

# Colombia



Innovations for Poverty Action (IPA) discovers and promotes effective solutions to global poverty problems. We design, rigorously evaluate, and refine these solutions and their applications together with decision-makers to ensure that the evidence created is used to improve opportunities for the world's poor. In the twelve years since IPA was founded, we have worked with over 350 leading academics to manage over 450 evaluations in 51 countries. Future growth will be concentrated in focus countries, such as Colombia, where we have local and international staff, established relationships with government, NGOs, and the private sector, and deep knowledge of local issues.

## More Evidence

In Colombia, we have continued our global tradition of rigorous, applicable research by building foundational research capacity and conducting evaluations in areas of pressing national concern. Examples of our research below offer promising insights into everyday issues for Colombians.

### **SMALL & MEDIUM ENTERPRISES (SME)**

**Business training for SMEs can be helpful in increasing sales and profits for entrepreneurs who already have established businesses.** In Colombia, Fundación Bavaria's "Destapa Futuro" (Open the Future) program identifies promising enterprises and provides them with a suite of financial, technical, business, and training resources. Researchers have worked closely

with this organization for over four years to support improvements to the program. Based on the results of the first evaluation, which failed to show that the program had, on average, an impact on entrepreneur's performance, Fundación Bavaria decided to implement several changes. The second evaluation found that the new training did have an impact on key business outcomes for those entrepreneurs who participated in the program with an already established business, but not for those who participated with a business idea.

### **Can a new legal framework help increase SME access to finance?**

Other barriers for SMEs to expanding businesses and employing more workers include limited access to credit and other financial services. In Colombia, where

### **IPA COLOMBIA**

Office established in 2014 with in country presence since 2011

#### **FOCUS SECTORS**

Financial Inclusion  
Small & Medium Enterprises  
Peace & Recovery

#### **RESEARCH PROJECTS**

11 Completed, 4 in Progress

#### **KEY PARTNERS**

Asobancaria, Banco de la República, Fundación Bavaria, Fundación Capital, Fundación Mario Santo Domingo, Google.org, Inter-American Development Bank, International Finance Corporation, Kiva, Ministerio de Comercio, Industria y Turismo, Superintendencia Financiera de Colombia, Supersociedades, World Bank

#### **KEY RESEARCHERS**

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SMEs report that access to finance is among the largest constraints to operating their businesses, researchers are evaluating the impact of the Secured Transactions Reform—which will provide a legal framework for the use and enforcement of movable collateral—on firm-level outcomes such as sales and employment.

## Better Programs & Policies

IPA evidence has already contributed to improving millions of lives. Now, with twelve years of evidence to build on, our programs are increasingly focusing on government and partner collaboration to translate evidence into better programs and policies.

### FINANCIAL INCLUSION

**Microcredit does not live up to the promise of transforming the lives of the poor.** Six randomized evaluations from around the world show that microcredit—providing small loans to underserved entrepreneurs—does not have a transformative impact on poverty, but it can give low-income households more freedom in optimizing the ways they make money, consume, and invest. Together with our partners, IPA's work on microcredit has led to a shift away from promoting it as a poverty-fighting tool for everyone, and has contributed to a broader discussion about household finance that includes savings and insurance as well as credit.

### GOVERNMENT PARTNERSHIPS

**IPA helps create a culture of evidence-based decision-making.** Together with our partners at the Jameel Latif Poverty Action Lab at MIT, IPA supported the launch of the Quipu Commission in Peru, which convenes several government ministries together with researchers to build a policy-focused research agenda and works to institutionalize learning and innovation within ministries. As IPA becomes more established in Colombia, our goal will be to establish a similar relationship with the Colombian government.



## Our Future

IPA Colombia is at an inflection point in its evolution as an organization. We are transitioning from our early status as a young nonprofit working in the development space into a go-to resource for evidence-based insights for government, nonprofits, and the private sector. As we navigate this transition, we are focusing on two goals. They are to:

- » **Reinforce IPA's status as a known source of high-quality research.** We are the only research organization in Colombia specialized in randomized evaluations. We will build on this foundation as we grow our research network locally and internationally and strengthen our research management and data collection capacities, including computer-assisted interviewing.
- » **Partner with decision-makers to seek, generate, and apply evidence at scale.** IPA works with the Colombian government and nonprofit institutions with the aim of promoting the use and production of evidence. We do this by helping to create a culture of evidence and learning in the public sector through workshops, seminars, conferences, and trainings and through institutionalizing the use and production of evidence by establishing commissions and partnerships. We will also empower citizens to demand evidence through sharing results in mass and social media.

Building a world with **More Evidence** and **Less Poverty.**

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