

TECHNOLOGY FOR DEVELOPMENT

ANNUAL REPORT 2019

 **Fundación Capital**

Advancing Economic Citizenship
Globally and at Scale

9
10
11



10
YEARS

**ADVANCING
ECONOMIC
CITIZENSHIP
GLOBALLY AND
AT SCALE**

Challenge

For those living in poverty around the world, accessing economic opportunities and essential services like housing, education and healthcare is exceedingly difficult. While the inability to accumulate sufficient assets plays a role in perpetuating poverty, individuals' poor economic situation is exacerbated by extreme income volatility and the absence of financial services suited to their unique needs.

Proposal

Fundación Capital is a non-profit social enterprise working to improve the economic and financial lives of people living in poverty and vulnerability around the world.

We partner with governments and the private sector to design solutions that combine technological tools with human action. These solutions allow users to learn in the comfort of their homes and on their own time, take greater advantage of economic opportunities, generate sustainable livelihoods, improve financial practices and make better-informed decisions.

Impact



10
years
of work



22
digital solutions



6 million +
people reached
Women, youth,
migrants, refugees,
and vulnerable
populations in rural
and urban areas



60+ partners
in the public and
private sector



18 countries
in Latin America & the
Caribbean, Africa, and Asia

OUR JOURNEY

2009

Early Days

Fundación Capital was founded with the vision of transforming the lives of millions of people in poverty through the power of partnerships and a vision for scale.

2010

Financial Inclusion at Scale

We expanded the geographic footprint of Proyecto Capital, a financial inclusion initiative, and adopted a holistic approach to address policy, supply and demand.

2011

Addressing Extreme Poverty

We began adapting the successful 'Graduation Approach' to the Latin American context, embedding it into government social protection systems.

2012

Technology for Good

We launched our first digital solution, the LISTA initiative in Colombia, using a tablet-based app to build the financial capabilities of low-income women.

2013

Sharing Our Story

We were featured in the documentary film 'Disruption' realizing the importance of changing perceptions about poverty and women's economic empowerment.

2014

Broadening Our Horizons

Fundación Capital receives the Skoll Award for Social Entrepreneurship, launching it onto the global stage and linking it to an international network of social entrepreneurs.

2015

Going Global

We took our first steps toward working on the African continent, hiring a local team and exploring opportunities to support productive and financial inclusion.

2016

Diversifying Partnerships

We decided to decentralize and diversify, strengthening local offices and going beyond philanthropy to engage public and private sector funders.

2017

Expanding Our Network

Fundación Capital received recognition from the Schwab Foundation for Social Entrepreneurship, Ashoka and USAID, opening doors to new partners and collaborators.

2018

Data-Driven Solutions

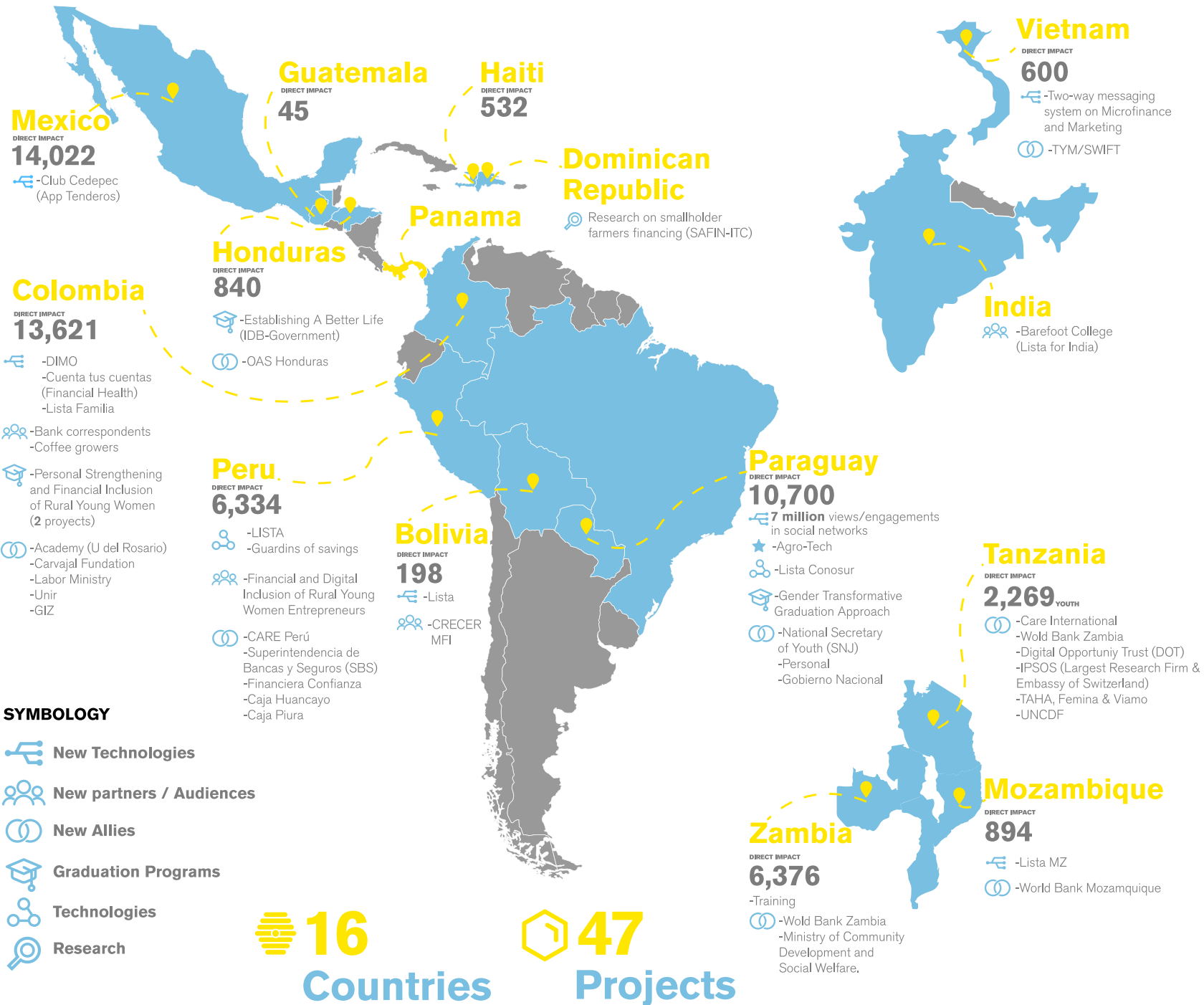
We integrated a data-driven and evidence-based approach, leveraging insights from impact evaluations of our work to guide the design of future interventions.

2019

Technology for Development

In 2019, we launched two new areas of work to continue putting technology at the service of development: Economic Citizenship as a Service (ECaaS) and Climate Smart Agriculture.

HIGHLIGHTS OF 2019



SYMBOLY

- New Technologies
- New partners / Audiences
- New Allies
- Graduation Programs
- Technologies
- Research

16 Countries
47 Projects

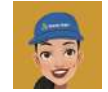
We strengthened our ties with the Association for Economic Inclusion (PEI) within the



We are part of **Catalysts 2030** with the aim of accelerating the changes necessary to achieve the SDGs in 2030.



3 new digital solutions:



11 versions of



new version of Lista with a gender focus



We created two new areas of work: Economic Citizenship as a Service (ECaaS) and Climate Smart Agriculture.

We developed 2 virtual assistants



A LETTER FROM OUR CEO

Dear friends, partners and collaborators:

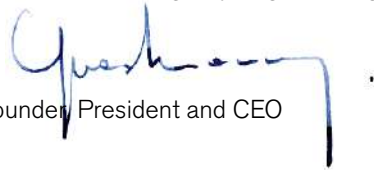
This year we faced challenging and diverse undertakings. Many countries had important changes in their political and social systems. On a large scale, we are facing a very different world from the one that existed in 2009 when we assumed our mission of bringing economic citizenship to the most vulnerable populations. Along this path, our principles and commitment to this mission and to people living in extreme poverty has strengthened, especially to women in vulnerable communities, along with leaders, agents of change and great promoters of economic progress.

This year, we developed 47 programs in 16 countries, including some new destinations such as India, Zambia and Vietnam. In all of these countries we continue to innovate with new cutting-edge digital programs, applications and strategies, with which we reduce the digital divide and at the same time promote the financial health and productive inclusion of the population at the base of the pyramid. This year, we designed specialized programs for women and youth with a transformative gender focus. Additionally, we promoted global alliances together with important international actors with whom we share the vision of promoting systemic change on a large scale. Among these, the Partnership for Economic Inclusion (PEI) a new global multi-stakeholder initiative hosted by the World Bank's Social Protection and Jobs unit that brings together leaders of the global graduation movement and economic inclusion programs; and Catalyst 2030, a global movement of innovators of social change made up of more than 230 NGOs, social enterprises, intermediaries, funders and other social change innovators, collaborating to achieve the Sustainable Development Goals (SDGs).

The year 2019 was one of expansion into new realms of work, including the use of technology to fuel development among small-scale farmers. We began the process of adapting climate-smart technology to small-scale agriculture to help farmers produce higher crop yields, build resilience against the effects of climate change and conserve their resources. We also launched ECaaS (Economic Citizenship as a Service), a disruptive initiative and strategy that connects low-income families with information, mentoring, products and services designed with them in mind (catering to their specific context, phase in life and personal characteristics), improving their access to relevant information and reducing acquisition costs, enabling them to make informed decisions and providing access to economic opportunities.

Eleven years ago, we undertook our journey as Fundación Capital, working for a more inclusive world with opportunities for everyone. Today, we have much more experience; we have evolved hand in hand with our partners, collaborators and especially with the participants and users of our programs. Faced with the challenging new global context, we are optimistic about the great opportunities that the technological revolution offers us and the role that we can play, along with our partners, to bring those opportunities to the most vulnerable.

We still have a long way to go, but together we can achieve a great deal,



Founder, President and CEO



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1.

Driving Innovation: Creating New Solutions with a High Tech - High Touch Approach

For a vast majority of people in the developed world, accessing information, products and services through digital means is increasingly common. However, this is not the case for people at the base of the pyramid who, in addition to the lack of access to education, health, electricity, water, financial services, etc. are also excluded from the digital economy. By connecting them with information, goods and financial services that could improve their quality of life, we can diminish the informational and digital gap that exacerbates their situation of poverty.

With this context in mind, we launched our strategic unit ECaaS (Economic Citizenship as a Service). We created a set of virtual assistants that connect with low-income families via smart phone, offering them a set of basic products and services (education, health, training, etc.) designed with them in mind (their specific context, phase in life and personal characteristics). Our virtual assistants bridge the digital gap and improve families' access to relevant information, while reducing acquisition and transaction costs. They also enable users

to make informed decisions and access economic opportunities at a local level. That is to say, ECaaS tackles market failures and connects supply and demand for the poor at a local level (micro and small enterprises), with an intelligent segmentation system that stimulates the growth of small businesses and also boosts the local economy. The virtual assistants also provide practical advice, coaching, and information to the people that need it, catering to their specific context and location.

1.1 CONNECTING NEEDS TO OPPORTUNITIES

With more than 10 years of experience developing initiatives to eliminate poverty, we understand that in order to improve people's quality of life, we must first gain an in-depth understanding of their needs. Each and every family and individual is different.

Although many products and services have been created to help people living in poverty, information about such services often fails to reach them. Sometimes people don't know where to find it, while other times it's unclear, out of date, or even false. In this context, being aware of each individual need becomes even more critical. Only when we understand their specific needs can we connect individuals with the product or service that offers the most appropriate solution.

Our response to this issue was ConHector, a strategy and virtual assistant that allows us to get to know our users' environment and help them directly with what they need. ConHector is a personalized assistant that allows people at the base of the pyramid to discover and access products, services and programs that put economic citizenship within their reach.

This virtual assistant looks at users' needs and connects them to options available in their region. They can use their mobile phones to access it via WhatsApp.

Responses to a survey conducted by the government program Familias en su Tierra (Families in their Own Land) were analyzed to gain an understanding of participants' needs. Relevant and appropriate options were then designed and offered to them over WhatsApp. Algorithms were established to ensure each family would be offered products and services related to their needs.

RESULTS

WITH CONHECTOR



We were able to connect 357 participants to over 35 products and services.

During the nine-week pilot in Colombia, 100% of participants accessed at least one to three offers that improved their quality of life.



357 participants



35 products and services



100% accessed

WATCH A VIDEO ABOUT HOW CONHECTOR WORKS:



More information available in Spanish: <http://conhector.me/>

USERS' EXPERIENCES



“ConHector is like a window to the future, a project we can all be a part of.”
Oramedly Bermudez, Venezuelan migrant, Tuluá, Colombia



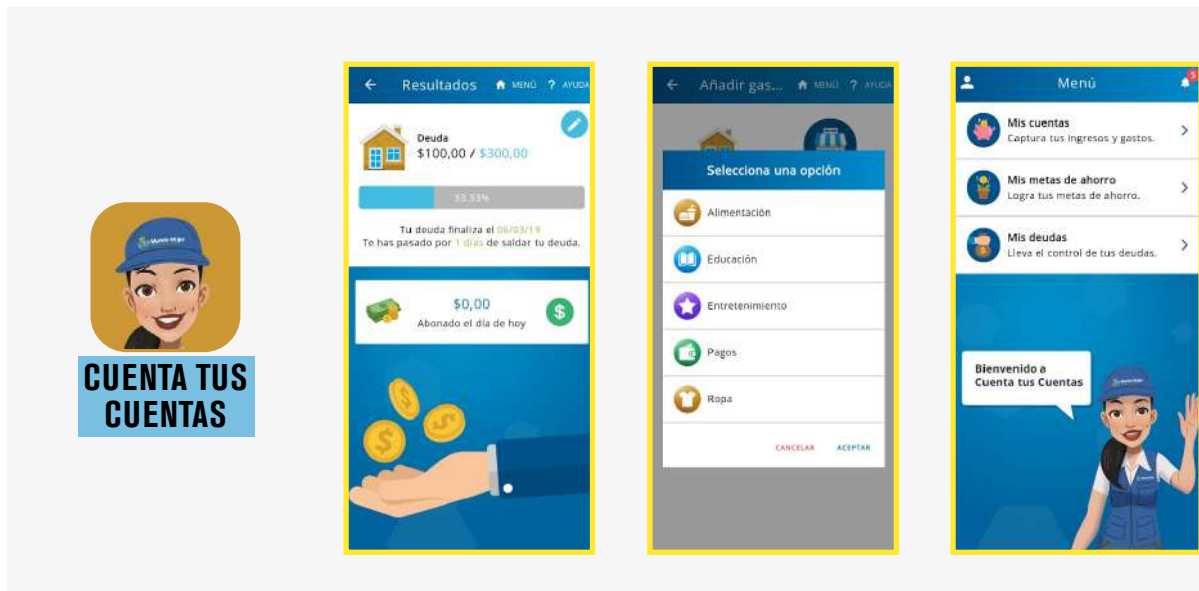
“ConHector gave us a new life and we want to keep living to really give back to our beloved country—that’s my lifelong dream.”
Jesús Carmona, Trujillo, Colombia



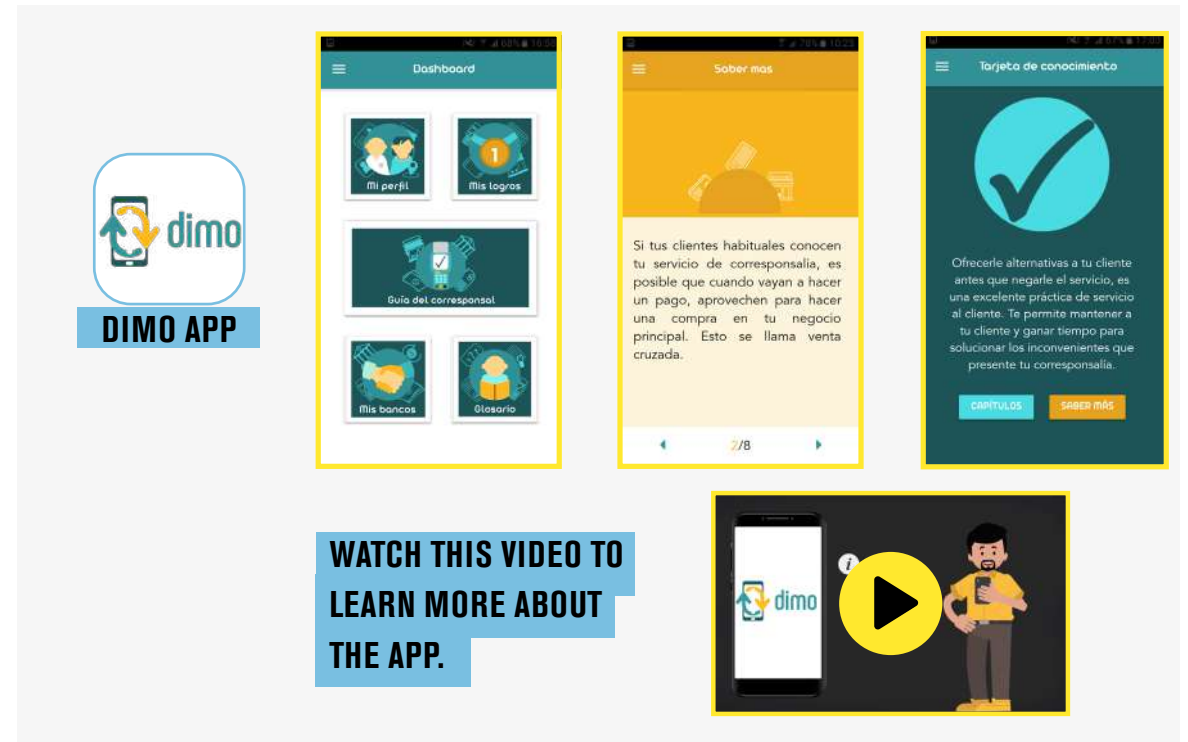
“What I like about ConHector is that it has allowed me to help others. It has also helped me with new work endeavors.”
Cruz Mery Moreno, Venezuelan migrant, Tuluá, Colombia

1.2 NEW DEVELOPMENTS

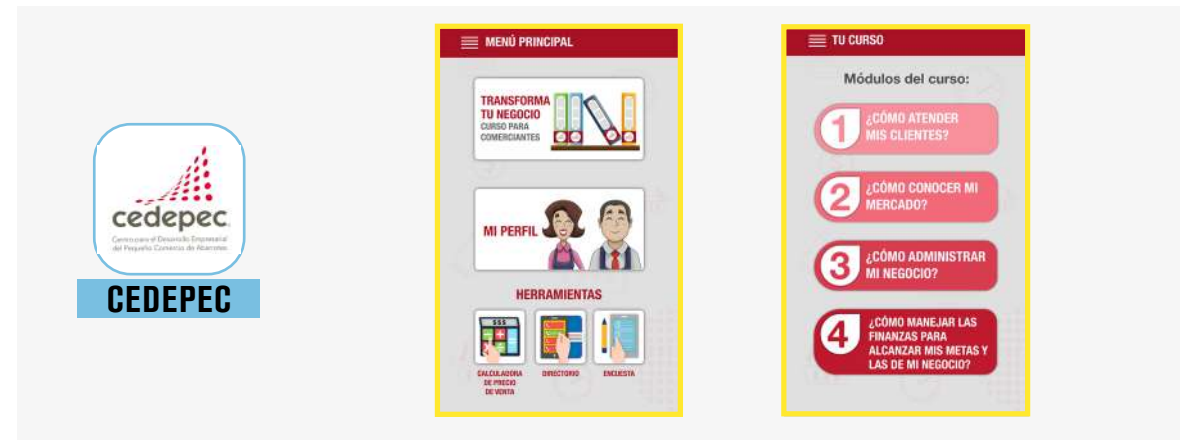
In addition to innovating digital solutions in new contexts, we have developed new applications for tackling various challenges. We brought a new personal finance management app onto the Colombian market with the creation of Cuenta tus Cuentas (Count your Accounts), now a global trend in financial health thanks to support from Banco Mundo Mujer.



Developed as part of a strategy to promote the banking correspondents' network in Colombia, DIMO is a tablet and mobile phone app that is available on and offline. It features user-friendly interfaces so correspondents can train themselves from the comfort of their home or business. The app makes it possible to track the effectiveness of the training while also serving as a channel of communication between banking correspondents and financial institutions.



In 2019 we also began working with small businesses, developing El Club CEDEPEC, an app designed to strengthen the entrepreneurial-skills of 1,500 small business owners in Mexico. The app was based on a digital and pedagogical adaptation of four topics selected from CEDEPEC's Small Business Diploma program.






1.3 LISTA EXPANSION

Thanks to new partnerships such as those with Buckner International and SWIFT, we were able to adapt our award-winning digital solution LISTA to five new countries, bringing the total up from 8 to 13. There are now different versions of LISTA for Colombia, Brazil, the Dominican Republic, Honduras, Mexico, Tanzania, Peru, Haiti, Bolivia, Guatemala, Mozambique, Argentina and Uruguay.

LISTA has reached:



538,000
users



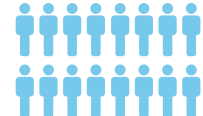




MOZAMBIQUE

For the first time in Mozambique, with the support of SWIFT, Fundación Capital tested the use of an adapted version of LISTA. This project also allowed us to test a delivery system that would fit the context of households in the country's rural communities.

Another version of LISTA was also developed, with the support of FSD Moç, focused on the banking sector. This version was used by community facilitators to train rural communities in the country.

Those two pilots reached 241 people in Gurué and 653 people in Malema.
Of these, 442 (about 50%) opened a bank account.

 2 Months	 Gurué 241	 Malema 653	 9 Times	 50%
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USERS' EXPERIENCES



“With this application, I learned how to save money at the bank, use the [ATM] machine and open a bank account. I used to be scared of using banks, but now I’m planning to open an account. [...] I liked everything about the app—it opened my mind.”

Mauricio Simone, 47,
Malema, Mozambique



INDIA

In an effort to further expand the horizons of this digital solution, Fundación Capital teamed up with Barefoot College International. We continued to harness digital technology to improve the financial lives of low-income women in developing countries. Similar to our own organization, Barefoot College International leverages networks of women community leaders and technological tools to reach millions of people. They train women as solar engineers in order to bring electricity to their communities. Through collaboration with Barefoot College, LISTA will be heading to India. Women there will become financial inclusion specialists, not only providing their villages with electricity, but also supporting financial education efforts and increasing access to appropriate financial services for their communities.



MEXICO

LISTA was implemented in Mexico with Banco Compartamos to provide financial education to clients using their product Crédito Mujer. The process was supervised by loan advisors from three of their offices in Oaxaca and Monterrey. Banco Compartamos decided to test LISTA as part of its financial education strategy through a pilot project that reached 2,232 clients.



PERU

In Peru, we scaled up an existing implementation of LISTA. This gave us an opportunity to learn and to perfect Conéctate – Finanzas al alcance de tus manos (Get connected – finance within your reach), a project aimed at improving the financial capabilities of 2,200 women entrepreneurs living on the outskirts of cities and in rural areas. Over the course of the project, we provided training to 2,855 women entrepreneurs, not to mention their family members who were also able to learn with LISTA. Active participation in the learning process was observed among participants' children—who tend to be more comfortable with digital tools—and spouses.

USERS' EXPERIENCES



“The LISTA training has been very good for us because we didn’t use to know how to save, and we weren’t clear on accounts. But now we are. Some of the women already have accounts at Caja Huancayo. We didn’t use to do this. We used to do it at home, but sometimes people get robbed, sometimes there are fires and you can lose everything. Now with this training, we know how to manage our accounts and our savings.”

Marlinda Romero, LISTA participant, Junín, Peru

“I realized just how much of my money goes out the window on unnecessary purchases, when I could be saving and keeping better track of it.”

Marcelina Pérez Vázquez, Independent Group, Oaxaca

“It was the first time we’d ever had training like this. Many of us had never had a tablet, and we learned about saving and how to use an ATM.”

President of Grupo Ixtaltepec
2018, Oaxaca



LISTA FAMILIA

We developed LISTA Familia with the goal of preventing domestic violence through financial capability building and tools to improve spousal communication. This version of LISTA includes content for building financial capabilities as well as reinforced messages to promote financial independence, men's participation in household labor and tools for emotional regulation and dealing with family conflict.

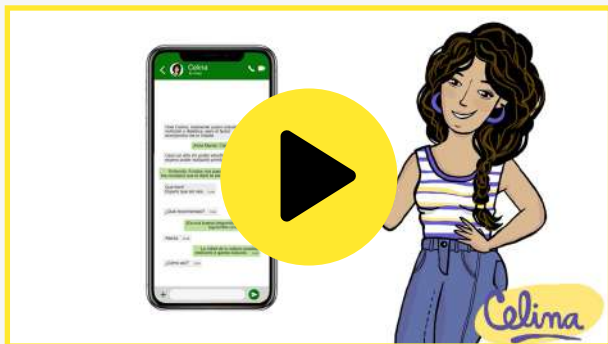
1.4 TRANSFORMING USERS INTO INFLUENCERS



CELINA

We challenged ourselves to transform users of our applications into allies and influencers to help us reach more people in their communities. This placed value on the peer interaction skills of these women while also providing them with a source of income. A new B2C business model was developed to reach users directly through local influencers. These women community leaders receive a percentage of subscription sales from our financial mentoring services including applications like LISTA and Guardianes del Ahorro (Guardians of savings), as well as chatbot services like Celina, our financial mentor on WhatsApp. A pilot was carried out in Colombia with the participation of 47 influencers who made it possible for us to reach 3,478 users.

WATCH A VIDEO ABOUT HOW CELINA WORKS:





2.

Expanding the digitalization of payments

2.1 AN IN-DEPTH APPROACH TO DIGITAL PAYMENTS IN COLOMBIA

With support from the World Bank, we conducted a study on digital payments in rural Colombia with the goal of promoting their adoption, use and acceptance. Our research involved mapping digital products and payment methods on the Colombian market and identifying barriers to digital payments in rural contexts, as perceived by potential users and businesses. We ultimately drafted a series of recommendations to accelerate the implementation of digital payments in rural municipalities.

2.2 CAPACITY BUILDING FOR FINANCIAL INCLUSION AMONG CAFÉ PAGA ECOSYSTEM COFFEE GROWERS IN COLOMBIA AND MEXICO

A group of leading organizations in Mexico and Colombia decided to tackle the challenge of achieving financial inclusion among coffee growers. Teaming up with MasterCard in both countries, Mexican organizations NKG/ECC, Quibo, Santander and Citibanamex and Colombian organizations Movii and Skn Caribecafé we create the Café Paga Digital Ecosystem. The purpose of projects like this one is to facilitate coffee growers' access to and use of local digital products and services, while also developing their financial capabilities to achieve financial and productive inclusion.

RESULTS

MEXICO

In Mexico, the Café Paga Ecosystem succeeded in training 1,231 growers in 22 localities and in handing out 1,200 cards that are now being used to sell their harvest. The Quibo network was expanded by 26 new establishments, meaning people no longer have to travel hours to pay their bills. Thanks to community leaders and project Champions, an additional 120 people have received financial education in their communities.

COLOMBIA

During the pilot phase of the project in Colombia, we reached 230 coffee growers directly through on-site training and a messaging strategy using SMS and WhatsApp. Following their training, 86 of them opened an account with Movii, an electronic wallet. Thanks to encouragement from the project's Champion coffee growers, 46 of their laborers then also opened Movii accounts.

With the inclusion of day laborers in the digital payments ecosystem, we sought to advance one more link in the coffee payment chain and expand financial inclusion in the sector in a comprehensive and organic way.

USERS' EXPERIENCES



“They used to pay us by check. We would go to the bank to cash them, but it was such a pain to have to wait in line. We would leave at 5 o’clock in the morning and when we’d get to the bank, there would already be a long line. Sometimes you wouldn’t make it into the bank that day and you’d have to come back the next day or the day after that. So much coffee is produced here; that’s why the long line at the banks are so long.”

Jacobo, 65, Barrio Concepción, Mexico



“After the training I realized how important it was for coffee growers to break with the idea that the money we have in our pockets is the only money we have. Let’s take the leap and use these apps, for security and for saving time.”

Yobany Hernandez, Pitalito, Colombia





3.

Promoting Financial Inclusion through Banking Correspondents

3.1 PROMOTING THE USE OF BANKING CORRESPONDENTS

The main objective of this initiative was to design, develop and test innovative and cost-effective solutions, tools and strategies with the potential to encourage mainstream use of banking correspondents. The project involved 45 banking correspondents in various Colombian municipalities and 3,956 users of correspondent banking.

THE STRATEGY FOR THIS PROJECT CENTERED ON THREE MAJOR COMPONENTS:



Partner Institutions

Operational reinforcement for correspondent banking networks was carried out through the exchange of experiences and consultations to improve network management.



Banking Correspondents

The DIMO app was developed to provide cost-effective training to small business owners and workers operating correspondents. This tool includes features for facilitating communication and assisting banking correspondents to ensure higher levels of quality and service and to build loyalty throughout their networks.



Target Population

Communications, financial education and incentive campaigns encouraged clients and financial service users to make greater use of banking correspondents.

RESULTS

The strategy succeeded in increasing the overall number of monthly transactions by 18.5%, deposits by 116% and withdrawals by 107%, compared to numbers at the outset of the initiative.



18.5%
Transactions



116%
Deposits



107%
Withdrawals

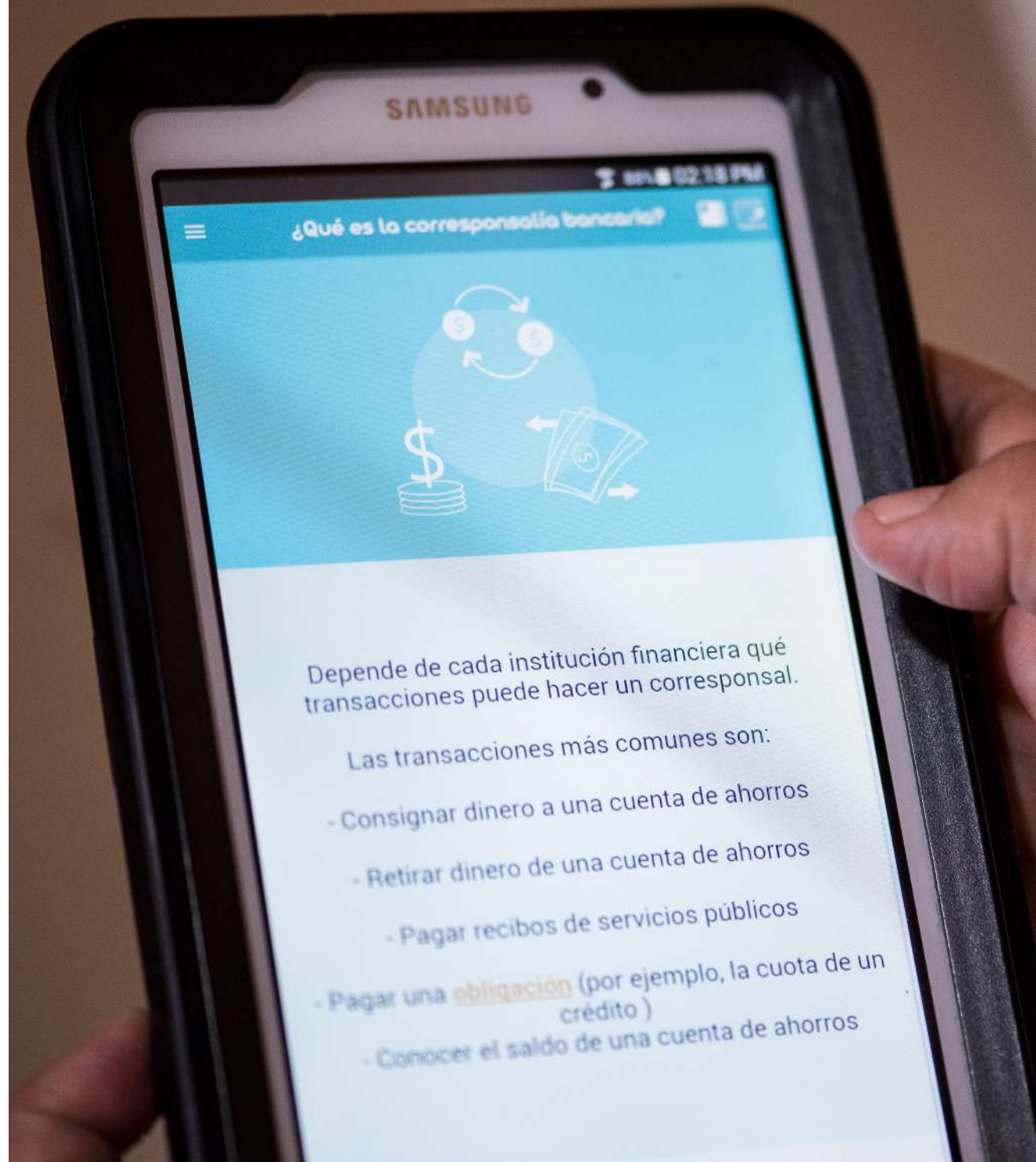
WATCH THIS VIDEO TO LEARN MORE ABOUT THE PROJECT:



3.2 EXPANDING COVERAGE WITH FINANCIAL COOPERATIVES THROUGH MOBILE CORRESPONDENTS AND DIGITAL TECHNOLOGY

We implemented a project in Colombia to expand service coverage with financial cooperatives by establishing new banking correspondents and reinforcing mobile customer service solutions using digital technology.

The project focused on increasing the number of banking correspondents of these financial cooperatives and expanding coverage of the correspondent network into rural and low-density areas, while also raising awareness among the target population through economic and financial education. This initiative was implemented in partnership with the German Savings Banks Foundation (Sparkassenstiftung für Internationale Kooperation), with funding from Banca de las Oportunidades.



4.

Connecting People in Remote Areas to the Financial System

4.1 FINANCIAL EDUCATION FOR SMALL-SCALE FARMERS IN NORTHERN MOZAMBIQUE

We developed a project designed to link small farmers to the financial system by developing their knowledge and skills, and encouraging them to adopt new products. Through the principles of Human Centered Design (HCD), content was developed and delivered through traditional techniques (in-person training) and alternative approaches such as radio soap operas, plays, and an application based on the award-winning digital tool, LISTA developed for the project with the name EDUBCI, to complement the financial education of small farmers. This project was funded by FSDMoç (The Financial Sector Deepening Moçambique) and implemented in partnership with BCI, one of the country's leading commercial banks.

4.2 FINANCIAL EDUCATION VIA TEXT MESSAGING IN VIETNAM

In 2018, we began providing basic financial education via text messaging. The training was decidedly well received, garnering over 50% participation (measured by the number of people who responded to the messages). The project was implemented with the help of funding from SWIFT and in partnership with TYM, a Vietnamese microfinance institution.

Based on these results, in 2019 we decided to scale up and segment the project to provide two different segments of the TYM client population with training that would be more appropriate for their needs. We continued to provide basic financial education to clients with smaller businesses, while offering advanced training in digital marketing to bigger clients. The training was once again successful, reaching a total of 600 people.





5.

Advancing Climate-Smart Agriculture

The year 2019 was one of expansion into new realms of work, including the use of technology to fuel development among small-scale farmers. In Paraguay, we teamed up with IDB Lab and SupPlant, an Israeli company leading the industry of smart irrigation technology, which uses AI to ensure optimal utilization of agricultural resources. We began the process of adapting climate-smart technology to small-scale agriculture to help farmers produce higher crop yields, build resilience against the effects of climate change and conserve their resources.

Growth Based Irrigation (GBI) was launched as part of this initiative. This technology from SupPlant was developed to test and adapt climate-smart agriculture technology for use with vegetable crops. The irrigation technology will be adapted to small production systems using SupPlantME, a complementary mobile app that provides daily irrigation instructions based on the GBI algorithm.

With GBI and SupPlantME, even small-scale farmers can receive detailed and dynamic irrigation instructions via smartphone with an internet connection. Instructions are adapted to their crops using a weather station, and sensors quantify growth and measure humidity levels of the soil, plants and fruits.

This project offers comprehensive innovation by centering on three main tenets: continuous increased productivity to improve food security and boost the income of small-scale farmers; greater resilience to reduce vulnerability to drought, infestation, disease and other disruptions; and the conservation of resources and thus reduction of emissions to save water and slow agricultural deforestation.

The aim of the project is to directly benefit small-scale tomato growers. As an economic return, their productivity is expected to increase by 5 to 10%, while the environmental return will take the form of a 5 to 20% reduction in water consumption, depending on the level of technology used.

The project seeks to have additional environmental impacts by improving the resilience of small-scale farmers and helping them better adapt to climate change, aligning with the SDGs for 2030 adopted by global leaders at the United Nations Sustainable Development Summit in 2015.



“We are supporting this innovative pilot project as a way to deal with the dual challenge of increasing crop productivity sustainably,” “The pilot will use disruptive technologies like the Internet of Things (IoT) and artificial intelligence (AI) to close the crop productivity gap while at the same time reducing the use of critical supplies like water. The goal is to improve resilience, income and quality of life for small-scale tomato growers in Paraguay.”

Explains Florencia Attademo-Hirt, representative of the IDB Group in Paraguay.

Projections look promising for the ongoing success of the program. At the end of 2019, we obtained funding for two initiatives related to rural development and access to technology for small-scale farmers in Paraguay. The first of these initiatives is a two-year project with the Korea International Cooperation Agency (KOICA) and the Ministry of Agriculture and Livestock (MAG). Its purpose is to incorporate 15 small-scale farming organizations in the departments of Central and Cordillera, near the country's capital, into value chains. Funding from the Australian Embassy will support the second initiative, which seeks to incorporate a committee of women producers in vulnerable situations into a medicinal and culinary herb production chain to grow oregano, sage and other plants in 2020.

6.

Deconstructing Graduation Programs for Gender-Transformative Change

In September 2019, the International Development Research Centre (IDRC), the World Bank's Partnership for Economic Inclusion (PEI) and Fundación Capital organized a workshop in Ottawa to explore how to integrate a gender-transformative approach into Graduation programs. The workshop provided a forum for learning about best practices and discussing concrete ideas to review the design and implementation of Graduation programs to promote gender equality.

Discussions centered on the role that Graduation programs can play in fostering gender-transformative change by going beyond a focus on women's access to economic resources to address systemic change and social norms within families and communities, and by including men and boys.

Based on conclusions reached, the finishing touches were put on a study led by Sonia Laszlo that deconstructs Graduation programs to analyze each component separately and from a transformative gender perspective. This study provides important opportunities and points of entry for Graduation programs to maximize their impact on gender equality.

Read Sonia Laszlo's white paper *The Gender Transformative Potential of Graduation Programs* [here](#).

You can also read a summary of the document [here](#).

We invite you to learn more about this initiative by reading the following article published by Carolina Robino, Senior Program Officer at the International Development Research Centre (IDRC):

[Anti-poverty programs can also champion gender equality](#)

We took advantage of the lessons described in this document and put them into practice in Paraguay. With support from the IDRC, Fundación Capital is currently implementing an initiative with the Ministry of Childhood and Adolescence as a strategy to boost income and empowerment among women participating in the Abrazo (Hug) program. This program is aimed at eradicating child labor by providing child protection centers, food and help with schooling. It also seeks to improve socioeconomic conditions by providing families with conditional cash transfers accompanied by attentive support.

The strategy is being implemented at 23 Abrazo centers, with the participation of 42 program officials at central locations and in the field, enabling us to reach more than 1,300 families. This intervention is highly relevant given that the new program redesign includes entrepreneurship, financial inclusion and sustainable income for families as its primary pillars of support. In addition, the Ministry of Childhood and Adolescence is currently tackling several issues related to the project such as violence against women and sexual and reproductive health, with teen pregnancy and child abuse prevention campaigns as its primary strategy.

The Fundación Capital Economic Citizenship Observatory was inaugurated as part of this project. It acts as a platform for continuous dialogue with participants during the various phases of the Graduation project with a gender-transformative approach in Paraguay. By giving us a way to actively listen to participants and their family members, these voices can contribute to decision-making around project design, value proposition and implementation. The membership is made up of 64 women, and three meetings were held in 2019.



PANEL DISCUSSION “WOMEN, ECONOMY AND SUSTAINABLE DEVELOPMENT”

An event was held in Asunción Paraguay that brought together more than 300 state actors, representatives of the private sector and civil society, generating a space for dialogue and exchange of ideas and experiences. Experts and national and international leaders agreed on a discourse with a strong focus on women’s role in development, going so far as to affirm that the economic empowerment of women is no longer regressing.

International specialists formed part of the discussion, including Alicia Girón, President of the International Association for Feminist Economics (IAFFE) and member of the United Nations High Panel for the Economic Empowerment of Women; Helena Estrada, director of the Center for the Economic Development of Women (CEDEM) of Argentina, creator of G25 Women; and Teresa Velilla, president of the Paraguay Global Compact Network. The moderator was journalist Estela Ruiz Díaz, whose ideas and methodological guidance highlighted the event.



7.

Systems Change in Paraguay

As part of **Co-Impact's** call for proposals for systems change¹, we received a grant to strengthen the Paraguayan Social Protection system through the integration of a graduation approach. The objective is to join efforts to promote the social and economic inclusion of families in poverty and extreme poverty, by promoting innovative and cost-effective strategies that facilitate the improvement of the Paraguayan National Government's social programs. In the next 5 years, the initiative is expected to improve the living conditions of at least 75,000 Paraguayan families, expanding their economic opportunities, confidence and resilience.

¹ Systems change means addressing root causes rather than symptoms by altering, changing and transforming structures, customs, mentalities, power dynamics and rules through collaboration between a diverse set of actors with the intention of achieving lasting improvement in social problems at local, national and global levels. (Embracing Complexity: Towards a Shared Understanding of Funding Systems Change, 2020)



8.

Empowerment of Young Rural Women through financial inclusion in Mexico, Paraguay and Colombia

The MuJeR project: Financial Inclusion for Young Rural Women, is aimed to work with rural youth, particularly women, to facilitate access and use of financial services, suitable to their needs, capacities and characteristics, which allowed them to build, improve and protect their assets, thus generating a mechanism to escape poverty in a sustainable way. It is an initiative financed by the International Fund for Agricultural Development (IFAD) and implemented by Fundación Capital, hand in hand with different allies in Colombia, Mexico and Paraguay.

The project aims to boost the enormous potential they have through financial inclusion, seeking to help rural young women access and make use of financial products that help them better manage their resources and improve their living conditions.

Young people's aspirations and dreams vary depending on the context and phase of their life in which they find themselves. That is why we decided to develop different strategies in each country, keeping the following two elements constant:

- Working towards the empowerment of young women: Encouraging self-recognition of their skills, abilities and contribution to their families and communities.
- And the use of digital technologies to strengthen their financial skills.

In Colombia, we strengthened the leadership capacities of a group of young people, so that they are the ones who transfer their new knowledge to other young people, promoting their financial inclusion and teaching them to use electronic wallets. In Colombia, we worked in partnership with the Territorial Renewal Agency (ART), Prosperidad Social, Corprogreso and Fundeilu and as financial allies we worked with Bancolombia, with its Ahorro a la Mano e-wallet and Davivienda with its DaviPlata e-wallet.

In Mexico, we worked with Acreimex, a savings and credit cooperative interested in achieving greater financial inclusion for young women. To this end, in addition to strengthening the financial capacities of current and potential members, we developed a group credit product for young women, as well as a credit product aimed exclusively at professional students in rural areas.

In Paraguay we worked with young people in their last year of school, strengthening their financial habits and encouraging the use of electronic wallets. To do this, we developed a new methodology with the aim of teaching the chair of economic and financial education in public schools, and the topics addressed in the classroom were reinforced through social networks. In addition, we developed the financial capacities of young people who receive scholarships to continue their higher education, and we encouraged them to use the accounts in which they receive their scholarships. The alliances generated with the MEC and the SNJ were decisive in reaching the target audience, and the alliances with Tigo Money, Personal Wallet (together they account for 98% of electronic wallet transactions) and BNF (it provides 100% of the savings accounts for SNJ fellows) provided a lot of valuable information that could be translated into content for the students.

These experiences confirm the enormous potential that is unleashed in young rural women when they are empowered by the access and use of financial services. Through the **MuJeR** project, it has been possible to strengthen the financial capacities of **18,216** young rural women, with **10,189** of them using electronic wallets or savings accounts in the three countries where the initiative was implemented.

USERS' EXPERIENCES



“It was a project that changed my life, it helped to improve my household’s income, improve our family situation, and helped me to establish my goals more clearly”

Anyela Leandra Castillo, Colombia.
Learn more about her story [here](#).



“It was very nice to learn and teach others what I learned. I told them: save [money], saving is good, you have to think about the future. All of that made me feel bigger, made me feel more empowered.”

Tatiana Trujillo, Colombia.
Learn more about her story [here](#).



“This type of program is very important for women, because we, by not depending on someone else, feel better, one can feel that they can fend for themselves, that they can achieve those dreams.”

Salma Rojas, Paraguay.
Learn more about her story [here](#).

YOUNG RURAL WOMEN PROJECT

WATCH A VIDEO ABOUT THE PROJECT





9.






Assessing our Innovations and Disseminating the Results

9.1 RESULTS AND LEARNINGS FROM GRADUATION PROGRAMS

With the purpose of evaluating graduation programs in Latin America, we developed the Graduation Program Evaluation and Learning Platform, which was established with financing from the Ford Foundation and the International Development Research Center of Canada (IDRC). Currently, different graduation programs have been or are being implemented by the governments of Colombia, Mexico, Paraguay and Honduras. The integration of these programs into public policy by governments is an important distinction compared to the first generation of Graduation programs, and constitutes the main focus of the Platform's research.

The research was coordinated by the University of the Andes, and was implemented in alliance with partners in each of the countries or regions where the graduation programs were developed. In 2019 we obtained the results and all have shown the positive impact that these social protection programs have on populations living in extreme poverty in Latin America, following the trend of international evaluations carried out by IPA and J-Pal and published in the journal Science. The results demonstrate that it is possible to carry out Graduation programs together with governments, without compromising the quality of these projects. The results suggest that government collaboration may be a cost-effective way to scale up graduation approaches to poverty reduction without compromising the quality of these projects. **More details here.**

EVALUATION RESULTS:


<p>PDF</p>  <p>Produciendo por Mi Futuro - Case Learnings</p> <p>English</p> <p>Produciendo por Mi Futuro was designed with Prosperidad Social with the objective of increasing and improving the assets of people living in extreme poverty.</p> <p>Read here</p>	<p>PDF</p>  <p>Transformando mi Futuro - Case Learnings</p> <p>English</p> <p>Transformando mi Futuro aims to test effective alternatives for providing comprehensive guidance to victims interested in investing their compensation.</p> <p>Read here</p>	<p>PDF</p>  <p>Emprendiendo una Vida Mejor - Case Learnings</p> <p>English</p> <p>Emprendiendo una Vida Mejor is a graduation program that aims to support the rural families living in extreme poverty that participate in the CCT program Bono Vida Mejor.</p> <p>Read here</p>
<p>PDF</p>  <p>De la Mano con PROSPERA - Case Learnings</p> <p>English</p> <p>De la mano con PROSPERA is a Graduation Program which aims further support the rural families living in extreme poverty that are beneficiaries of CCTs.</p> <p>Read here</p>	<p>PDF</p>  <p>Graduation Program in Paraguay - Case Learnings</p> <p>English</p> <p>With the Paraguayan government's Technical Secretariat for Planning (STP) we developed a pilot of the Graduation Program aimed at reducing extreme poverty.</p> <p>Read here</p>	

9.2 IMPACT EVALUATION RESULTS OF LISTA: A FINANCIAL EDUCATION STRATEGY

Between 2015 and 2018, an impact assessment of LISTA was developed in Colombia implementing the Randomized Control Test (RCT) methodology, which was carried out by Innovations for Poverty Action - IPA and led by researcher Matthew Bird, from the University of the Pacific, in Peru. The results were published in June 2019 by the National Bureau of Economic Research - NBER with the title "Freeing Financial Education via Tablets: Experimental Evidence from Colombia." The authors of this article are Orazio Attanasio, Matthew Bird, Lina Cardona-Sosa and Pablo Lavado.

ACCESS THE RESULTS:

PDF



LISTA Colombia - RCT

English

A randomized controlled trial (RCT) was used to assess the impact of LISTA Colombia to determine the causal impact of LISTA which was measured following completion.

Read here

9.3 KNOWLEDGE MANAGEMENT

Throughout the year, we developed a series of Case Studies to systematize and share the findings from our initiatives so that the community can take advantage of them and build on them.

CASE LEARNINGS

PDF




Guardianes del Ahorro Mexico - Case Learnings

English

Guardianes del Ahorro was tested in 5 states in Mexico, mainly with the children of participants of the CCT program. We share the learnings of this experience.

Read here

PDF



LISTA Colombia - RCT

English

A randomized controlled trial (RCT) was used to assess the impact of LISTA Colombia to determine the causal impact of LISTA which was measured following completion.

Read here

PDF



Produciendo por Mi Futuro - Case Learnings

English

Produciendo por Mi Futuro was designed with Prosperidad Social with the objective of increasing and improving the assets of people living in extreme poverty.

Read here

PDF



Transformando mi Futuro - Case Learnings

English

Transformando mi Futuro aims to test effective alternatives for providing comprehensive guidance to victims interested in investing their compensation.

Read here

PDF



Emprendiendo una Vida Mejor - Case Learnings

English

Emprendiendo una Vida Mejor is a graduation program that aims to support the rural families living in extreme poverty that participate in the CCT program Bono Vida Mejor.

Read here

PDF



De la Mano con PROSPERA - Case Learnings

English

De la mano con PROSPERA is a Graduation Program which aims further support the rural families living in extreme poverty that are beneficiaries of CCTs.

Read here

PDF



Graduation Program in Paraguay - Case Learnings

English

With the Paraguayan government's Technical Secretariat for Planning (STP) we developed a pilot of the Graduation Program aimed at reducing extreme poverty.

Read here

PDF



Savings Groups in Paraguay - Case Learnings


English

We have promoted the creation of Savings and Investment Groups (SIGs) in Paraguay as well as in other Latin American countries, propelling changes in their organization.

Read here

CASE SUMMARIES

PDF




LISTA Honduras - Case Summary

English

In Honduras we partnered with the Deputy Secretary of Social Integration to implement LISTA as part of the project "Promoting Digital Solutions for Financial Inclusion".

Read here

PDF



LISTA Mexico - Case Summary

English

LISTA Mexico was launched with the objective of developing the financial capabilities of more than 20,000 recipients of the Mexican conditional cash transfer program.

Read here

PDF



Guiabolso - Case Summary

English

The Guiabolso project was funded by MetLife Foundation in Brazil and implemented in cooperation with Guiabolso, Plano CDE and Caixa Econômica Federal.

Read here

PDF




Jifunze Biashara

English

A tablet-based learning App which provides an interactive way of learning about basic life skills, entrepreneurship, and business development skills.

Read here

PDF



Jijenge - Case Summary

English

Taking the learnings from LISTA implementations in Latin America, we adapted it to the needs of the African context and produced Jijenge. Here we share the pilot results.

Read here

PDF



Digital Financial Training in Mozambique - Case Summary

English

For the first time in Mozambique, Fundación Capital piloted the use of an adapted version of LISTA, as an effective and scalable initiative.

Read here

9.4 FUNDACIÓN CAPITAL IN THE NEWS

Is Government the Key to Scaling up Graduation Programs? Results From an Impact Evaluation in Latin America, Next Billion.

What Does 'Selling Out' Mean? Four Lessons on Navigating Trade-offs While Scaling Your Social Enterprise, Next Billion.

The Tech Revolution in Financial Inclusion is Excluding Last-Mile Customers: Here are Four Ways to Reach Them, Next Billion.

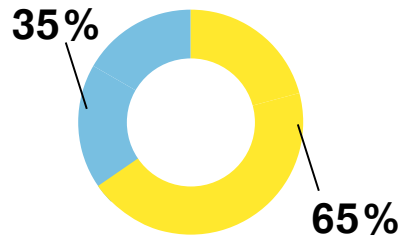


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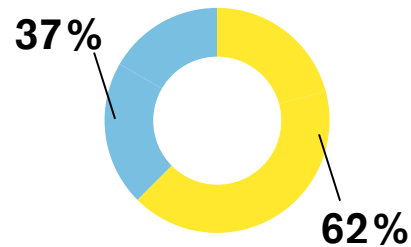
The Team That Makes It All Possible

Fundación Capital has always been characterized by having a multidisciplinary and diverse team, and as the team grows this becomes more and more powerful and enriching. We have a team of 68 people of 18 nationalities located globally.

% of Colleagues



Leadership Positions



● Men

● Women

18 DIFFERENT COUNTRIES

68 MEMBERS

Argentina
Belgium
Bolivia
Brazil
Chile
Colombia
South Korea
Croatia
Spain



France
Honduras
Italy
Mexico
Nicaragua
Paraguay
Peru
Portugal
Tanzania

OUR PARTNERS AND ALLIES



OUR PARTNERS AND ALLIES



AUDIT REPORT



Independent Auditors' Report

To the Board of Founders
Fundación Capital - FundaK and Subsidiaries

Report on the Audit of the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of Fundación Capital - FundaK and Subsidiaries (the Group), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements, present fairly, in all material respects, the financial position of the Foundation as of 31 December 2019, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of my report. I am independent of the Foundation in accordance with the International Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Adoption of a New Accounting Standard

During 2019 the Foundation modified its lease accounting policy due to the adoption of the International Financial Reporting Standard - IFRS 16. Therefore, taking into account the application of the modified retrospective approach and its impact on the comparability of the attached consolidated financial statements, Note 2 details the effects of the application of this new standard. My opinion is not modified in relation to this matter.

Ernst & Young Audit S.A.S.
Bogotá D.C.

Ernst & Young Audit S.A.S.
Medellín - Antioquia

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Cali - Valle del Cauca

Ernst & Young Audit S.A.S.
Barranquilla - Atlántico



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standard, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Financial Reporting Standard will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Financial Reporting Standard, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Other Issues

The consolidated financial statements under accounting and international financial reporting standard of Fundación Capital - FundaK as at December 31, 2019, which are part of the comparative information of the accompanying consolidated financial statements, were audited by me on which I expressed an unqualified opinion on March 20th, 2019.

Luz Marina Sotelo Rueda
Independent Accountant
Professional Card 9490-T
Partner of Ernst & Young Audit S.A.S. TR-530

Bogotá D.C., Colombia
April 1, 2020

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If you're interested in our work and would like to work together to create systems change globally and at scale, contact us!

info@fundacioncapital.org

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