



**ON THE MOVE**

2015 ANNUAL REPORT

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*2015 saw us expanding within countries and across continents, deepening our impact in some while exploring and creating new opportunities in others.*

We scaled up our programs in countries such as Brazil, Colombia, Mexico, and Paraguay, and began a new phase of work in Africa, with a particular focus on Mozambique and Tanzania. We completed numerous studies, launched new ideas, re-envisioned ongoing initiatives, brought on more talent, built new partnerships, and spent the year on the move around the world.



# 1 INCLUSIVE FINANCE

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## GROWING IN SCALE & IMPACT

*By the end of 2015, our work and alliances helped financially include **4 million people**.*



- National governments are recognizing the importance of financial inclusion. This year we expanded our work together in building national strategies, integrating inclusive finance approaches into national social protection programs, and moving beyond access to financial products and services to stimulating use. This included helping create better products, improve delivery channels, and increase the financial capabilities of citizens.
- Many of the governments that we work with, including Brazil, Colombia, Honduras, Mexico, and Paraguay, have furthered their commitment to financial inclusion by incorporating it as a strategic feature of their social protection work, backed by investments in financial inclusion programs. In total, we supported the development and implementation of National Strategies for Financial Inclusion and Financial Education in eight countries, and the development of more inclusive government payment processes in six.
- Partnering for impact extended beyond our work with governments, and included alliances such as a partnership with Tigo in Paraguay, through which FK designed a registry system and financial education content to facilitate the delivery of cash transfer payments through e-wallets to 18,000 recipients.
- We also continued our work with the Ford Foundation, the International Development Research Center (IDRC), and the Institute for Peruvian Studies (El Instituto de Estudios Peruanos - IEP).



## 2 GRADUATION FOR ECONOMIC CITIZENSHIP

AN INNOVATIVE, SUSTAINABLE & SCALABLE SOLUTION TO EXIT EXTREME POVERTY

*In 2015, \$77million in government cofinancing was committed to grow Graduation programs and reach 260,000 individuals across Latin America by the end of 2018.*

- Our unique approach to the graduation model, which centers on integrating governments as key stakeholders from the start, has led to adoption of this model by multiple countries. For example, Colombia has completed an initial implementation cycle, reaching 1,000 families, and is in the middle of its first scale up, which will reach 10,000 families. Additionally, a pilot launched with 1,000 families in Paraguay is now in the process of scaling up to reach 25,000 new families.
- Based on the lessons learned through promoting economic citizenship in Colombia, we worked with the Colombian government's Unit for Attention and Reparation of Victims (UARIV) to reach an additional 1,332 families who were victims of the country's armed conflict, in a program tailor-made for their specific needs.
- We deepened our partnerships and expanded the implementation of Economic Citizenship initiatives in Colombia, Mexico and Paraguay and, and began planning and partnering for future programs in Brazil, Mozambique and Tanzania, working in partnership with BRAC, the Consultative Group to Assist the Poor (CGAP), the Ford Foundation, the IDRC, the International Fund for Agricultural Development (IFAD), and national governments.
- A widely publicized study in Science demonstrated that the Graduation model had significant and sustained livelihood impact (Banerjee et al., 2015). We are designing our own Evaluation Platform in order to compare our graduation programs across multiple countries, including a randomized control trial in Paraguay, and working with the University of the Andes (Colombia) to support the collection and exchange of research across our graduation programs, and with our partners.





# 3 POST-CONFLICT COLLABORATION

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## SUPPORTING VICTIMS IN BUILDING BETTER FUTURES

*Providing strategic support to post-conflict processes through financial inclusion and economic citizenship.*

- We joined forces with the public, private, academic and international cooperation sectors as a founding member of the Reconciliation Colombia Corporation.
- We signed a technical cooperation agreement with Colombia's Unit for Attention and Reparation of Victims (UARIV) to provide overall strategic support, including with the Humanitarian Attention Program and the Community Leaders Engagement Program.
- We have also conducted the research and design work for programs targeting at-risk youth in rural, conflict affected areas, in close collaboration with Colombia's Department for Social Prosperity (Prosperidad Social), the government agency in Colombia that heads the Social Inclusion and Reconciliation Sector.
- We focused on providing systematic support to Colombia's UARIV, which included the creation and management of an online financial counseling training course for over 240 trainers in the "Avanza Seguro" (Safe Step Forward) program, and in-person trainings with over 50 regional coordinators. With these trainings, the goal is to reach over 3,500 victims and their families during the coming year.





# 4 DIGITAL SOLUTIONS

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## COST-EFFECTIVE & SCALABLE

*Digital solutions that are cost-effective and scalable  
have helped us to reach more than  
**100,000 individuals** in five countries.*

- The LISTA initiative has expanded into five countries, reached over 100,000 individuals, and been adopted as social policy in Colombia. A randomized control trial of the impact of LISTA, supported by the CITI Foundation and conducted in partnership with Innovations for Poverty Action and the Colombian government, is underway, and the midline survey conducted at the end of 2015 indicated statistically significant, positive short-term results on financial capabilities and participant behavior.
- We have further expanded our tablet and virtual work with the adaptation of the Economic Citizenship app, APPTitude, which helps families participating in the Graduation Program to grow and strengthen their capabilities while developing activities that help them to grow their financial, productive, and human assets.
- We have also developed and launched e-learning courses to support rural entrepreneurship and the training-of-trainers. The three pilot e-learning courses launched in 2015 have reached over 500 program mentors to facilitate high quality training-of-trainers.
- In its second year of operations, our LittleBigMoney (LBM) crowdfunding platform has evolved as a space of collaboration, where small donations achieve big results, contributing to the development of social entrepreneurship, the growth of many micro-enterprises and the strengthening of communities' economies. The platform has hosted 177 micro and small enterprises, 1,247 people donated \$354,260,532 Colombian Pesos (approximately \$118,000 USD), and 133 projects received the capital they needed to increase their productivity. Additionally, we built new partnerships to increase the reach and impact of LBM, partnering with organizations like UNDP and KOICA, as well as media outlets, like the "Misión Impacto" national television program in Colombia, to reach new and expanded audiences.
- We continue to develop new initiatives, such as an in-school game that facilitates financial education with children in primary and secondary school in Bolivia, and downloadable smartphone apps for teenagers in Brazil and Colombia. For the latter we partnered with Games4Change to develop a fun and educational game that uses the challenges of running a food-truck to build money management skills and help young people feel comfortable with and confident in interacting with financial institutions. The app also creates a personal space for participants to express their savings goals, and supports them with guidance and motivation on how to reach them. For each of these projects we work alongside youth to ensure their voices are included in the process.

# 5 ASKING MORE QUESTIONS

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## CO-CREATING MORE SOLUTIONS

*Deepening our understanding in areas where we work,  
and expanding to learn about new communities.*

- We don't believe in solutions designed at a desk, far from the realities of people living in situations of poverty and vulnerability. In 2015 we continued and expanded our knowledge and evaluation work through qualitative and quantitative field studies and impact evaluations, seeking to create better initiatives and to better understand the needs and perspectives of those we work for, and with.
- Rigorous impact evaluations (using randomized control trials) are underway or in the design phases for our work on Digital Solutions (LISTA in Colombia) and Economic Citizenship (Graduation in Paraguay).
- We partnered with Marulanda Consultores to conduct a systematic review and analysis of our financial education programs, which found that we had many creative approaches with positive reception and results on the user's side, but that improvements in designing indicators and gathering impact costs and data were needed.
- Our own internal research team conducted qualitative and quantitative studies in countries across the region, including: a study on the specific contexts and needs surrounding inclusive finance for indigenous populations; measurement of the outcomes and changes in behaviors and beliefs of a women-led savings program pilot; and feedback workshops with our in-country implementation teams, to collect their lessons learned in order to adjust the design of the programs.
- We are in the process of a systematic review of Conditional Cash Transfer systems across Latin America, to determine the strengths and growth areas of the wide-range of programs being implemented. This is one of many studies underway, whose results we look forward to sharing in 2016.



# 6 GROWING & DIVERSIFYING

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## OUR BOARD, OUR TEAM, OUR PARTNERSHIPS & OUR IMPACT

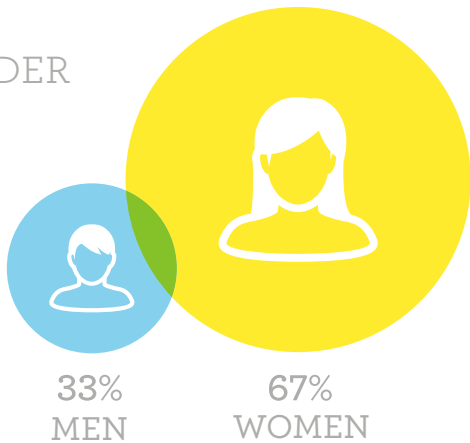
- Our board added a fifth member, Alexia Latortue, Deputy Assistant Secretary for International Development Policy and Debt at the US. Treasury. Ms. Latortue joins Joshua Goldstein, Vice President for Economic Citizenship and Disability Inclusion at the Center for Financial Inclusion at Acción International, Inez Murray, Chief Executive Officer at the Global Banking Alliance For Women, Roberto Haudry, CSO of Fundación Capital, and Yves Moury, CEO, Founder and President of Fundación Capital, in helping to strengthen and inspire our work.
- We officially opened a regional office in Mexico for the Mexican, Caribbean and Central American region, and continued our work towards regional headquarters in Brazil and Paraguay. We expanded our team across the region, and brought on our first two team members based in Africa, to help support the growth of our initiatives.
- We have moved closer to our goal of diversified funding sources, which allows for growth in transparency and independence, reducing funding from donors to 70% of our income, receiving the other 30% from contracts with governments and the private sector.

# OUR TEAM

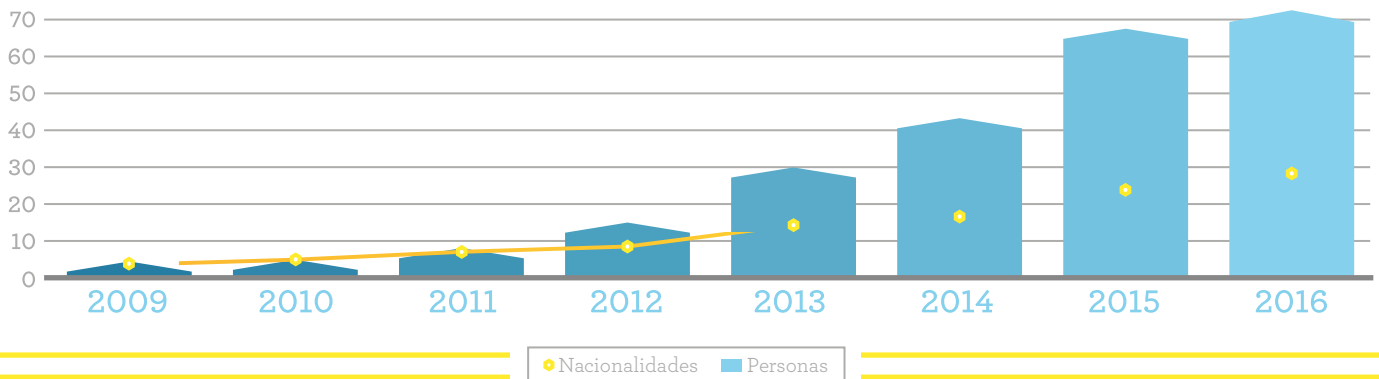
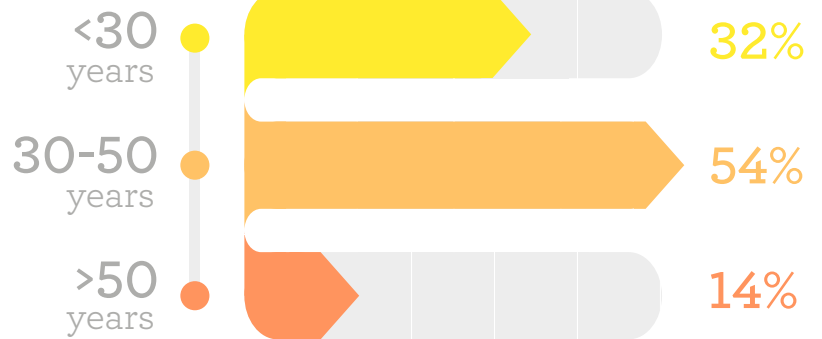
## DIVERSITY & GROWTH



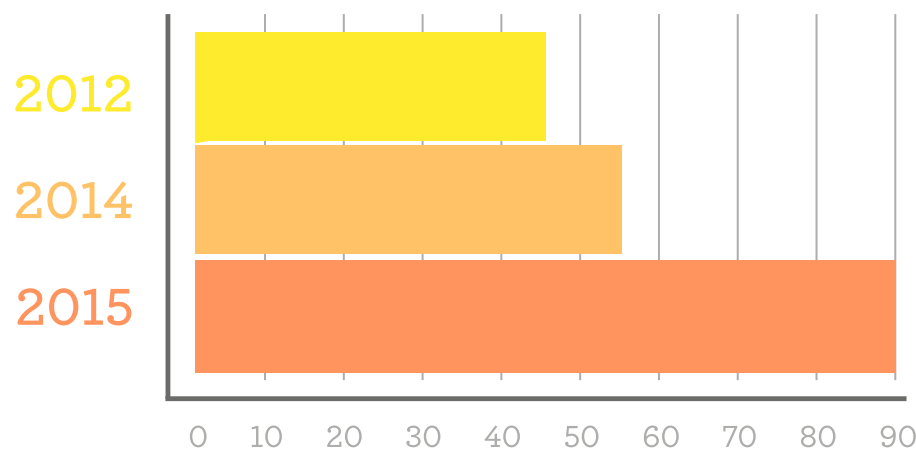
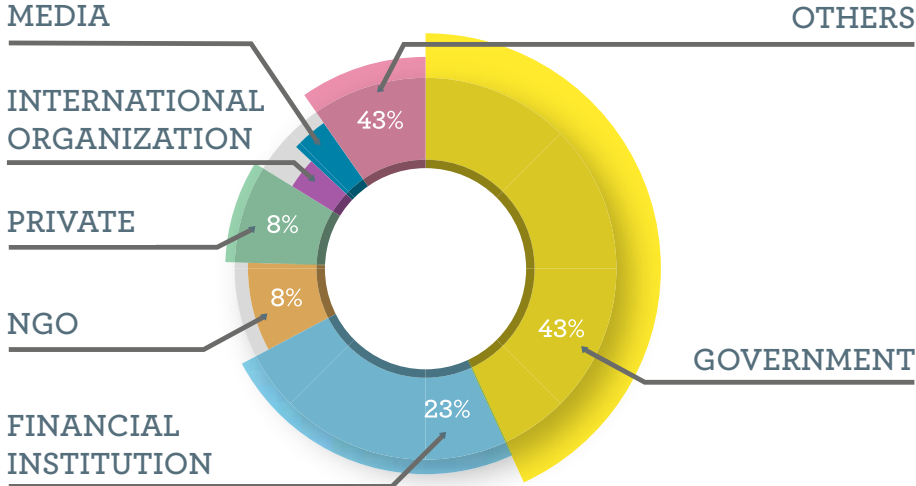
### GENDER



### AGE



# OUR ALLIANCES





# OUR FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Expressed in American dollars | Accumulated as of December 31

ASSETS	NOTE	DIFFERENCE			%
		2013	2014	2015	
Current assets					
Cash And Cash Equivalents	4	3,180,164.36	1,795,450.85	1,384,713.51	77%
Other Non-Financial Assets	5	88,859.93	31,670.84	57,189.10	0%
Trade And Other Receivables	6	411,690.88	21,767.08	389,923.80	0%
Non-current Assets	2	93,657.73	292,334.11	1,323.61	0%
Property					
Plant And Equipment	7	19,427.92	21,058.89	(1,630.98)	-8%
Intangible Assets	9	274,229.81	271,275.22	2,954.59	1%
<b>TOTAL ASSETS</b>		<b>3,974,372.90</b>	<b>2,141,222.88</b>	<b>1,833,150.02</b>	<b>86%</b>

EQUITY AND LIABILITIES	NOTE	DIFFERENCE			%
		2013	2014	2015	
<b>LIABILITIES</b>		<b>316,356.67</b>	<b>96,892.19</b>	<b>219,464.48</b>	<b>227%</b>
Current Liabilities		316,356.67	96,892.19	219,464.48	227%
Other Financial Liabilities	11	2,894.16	-	2,894.16	
Trade And Other Payables	12	84,872.79	74,592.97	10,279.83	14%
Other Non-Financial Liabilities	13-14	228,589.71	22,299.22	206,290.49	925%

<b>EQUITY</b>	<b>15</b>	<b>3,658,016.23</b>	<b>2,044,330.69</b>	<b>1,613,685.54</b>	<b>79%</b>
Issued Capital		10,000.00	10,000.00	-	0%
Retained Earning		749,605.84	540,567.61	209,038.23	39%
Convergence Retained Earnings		(4,872.71)	(4,872.71)	-	0%
Surplus		331,005.29	212,018.55	118,986.74	56%
Other Equity Interest		2,587,592.60	1,290,095.73	1,297,496.87	101%
Currency conversion		(15,314.79)	(3,478.49)	(11,836.30)	340%
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,974,372.90</b>	<b>2,141,222.88</b>	<b>1,833,150.02</b>	<b>86%</b>

CONSOLIDATED STATEMENT OF EARNING  
Expressed in American dollars | January – December 2015

	Note	2015
<b>INCOME</b>	16	
Income		543,339.25
Shares. Grants And Others		4,697,000.38
Other Income		6,456.00
Total Operational Income		5,246,795.63
<b>EXPENSES</b>	17	
Expenses		174,851,445.84
Other Expenses		64,344.50
Total Operational Expenses		4,915,790.34
<b>SURPLUS FOR THE PERIOD</b>		331,005.29
Comprehensive income		
Currency conversion		(11,836.30)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
ESTADO DE CAMBIOS EN EL PATRIMONIO CONSOLIDADO  
Expressed in American dollars | Accumulated until December 31

	BALANCE AT 31 DECEMBER 2014	INCREASES	DECREASES	BALANCE AT 31 DECEMBER 2015
Issued Capital	10,000.00	-	0	10,000.00
Retained Earning	535,694.90	209,271.69	0	744,733.13
Surplus	212,018.55	118,986.74	0	331,005.29
Other Equity Interest 0	1,290,095.73	1,297,496.87	0	2,587,592.60
Foreign currency exchanges (loss) gain	(3,478.49)	(11,836.30)		(15,314.79)
<b>TOTAL EQUITY</b>	<b>2,044,330.69</b>	<b>1,613,685.54</b>	<b>0</b>	<b>3,658,016.23</b>

<b>A. Cash flows from operating activities</b>	
Grants Contracts	6,543,861.24
Total Cash flows from operating activities	6,543,861.24
Net cash flows from operating activities	(5,102,627.12)
Net cash flows from operating activities	(5,102,627.12)
<b>B. Cash flows from investing activities</b>	
PPE Inversion	(4,988.51)
Net cash flows from investing activities	(4,988.51)
<b>C. Cash flows from financing activities</b>	
Net cash flows from operating activities	-
Net cash flows from investments in non-financial assets	-
Foreign currency translation effects	(51,532.10)
Net increase/(decrease) in cash and cash equivalents "A+B+C"	1,384,713.50
Cash and cash equivalents at beginning of reporting period	1,795,450.85
Cash and cash equivalents at end of reporting period	3,180,164.36





## THE ROAD AHEAD

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2015 represented significant movement for Fundación Capital, but it was also just the beginning of many new ideas, initiatives and partnerships. We look forward to growing our work in 2016 and beyond, tackling new challenges, deepening our impact, partnering with more public and private sector partners and achieving greater financial inclusion and economic citizenship around the world.