

# 4 The CISAL Fund

## What is the CISAL Fund?

The CISAL Fund is a mechanism for providing technical assistance and financing to businesses as well as social projects.

The fund is managed by a tripartite committee consisting of local government representatives (chaired by the mayor), members of civil society, and a representative of CISAL.

The CISAL Fund committee scores and selects proposals submitted for tender according to criteria for promoting local economic development and building social fabric in the region. The committee then provides strategic financing, training, and technical assistance to the selected companies and projects.

### The principles of the CISAL Fund

- **Local approach:** The CISAL Fund takes a local approach. Projects submitted must fit within the framework of each municipality's LED plan, which is the tool used for achieving a region's economic and productive development.
- **Gender equity:** It seeks to finance sustainable, environmentally friendly initiatives that promote gender equity and the empowerment of women.
- **Capacity building:** The fund has been designed to build the capacities of local governments so that they may provide local economic development and employment promotion services.
- **Demonstrate local government leadership:** The CISAL Fund comes from the need to show that local governments in extractive contexts have the capacity to manage funds in a transparent, responsible, and inclusive way.
- **Fund key needs:** The fund supplies equipment, goods, and services (not money), according to properly supported business plans, and its participants receive training and technical assistance from the LED offices of each municipality.

Woman leader of the Association of Women from Ccapacmarca



# The five stages of the CISAL Fund

The CISAL Fund has been developed based on an evaluation of the best practices of other funds started by the Federation of Canadian Municipalities. Like all FCM competitive grant funds, the CISAL Fund supports vulnerable populations and local entrepreneurs.

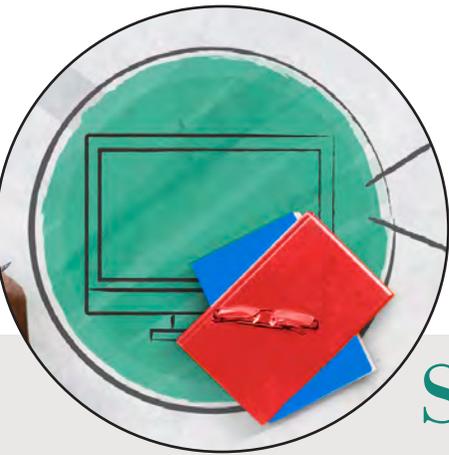


The Local Administrative Committee of the CISAL Fund is a group of five people who handle the fund's operations and who ensure that its practices are transparent.

- It consists of the mayor, the director of the municipal LED office or its equivalent, two representatives from civil society and a CISAL representative.
- The technical secretariat handles convening and preparing meetings and handling the fund's documents, correspondence and official communications. In most cases, the director of the LED office has held this position.
- The committee operates under the principle of "one person, one vote" and its meeting minutes are signed by each member and then released.

## The responsibilities of the Local Administrative Committee include the following:

- To ensure that its mechanisms are transparent, by documenting all its activities.
- To disseminate the information that it produces through different channels of communication on an ongoing basis, and to address the concerns that different stakeholders may have.
- To score and approve the proposals submitted for each call for tender, follow up and monitor the implementation of the selected initiatives, and address any issues that may arise.



## STAGE 2

### Open calls for and submission of proposals

The committee makes open calls to applicants through different forms of media (radio, specific professions, posters, digital media). Any interested parties fill out a “business/project fact sheet” and submit it to the LED office of each locality.

To increase women’s participation and access to these types of opportunities, specific workshops are also held so that they can have more detailed information and complete the application with extra support.

### The fund has two categories for its call for proposals:

Social projects that seek to empower populations living in vulnerable conditions, to meet social or environmental needs, or to improve the quality of life of a group of people.

Individual or collective business projects that, under the framework of local LED plans, create jobs and improve opportunities for entrepreneurs.

- The committee scores the “fact sheets” (business projects and social projects) submitted and selects the initiatives that are best qualified to move on to the next stage.
- The entire process is documented. Last, a list of all initiatives with their scores and comments is published in the municipalities.



## STAGE 3

### Developing the first draft of business plans

Selected groups enter a series of trainings to develop a business plan that corresponds to the proposal they sent.

- Trainings focus on the strategic, administrative, and financial management of each business project, and they emphasize different ways of connecting to the market. For social projects, trainings focus on developing a logical framework.
- The workshops (a minimum of 16 hours) end with a verification site visit and the consultant that is supporting the preparations for each plan writes a report.
- The product of these workshops is a draft of the business plan or social project which is then submitted to the committee. The committee then scores and evaluates the submitted initiatives again.
- The draft business plans with the best scores are shortlisted and move on to the next stage.
- Each shortlisted initiative is then announced in the municipalities along with its score. Local governments then provide more information about the rest of the process.

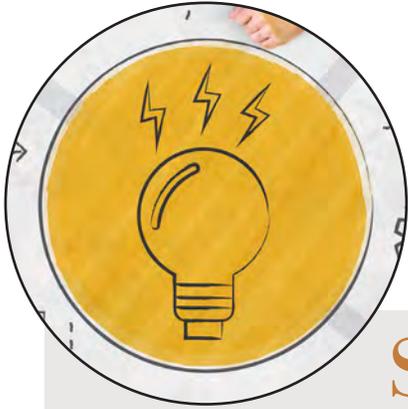
### Evaluation criteria

For business projects:

- Do they fit within the framework of LED plans or within one of the productive chains that have been prioritized?
- Are they environmentally sustainable?
- Do they promote the participation of women?
- Do they have any experience in the business sector that the initiative belongs to?
- How many people are involved in the proposal?

For social projects:

- Are they connected to the local LED plan?
- Are they environmentally friendly?
- Do they promote the participation of women?
- Do they contribute to improving the living conditions of their community?



## STAGE 4

### The final version of business plans and social projects

Shortlisted applicants will receive two technical assistance site visits to their business or project. The site visit is handled by CISAL Project partners, specialized consultants, or by Canadian or local municipal experts.

- The first technical assistance visit will focus on adjusting the submitted business plans or social projects as well as the verification of the actual conditions for the plan, and the material and equipment it includes, to operate properly.
- The second visit will focus on providing guidance for the purchase of goods and services included in the business plan or social project.
- After the visits, the final versions of the business and project plans will be presented to the Fund Committee. The committee will verify that the applicant has been in charge of decision-making, has developed their business plan or social project, has a detailed understanding of the risks and commitments that they will assume, and has the technical tools and/or a logical framework to develop their business plan or social project. With this information, the committee will assign a score and make a final selection according to the criteria.
- Local governments communicate the whole process of the fund and make sure communities are well-informed of the whole process.

Artisan woman and beneficiary of the CISAL Fund



## STAGE 5

### Implementation and monitoring

The committee will request the project to submit an implementation timeline, to be signed by all the parties.

Based on this timeline, the business/project leader – together with the consultant that oversees the provider selection process – will buy the goods and services submitted in their business plans/social projects in accordance with FCM-CISAL procedures.

The payment will be made directly by the fund once the proper provider selection process has been made and documented. CISAL Fund participants are responsible for the use of the goods and services that have been granted to them, as well as for fulfilling the commitments that they have made.

The Fund's recipients are to submit quarterly reports to the committee about the project's implementation, indicating the results and progress that have been made.

# 1 The CISAL Fund invested time and resources in strengthening the skills of local consultants, who assess applicants and aid participants.

## What is the challenge?

Oftentimes, specialized consultants are hired that are not from the region and are unfamiliar with its socioeconomic and cultural context. In contrast, local consultants who are familiar with the context may not be used to the procedures, organizational culture or administrative requirements that an organization like FCM-CISAL demands (for example, providing a detailed quote or writing a project proposal).

As a result, it is difficult to find consultants with the technical and administrative experience, the commitment and the sensitivity that is needed to support CISAL Fund participants.

## How was the problem addressed?

In this context, the CISAL Project's strategy consisted of:

- Selecting local consultants with the commitment and willingness to learn.
- Creating opportunities for local consultants to strengthen their skills and to exchange good practices.
- Designing work methods and tools together with the consultants and involving them in decision-making processes with the CISAL Fund's administrative committees and its participants.

As a result of these investments, there was a snowball effect. Trained consultants provided assessment services and technical assistance to local CISAL Fund providers of goods and services so that they could meet the fund's administrative requirements.

## Outcomes

For the Fund's two calls for proposals, 19 local consultants were hired to support the 16 CISAL Fund administrative committees, to train applicants, and to provide technical assistance to the 160 initiatives that were funded. Throughout the implementation of these initiatives, over 400 local providers were hired.

Two meetings were held to document lessons learned from the CISAL Fund, and two workshops were given on LED innovation.

Today, each region has a group of consultants who are trained and have acquired the tools and good practices to be part of the human capital that can take on LED-related tasks.

Nilda, the president of an agricultural association in Ancash



## 2 The participants holds themselves accountable and take ownership of their initiative's development, implementation, and monitoring processes, ensuring their commitment to seeing their own business or project succeed.

### What is the challenge?

Sometimes, the technical assistance and/or financial support that vulnerable communities receive from public, private or international institutions is done in a way that turns beneficiaries into simple “recipients” and not the empowered “participants” of a business or project.

In addition, communities can also develop dynamics of dependency with mining companies or with cooperation agencies, making projects often fail once the funding is gone or the company leaves.

### Outcomes

The participants oversee and make decisions on the development and implementation of their social and business projects. In the four regions, 2,874 applications were received, and 831 people were trained.

### How was the problem addressed?

CISAL takes on the challenge of promoting a fund that targets vulnerable communities. It follows a golden rule: make sure that participants oversee every aspect of their project's design, implementation, and monitoring.

To achieve this, the fund used a series of guidelines:

The process began with an open call to receive applications.

- Once preselected, the applicants attended several training workshops that did not require having a high level of education (workshops that cater to the target audience).
- The final product of these workshops was to have a business plan for the initiative that will be presented before the Administrative Committee.
- Throughout the entire process, applicants will receive the support of local consultants and the CISAL program team.
- The CISAL Project is committed to buying and hiring goods and services per the applicant's proposal.
- Throughout the initiative's implementation, participants get price quotes, select providers, and approve the delivery of goods and services.
- For monitoring, participants write a quarterly report about their progress, achievements, and challenges together with the consultant's help to be sent to the committee.

Farmers work the land in Cusco, Peru



### 3 The CISAL Fund gives visibility to and helps empower local governments in fostering local economic development.

#### What is the challenge?

One of the CISAL Fund's initial challenges was receiving the support and commitment from local governments it needed to implement the project.

The role of technical secretariats (local government officials) requires time and commitment that, at first, was not welcome by government administrations. On the one hand, local governments have a limited number of official staff and heavy workloads; and on the other, by having a direct impact on the population, the CISAL Fund could create expectations that could damage the image of the local government.

#### How was the problem addressed?

To gain the trust of local governments to implement the CISAL Fund, some strategic actions were taken:

- Held meetings with the 16 technical secretariats and members of the administrative committees to exchange experiences, good practices, and answer questions about how the fund works.
- Promoted the participation of city and municipal councilors in the fund's committees and invite them to share the progress and outcomes the CISAL Fund has had with municipal councils.
- Made the participation of the mayor or of local governments visible in the CISAL Fund's sessions or public events through radio interviews or through forums on specific topics.
- Established multi-actor committees where the weight of the votes of civil society is equal to that of local governments, where civil society can contribute productively to debate and request participation and consistency from their local government administration.

#### Outcomes

In Peru, this proposal sparked interest among local private and public stakeholders who are seeking out guidelines and tools to foster business development.

In Colombia, Municipal Agricultural Technical Assistance Units (UMATA, Unidades Municipales de Asistencia Técnica Agropecuaria), which are involved in planning, have incorporated fostering local economic development as part of the capacities they offer.

CISAL Fund beneficiary of Cañasgordas, Antioquia



# 4

In order to ensure that the support the fund provides reaches those who need it most and, at the same time, those who have a greater capacity to fulfill its requirements, the calls for proposals must take a strategic approach: Who should the call target? What is its message? What media should be used?

## What is the challenge?

In the CISAL Fund's first call, hundreds of incomplete applications and applications that did not meet the fund's minimum requirements were received.

In a municipality from the Department of La Guajira in Colombia, for example, over 1,000 applications were reviewed because a call to "finance productive projects" was spread over radio, the press and television. Very few proposals met the requirements of fostering local economic development, creating jobs, or empowering excluded populations.

In the case of Cusco, Peru, the outreach strategy was different. Instead of using the media, posters were printed, and the call was shared with community leaders. The call brought in 50 applications that had potential - however, the business fact sheets were not filled out correctly. In Ancash, Peru, many of the more remote rural populations reported not having been informed of the call.

In addition, local governments did not yet have LED Plans, which later served as frames of reference for the second call.

These situations were problematic for the fund's municipal committees because in many cases, the call did not attract the expected user profiles or proposals.

## How was the problem addressed?

- The goal of the call is to mass disseminate the information, making an extra effort to reach out to those who can contribute more to their region's economic development.
- The committee agreed to ensure greater participation of women, create better communication strategies for each municipality, change the framing to "technical assistance" versus "providing capital", targeted different community groups and associations to disseminate the message, and used new channels, including radio and public fairs.

## Outcomes

The number of applicants was reduced from 1814 to 1060, and the percentage of women leading projects increased from 50% to 62%. In the first call, in Jangas, Ancash, for example, there were no female applicants. In the second call, the five winners were women and in Taricá, Ancash, of the seven winners, six were from remote rural areas.

The quality of applications received also clearly improved.

Craftsman from Tarica, Ancash



# 5 The CISAL Fund provides tools to local governments so that they can offer better economic opportunities to women.

## What is the challenge?

CISAL made an assessment to identify the main barriers that women face to access economic opportunities in Colombia and Peru.

Among the most significant findings, women indicate that:

- There is limited information on the economic opportunities that women can access.
- There are fewer employment opportunities for women.
- The requirements demanded by companies and organizations to access jobs are limiting for women.

## Outcomes

The percentage of women who were trained from the first to the second call went from 54% to 67%. In the first call, 50% of the initiatives were led by women; in the second call, 62%.

For example, in Cusco 17 of 22 funded initiatives were led by women, while in La Guajira 13 out of 17.

## How was the problem addressed?

Local economic development should always include women.

During the second call of the CISAL Fund, local governments and administrative committees are invited to design strategies to prioritize the financing of initiatives led by women:

- Workshops on gender approach are implemented for officials and members of each committee.
- Workshops are held, in each municipality, to strengthen initiatives led by women and give prior training to fill out the form.
- As part of the selection criteria, the initiatives presented should incorporate the participation of women in their work.

Women leaders at an innovation workshop in Peru

