for number of visits per day may be harder to achieve. Monitoring plans should take this into account and adjust accordingly—either to factor in longer visits or to work with the coaches to set appropriate time-management goals for visits.
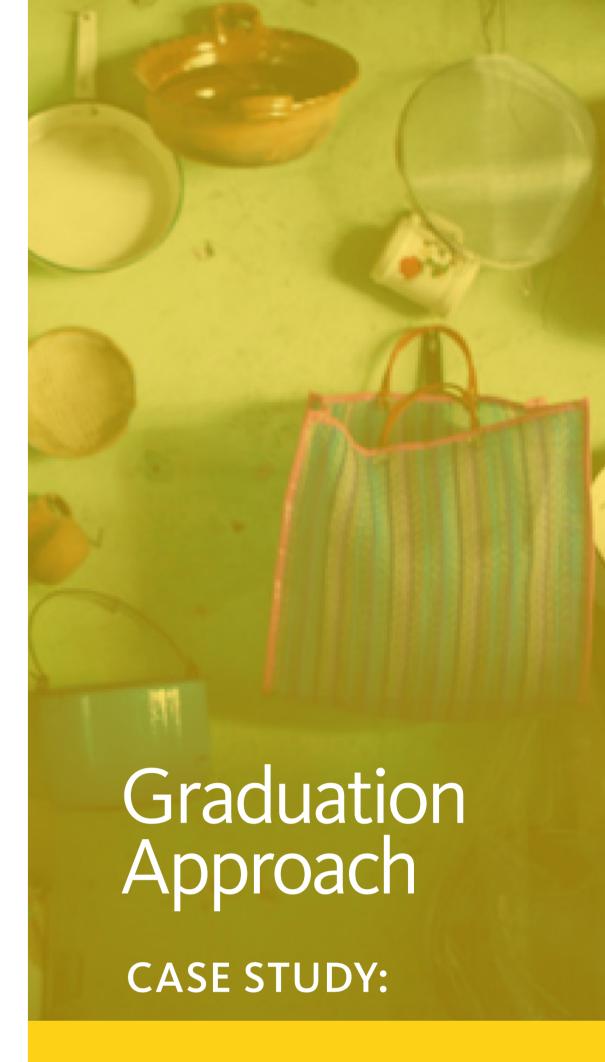
Post-Graduation Program

Initial results

Based on initial evaluations by Fundación Capital and in-person interviews with participants, the Producing for My Future pilot has made a positive impact on the lives of the majority of the participants in both Sitionuevo and San Luis. As part of its own institutional learning, Fundación Capital carried out an internal evaluation to gather initial results of the pilots. More formal evaluations are needed to draw out specific correlations and measure impact, but general trends are visible in terms of income generation, savings, financial/accounting skills, as well as "soft skills" like participant self-confidence levels and communication skills.

Based on a report[18] of preliminary observations and interviews with the participants, the following trends were observed:

- About half of the participants reported an increase in income, and on average, there has been a 65 percent increase in household earnings across the two sites.[19]

- The percentage of participants saving increased from under 10 percent to over 80 percent.

- Approximately 5 percent of participants kept

---

[18] Fundación Capital and the Department for Social Prosperity. March 2015. *Report on Evaluation of Concepts, Processes, and Results: Producing for My Future.* Bogotá: Fundación Capital.
[19] Based on a comparison of baseline data to data gathered at the end of the project by Fundación Capital (March 2015).

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

accounting records prior to the project; at the pilot's conclusion, nearly 60 percent reported regular record-keeping.

- At the beginning, when asked where they would get USD 20 in an emergency, less than 3 percent of participants said they would be able to take it out of personal savings; just over 10 percent reported they would have to borrow from a high-interest money lender. At the end of the project, nearly 30 percent reported they would be able to use money from their savings, and fewer than 4 percent reported they would need to borrow from a money lender.

- Self-reported levels of confidence and self-esteem of participants have improved.

- Nearly 20 percent of participants who completed the program have reinvested their earnings to expand their initial business or start a new project.

Plans for scaling up

In 2015 and 2016, DPS began working in three new locations (Atlántico, Nariño and Sucre) with the aim to reach 10,000 participants living in extreme poverty. By 2018, the program aims to reach 35,000 participants in sites across six locations (to be determined) across Colombia.

Mariana Escobar, former Deputy Director of DPS, noted that that for DPS, Producing for My Future is a pillar program for their Integrated Rural Initiatives

Participant who used his asset transfer to strengthen his tilapia fish farm

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS
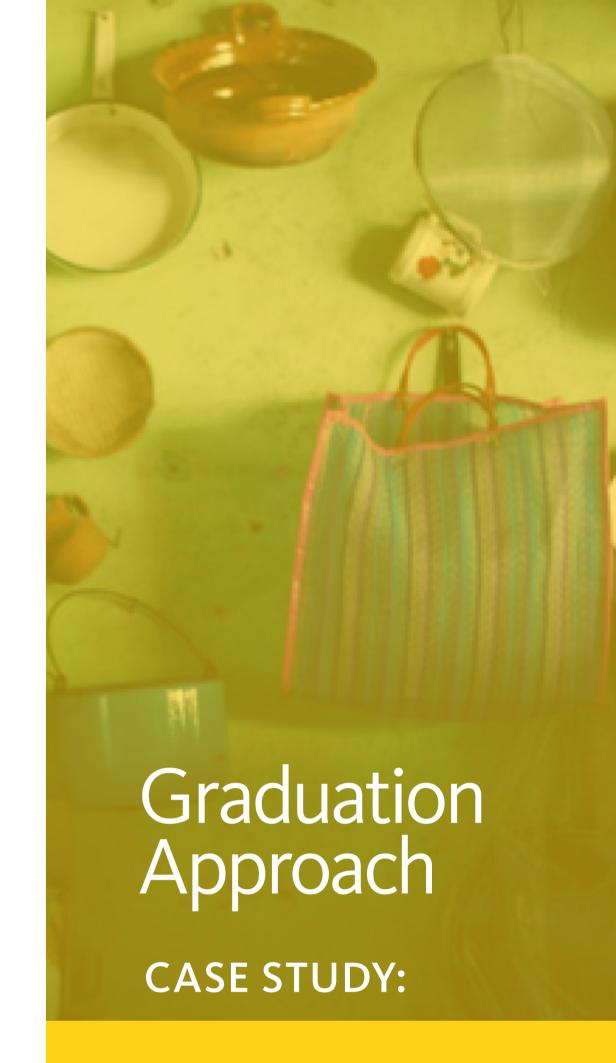
strategy because it integrates multiple components DPS is interested in promoting: financial inclusion, small-farmer productivity, food security, water management, and rural housing. DPS sees an opportunity to link Producing for My Future with initiatives supported by the Ministry of Agriculture in order to further support rural households in the agriculture sector. One of the major challenges for achieving such a link is the difficulty of jointly planning and then operationalizing and budgeting for such an initiative. The ministries must find ways to partner and combine their budgets, which has been a challenge due to internal financial silos and bureaucratic sign-off processes.

DPS has also noted the potential contribution of Producing for My Future to Colombia's post-conflict development process. According to DPS, Producing for My Future can help with the transformation of rural territory into more productive land and crop systems. The agency is also interested in reducing socioeconomic disparities between rural and urban populations and in better meeting the needs of rural populations in Colombia. The methodology used in Producing for My Future—which promotes self-sufficiency, empowered families, and productive rural populations—can be an important complement to other DPS-supported programs focused on the well-being of vulnerable populations, including indigenous and Afro-Caribbean populations (IRACA), as well as Families on their Land (*Familias en Su Tierra*), which provides psychosocial

support to displaced populations who are victims of Colombia's internal conflict. A portfolio approach that includes all of these programs can help DPS achieve its mission of eradicating extreme poverty and contributing to social inclusion and reconciliation. DPS thus has an institutional interest and commitment to scaling the program in an integrated manner.

In Sitionuevo, one participant said that prior to joining Producing for My Future, she had never before received any type of business training or coaching. She was reluctant to take on day-to-day management responsibilities in the family business—a small store that sells food staples and household items. After gaining business skills during the pilot, she now works full-time to manage the store with her husband (who also benefitted from training in the pilot), and the store now has a more consistent and accurate accounting system.
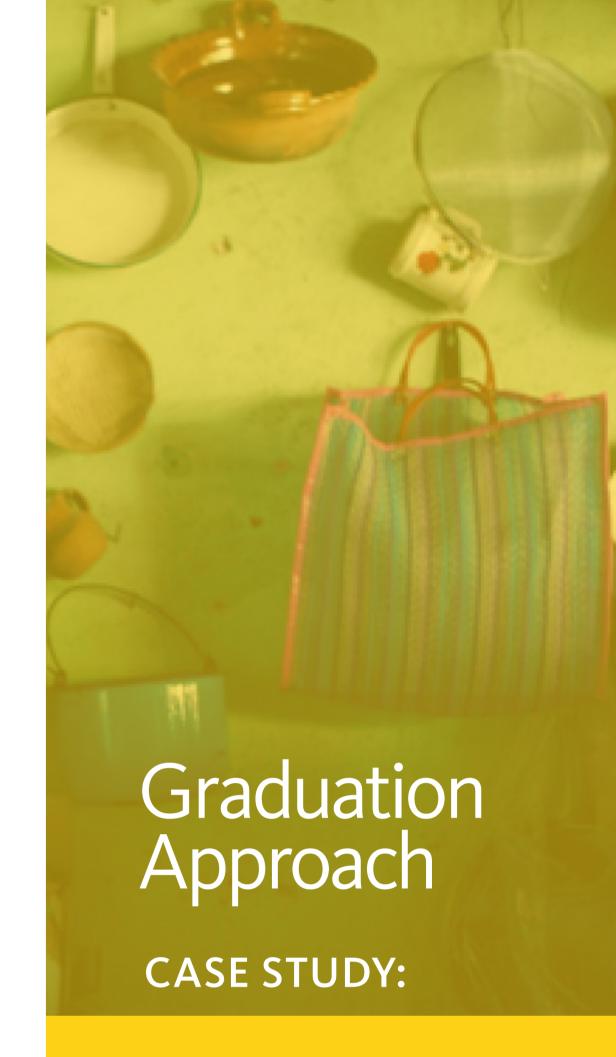
40

Scaling with government implementers

Several members of the DPS team, including one of its key managers, made several pertinent observations about the challenges and advantages of coordinating implementation across several agencies.

Government-implemented scale ups of social programs can help facilitate access to, and leveraging of, other government resources and capture significant efficiency gains compared to other potential actors (e.g., nongovernmental organizations). For example, the national government gathers data that can be leveraged to guide the targeting of communities and households. Existing social protection programs, such as conditional cash transfers, can serve as the foundation for other, more development-focused efforts. In addition, governments have the organization and infrastructure to reach a large population. They also have the mandate to serve their citizens, and are able to allocate human and financial resources, as well as intellectual and political muscle to programs that improve the well-being of communities.

But government-scaled programs also face challenges. Government programs are inherently restrictive in certain ways. For example, the program in Colombia faced limitations with shifting budget priorities between the first and second years. The DPS and Fundación

Capital teams had to work to find alternative ways to implement the cash-based asset transfer because of the challenges associated with opening official bank accounts. In addition, the legal requirements for the purchase of business supplies with Colombian government funds caused delays for the participants. While a certain level of structure was helpful to keep a project on track, at times there was a rigidity that hindered project implementation because of bureaucracy and administrative requirements.

Changes in government administrations or senior staff can mean that programmatic priorities and funding streams shift, too. Projects whose objectives and budgets are negotiated on a year-to-year basis risk facing cuts or changes in direction or objectives if key ministers or senior staff change from one year to the next. A DPS manager recommends that if a project with the government is designed for two or three years, then the budgets and objectives should be negotiated for life of the program (rather than on an annual basis) to mitigate this risk.

The decision was made not to expand the Producing for My Future program's second phase into San Luis and Sitionuevo; three new regions of Colombia were chosen instead. This is likely a result of DPS needing to respond to certain presidential commitments to reach additional municipalities in other regions of Colombia.

Graduation
Approach
CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT
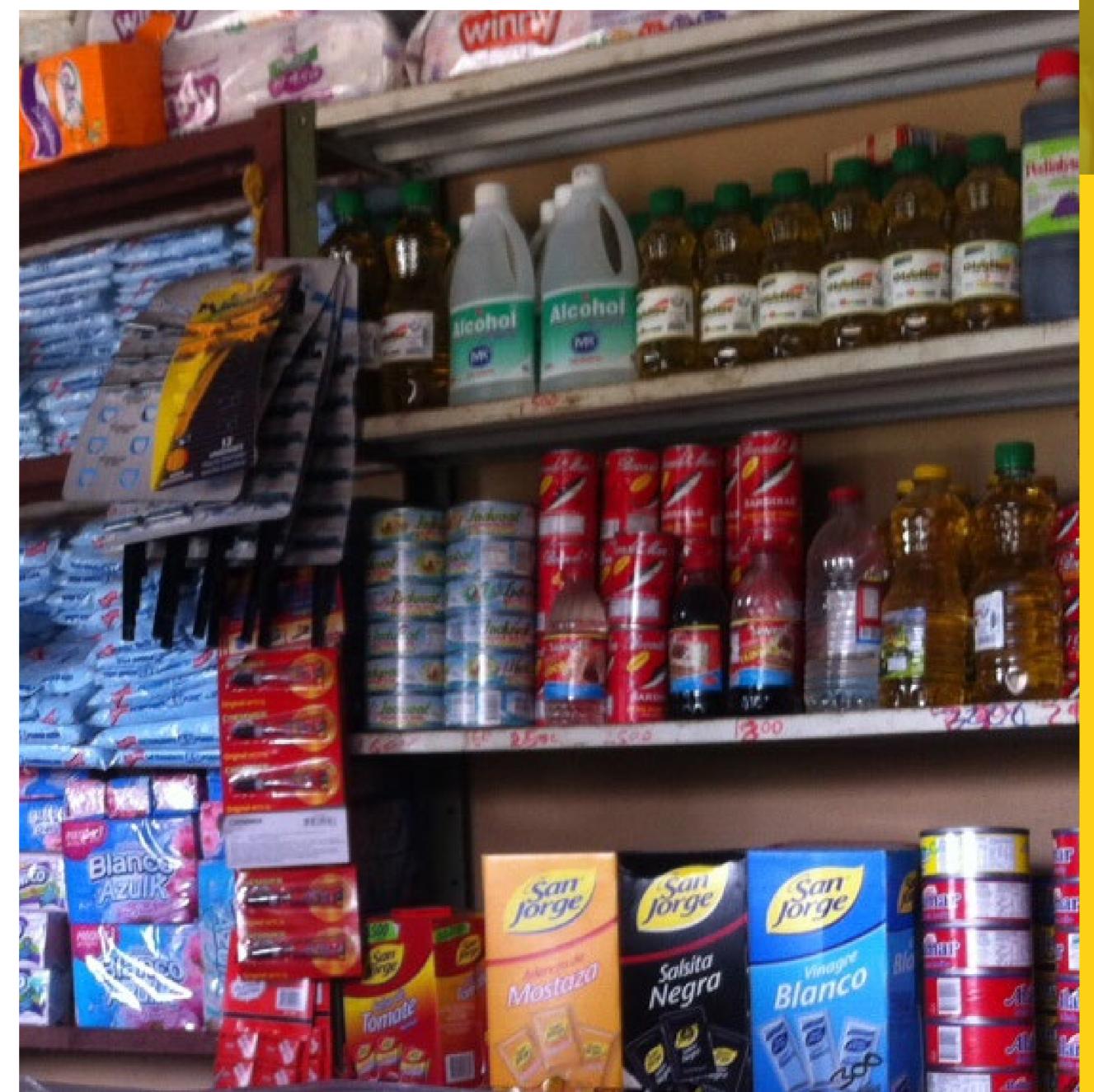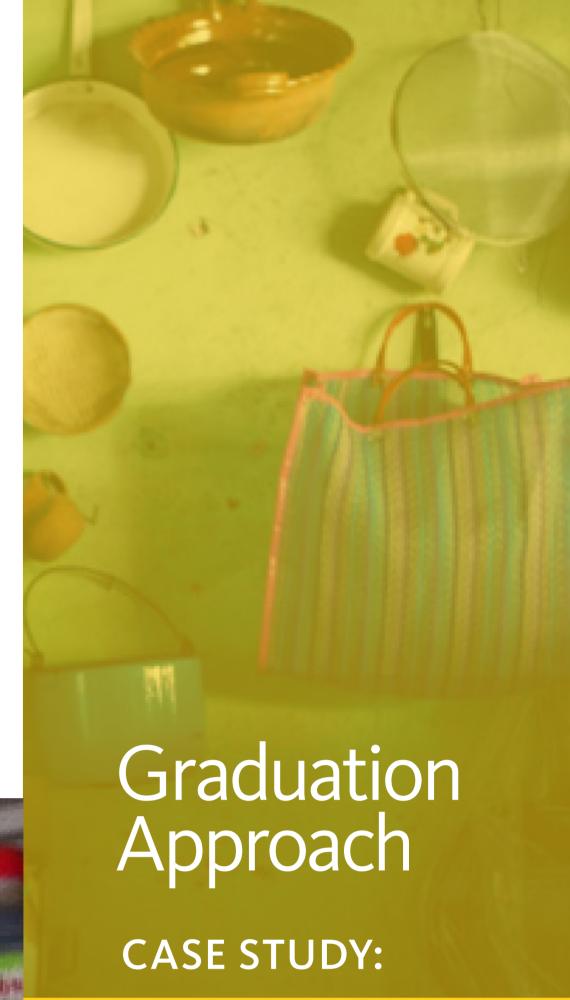
CONCLUSIONS & IMPLICATIONS

In addition, DPS wants to integrate the Producing for My Future program into its "*intervenciones rurales integrales*" (integrated rural interventions) which has targeted municipalities which do not include San Luis or Sitionuevo. This decision has certain trade-offs. On one hand, more communities and regions will benefit from the program; on the other hand, the momentum built around the pilot in San Luis and Sitionuevo may not be sustained or scaled without continued attention and funding from the government.

Government programs generally have more rigid targets linked to public policy priorities and financial commitments. This can be a limiting factor because it excludes certain needy populations who may not fit within those parameters. A nongovernmental organization may have the flexibility to work with a broader and more diverse population. Representatives from both DPS and Fundación Capital said that flexibility from the government in terms of who could participate in certain social programs, as well as the government's ability to make certain exceptions for needy families (who may not meet certain government-set parameters for participation), could increase impact and broaden the reach of DPS social programs to a broader range of at-need populations.

The Graduation Approach must be formally connected to public policy focused on poverty alleviation. To achieve maximum impact, the integration of pilot programs like Producing for My Future needs financial and political support. In addition, the Graduation Approach should be a complementary program to other economic development programs (i.e., not the sole economic development option for the rural poor). DPS program managers recommend that it be integrated as one element in a broader set of social protection and production-oriented economic development policies. After completing the Producing for My Future

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

42

program, participants themselves, the coaches, and the implementing team identified an increase in productive abilities, business understanding, and self-esteem of the participants. The opportunity to transition to a complementary program, such as productive cooperation and commercialization, would be a natural and beneficial progression for many Graduation participants. Governments assessing adopting the Graduation Approach as part of a portfolio of social impact programs for extremely poor and vulnerable populations should consider connecting it to other programs, policies, and budgets that can sustain and expand its impact over time.
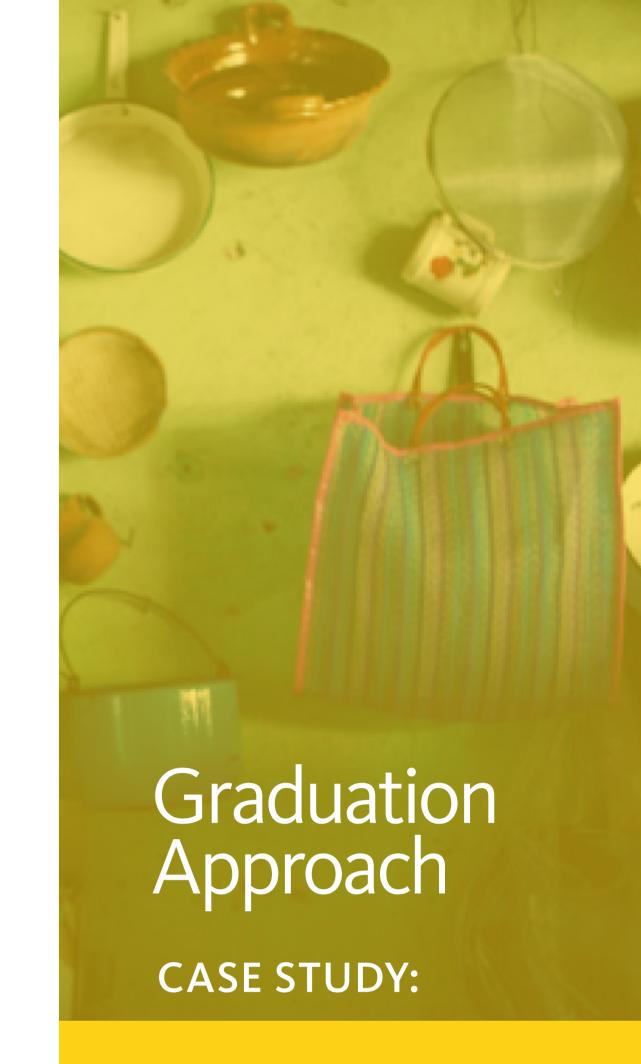
Impact studies

Fundación Capital has partnered with the University of the Andes in Bogotá, Colombia, to carry out additional evaluations. As a first step, they are carrying out a process evaluation to understand and compare what was expected versus what actually happened during implementation, including where operational bottlenecks occurred and why. The process evaluation also will review the tools (including an online training course developed by Fundación Capital to facilitate orientation for new coaches, a support manual for the coaches, the participant workbooks, and the tablet-enabled modules), and provide feedback for continuous improvement. The process evaluation will focus on the next Graduation program in Colombia, to include 10,000 participants at the three expansion sites (Atlántico, Nariño, and Sucre) mentioned earlier. Over the 18-month project implementation timeline (which runs through December 2016), information will be gathered at critical junctures through interviews with coaches, participants, DPS and other government stakeholders, and other program implementing partners. The final report from the process evaluation is scheduled to be completed in February 2017.

After the process evaluation, Fundación Capital plans to carry out a results evaluation starting in 2017 with the anticipated new group of 25,000 participants across Colombia. The results evaluation aims to identify general impact trends.

To expand their learning, Fundación Capital also has plans to carry out process and results evaluations of government-implemented Graduation programs in Paraguay,[20] Mexico, Honduras and Brazil. This work, supported by the Ford Foundation and IDRC Canada, will contribute to a regional learning and evaluation platform, using indicators that were used in previous randomized control trials from the CGAP/Ford Graduation pilot projects.

---

[20] A more sophisticated randomized control trial is planned in Paraguay only.

Graduation
Approach

CASE STUDY:

COLOMBIA

Costs

The total cost of the pilot program was approximately COP 234,000 (or USD 1,170) per participant for the 24-month project. This included funds for the assets transfers (about USD 500 per participant) and all staffing and materials costs, though not the consumption support (which was provided through the separate *Más Familias en Acción* conditional cash transfer program, which, as noted, about 60 percent of Producing for My Future households received).

In the next phase of implementation, DPS is looking for ways to make the program and its varied services more cost-efficient. For example, DPS has discussed the possibility of creating an integrated fund to channel support for vulnerable families who belong to multiple government-supported safety-net programs in order to streamline resource distribution. Thus, for example, families participating in Producing for My Future and also *Más Familias en Acción* could receive support more efficiently, and record-keeping for DPS would also be streamlined.

Graduation
Approach

CASE STUDY:

COLOMBIA

CONCLUSIONS AND IMPLICATIONS
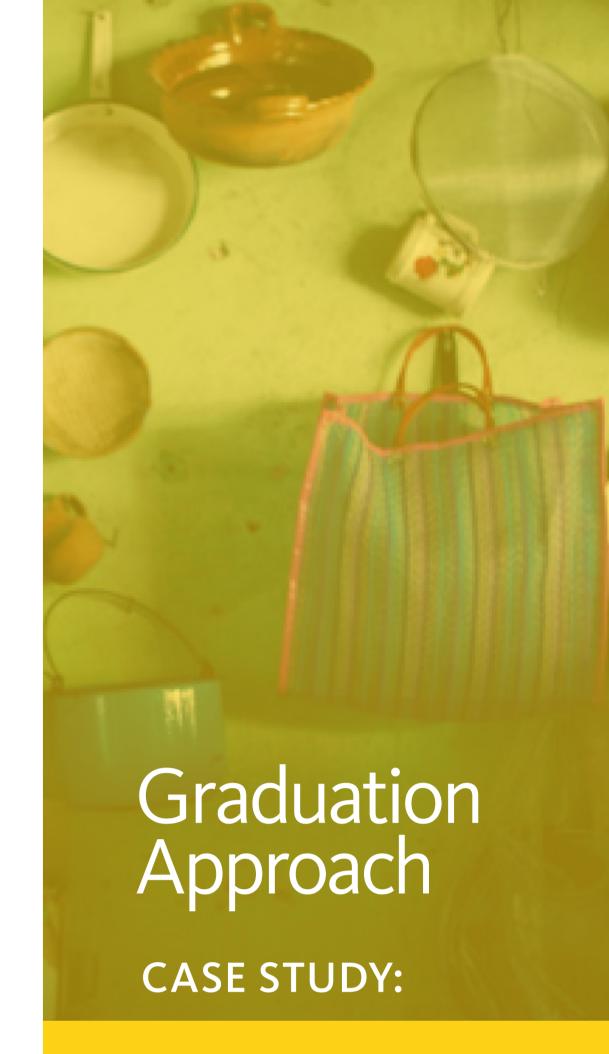
Key Lesson Learned

This case study found several key learnings and next steps to be addressed in order to scale this kind of government-administered Graduation program effectively and efficiently. The key Lessons Learned, previously summarized at the end of each section in this document, are recapped in the bulleted list that follows, and then elaborated in narrative form.

LESSONS LEARNED: TARGETING AND SELECTING PARTICIPANTS

- Selecting participants from the national government (Sisbén) database provided a comparable list of eligible households as the participatory mapping exercise but was more cost-effective.

- The government has to keep the national database up-to-date, however, if those records are to provide reliable information for this type of participant identification exercise.

- In-person visits to verify household eligibility provides added assurance that the target population is being reached.

- Including more elderly participants can help ensure that the poorest and most vulnerable are indeed participating, but an upper age-limit may be needed for the program's resources to be most effectively and efficiently deployed.

LESSONS LEARNED: STAFFING

- Bi-monthly in-person visits are critical to build trust between coaches and participants and to ensure participants stay on track with their business development and the associated activities.

- Institutional memory is difficult to maintain because staff turns over at all levels. Government agencies and implementing partners must develop training strategies and tools, tips, and guides to help ensure smooth transitions and efficient and effective on-boarding of new staff.

- Time-management training for the coaches is essential to help them meet their coaching session responsibilities.

- Hiring local coaches has trade-offs (professional criteria and education levels versus local knowledge of the area and population).

- Ongoing communication among key implementing partners (e.g., between Fundación Capital and DPS) facilitated successful pilot implementation.

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS
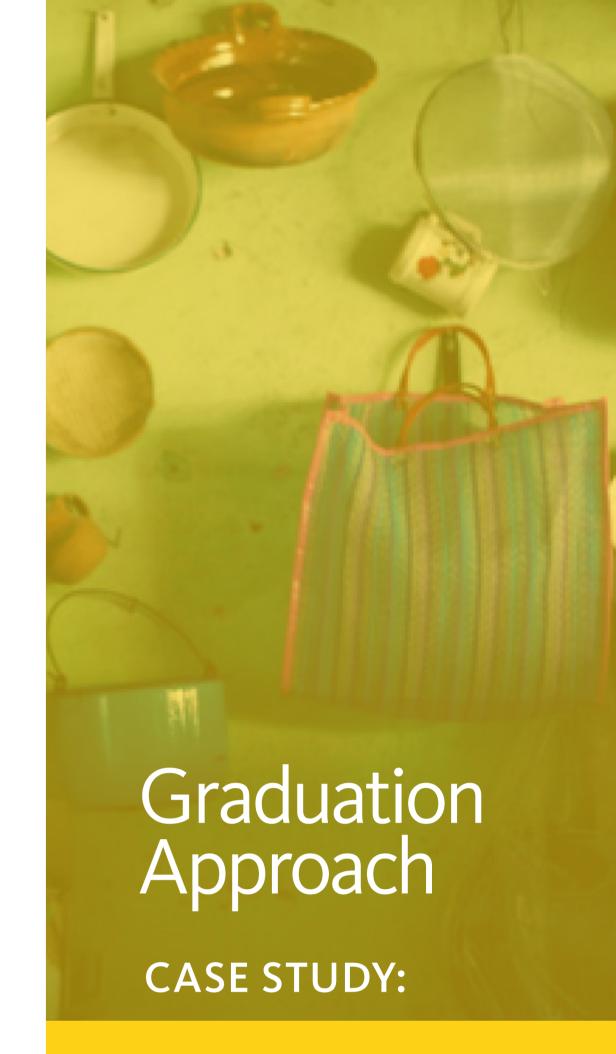
LESSONS LEARNED: GRADUATION CRITERIA

- Participants are expected to attend all coaching sessions and group activities in order to successfully complete the program.

- If a participant is unable to attend a one-on-one or group session, a family member should attend instead and complete the module and lesson with the coach, being sure to convey the relevant information.

- Although participants commit to full participation in the program, sometimes external factors make it impossible for a participant/family to complete the program.

- A certain level of attrition or diversion of funds is likely due to the vulnerable population targeted by the project, but participants should not be expected to pay back any asset transfer funds that may have been diverted to another purpose.

LESSONS LEARNED: CONSUMPTION SUPPORT

- Leveraging existing consumption support programs is a cost-efficient way to integrate new initiatives such as the Graduation Approach without duplicating efforts and resources.

- However, not all families participating in the Graduation program may receive full consumption support because of differing eligibility criteria between the two programs.

- A potential long-term study question should compare the well-being of families who received consumption support from *Más Familias en Acción* with that of families who participated only in Producing for My Future (and therefore received no consumption support).

LESSONS LEARNED: SAVINGS

- Basic savings training is valuable for extremely poor and vulnerable populations. Establishing the discipline of setting aside money for emergencies and for long-term goals provides important security for participants. Savings, through groups or other methods, should be introduced as early as possible in the program cycle.

- Participants felt pride in their savings, particularly with their piggy banks.

- Trust and experience working together are the foundation for successful savings groups.

- During the first few months, savings groups need consistent guidance and support from the coaches and operational partner (Fundación Capital, in this case).

- Encouraging participants to save in formal financial institutions proved more challenging than anticipated, given issues at the pilot sites of access, familiarity, and trust.

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

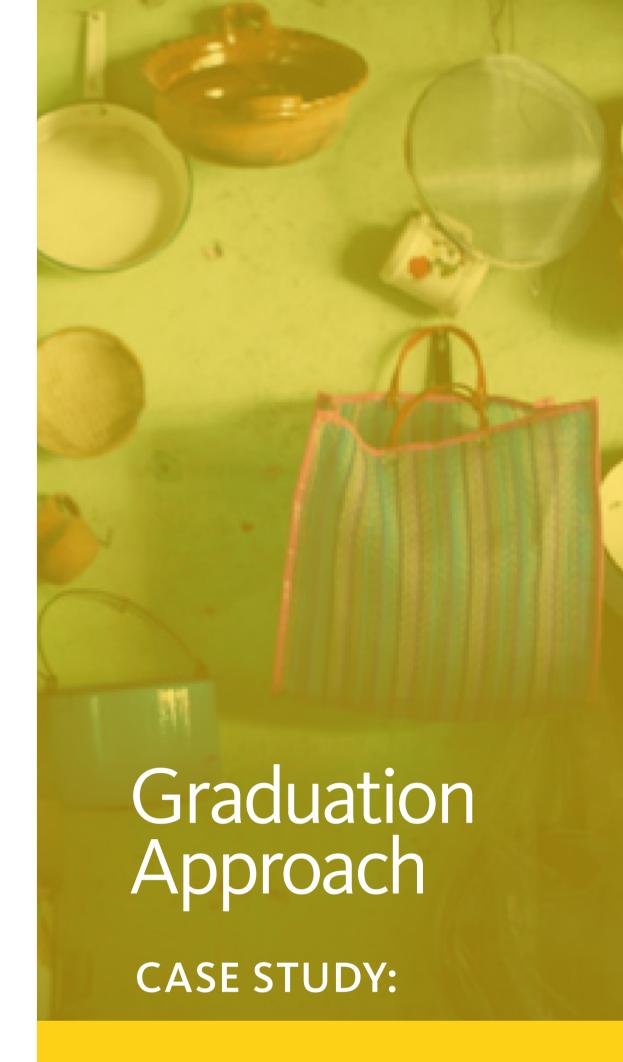## LESSONS LEARNED: MARKET ANALYSIS

- Investing sufficient time in each participant's business plan helps ensure a higher success rate. While the training modules teach general concepts related to upfront costs, revenues, and expenses of a small business, more planning and projection work is necessary to ensure participants are taking a longer-term vision of their entrepreneurial investments.

- Businesses succeed when they build on participants' existing skills, knowledge and resources, as long as there are sufficient markets for their products. Coaches must provide guidance and encourage participants to focus on past experiences and knowledge (e.g., experience raising pigs), as well as existing assets and resources, to build out their businesses.

- If a comprehensive market analysis is not possible, efforts should be made to help participants diversify the range of economic activities undertaken, based on an understanding of the existing landscape of businesses, including potential opportunities and competition.

LESSONS LEARNED: ASSET TRANSFER

- Disbursing the cash for the asset purchase in tranches decreases the risk of financial mismanagement. At the same time, this tranche structure can delay timely investment in productive assets.

- Providing cash, rather than in-kind transfers, builds participants' confidence and capacity for money management.

- A certain level of funds diversion is likely, particularly for vulnerable households in situations of extreme poverty.

LESSONS LEARNED: TECHNICAL SKILLS TRAINING

- Partnering with national-level capacity-building programs can bolster the economic development capacity building provided by the program, though this can be very challenging to implement.

- Technical assistance should be provided over the course of the project, not just as participants are in start-up mode.

- A variety of appropriately skilled technical assistance providers should be formally engaged in the project in order to assess and meet the business needs of the participants.

- Businesses are more likely to succeed when they build on participants' existing skills, knowledge and resources. Coaches must provide guidance and encourage participants to focus on past experiences and knowledge (e.g., experience raising pigs), as well as existing assets and resources, to build out their businesses.

- A verification process to ensure both quantity and quality of technical assistance is important in order to ensure participants receive the help they need.

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

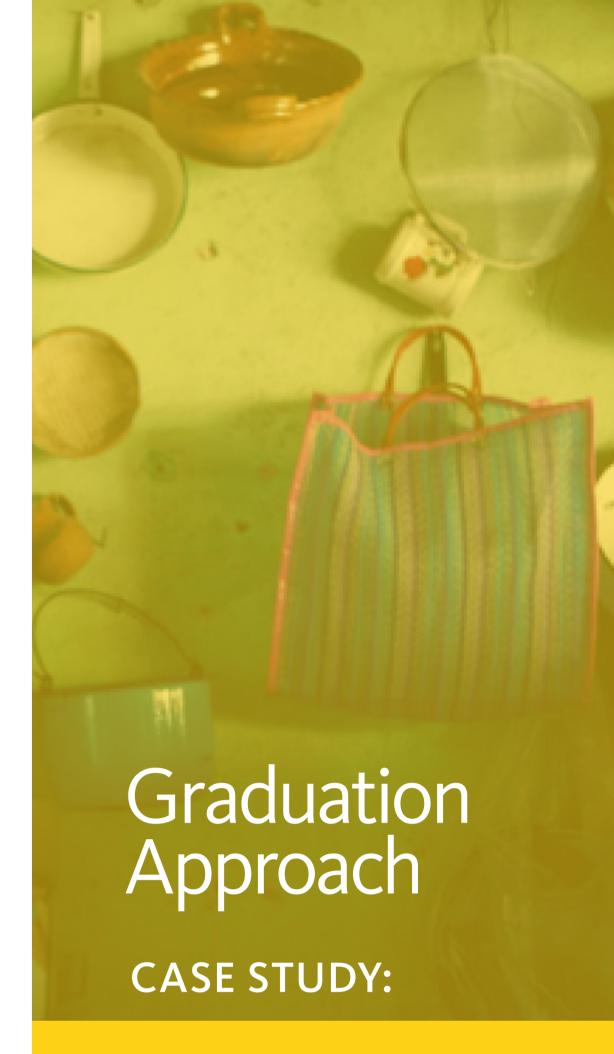**GRADUATION PROJECT**

CONCLUSIONS & IMPLICATIONS

LESSONS LEARNED: LIFE SKILLS COACHING

- The one-on-one home visit is a critical component of life skills coaching.

- Technology (e.g., the tablets) can help standardize the consistency and quality of training, regardless of the coach's training ability.

- The tablets complement in-person coaching sessions and contribute to participants' learning and knowledge acquisition.

- Group activities strengthen both economic and social connections among participants through trust-building and cooperative activities.

- While exposure to technology is a secondary benefit for many, older participants may face challenges with the tablets because of limited education and technology use. Implementing partners must assess the options of using technology based on participants' skills and education.

- Participants may have limited experience or practice setting personal or professional goals, given the daily pressure to meet immediate needs such as food and clothing. Coaches must facilitate the process and encourage the participants to be creative and think about long-term goals.

- Training on the methodology and programmatic theory of change for coaches, implementing partners, technical assistance providers, and other government staff can strengthen the understanding and thus performance of all those working to deliver the program.

LESSONS LEARNED: MONITORING

- Field monitoring visits are a critical part of project monitoring to ensure implementation of the program is on track, to assess any necessary changes, and to adjust the timeline and project activities accordingly.

- Monthly meetings are important for open and regular communication between DPS and the implementing partner, and between head office and field staff.

- As coaches and the participants get to know each other over the course of the project's implementation, visiting schedules may shift and the benchmark for number of visits per day may be harder to achieve. Monitoring plans should take this into account and adjust accordingly— either to factor in longer visits or to work with the coaches to set appropriate time-management goals for visits.

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

Targeting and selecting participants

Selecting participants from an up-to-date government-database is effective and cost-efficient. When project implementers did a cross-referencing exercise to compare participant selection of the government database versus the participatory mapping, they found the two approaches yielded comparable results—both methods identified families of similar poverty levels as potential participants. This was an important learning because the participatory mapping option is significantly more costly and more time- and labor-intensive. It is important to note, however, that a database must be kept up to date by the government if it is to be relied upon for accurate information for this type of participant identification exercise.
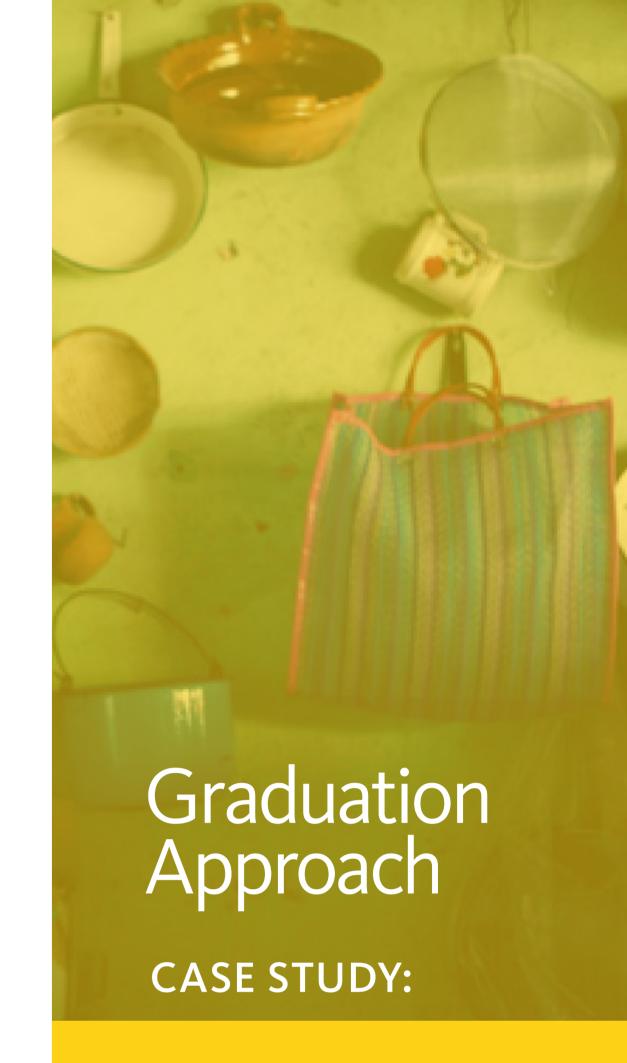
Verification visits to potential participants' homes is key. In future phases of the program, after the families are identified (by the Sisbén database) an in-person visit to the participants' households should take place to verify the socioeconomic situation of the family and to ensure they do in fact fit the criteria and target population parameters of the program. It is also recommended that the implementing partner and DPS have additional strategies to involve other needy families—particularly those who do not receive other types of government support and therefore may be overlooked by the database. For example, a mapping exercise or focus groups with households not identified by the Sisbén indicators could be carried out to corroborate the participant list and expand the household list, as desirable, to ensure the neediest families are targeted by the program.

Take into account the age of participants. One recommendation DPS has already adopted is to set an upper age limit of 65 for participants. This is due to education levels of the target population, as well as the ability of an older person to manage the demands of an entrepreneurial business. Attrition is another unfortunate reality; ten participants died of old age during the two-year project. In general, as the Graduation project expands, the age factor is one element that should be considered, but criteria should be developed that take age-related limitations into account but still do not exclude someone who may be older but who nevertheless has a strong entrepreneurial spirit and the ability to manage a small business.

Staffing

Meeting the requirements of the coaching schedule requires time-management skills. Training to help coaches realistically plan their visits, as well as manage any needed changes in the visiting schedule, should be addressed in future iterations of the program. In some cases, participant families are in very rural areas; travel time thus became a serious issue in an already-demanding schedule. One coach in San Luis

traveled at least an hour on motorcycle from her home to reach the nearest families under her supervision. These factors must be assessed when putting together an implementation plan to ensure viability of the schedules, both for project execution as well as for the safety and morale of the coaches. DPS has set a target of 60 participants per coach for the next expansion phase.
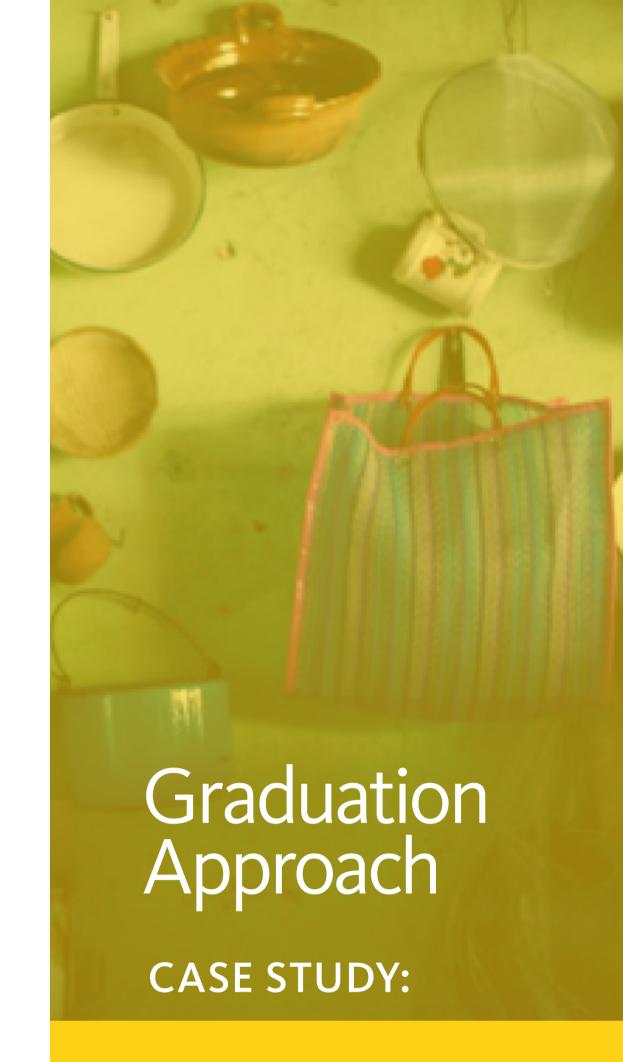
Local coaches with strong credentials and experience may be hard to find. During the pilot, coaches were hired locally, a strategy to help build the participants' trust in their coaches (who knew the area and local culture, and had the same accent). However, due to the rural nature of the pilot sites, finding qualified people (to meet the requirements of education level and work experience) among the relatively small population pool was a challenge.

For phase two of the project, which launched in 2016 in the regions of Nariño, Sucre and Atlántico, the coaches were evaluated in a refined hiring process that included a request for a more comprehensive resume, and a group interview with five or six coaches (as well as an individual interview). The group interviews were added to assess the problem-solving and teamwork skills which had been identified as critical "soft skills."

In addition, Fundación Capital broadened the candidate search to people outside the project's target municipality (but still from the same region). This was an effort to find candidates with higher educational levels and relevant work experience. This represented a trade-off: although they may have more educational or professional experience, coaches from beyond the target municipalities likely have less local knowledge. On the other hand, coaches who have no prior direct connection to their work territory could also mitigate situations in which locally recruited coaches may be tempted to cut corners during the one-on-one visit by, for example, combining a work visit with a social visit, or consolidating individual visits into a group visit. During the pilot, the implementing team faced some of these challenges and had to address the poor job performance of one coach whose contract was not renewed. These and other trade-offs must be considered when hiring the coaches.

Strategies to capture lessons learned and to transfer institutional memory are critical. Staff turnover makes this issue both more important and more challenging to achieve. Turnover among government and implementing partner staff was quite high over the course of the pilot and in the subsequent phases of the project. Thus the project's institutional memory—what worked well initially, improvements, and what constitutes best practices for implementation—has been hard to maintain. This reality must be taken into consideration as scaling plans are made. One

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

way to help mitigate institutional memory loss is to develop a detailed explanation of the program theory of change and lesson sequencing to give partners and new staff the best tools for orientation. For example, the implementation plan could be refined to be easily adapted to different contexts (e.g. flexible enough for different environments and realities) but with enough specific instructions that new staff can implement the program even with limited background knowledge. Similarly, the online orientation course that Fundación Capital has developed provides new staff with a standardized and accessible learning platform. These types of tools will help ensure the program continues to grow strategically, rather than duplicating past efforts that proved less successful each time a new team takes over implementation.

Consumption Support

Leverage other consumption support programs if possible. Leveraging existing consumption support programs is a cost-efficient way to integrate new initiatives without duplicating efforts and resources. A potential long-term study question would be to compare the well-being of families who received Producing for My Future programmatic support and consumption support from *Más Familias en Acción* against the well-being of families who only received programmatic support from Producing for My Future with no consumption support.
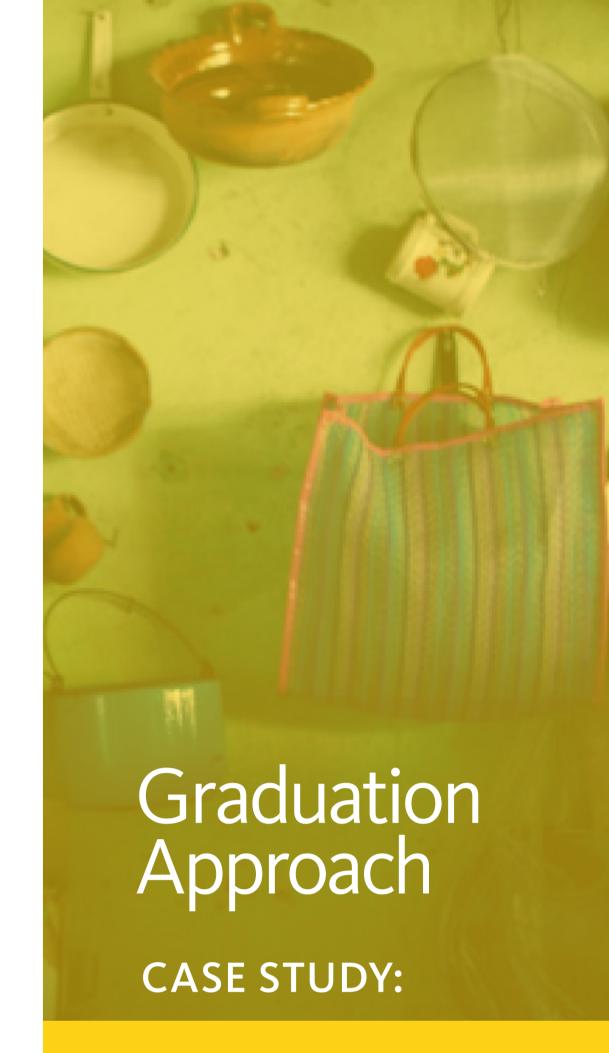
Savings

Promote individual and groups savings strategies. Basic savings training is valuable for extremely poor and vulnerable populations. Establishing the discipline of setting aside money for emergencies and other long-term goals provides important security for participants.

Trust-building facilitates savings group success. Lack of trust and experience working cooperatively, particularly around sharing finances, has been a major challenge for the longevity of the savings groups. In spite of neighborly relationships among participants, collaborating around financial issues continued to be a major step for many. Additional trust- and skill-building activities and exercises should be introduced before the savings groups are formed.

DPS has prioritized the savings groups for the project's next phase and will begin capacity-building with the groups earlier in the implementation process. The savings groups will again be voluntary, but coaches will spend more time helping establish the groups, and providing mentoring and guidance to ensure their sustainability.

Market Analysis

Link business plans with current skills. To fully understand their potential business opportunities, participants would benefit from additional guidance about how to build on their existing skill set and resources. Coaches

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

51

must encourage participants to focus on past experience and refine the skills and knowledge they already possess. This type of guidance also helps participants understand their existing assets and resources that could be leveraged to successfully grow a small business.

Invest more time in the business plan. While the methodology teaches general concepts related to upfront costs, revenues, and expenses of a small business, more planning and projection work is necessary to ensure participants are taking a long-term view. The aim of the program is to build capacity in the participants, training them to understand and anticipate business costs, how to manage a simple accounting system, and other practical tools. To create successful business owners, more focus needs to be placed on specific and necessary behaviors related to daily activities (such as business planning and bookkeeping) to build fundamental business capacity in participants.
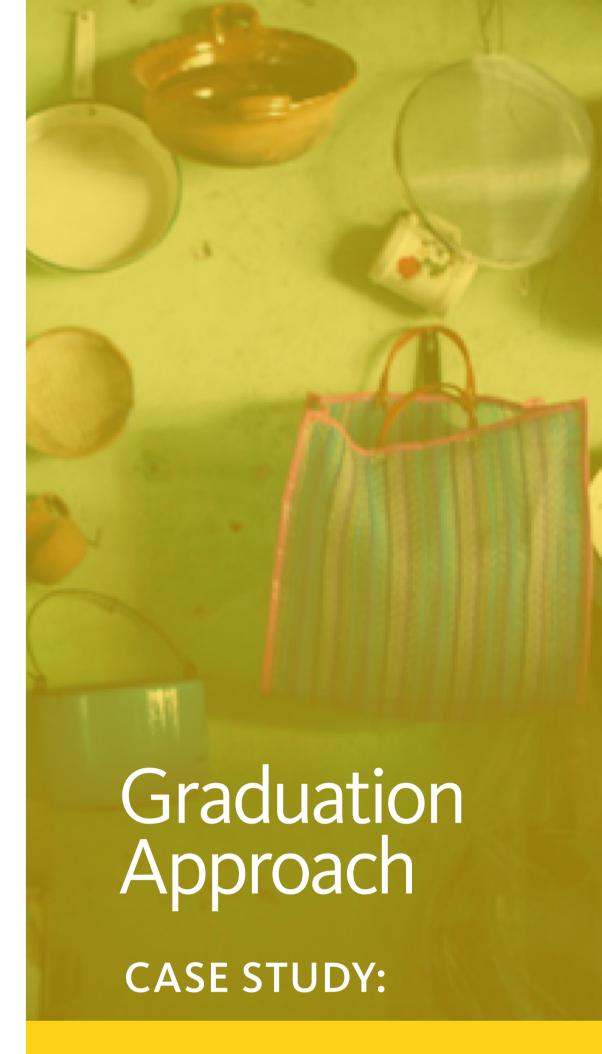
Perform a fuller market analysis. A fuller market study is recommended for future phases of the project. During the pilot, no detailed market analysis was carried out to inform the participants of their potential business opportunities or market risks. While a formal and comprehensive market analysis may be beyond the budget, it is important to have a better general understanding of the types of businesses that already exist in the municipalities, as well as the opportunities to introduce new businesses or build on established markets.

Asset Transfer

In the Colombia pilot, the asset transfer was a cash transfer. In Sitionuevo, the cash was transferred by the government through Banco Agrario; in San Luis it was done through the DaviPlata digital platform using a correspondent agent.

Transfer the cash-equivalent of the asset through a bank account and provide training on how to withdraw the transfer. When possible, cash transfers should be made using a bank to bolster participants' experience with formal banking systems. However, a digital transfer system, such as DaviPlata, is a good alternative if banks do not have a strong presence in the selected communities. In both cases, participants should be given training on how to withdraw the money (e.g., having the correct identification documents and understanding the steps for receiving a digital transfer). For some, the

Graduation
Approach
CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

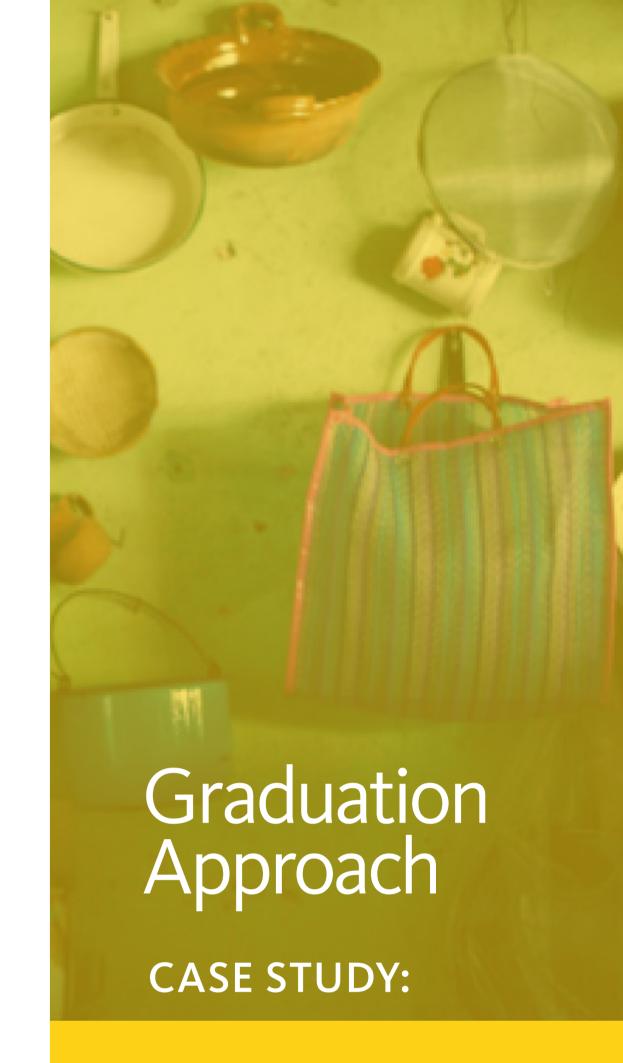**CONCLUSIONS & IMPLICATIONS**

52

financial transfer was difficult during the pilot, particularly for those who had never received a digital wire transfer before and for those who were illiterate. They had to ask for help from their coach, family members, or neighbors to access the transfer, which in most cases worked well.

Future phases of project implementation should consider the technology limitations of participants, especially if a cash transfer will be made using an unfamiliar method such as a digital transfer. A cash withdrawal verification system is recommended to ensure the cash transfer is successfully received by the participant (especially when they need help in getting the money) and limit the potential diversion of funds. Upon reflection about the cash transfer during the pilot phase, a DPS program manager recommended establishing a personalized account with a debit card for each participant. The government should have responsibility to manage this relationship with the banks in order to make the transfers (if the government is providing the funding). This helps build poor families' confidence and trust in the formal banking system, which may eventually lead to their improved financial literacy and increased financial services in poor communities.

If the asset transfer takes the form of cash, disburse it in two tranches. Nearly all participants interviewed noted that they liked the two tranches, even though that approach often delayed their ability to launch their small businesses. The majority of participants were unaccustomed to managing large sums of money, and many were nervous about it being stolen and about resisting their own temptation to spend it on non-business needs. DPS and Fundación Capital noted that two disbursements mitigate the risk of diversion of funds and allow participants a second chance if their business falters after the first disbursement. That said, one recommendation from the implementing team was to change the percentage of each disbursement – for example, instead of using a 50/50 split, a split of 80/20 might be better to give businesses a sufficient level of start-up capital.

Increase the asset transfer amount for livelihood and economic development activities. COP 1 million (approximately USD 500)—the total amount of the asset transfer cash disbursement—was often insufficient to help pull families out of extreme poverty. For the next phase, DPS has increased the amount of the asset transfer to USD 750 to help ensure that the small business ventures have sufficient start-up capital and so that participants may be able to see profits sooner. Some participants also would have benefitted from receiving a larger asset transfer based on their business idea and the funds required to launch that business. However, paying different amounts for the asset transfer to participants based on their business plans may cause tension and be seen as unfair, particularly for those participants who may receive less (even if that smaller amount is based on a more modest business plan and needs). This is something for other programs to consider in the future.

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION PROJECT

CONCLUSIONS & IMPLICATIONS

Improve market connections and cooperation among participants. The Graduation approach is focused on building individual skills. But for small business owners to succeed, they need to optimize market access and work with others in order to save on common business expenses. For future phases, the program is assessing how to emphasize the importance and benefits of cooperation among participants, including creating alliances to make asset purchases, sales, and even technical assistance more cost-effective. Another suggestion is for the program to provide incentives for participants to work together and include components and skill-building for cooperative production.

Technical Skills Training

Increase technical assistance to participants. One shortcoming identified during the pilot was the unmet demand for specific technical assistance during business development, launch, and ongoing operations. This includes specific agricultural support to ensure participants understand how to grow healthy crops, veterinary support for families raising chickens or pigs, and more consistent support across the course of the project.

Life Skills Coaching

In-person coaching sessions are critical to the participants' success. The participants, coaches, and representatives from Fundación Capital and DPS all confirmed that the role of the coach is critical to the success of the participants. The bi-monthly visits were key to strengthening the self-esteem, confidence, and motivation of the participants. Having the consistent attention and reliable follow-up helped ensure that participants stayed on track and motivated with their business plans. The time a coach spends with each family helps build trust. But a prolonged visit to any one family can create delays that cascade through a coach's already very demanding schedule.

Multiple forms of teaching and capacity-building are critical since learning styles and education levels of participants are so varied. Combining the lessons on the tablets with exercises in the workbooks reinforces the key messages and helps ensure that participants learn the lessons. Based on feedback from the participants, the life-skills modules were adjusted to reflect a more relatable situation for the participants in the pilot sites. As Fundación Capital expands the program, they have taken this lesson into account and designed the modules for Paraguay using Guaraní, the local language, to help the rural target populations to identify with the videos in the modules.

Graduation
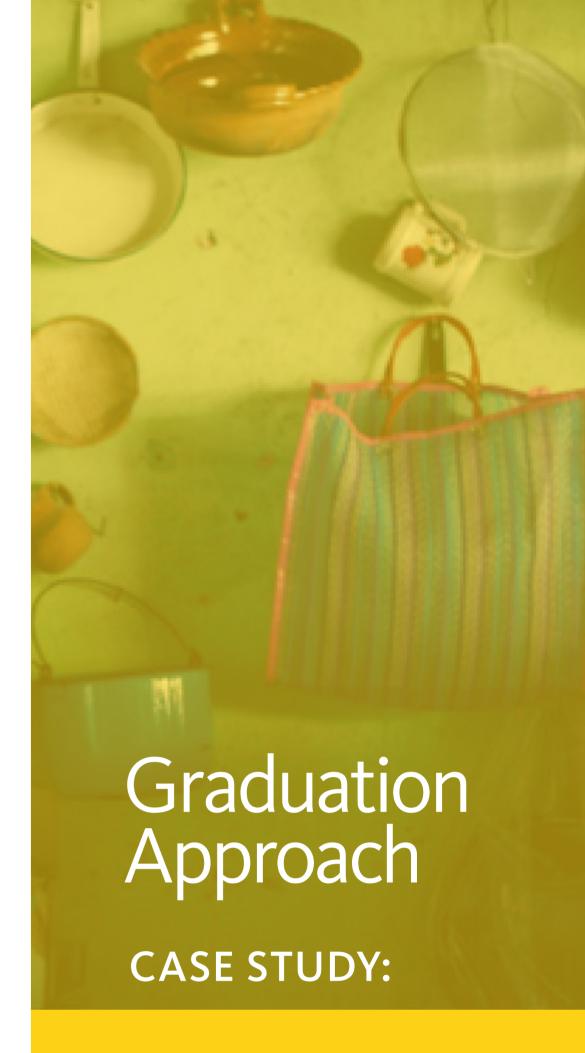Approach
CASE STUDY:

COLOMBIA

54

For the next phase of the program, Fundación Capital has made the following updates to the tablets of the life skills coaching modules:

- Improve the technology to minimize any glitches.
- Include more interactive activities and stories, based on the feedback and observations of "what sticks" with the participants.
- Include the story of one person who makes the metaphoric journey with the participants — this helps personalize the experience and improves the relatability of the modules.

Monitoring

Create a follow-up monitoring plan. In addition to a robust monitoring system throughout the implementation of the program, all stakeholders identified the need for a follow-up plan after the participants graduate from the program. This follow-up plan could be administered by DPS itself, or by other government ministries providing productive or economic development support. Follow-up support will also facilitate the gathering of information about the impact of the program on the graduated participants over time. The necessary resources, both human and financial, for this follow-up can be built into the project timeline and budget.

Producing for My Future changed the lives of many in San Luis and Sitionuevo. The participants who possessed entrepreneurial skills and a clear vision for their business were, in general, able to use the asset transfer more successfully, as well as the knowledge and capacity-building elements of the program, to bolster their household economic situation. The incentive provided by the asset transfer, however modest, provided a much-needed capital infusion for the participants to build their businesses. In combination with the development of savings discipline and access to technical training and life skills coaching, participants experienced significant improvements in income, assets, and self-confidence. As one program manager emphasized, Producing for My Future may not necessarily pull families fully out of extreme poverty; rather, the real impact of the program is that it marks the first step to move a family forward along the spectrum of sustainable livelihoods. The program sparked an attitude change for many. After years of only seeing themselves as poor and with little ability to change their circumstances, Producing for My Future boosted self-esteem and instilled a sense of hope. It provided participants not only the opportunity to achieve small gains in their family well-being—but to see themselves on a pathway to economic stability. ■

Graduation
Approach

CASE STUDY:

COLOMBIA

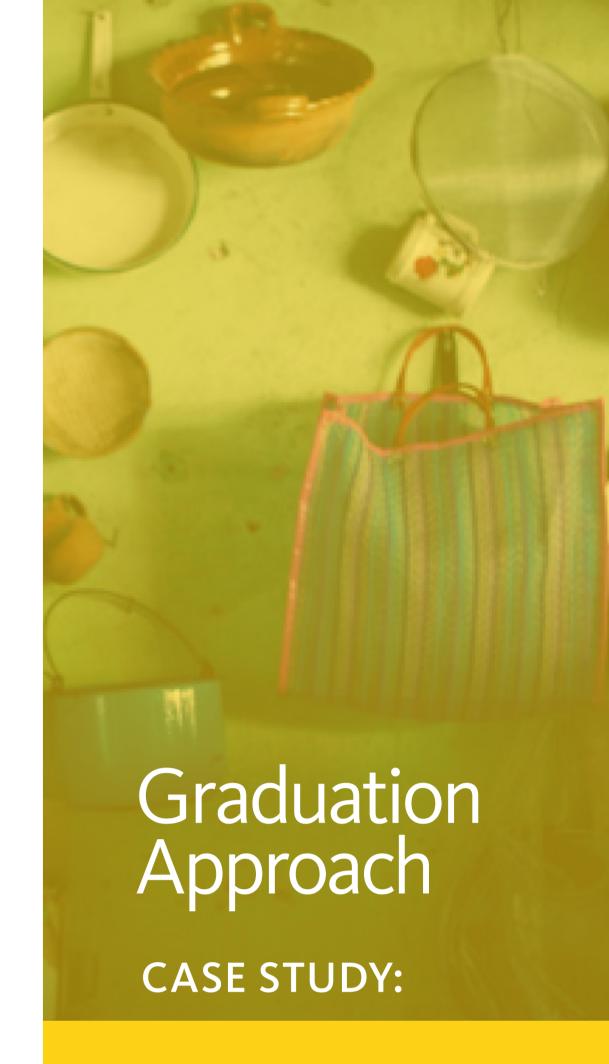*Chicken coop built in Sitionuevo with the cash asset transfer*

Graduation
Approach

ABOUT THE AUTHOR

Alissa Moen is an international development professional with experience implementing community development projects and building strategic partnership between donors and community for successful natural resource conservation, agriculture, and economic development interventions. She has worked for a variety of international organizations in Latin America and the United States. Alissa received a master's degree in sustainable international development from Brandeis University's Heller School for Social Policy and Management and a bachelor's degree from Wellesley College.

All photos were taken by the author during field research conducted for the preparation of this case study, and are used with permission, with the exception of the front cover photo (stock photography).

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION
PROJECT

CONCLUSIONS &
IMPLICATIONS

ACKNOWLEDGMENTS

The author and editor are also grateful to all those implementers and scholars whose published work has advanced the understanding and state of practice of the Graduation Approach. Where possible, we have provided URLs where interested readers can download the works cited in this report. Please note that URLs were valid at the time of writing. We regret that we cannot be responsible for any links that may break or decay over time, nor can we ensure that downloads are or will remain free of charge.

Graduation
Approach

CASE STUDY:

COLOMBIA

INTRODUCTION

GLOSSARY

CASE CONTEXT

GRADUATION
PROJECT

CONCLUSIONS &
IMPLICATIONS