

TECHNICAL TRAINING

&

CREDIT FOR WOMAN

a right not a gift

THREE CASES OF COLOMBIA



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United Nations Children's Fund

Regional Office for Latin America and
the Caribbean

**TECHNICAL TRAINING AND CREDIT FOR WOMEN
A RIGHT, NOT A GIFT ***

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- The opinions set forth herewith are the exclusive responsibility of the authors and do not necessarily represent the Organization's point of view.

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TECHNICAL TRAINING AND CREDIT FOR WOMEN A RIGHT, NOT A GIFT

This document considers the context of UNICEF efforts in Latin America and the Caribbean aimed at increasing awareness on how the economic crisis and adjustment policies have affected poor women. It also provides an overview of the different income generation projects that have been supported by UNICEF in Colombia so as to ensure lines of credit and technical assistance for poor women. These projects consider such services a right, rather than special assistance or gratification.



I. UNICEF REVIEW OF THE REGIONAL PROGRAMME FOR PARTICIPATION OF WOMEN IN DEVELOPMENT - RPPWD

The Process.

UNICEF began its Regional Programme for Women in Latin America and the Caribbean during 1976. Noted funds were used to launch this initiative which focused originally on advocacy involving the development and publication of studies about the situation of women, plus seminars and workshops at national and international levels. Assistance was subsequently provided to women's projects in several countries of the region.

In 1982, a major evaluation of the programme's activities was undertaken by the Regional Office in conjunction with Headquarters and Area Office representatives. The goal was to determine accomplishments, failures and lessons learned. UNICEF was shown to be supporting seventeen different types of activities in the region. These involved income-generation initiatives, appropriate technology, training for various women's groups (health promoters, peasants and urban women), seminars and workshops. However, there were too many different activities and some funds for income generation went directly to women's groups engaged in basketry, sewing and food processing. This led to weak delivery processes and bankruptcy when financial assistance was no longer available. Other income-generation activities focused on poor women, but not necessarily the poorest.

As a result of the 1982 evaluation, the Regional Programme for Participation of Women in Development was redesigned in 1983 and five lines of action were identified as appropriate for UNICEF support in the region. These were: i) research and study, ii) appropriate technology, iii) basic services, iv) income generation and v) women's participation.

In an effort to improve planning, programming, monitoring, and evaluation of the programme and to correct past mistakes, an Executive Committee was established with one regional coordinator and a focal point at each office (six at that time). It also was decided that two regional workshops would be held each year: one for evaluation and decisions regarding coming year activities and another to train UNICEF staff (particularly focal points) on women's issues.





Held in 1983, the first UNICEF staff workshop concentrated on the approach to the five lines of action and how to cooperate with governments in implementing programmes related to these areas. At that time, it was decided to eliminate women's participation as a separate line of action since this is considered an element essential to the execution of all programme activities. The topic of appropriate technology also was eliminated, owing to the absence of a government agency designated to implement action in this field. The programme was renamed the Regional Programme for Participation of Women in Development (RPPWD) and left with three lines of action: i) research and study, ii) basic services and iii) economic activities.

A new, in-depth evaluation was undertaken during 1985. This was intended to provide the basis for a proposal to be presented to the Executive Board in 1986 calling for consolidation of the RPPWD with UNICEF financing instead of noted funds. The evaluation revealed significant progress of a quantitative and qualitative nature, plus new problems, weakness and causes of the same. As to quantitative progress, the following merits special mention. Fourteen countries were involved in the Programme and 41 women's projects were being supported (16 in urban areas and 24 in rural zones). Eighteen of these initiatives focussed on basic services and 23 on income generation. Six of the latter were supported with funds from the Regional Programme. The others were included in general Area Office budgets. Eight focal points were added to the Executive Committee. Qualitative progress involved the identification of criteria required to focus cooperation on women's concerns, conceptualization of each line of action, definition of priorities, development of regional and country strategies and corresponding mechanisms for their implementation. Subsequent training workshops for UNICEF staff members concentrated on: a) how to strengthen advocacy; b) understanding women's concerns, particularly those of the poorest; c) technical assistance delivery; d) work with governments; e) resource mobilization; f) income-generation projects for women during a period of economic crisis; g) different approaches to income-generation project for women; and h) guidelines applying to credit policies for women. As a

result of this evaluation, five lines of action were adopted: i) advocacy; ii) basic services; iii) economic activities; iv) women's organization; and v) institutionalization of projects.

Considerable merit can be found in the fact that UNICEF has submitted its Regional Programme for Participation of Women in Development to extensive internal review and evaluation; and the systematic way in which regional reviews have been conducted. UNICEF staff training, designed to broaden an understanding of women's concerns and focus cooperation on five principal lines of action, can do much to improve the programme's impact. Advocacy emphasized initially has heightened awareness among policy makers regarding the precarious situation confronting poor women and their contribution to development through the reproductive and productive functions they perform in society.

Three Colombian projects have been selected as an example of the valuable experiences developed in that country and others such as Brazil, Bolivia, Perú, Guatemala and Costa Rica. These initiatives are described as follows.



II. THE SITUATION IN COLOMBIA

The crisis affecting Latin America and the Caribbeans since 1982 has had a clearly recessive effect on Colombia and seriously undermined living conditions among the poorest sector of the population. The most vulnerable members of this group; that is, women and children, have been especially hard hit by this phenomenon. Industry has failed to recover 1982 production levels and agriculture - plagued by multiplying costs - is losing its hold on domestic markets and finding it increasingly difficult to compete abroad. This panorama of economic difficulties has been further aggravated by two highly virulent factors: the drug traffic and violence. The first of these phenomenon has seriously jeopardized Colombia's international relations, besides producing severe economic and social consequences within the country and generating a violence all its own. The second concerns violence generated by guerrilla activity and that derived from social disintegration. It is in this context that the government has adopted adjustment policies designed to recover capacity for playment and equilibrium. These measures have had a severe impact on social spending and investment, thereby generating a further decline in the living conditions of the poor. Forty-three percent of the Colombian population lives in poverty and 920.000 households in this group are victims of critical poverty. In 1988 sixty thousand (60.000) children will die before age 5; twenty thousand (20.000) will suffer some degree of physical or mental retardation and twenty thousand (20.000) will be abandoned. Despite the fact that infant mortality for the country as a whole declined from 101/1.000 in 1960 to 57/1,000 in 1985, recent studies show the IMR among poor households to be 50% higher than the rate applying to families above the porverty line.

This phenomenon is associated with factors such as limited employment opportunities and family income, illiteracy and a high fertility rate among mothers, inadequate and insufficient care during pregnancy and childbirth, poor nutrition and limited access to basic services.

In view of this economic, social and political crisis, the government has formulated a series of

reforms designed to redirect state action toward the fight against absolute poverty. The goal is political change to redefine the citizen's relationships with the state through participative mechanisms that enable social change to become the driving force toward economic change as a condition of development.

This summary of the Colombian situation is intended to illustrate the extremely delicate nature of circumstances presently confronting the region. New and traditional needs have multiplied, while government capacity to satisfy them has declined. Approximately 86 million women now live in absolute poverty, enduring the devastating effects this situation implies in terms of their lives and those of their children. An estimated 40% of these women are heads of households. Their contribution to adjustment efforts leads to further self - exploitation and consolidation of the discriminatory, marginal and subjugated treatment to which they are subjected. Hence, it is unlikely that poor women will enjoy the benefits of the growth to which they contribute daily.



III. COLOMBIAN EXPERIENCES

Introduction.

The section describing the situation in Colombia is intended to demonstrate an unavoidable reality. The crisis and adjustment policies have multiplied new and traditional needs of the population and naturally those of society's poorest and most vulnerable groups. Once precarious at best, state capacity to satisfy these needs has declined substantially.

In view of the foregoing, it is easy to see why the living standard of poor women has deteriorated and has forced society to recognize women's fundamental role as heads of households or wives in the development of family survival strategies applied by the poor to protect themselves against the worst effects of the crisis. UNICEF decided to support three income-generation projects for poor women in view of the fact that women cannot be expected to bear the burden of a crisis they did not create, particularly since a tremendous effort

will be demanded of poor women in order to help achieve economic recovery from which they are unlikely to derive significant benefits.

These projects were implemented by three state agencies with no experience in this field but considerable background in terms of work with the community and a capacity to influence the design of government policy. One of the projects was implemented in a marginal district of Cartagena through the Centro de Desarrollo Vecinal CDV "La Esperanza" (La Esperanza neighborhood Development Centre - NDC), a government agency charged with coordinating the provision of basic services to the poor population in this zone. Another was developed in conjunction with SENA, the nation's major vocational training agency which by then was concerned about the informal sector and how to make its services available to this segment of the economy. The third project was undertaken with ICA (The Colombian Agricultural Institute), an entity responsible for generation and transfer of technology to the agricultural sector.



These projects were expected to highlight women's right to state-supplied technical training, assistance and credit, plus their urgent need for these services. Cooperation was oriented toward poor women in urban and rural areas.

There was considerable resistance to these objectives in the beginning. Obstacles to national development have made it impossible to achieve the degree of growth required to overcome the socioeconomic conditions that foster the various forms of oppression, subjugation and discrimination affecting women. This underscores the importance of women's participation in income generating activities and their involvement in the various social dimensions of society. These areas have been traditionally monopolized by men, thus subjecting poor women to discrimination and oppression not only because they are poor but also because they are women.

IV. THE CASE OF ICA

A) PEASANT WOMEN'S ACCESS TO TECHNICAL TRAINING AND CREDIT PROVIDED BY THE STATE. THE CASE OF THE INSTITUTO COLOMBIANO AGROPECUARIO - ICA

Background.

Originally established as a research institute, ICA has become involved in rural extension activities aligned to the goals of agrarian reform. Its social welfare unit has sought to improve living conditions for farm families through a series of activities involving tasks associated with roles traditionally assigned to women.

UNICEF cooperation with ICA dates back to 1976 and has involved financial support for training and leadership initiatives. An evaluation of the first cooperation stage showed that women were still being trained in activities typically related to domestic roles, since the assumption was that such initiatives would be sufficient to improve conditions for the family. Besides being inadequate, this approach also made the mistake of failing to give women the necessary resources to apply what they had learned.



Efforts to redefine this cooperation centered on making it technical as well as financial, and developing it through, an -income-generation project with defined goals, objectives and strategies. Funding would be used to develop innovative alternatives to the traditional form of ICA assistance available to peasant women and their families.

The proposal met with considerable resistance. ICA officials either were convinced the institute should not be involved in rural extension activities or that it already was doing enough and had no responsibility for assisting peasant women, much less the poor, who were viewed as providers of family services and, therefore, incapable of effectively taking part in the generation of monetary income through productive activities.

Resistance to the initial proposal was of such magnitude that, following a temporary suspension of talks, over 14 months of negotiations were required to arrive at a new agreement. During this period, UNICEF redefined its arguments on the basis of information about experiences and studies that demonstrate the feasibility and necessity of giving peasant women access to all ICA services. UNICEF gradually persuaded officials at different levels to view the proposal as a feasible solution to problems identified by ICA with regard to assistance for poor women.

The agreement signed in 1980 specifically refers to an experimental and innovative project "to improve socioeconomic conditions for peasant women" that would be developed in the three of the eleven regions covered by ICA nationwide. It stipulated that this stage would focus on redefining experiences gained through execution of the project in order to design an assistance model for peasant women that could become a regular part of ICA programming during a third cooperation stage. Accordingly, provisions were made for yearly evaluations and a final assessment to permit fulfillment of established objectives.

One of the main obstacles to the objectives in this and subsequent negotiations to renew ICA-UNICEF agreements has been the belief of many officials that ICA, as an organization dedicated to the generation and transfer of technology, should not be involved in social development and that the unit responsible for the social component represents a heavy burden for the organization. Moreover, some officials did not consider assistance to poor women a part of rural development. Yet, implementation of the project has helped to overcome these obstacles by showing ICA directors and the national government the advisability and

urgency of assisting poor, peasant women through income generation projects that give them an opportunity to increase their contribution to agricultural development while exercising their right to state services.

Lessons of the Renegotiation Process.

1. The negotiation experience confirmed the necessity of persistent and sustained advocacy that can be maintained until agencies are convinced of the need to assist poor women through income-generation projects.
2. It became apparent that in order to ensure the efficiency of efforts concerning advocacy and project support activities UNICEF must be fully aware of how potential cooperation partners or agencies are structured, how they operate and the attitude toward women's assistance at all administrative levels. This makes it possible to identify key points that impede or facilitate the orientation of cooperation toward poor peasant women. It also allows UNICEF to comply with its role as a facilitator by allowing the agency contact with other experiences, providing an opportunity for a critical evaluation of performance, and encouraging it to innovate and seek new alternatives.



3. It was demonstrated that income generation projects require more than just financial support. They must be accompanied by intense counselling on social, administrative and organizational aspects if an improvement in socioeconomic conditions for poor, peasant women is to be achieved.



1. PREPARATORY STAGE

Negotiation of the second agreement resulted in ICA acceptance of the fact that UNICEF cooperation would be technical as well as financial; and that corresponding resources could be used only to attain the objectives and goals of the project. These call for an improvement in socioeconomic conditions for peasant women through an innovative and experimental income generation initiative that advocates strongly on behalf of poor women.

With this base, it was possible to appoint a Project Coordinator who served as a liaison between ICA and UNICEF. Initial steps toward development of the project were taken with her assistance and the following criteria were defined for the selection of target regions: subsistence economy, a marked subdivision of land, low productivity, limited accumulation of capital and general features common to sharecropping or small land holdings. Three areas were selected: Sincelejo, located on the Atlantic coast; Malaga, situated near the Venezuela border; and Pasto which is near the Ecuador border.

Once the regions had been selected, steps were taken to inform corresponding home economists and promoters about the project and encourage their support. Emphasis was placed on the importance of working in accordance with a project that stresses poor women's productive role and income generating capacity rather than their function to administer and, therefore, receive services.

A major difficulty encountered during this period concerned the fact that neither ICA nor UNICEF are legally authorized or equipped to manage the credit component of the project. However, this problem was eventually overcome through an agreement between ICA, UNICEF and the Fundación para la Educación Superior - FES (The Foundation for Higher Education) whereby the latter agreed to administer lines of credit. A guarantee fund also was established.

Accomplishments During This Stage.

- i) ICA appointed a Project Coordinator.
- ii) There was a concerted effort between UNICEF and ICA.
- iii) A third agency specializing in credit was found to manage the fund.



2. THE PLANNING STAGE

Following selection of the regions and organization of a basic team, steps were taken to promote the project among ICA officials and women. Meetings, home visits and field surveys were used to motivate women and identify criteria for the selection of project participants. These took into account the spirit of the agreement in terms of assisting poor women and, thus, managing to help their families. The decision was made to select poor women, mothers or sisters of children. These women would then choose productive activities aligned to their experience, the economic vocation of the region, and ICA technical capacity.

ICA officials gathered information and organized available data in order to identify possible subprojects of a productive nature. This information was complemented and analyzed through workshops and self-diagnostic procedures developed in conjunction with the community and aimed at establishing information relative to economic, entrepreneurial and technical indicators. As to social aspects, microplanning methodologies were developed and adjusted to expectations and characteristics of the project. Information on the cohesiveness of natural organizations, women's

experience with group work, personal stability leadership qualities, etc. was gathered and analyzed.

This data was used to select productive subprojects which then were analyzed by ICA technical experts and those responsible for the social component. Based on recommendations from women, this joint analysis was the first of its kind in ICA history.

The next step involved the organization of 13 groups with a total of 136 women who began to be trained in internal organization processes such as those involving the creation of directive committees, formulation of statutes, etc. This necessitated establishing relations with specialized entities like SENA, community action groups, etc.

Based on the subprojects identified earlier and with assistance from ICA home economists and technical experts, the groups began credit planning in accordance with procedures established by FES. Once project guidelines, objectives, goals, personnel, budgets and timetables had been defined and negotiations finalized with agencies capable of assuming responsibility for indispensable project components that could not be handled by ICA, the first loans began to be approved, thereby initiating actual execution of the project.



Accomplishments During This Stage.

i) Increasingly integrated and coordinated efforts on the part of ICA officials responsible for technical and social aspects gradually began to undermine a major obstacle to the project; that is, a disparaging or indifferent attitude on the part of technical personnel with regard to officers responsible for the social component, be it the result of a discriminatory attitude toward women as officials, the belief that ICA should not assume responsibility for development functions or because of the assumption that ICA already was doing its job.

ii) The project began to show that ICA could avail its services to women in the form of an integrated package.

iii) UNICEF facilitated the establishment of relations with institutions qualified to provide the indispensable services ICA was unable to perform because of institutional limitations.

Naturally, this stage also witnessed difficulties and errors that affected subsequent development of the project. As an example, community participation was insufficient since women continued to be viewed as receptors of services. There was a lack of clarity as to

women's role in income generation. As a result, certain subprojects failed to receive the kind of integral technical assistance needed in view of actual conditions facing peasant women.

3. PROJECT EXECUTION STAGE

Implementation of the project began with approval of the first loans. This was an experimental stage that implied a series of innovations summarized in the design of a Model for Assisting Peasant Women through Income Generation Projects.

This scheme is based on five strategies and developed in eight stages, as illustrated in Graphic No. 1.

GRAPHIC No. 1
STAGES

CONVENTION STRATEGIES

- A- PARTICIPANT METHODOLOGY
- B - INTEGRAL TRAINING SOCIAL, TECHNICAL ENTERPRISING
- C- TECHNICAL ASSISTANCE
- D- CREDIT
- E- APPROPRIATE TECHNOLOGY
- ▨ HIGH INTENSITY
- ▨ MEDIUM INTENSITY
- ▨ LOW INTENSITY

STAGES		STRATEGIES				
		A	B	C	D	E
1	PROJECT INDUCTION		▨			
2	GENERAL INVESTIGATION		▨			
3	PROMOTION	▨	▨			
4	SELFDIAGNOSTIC	▨	▨	▨		
5	FEASIBILITY STUDIES	▨	▨	▨		
6	USERS SELECTION AND GROUPS ORGANIZATION	▨	▨	▨		
7	IMPLEMENTATION	▨	▨	▨	▨	▨
8	MONITORING AND EVALUATION	▨	▨	▨		

3.1 Strategies

Strategies and their objectives are described as follows:

- a) Participative methodology - Used to reassess women's role as passive receptors of traditional services by making them agents of their own development and, thus, encouraging a self-examination of roles.
- b) Integral training - Execution of the subprojects showed that success depends on whether project officials are adequately trained and kept up-to-date on women's issues and the nature of their duties. If not, they will be unable to respond the needs of project beneficiaries in a systematic, continuous and permanent manner.

- Women require social training since neither economic nor social objectives of the project can be achieved without individual and group development.

- Technical training is essential to improve women's traditional knowhow and ensure their ability to apply new theoretical knowledge to the management of productive units.

- Managerial training is key to efficient administration of the productive unit.

As part of this process, regional technical-social teams implemented important innovations in terms of training content and teaching strategies suited to the cultural and educational level of women participants. One of the women involved in the Sincelajo project summarized this phenomenon as follows: "We were totally ignorant. Who would have considered us capable of understanding what the experts had to say".

c) Technical assistance - The project revealed that training conceived as merely the transfer of general and theoretical knowledge is insufficient. It must be accompanied by individualized counselling if women are to incorporate their experience and knowledge into the solution of concrete and specific problems facing the productive unit.

d) Transfer of technology - Development of the subprojects presented ICA experts with new challenges that have necessitated research into areas typically managed by women such as the raising of guinea pigs. Accordingly, experts involved in the project have been obliged to



develop technology that enables women to improve productivity, lower costs and avoid wasted efforts.

A similar initiative was undertaken in terms of domestic chores. Women's participation in productive units leaves them less time to perform domestic activities, thereby necessitating an improvement in the conditions under which they carry out these tasks.

e) Credit - The women obviously would have been unable to develop income generation projects without credit, since this is a crucial factor once technical, organization and administrative problems have been overcome.

The foregoing strategies are present through the various project stages: induction, general research, promotion, self-diagnosis, feasibility studies, selection and organization of beneficiaries, implementation, monitoring and evaluation (See Chart 1). The second phase of the agreement concluded with identification of the foregoing intervention model and a series of clear and novel results derived from the credit experience which merits special consideration.

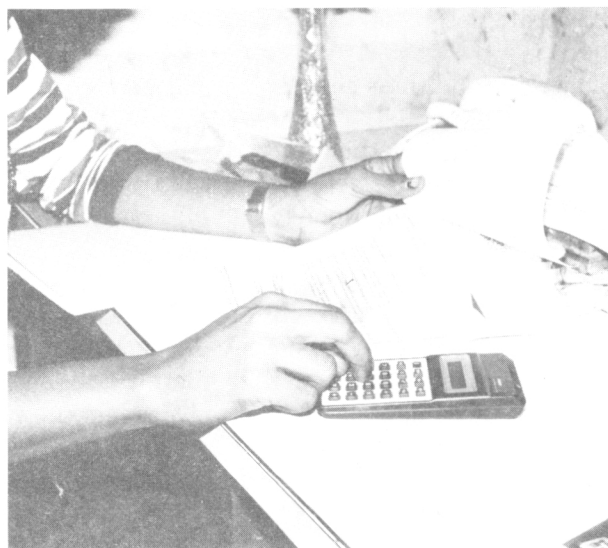


3.2 Credit as the Mainstay of the Project

It was evident from the beginning that an income generation project cannot develop successfully without a credit component. The experience of the Social Unit shows that action undertaken by ICA to improve the family environment failed because women lacked the income needed to apply knowledge acquired through training. This fact was best expressed by the women themselves who indicated that... "The lessons were interesting, but we lack the means to put them into practice".

As noted earlier, ICA and UNICEF were legally unable to directly administer money destined for a credit fund. Nor was it possible to find a financial institution interested in loaning money to poor women. Finally, after considerable effort and negotiation, an agreement was signed with the Fundación para la Educación Superior (FES), a private entity that assumed responsibility for administration of the fund. At the same time, a Guarantee Fund had to be established to back the Credit Fund.

From this point on, the project underwent a series of modifications in terms of how loans are handled. Besides permitting implementation of the project, these guaranteed a significant impact on national government policy regarding credit lines.



a) Guaranty and access to credit

The fund was started with seed money provided by UNICEF and administered by FES. Authorization from the husband or sufficient debt capacity on the part of the same were eliminated as requirements for credit. Neither were women required to provide mortgage security as a guaranty. Since it is virtually impossible for most peasant women to meet such requirements, they were replaced with a credit application that is backed by the fact that the applicant has participated ICA training activities and prepared an investment plan to be carried out in accordance with recommendations provided by technical experts and home economists during the counselling process. Applicants also must agree to take part in additional training. Credit can be backed individually or collectively, depending on the group and the type of activity.

The Credit Fund finances 100% of the investment, thereby enabling users to fully implement the productive activity in question. Payment can be made quarterly, every six months or annually; and installments are determined in accordance with the type of productive activity involved. This further enhances possibilities for success, inasmuch as when peasants do have access to credit it usually is not enough and must be paid in installments that fail to coincide with the production cycle or characteristics of the market. Grace periods are offered according to the product line. Interest is below market rates and charged on the balance due.

b) Disbursement of credit

Steps were taken to simplify and shorten the process involved in securing disbursement of a loan, which is another factor that traditionally denies poor producers access to credit. Groups are required to plan investments and payments; and present a credit application containing basic information on the number of women beneficiaries, the type of project the amount requested and plans for repayment. The local ICA office forwards these applications to the national coordinating committee which grants approval and authorizes FES to proceed with payment. This system eliminates many of the costs involved in securing a loan. Corresponding funds are paid to the group president and treasurer, and disbursed for investment under supervision of the project team.

The experience has been highly successful and shows that "poor women always pay", provided they receive good advice on planning and

appropriate technical assistance. Yet, even with the best of help, natural phenomenon or market trends can sometimes limit prospects for success, as in the case of groups operating in border regions where productive projects failed when neighboring countries were affected by an economic recession. The women also have learned to plan and distribute funds in order to cover interest and payment of capital. Although the increase in earnings has been limited in some cases, women appreciate the projects since they constitute their only opportunity to secure an income.

These factors are irrefutable proof of women's potential and the role of credit in the execution of productive initiatives. The project was one reason why the National Council for Economic and Social Policy (CONPES) created a special line of credit for women, using practically the same conditions established by the ICA-UNICEF credit fund.





3.3 Evaluation of the second stage of ICA -UNICEF cooperation.

In accordance with the ICA - UNICEF agreement, results of the second stage were subjected to a final evaluation conducted in accordance with participative criteria. During the initial stage of this assessment, field teams - including officials from both the technical and social units - worked with the women to prepare a detailed analysis of the project as implemented during the three preceding years.

At a second stage, members of the social unit, the technical experts from one region, representatives of agencies cooperating on the project, central government officials and UNICEF representatives dedicated five days to a critical review of reports concerning each productive project.

This evaluation led to the formulation of a "MODEL FOR ASSISTING PEASANT WOMEN



THROUGH INCOME GENERATION PROJECTS" and a series of recommendations for ICA, the Colombian government and UNICEF based on the results of the project.

3.4 Continuation of ICA-UNICEF cooperation.

A third cooperation period (3 years) began to be negotiated once compliance with the objectives of the second three-year period had been evaluated and it was assured that the social unit would remain at ICA. As agreed upon earlier, ICA was obliged to begin incorporating the model for integral assistance to women into its regular programme of activities. This model was developed through the income generation projects. ICA applied experience gained in the three regions originally selected for the project to the eleven zones where it operates. Accordingly, Project Women was taken to national scale as a result of institutional action developed by ICA on the basis of UNICEF cooperation, but now independent of the same.

It was decided that the new cooperation programme would involve four (4) regions where innovative approaches and methods could be tested in order to overcome major problems and obstacles encountered during the foregoing stage and when expanding the project to national scale.

One of the difficulties centered on the fact that FES wanted to withdraw from its commitment to managing the credit fund, since the type of loans involved made administration costly. A new agreement was eventually signed between ICA, the Ministry of Agriculture, UNICEF and the Corporación para el Fomento de las Formas Asociativas (CORFAS), a private agency dedicated to working with the informal sector.

The agreement called for ICA to continue with promotion, motivation, organization, definition of product lines and technical - social assistance. CORFAS was given responsibility for credit planning, advisory services concerning the development of feasibility studies, partner - managerial training and credit monitoring.

When turned over by FES, the fund contained 3.5 million pesos, with 40 million in loans having been granted between 1986 and October, 1988. This amounts to an average Col. \$360,000 per beneficiary.

Coordination with other agencies to complete the instruction process developed by ICA proved to be another difficulty. Training available to women as part of the project was inadequate and it was decided that the ICA technical-social team should receive integral instruction in order to better understand women's problems and the kinds of solutions required. This also would help in arranging instruction with other agencies at national or local level on subjects outside ICA's area of expertise.

A third important problem concerned the failure to expand project coverage.

Fundamentally, this is attributable to the fact that district teams had a heavy work load since each group could select a different product line. Unfortunately, ICA lacked sufficient knowhow and technology to handle some of these lines. This made the process costly and difficult to operate, besides complicating organization, entry into the market and comparative advantages for beneficiaries.

To resolve these problems, it was decided that the third cooperation period would focus on four regions selected to assist women through the design of MICRO-REGIONAL PLANS based on a single product with good socioeconomic potential and technical feasibility. Funding provided by the Dutch government and administered by UNICEF will be used for this stage.

There are still a number of obstacles preventing ICA from giving the project sufficient attention. Pressures to eliminate the social unit from the institute are an example. However, development of the subregional projects has been an innovative experience of considerable use to the objectives of Colombia's new policy regarding the fight against poverty, increased participation and regional decentralization through income generation among poor peasant women.

4. IMPACT AND LESSONS OF THE PROJECT

These vary greatly, depending on the standpoint of the beneficiary, the community, ICA, the national government and UNICEF.

4.1 The effect on peasant women has been

multiple. Economically, the project has given them an income they otherwise would have been unable to achieve. As agreed upon, women use these earnings to improve the family diet, especially for children; to satisfy health, education and clothing needs; and to improve housing and utilities.

They also have access to credit and manage their loans independently, complying with installments and scheduled investments. In addition to paying off these loans, the women have managed to increase their equity in terms of installations, equipment, water systems, tools, etc. They have acquired technical knowledge, learned to manage and organize production, and gained experience with markets, intermediaries, state agencies, etc.

The ability to interact with ICA technicians and other women has enabled project beneficiaries to plan action, respond, take risks, adopt decisions, etc. These talents gradually influence their capacity to comprehend problems, and have improved relations with children, husbands and families.



Husbands cooperate with their wives on production - relates tasks, like the construction of guinea pig hutches, and on certain duties associated with domestic chores, child care or food preparation while the women are at meetings. It, therefore, is understandable that the relationship between husband and wife is enriched by this process. Such is also the case with relations between a mother and her children. Since the mother's educational level is



decisive to her children's future, any change in lifestyle, problems, solutions, self-esteem and security is bound to have a clear impact on the family, especially young children.

Obviously, a mother who has confidence in her own ability and has learned to manage resources in her environment, relate with institutions and face competition on the open market will be able to create a less stressful environment for her children; one characterized by fewer limitations, greater affection and added stimuli to development. Achieving this also enhances her own individual progress as a woman and a human being, despite the magnitude of problems affecting the family.

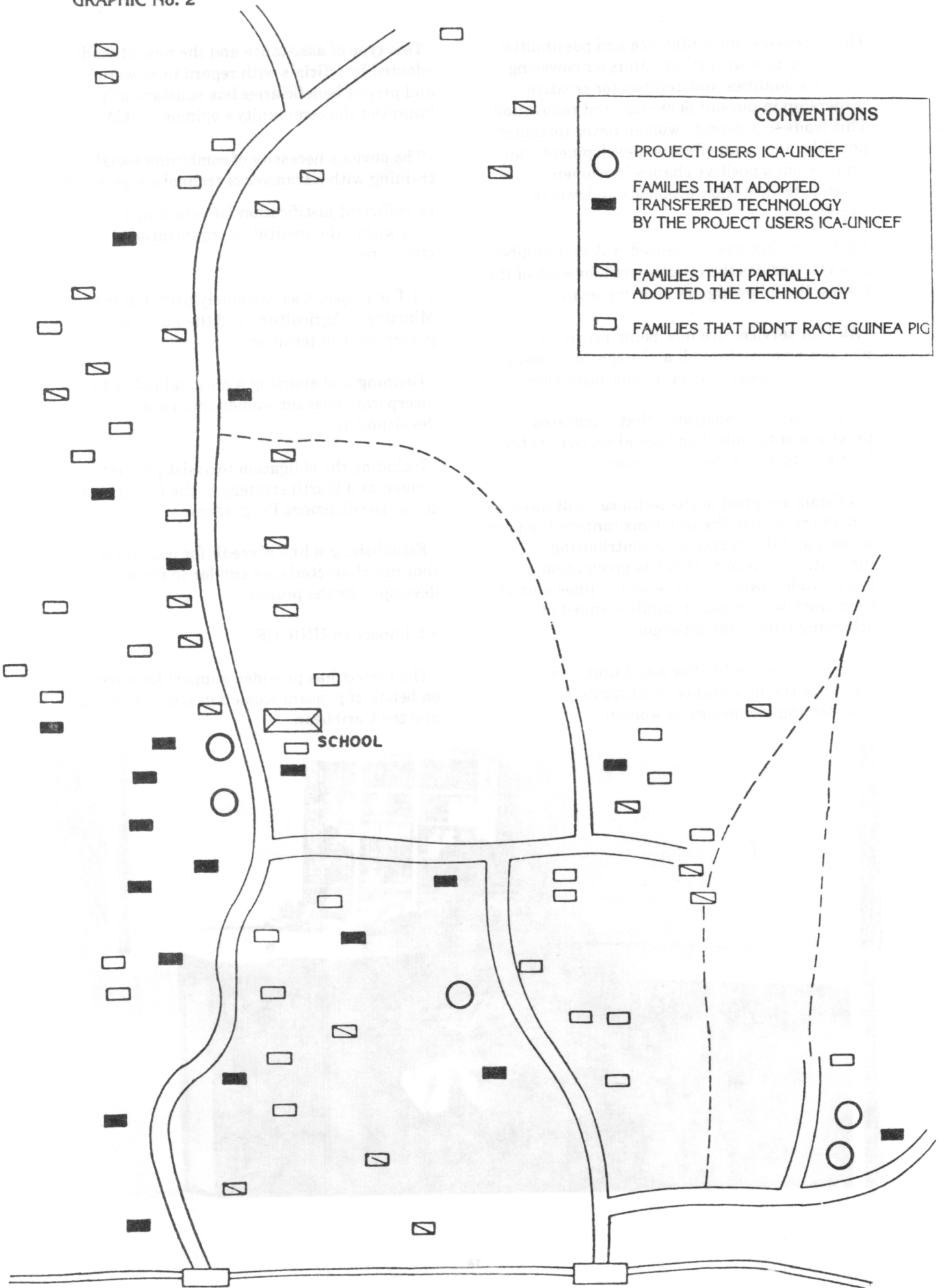
4.2 The community has benefitted in a number of ways. Productive projects give rise to new

women's groups that begin to assume leadership in diverse community activities, thus contributing to community efforts and renewing leadership patterns.

Contact with institutions and progress achieved through the various subprojects have helped to broaden and reinforce technical knowledge available to the community. Many of the women involved in productive units have transferred their knowhow to others. See Graphic 2. Moreover, the introduction of better breeds, new seeds, tools, equipment, construction models, etc. has improved and expanded production activities throughout the community. Income earned through credit for project initiatives is spent locally, thereby benefitting the economy. The reduced cost of financing and raw materials that comes with eliminating certain intermediary and speculative phases also has its advantages. The community appreciates these benefits and is changing its attitude toward women as a result. No longer are women considered incapable of developing a productive project or managing credit. Their accomplishments and personal worth are being recognized by themselves and the community.



GRAPHIC No. 2



This increases self-confidence and possibilities for interaction with others, thus empowering women's qualities and abilities for creative leadership in pursuit of change and renovation. This leads to prospects women never imagined possible, and to an effect on development that comes from a positive change in women's attitude toward their problems and role in society.

4.3 The project has influenced ICA in a number of ways. Besides the effects noted for each of the stages, the following are also important.

- All ICA services are now being provided to peasant women through an integrated package of technical, social and economic assistance.
- It has been demonstrated that integrated provision of technical and social services is the best way to assist men and women.
- Officials assigned to the technical unit have come to recognize the problems confronting poor women and the necessity of contributing innovative solutions. This has given them a better understanding of the social dimension of their work with peasant families aimed at achieving true rural development.
- Officials assigned to the social unit now recognize the importance of adequately transferring technology to women.

- This type of assistance and the new attitude adopted by officials with regard to co-workers and project beneficiaries has substantially improved the community's opinion of ICA.

- The obvious necessity of combining social training with a transfer of technology proved to be sufficient justification for retaining the social unit within the institute's organizational structure.

4.4 The project was extremely useful to the Ministry of Agriculture and the national government in terms of:

- Defining and enacting a national policy to incorporate peasant women into rural development.
 - Including the obligation to assist peasant women as a fourth strategy of the Integrated Rural Development Programme.
 - Establishing a line of credit for peasant women that has characteristics similar to those developed by the project.
- 4.5 Impact on UNICEF
- The project has provided support for advocacy on behalf of peasant women in Latin America and the Caribbean.



- It has permitted designs, strategies and methodologies for work with peasant women that are replicable in other countries.

- It has improved conditions in Colombia for supporting other projects directed to peasant and indian women, such as cooperation now provided to the Ministry of Agriculture.

In summary, the ICA project has been a pioneer in the design and application of strategies and



methodologies for income generation projects involving poor, peasant women. These initiatives have given women an opportunity to exercise their right to technical training, advisory services, organization, credit, social recognition and a true appraisal of their productive role. As a result, women beneficiaries have experienced a considerable degree of individual development in terms of

selfconfidence, their vision of life, ability to better prepare their children for the future and to create a family environment that is richer, less stressful and characterized by greater access to services.

These accomplishments encourage other women to participate in the Income Generation Project, despite the difficulties and effort this implies.

Naturally, since this is an entirely new experience, resistance is still considerable and other institutions have only limited capacity to apply the project model. However, irrefutable results of the process have convinced a growing number of officials and planners as to the feasibility and urgency of taking the project to scale.

V. TWO INCOME GENERATION PROJECT FOR WOMEN IN MARGINAL DISTRICTS OF CARTAGENA

1. A brief description of the city and its southeast zone

Cartagena, a city of 400,000 inhabitants, has more marginal districts than any other major city in Colombia and its southeast zone (over 100,000 inhabitants) qualifies as one of the poorest in the country. Fifty percent of the population in this district lacks water and sewage facilities, and it is estimated that just 20% of the families manage to meet survival-level requirements. Most of the population is black and, as a result of cultural and economic



factors, nearly 30% of the families are headed by women.

Background of the two projects.

In 1979, UNICEF signed bilateral agreements with three state agencies aimed at improving living conditions in the southeast zone of Cartagena. Specifically, basic health services were to be provided through the Servicio Seccional de Salud SSS (Regional Health Service), preschool and nutritional care through the Instituto Colombiano de Bienestar Familiar - ICBF (Colombian Family Welfare Institute) and environmental sanitation and housing through the Instituto de Crédito Territorial - ICT (Colombian Bureau of Housing). Each of these agencies has an office at the Centro de Desarrollo Vecinal La Esperanza - CDV (La Esperanza Neighborhood Development Centre), an entity created by the government to coordinate institutional efforts and supply services to marginal urban areas.

UNICEF sponsored a workshop in 1982 to evaluate results of the projects and action being undertaken. The directors and technical teams of the aforementioned agencies took part in this assessment, along with community action councils from the different neighborhoods covered by the CDV.

Conclusions reached during the workshop served as the basis for a second UNICEF cooperation period in Cartagena. This was

intended to solve the following problems:

- Lack of inter-institutional cooperation within the CDV
- Unemployment and underemployment
- Low CDV service coverage
- Limited community participation

Based on these results, UNICEF negotiated with the various state agencies in 1983 to adopt a new cooperation programme that would exchange the bilateral agreements for a single multilateral arrangement with the community and three of the public agencies operating at the CDV. The goal was to give the poorest inhabitants of the southeast zone access to converging community services. The Servicio Nacional de Aprendizaje - SENA (The National Vocational Training Service) was brought into the agreement so as to provide services that would generate employment and/or income, particularly for women. Another objective was to strengthen CDV administration and operation, thus facilitating compliance with the objectives for which it was created. Cultural and sports activities were financed in order to strengthen community participation. The agreement was signed by UNICEF and CDV, whose Executive Board included directors of the aforementioned agencies (SSS, ICBF, ICT, SENA) and community representatives appointed by the neighborhood action councils within the zone.



VI. THE SENA CASE EXPERIENCE WITH WOMEN INVOLVED IN MICRO - ENTERPRISES.

UNICEF entered negotiations with SENA intent on contributing to the establishment of an income generation model for poor women in the southeast zone of Cartagena.

1. Preparatory Stage. Negotiations.

The UNICEF proposal was not accepted initially. This led to a long period of negotiations lasting over a year. Major obstacles were the following:

i) SENA policies, methodologies and services were directed to workers in the formal sector and micro - enterprises with characteristics in terms of capital, equipment and number of employees that would be impossible to find in an area like the southeast zone of Cartagena. To assist these micro - enterprises, SENA had developed a so-called "Social-Urban Managerial Training Methodology" (CESU) that included formal courses on accounting, production, marketing and sales, labour legislation, organization and leadership.

ii) SENA did not consider itself capable or obliged to assist a population completely lacking in resources, and was particularly ill-disposed toward the idea of implementing a project designed exclusively for women.

iii) Although UNICEF offered technical assistance to develop an income generation project for women based on experiences carried out previously by companies in the private sector (Fundación Carvajal in Cali and the Fundación Fabricato in Medellín), SENA officials were skeptical about possibilities for success and the permanent nature of such experiences.

iv) SENA also objected to the lack of institutional credit: a driving force behind the experiences in Cali and Medellín

UNICEF offered Col. \$13 million in seed capital for credit purposes, but SENA regulations ruled out the possibility of managing funds. Nor could UNICEF assume this task. No bank was interested in providing this service, since the administration of small loans to women for micro-enterprises is a burden to institutions in the financial sector. No government or private

agency could be found to provide credit or take charge of managing a credit fund for the poor, much less for women.

This was a true challenge. How could UNICEF help to solve the employment problem facing inhabitants in southeast Cartagena, particularly with respect to women who head households and lack the income to support their families?



Being conscious of how important the economic component is to the basic service programme supported in the southeast zone, UNICEF made one last attempt by sponsoring the visit of two high-ranking SENA officials to micro-enterprise programmes being developed by the Fundación Carvajal in Cali and the Fundación Fabricato in Medellín. This effort bore fruit. SENA relaxed its resistance to the UNICEF proposal and presented one of its own. This contained the following terms:

i) The micro-enterprise project would cover all of Cartagena and not just the southeast zone, since enterprises of this type exist through the city.

ii) The programme would not be designed exclusively for women, although they would represent 34% of all project beneficiaries.



iii) Priority would be given to micro-enterprises capable of generating employment and raising profits.

UNICEF accepted the proposal even though it was not specifically designed to solve income problems confronting the population in the southeast sector of Cartagena. However, it clearly represented an opportunity to initiate a change in SENA policies, programming and services aimed at making women's assistance a part of its activities, especially for those who work at home (with virtually no resources) to support their families or complement the meager earnings of husbands or companions.

SENA has the experience, prestige installations and administrative-technical capacity necessary to implement the project. Yet, what prompted UNICEF insistence and its acceptance of SENA conditions was the conceptualization and programming progress being achieved by the RPPWD in relation to the objectives of income generation projects for poor women. These are designed to:

i) Influence and generate institutional change and/or modification with regard to policies, methodology and services aimed at providing an adequate response to the specific needs of poor women.

ii) Promote and ensure technical training and credit for poor women as revindication of their rights.

iii) Institutionalize the project, thus enabling SENA to continue services for poor women, upon termination of UNICEF financial and technical assistance, and guarantee expansion of coverage and improved services.



Extensive coverage was not essential in the beginning and, for this reason, UNICEF accepted SENA's offer to assist a number of women equivalent to just 34% of all project beneficiaries.

The agreement was signed in 1981 and SENA consented to provide the professional staff required by the project, once it had been designed and prepared for implementation since as this was an entirely new experience for the agency. UNICEF agreed to furnish an initial Col. \$13 million pesos for credit and locate an official or private agency to manage the fund. It also accepted a commitment to provide technical assistance through a UNICEF liaison officer working on a half-time basis.

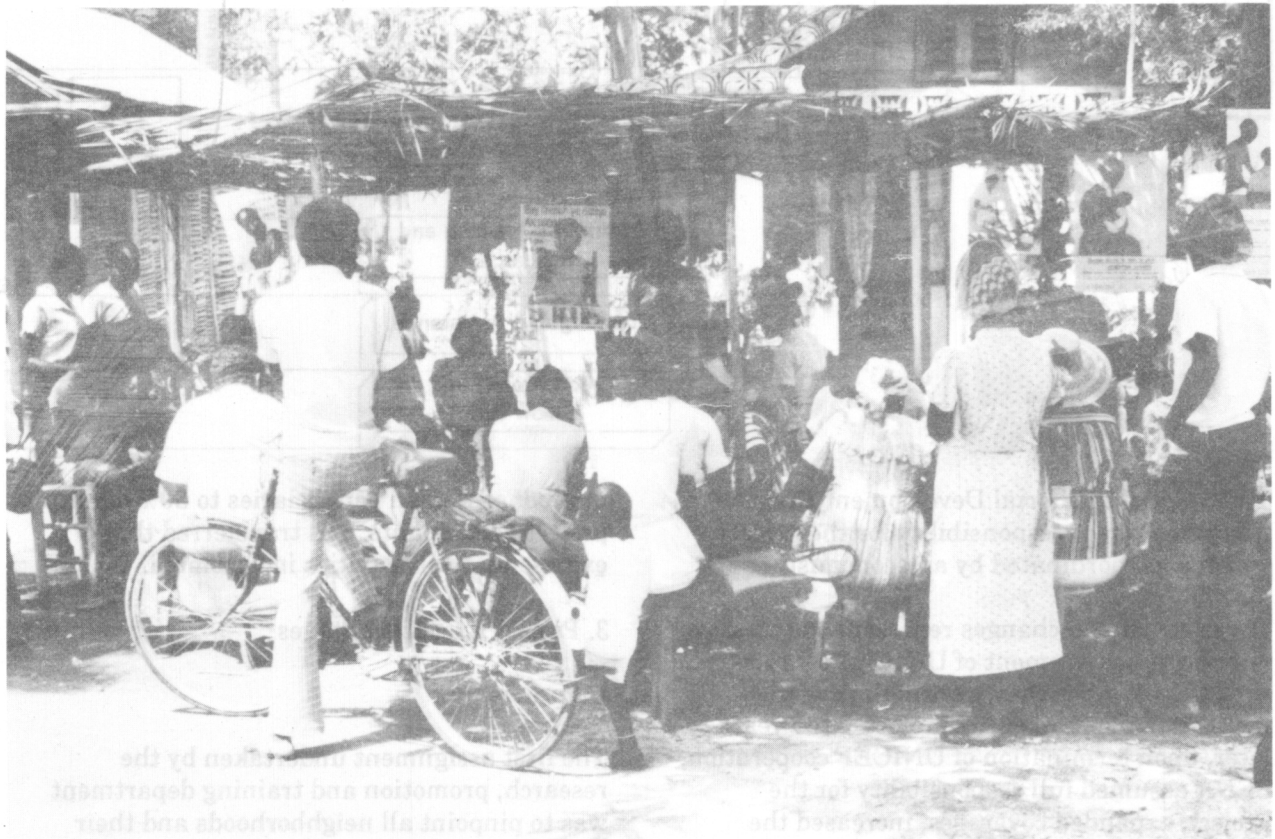
SENA designed the project on the basis of its own experience (CESU) and visits to the microenterprise projects in Cali and Medellín. A new administrative section was established within the agency, as will be described later in this document (see diagram on next page), and a three-year programme was devised with clearly defined objectives, goals, strategies, stages, a monitoring system and guidelines for project evaluation.

2. Administrative structure of the project.

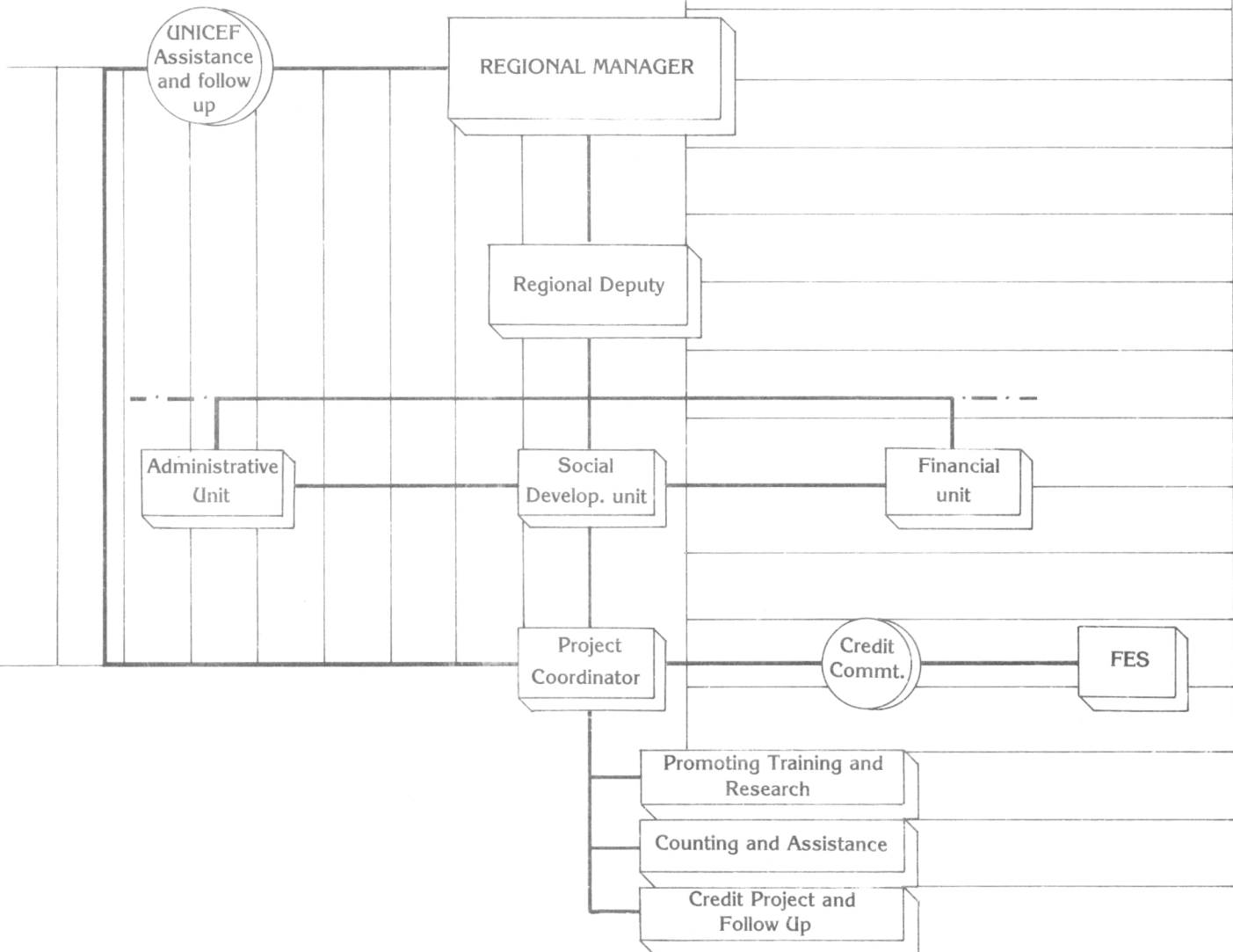
The aforementioned diagram illustrates incorporation of the microenterprise project into the organizational structure of SENA, its relationship to other divisions within the agency and functions assigned to UNICEF. The following is a description of these features.

Three departments were organized to implement the project, under the assumption that it was best to develop functions on a sequential basis. These sections included:

- i) A research, promotion and training department comprised of a sociologist and an economist contracted by SENA and two promoter-advisers financed by UNICEF.
- ii) A department responsible for setting up accounting records and providing advisory services (staff: one economist and an administrative assistant).
- iii) A project and monitoring department with a staff similar to that of the foregoing section.



SENA ORGANIZATIONAL STRUCTURE IN CARTAGENA AND THE INSERTION OF THE MICRO-ENTERPRISES PROJECT.



The Chief of the Social Development Division was given direct responsibility for the project which was coordinated by an economist.

These structural changes represent the most important achievement of UNICEF cooperation with SENA, since they were definitive to institutionalization of the project. Four years later, upon termination of UNICEF cooperation, SENA assumed full responsibility for the project, expanded coverages, increased the

number of women beneficiaries to 50% of all project participants, and transferred the experience to other cities in Colombia.

3. Project Execution Stages

i) Research

The first assignment undertaken by the research, promotion and training department was to pinpoint all neighborhoods and their

respective boundaries on a map of the city. Then came the task of identifying the micro-enterprises in each neighborhood. Numerous techniques were used to accomplish this objective: day and evening visits, interviews with community authorities (police, teachers, clergy, members of community action groups, etc.), gathering data from secondary sources, etc. The results are illustrated in Chart 3. It should be noted that 15% of the micro-enterprises corresponded to the southeast zone; and it was

Chart 3.

MICRO-ENTERPRISES BY LOCATION AREA IN CARTAGENA

ZONE	NUMBER	PERCENTAGE
SOUTHEAST	35	15%
SOUTHWEST	67	28%
NORTHEAST	65	27%
WEST	38	16%
SOUTH	33	14%
NORTH	2	
		100%

requested that priority be given to these ventures. Chart 4 shows 23% of the enterprises as belonged to women. SENA analyzed other characteristics and conditions of micro-enterprises on the basis of various criteria (length of time in business, number of employees, area of activity, etc.), all of which was fundamental to implementation of the next stage.

Chart 4.

MICRO-ENTERPRISES IDENTIFIED BY SEX IN CARTAGENA

SEX	NUMBER
MALE	184
FEMALE	56
TOTAL	240

ii) Promotion

Based on the aforementioned classifications, visits were made to micro-entrepreneurs in an effort to briefly explain the project and invite them to participate in one of the training courses.



iii) Training

Training covered accounting, administrative, technical, financial and organizational aspects. Chart 5 lists topics, content and the number of training hours corresponding to the first groups of men and women enrolled in the micro-enterprise project. It also shows that women accounted for 36.6% of all beneficiaries.

Chart 5.

COURSES, SPENT HOURS AND BENEFICIARIES IN THE INCOME GENERATION PROJECT IN CARTAGENA

Basic Management Tools	2	45	25	70	80	
Laboral legislation and Payroll	2	40	20	60	40	
Association Basic Principles	1	27	20	47	40	
Production	1	20	10	30	20	
Human Relations	1	20	10	30	20	
Comercial Techniques	1	22	8	30	20	
Taxation	1	15	5	20	20	
Marketing	1	10	8	18	40	
Seminar on Dress-making techniques	4	--	15	15	80	
TOTAL		15	199	121	320	360

Each micro-entrepreneur -man or woman- was asked to apply the principles acquired in class to their business activities and report the results of this initiative at the next session: e.g. how to conduct an inventory, how to keep accounting records, how to find the break-even point, how to sell and market their products, etc. This requires tremendous sincerity on the part of micro-entrepreneurs who must talk openly about their business activities and the type of improvements needed. These presentations gave project participants an opportunity to exchange ideas, express themselves in public, voice doubts, offer suggestions or observations and overcome shyness. This was especially important for women participants in terms of opportunity and treatment equal to that afforded the men. As indicated in the final evaluation, both teachers and male participants agreed that women participated with greater interest, were more organized and dedicated in terms of applying theory learned in class, took greater care with their presentations and progressed more rapidly than the men.



iv) Diagnosis of the micro-enterprise

With assistance from the promoter-adviser, each micro-entrepreneur (man or women) diagnosed their business activity in accordance with theory acquired during the course. This diagnosis served as the basis for establishing accounting procedures and designing a credit plan.

v) Accounting and advisory services

Once the micro-entrepreneur had completed the

basic training courses, information on the micro-enterprise was collected and tabulated with assistance from the promoter. It then was turned over to the accounting and advisory department in order to establish accounting records, define personal and business expenses, prepare receipts, invoices, etc. This stage of counselling lasted a month, at the end of which time the micro-entrepreneur had gained new knowledge and prepared a statement of earnings and a second balance sheet for his/her enterprise. These activities were developed in conjunction with the adviser.

The next step involved cost analysis and a search for the break-even point: the final tasks undertaken in this department.

vi) Preparation of an investment-credit project and subsequent monitoring.

At this stage, the team from the corresponding department initiated a series of conversations with the micro-entrepreneur intended to help the latter begin designing an appropriate credit project based on work carried out earlier with teams from the other departments.

vii) Credit and its role in the project

The importance of credit and the goal of making it available to micro-entrepreneurs, especially women, can be better understood by examining some of the differences between the informal and formal sectors of the economy. Prior to this project, SENA had worked exclusively with the latter. Economic ventures in the informal sector are plagued by illiquidity. A lack of equity, fixed assets of value that can be used as mortgage security or acceptable cosigner makes it impossible for micro-entrepreneurs to obtain credit from financial institutions in the formal sector. This consecrates their extralegal situation and economic frailty.

Moreover, as the economic scale declines, problems of a technical, administrative and organizational nature are more likely to cause difficulties. Small enterprises find it very hard to adopt adequate practices in these areas.

Consequently, assistance to productive units in the informal sector must guarantee access to training, advisory services and credit. Hence, the credit component was fundamental, and

SENA placed considerable emphasis on this aspect in designing and developing the project. One of the main goals was to teach micro-entrepreneurs how to conduct a financial analysis.

Topics relative to "setting up accounting records" and the "investment project" were systematized in 12 modules. With these, project beneficiaries learned to calculate solvency, liquidity, debt capacity, collections, break-even point, etc.

Given this base, micro-entrepreneurs (men and women) defined their debt capacity and used the technical-economical analysis to prepare a sufficiently well-founded and justified credit application. After being reviewed by the adviser, applications were sent to the Credit Committee which was responsible for managing the fund. FES was authorized to make disbursements once an application had been approved.

Micro-entrepreneurs were not required to provide mortgage security or collateral in order

to secure a loan. Their participation in SENNA training and a commitment to implement an investment plan under supervision of the advisor was considered sufficient security.

The micro-entrepreneur was required to sign a promissory note prior to disbursement of the loan. Annual interest was 24%, a rate similar to the softest lines of credit available on the financial market. Loans were to be paid in 18 month installments with a three month grace period. Those extended in 1982 averaged Col. \$147,000 pesos and enabled micro-entrepreneurs to achieve an average 49% increase in sales and 30% in employment.

Major difficulties encountered initially with regard to credit management centered on the fact that procedures were too slow to meet the continual need for financing that confronts micro-enterprises. This situation was aggravated by resistance on the part of financial institutions which are reluctant to work with the informal sector and with women. FES was the only financial entity in the country willing



to sign an agreement, as it did not have offices in Cartagena. This delayed processing and disbursement of loans; and created numerous problems with regard to monitoring which had to be done by Sena advisers who were experts in training but not in loan management.

Demand for enrollment in the project was so great that the first loans exhausted the credit fund. UNICEF redirected a portion of its cooperation toward obtaining new funds and secured a Col. \$5 million pesos contribution from the United Nations Voluntary Fund for Women. However, this amount was insufficient. Based on experiences emerging from the Cartagena project, UNICEF mounted an intense advocacy campaign involving numerous institutions, and encouraged the national directors of SENA to seek other sources of funding. It also sponsored a series of workshops attended by officials

sector, established a line of credit amounting to Col. \$500,000 pesos. As indicated in the general conclusions pertaining to the Colombian experience, the concrete proposals and the degree of clarity achieved during this process generated an awareness as to feasible alternatives. Such efforts formed part of the basis for a line of government credit to the informal sector amounting to US \$10 million. These funds have been made available by official and non-government agencies.

4) Impact and Lessons of the SENA-UNICEF Agreement

As a result of the Income Generation Project for Micro-entrepreneurs associated with the informal sector in Cartagena, SENA identified many of the difficulties characterizing work with this segment of the economy. Earlier



involved in the execution of this and other projects, research workers interested in the topic and representatives of official institutions. As a result, the Corporación Financiera Popular, an financial entity operating in the formal

experience developed by the agency centered on assistance to economic units in the formal sector. The project also gave SENA an opportunity to adopt this model as one of its strategies for specific attention to poor women.

i) Accomplishments for men and women micro-entrepreneurs

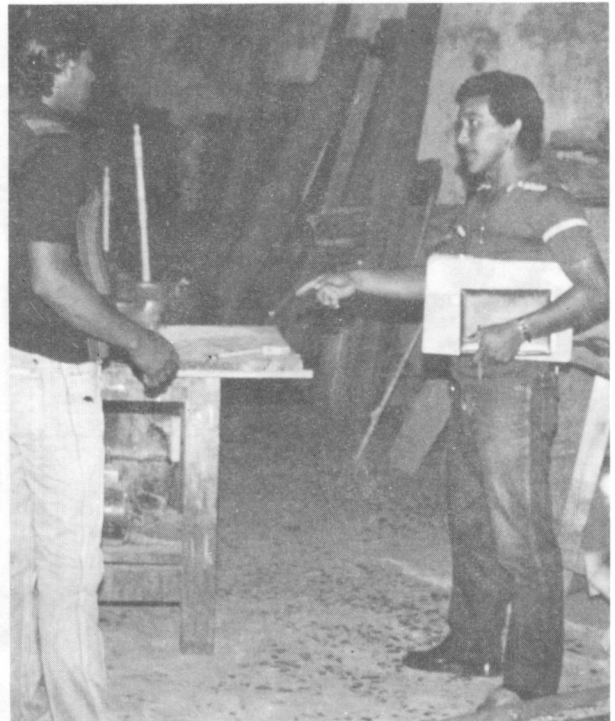
- The project permitted institutionalization of technical training and advisory services considered among the most important in the country since they are directed to micro-entrepreneurs in the informal sector.

- It also provided access to a line of credit with costs below extrabanking rates, 18 month installments and a three month grace period. This enabled beneficiaries to make investment and begin credit payments with new earnings generated by the loans.

- The project enabled men and women micro-entrepreneurs to establish contact with one another, interact and identify potential areas of mutual cooperation. This process led to creation of the Cartagena Association of Micro-entrepreneurs and efforts within this group to organize according to production lines.

- These forms of organization and interaction highlighted the benefits of coordinated efforts to overcome isolation and derive mutual benefits without losing the degree of individuality needed to compete on the market.

- The foregoing results required micro-entrepreneurs to establish relations with one another and put theory into practice by advancing beyond daily problems toward a rationalization and generalization of specific trade difficulties that would allow them to negotiate solutions with pertinent entities.



- As part of this process, beneficiaries became familiar with socioeconomic conditions in the city, how they are affected by these factors, legislation, the operation of state agencies, etc.

- During the first two years of the project, micro-entrepreneurs established an association and achieved a 49% increase in income and a 30% rise in employment through development of their projects.

ii) Specific Accomplishments for Women

The project was particularly important for women micro-entrepreneurs. They received micro-entrepreneurial training and advisory services from SENA for the first time, and exercised their right to become involved in productive activities rather than being restricted to tasks traditionally associated with women's roles. Accordingly, much of the progress achieved in terms of income, employment, compliance with credit obligations, etc. was due to the participation of women. This is logical in view of the fact that women micro-entrepreneurs who managed to remain in the market do so through activities that are more segregated and marginal than those accessible to men. Consequently, if their potential is supported by adequate training and advisory services, they can obtain the kind of results noted herein.



However, changes in the family environment and personal situation of women micro-entrepreneurs are even more important than economic and technical accomplishments. Through technical and administrative organization of their micro-enterprises, women were able to solve a series of family problems caused by operation of the micro-enterprise within the home which totally invades living space and denies women time for their children and husbands.

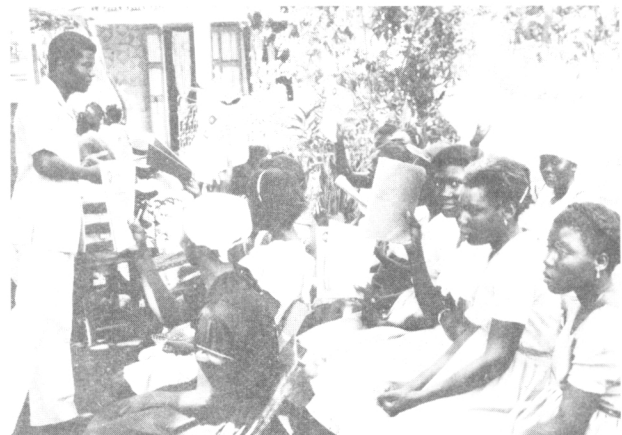
Greater economic stability, plus access to credit and training, affects women's standing in the family, with customers and in the community. This increases their self-confidence and self-esteem

iii) Lessons for SENA

- By progressively adjusting its training and advisory experience, SENA was able to assist micro-entrepreneurs in the informal sector for the first time. The agency planned and executed its training services on the basis of research

concerning socioeconomic conditions in Cartagena and the needs of potential project beneficiaries.

- SENA also introduced credit as a basic strategies for assisting micro-entrepreneurs. It tested and systematized various modes of collaborating with private and government agencies to administer credit funds. The goal was to establish an stable and sufficient line of government credit for current and potencial beneficiaries.



- The project facilitated an exchange of experiences through a process of mutual confrontation and enrichment at national level. It also was demonstrated that assistance for women within the project demands specific action for this group, and in no way makes SENA appear paternalistic or feminist.

SENA made an important contribution to the definition of government policy for the informal sector, to the first assistance plan to be formulated in Colombia for this segment of the economy, and to the establishment of official lines of credit presently amounting to US \$10 million.

iv) Impact and lessons of the Project for UNICEF

Difficulties encountered during the negotiation stage underscore the need for continuous advocacy and cooperation based on clear criteria. These actions must be firm but flexible.

Cooperation demands real teamwork between the UNICEF officer and agency officials in order to successfully identify problems, seek solutions and design innovative, feasible and timely alternatives.



VII. THE C.D.V. CASE. EXPERIENCE WITH WOMEN MICRO-MERCHANTS

Background

Despite progress achieved through the SENA project for micro-entrepreneurs, UNICEF was concerned by the fact that it was not reaching the poorest women in southeast Cartagena. As mentioned earlier, assistance was being provided to a Basic Service Programme developed by the Centro de Desarrollo Vecinal La Esperanza-CDV. UNICEF voiced its preoccupation to the CDV Executive Board and presented a proposal for an Income Generation Project featuring the "solidarity group" methodology tested in the Dominican Republic. CDV directors approved the proposal which called for revising the multilateral agreement between UNICEF, CDV agencies and the community in order to expand agency commitments. The idea was to make CDV agencies responsible for administrative costs of the Income Generation Project, personnel (a project director, social worker and administrative assistant) and necessary physical infrastructure. UNICEF would finance the part-time (1/3 - 2 yrs.) services of an adviser familiar with the solidarity group programme and those of a UNICEF liaison officer working in Cartagena as an adviser to the SENA Micro-entrepreneur Project and the CDV Basic Service Programme.

It also, would provide US \$5,000 as seed money for the credit component.

The solidarity group methodology involves a system whereby an agency finances individual loans that are backed collectively by groups of three to five members. Each group elects a leader or coordinator who collects installments from the other members and is responsible for repayment of loans received by the group. Should one or more members of the group fail to pay their installments, the group is responsible to the creditor and must cover the debt. The methodology is simple but demands that participants receive sufficient instruction on the value of solidarity as well as group responsibilities to the individual and viceversa. They also must be taught how the credit system operates in terms of capital, interest, installments and form of payment.

Stages corresponding to application of this methodology at the CDV are described herein, including objectives, activities and

accomplishments.

1. Preparatory Stage: Negotiations

i) Training personnel responsible for project execution.

The UNICEF liaison officer and the solidarity group adviser gave a detailed induction course to the team contracted by the CDV. This focused on social, economic and administrative goals of the project, reasons for UNICEF support to action benefitting women, and ultimate objectives to be achieved in terms of improving the community's living standard by inserting the income component into the CDV Basic Service Programme. The second phase of the induction process referred to philosophy, administration and application of the "solidarity group" methodology.

ii) Research through participative observation

The first task undertaken by the CDV team involved participative observation designed to gather information on the characteristics of street vendors residing in the CDV area of influence. The goal was to become familiar with where vendors purchased their wares, when and, at what price; where they sold their merchandise at what price and how much they earn; the amount of time spent on purchasing and sales; the type of financial used; family characteristics and living conditions.

Daily observations were followed by meetings between the CDV team, the UNICEF liaison officer and the solidarity group adviser to organize, tabulate and analyze the information and identify gaps that were to be filled in the next day through interviews with the same people.

Tabulation and analysis of this data made it possible to identify two types of project beneficiaries of both sexes; ambulatory or stationary micro-merchants and micro-producers. The majority of these individuals and their families had immigrated to Cartagena from neighboring towns and villages. Most lived as squatters in highly precarious conditions. Families were generally large, averaging 8 people. Parents incorporated their children into purchasing and sales activities at a very early age, and most were illiterate.

Products involved basic food items, either in a natural or processed state. The conditions under which these goods were marketed and the quantities involved lend an insight into the poverty confronting vendors and customers alike. Vendors would go from house to house, the men hauling heavy carts and the women carrying large trays on their heads. This is no small feat considering the torrid climate in Cartagena. Customers purchase small quantities such as a cup of sugar, a few tablespoons of oil, a bowl of rice, a piece of yuca, a fishhead, etc. A similar trend was noted with regard to purchases made at small neighborhood shops.

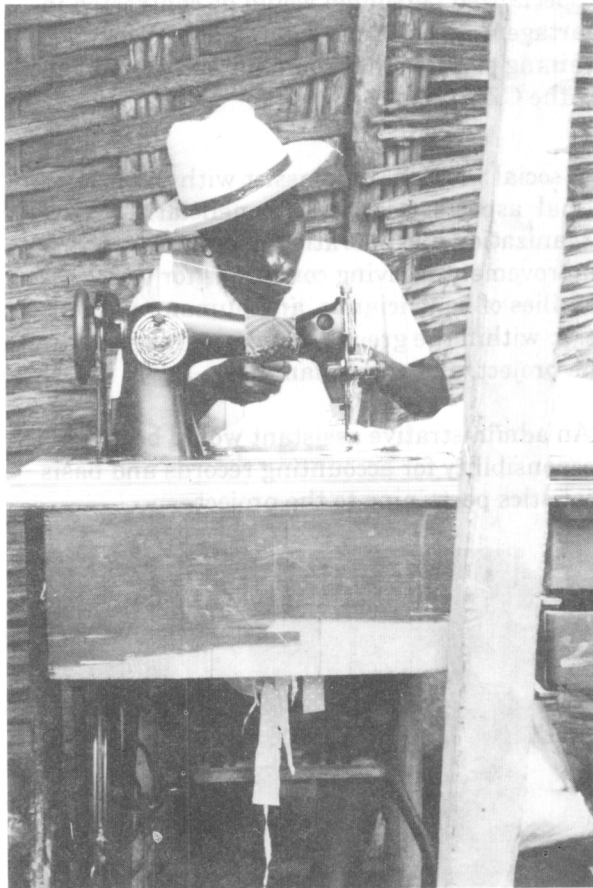
As to the purchase-sale process, it was found that micro-merchants buy and sell on a daily basis. The men dedicated up to fifteen hours to this task. The women spent less time because of child care and domestic obligations.

Men and women involved in this activity change occupations when confronted with an opportunity for more profitable and stable employment. Men do agricultural work during harvest time or seek employment as

bricklayers. Women work as domestics or secure employment at hotels during the tourist season. Their working capital is never more than Col. \$5,000 pesos and usually is obtained through loans at interest ranging from 10% to 20% a day. Some secure financing from wholesalers who tack as much as a 30% surcharge onto the products they provide. Artisans with limited working capital depended on advance payment from customers or credit obtained through moneylenders.

As an example, a vendor who purchased 60 units of fish from a wholesaler was obliged to pay Col. \$3,000 for his wares at the end of the day. Had he been able to pay in cash, the same goods would have cost Col. \$2,400 pesos or Col. \$600,00 pesos less. In this case, interest amounts to 25% a day.

A credit policy and criteria regarding the selection of beneficiaries, size of the loans, installments, form of payment and solidarity backing were established on the basis of information obtained through participative observation.



iii.) Planning

The project was planned in social, administrative, financial and organizational terms suited to the profile identified for men and women beneficiaries.

It was decided that 50% of the beneficiaries would be women over 18 years old with a minimum six months experience in their trade. In the event they possessed working capital, it could not exceed Col. \$30.000 pesos. Beneficiaries could have no more than two full-time employees, and were required to participate in four meetings designed for the purpose of information, orientation and training.

Solidarity groups were formed according to participant's purchase and sale practices and socialization processes characteristic of the neighborhood: e. g. friendship, mutual confidence, etc. Each group had to include least three but no more than five individuals, and could not be comprised of immediate family members or individuals directly related by marriage.

As indicated earlier, various state agencies operate within the CDV. Consideration was given to the possible administrative level of the micro-merchant project and its relationship to the CDV administrative structure and each of the agencies operating therein. Various Executive Board meetings were required to decide on how to insert the project, since the idea was to avoid disrupting the existing administrative structure or relying on a single agency. The project would have to be autonomous and independent. Eventually, it was decided that the initiative would be a CDV community service project, independent of the state agencies but relying on them for financial support. It would have its own physical space at CDV installations. These facilities would be openly accessible to participants. Chart 6 illustrates the design of the CDV's administrative structure before the project and chart 7 shows the new one.

Once the administrative structure had been decided upon, steps were taken to define relations with each of the CDV member agencies. Accordingly, it was decided that:

- The CDV Executive Board would approve general project policy, the budget and innovations required for its execution, besides being informed as to development of the project and conducting periodic evaluations of the same.

- The project would have an Executive Director with work experience in the informal sector and the ability to direct activities relative to management, supervision, control and evaluation.

- Each agency would participate in the project through its representative on the CDV Executive Board, and provide the financial and logistic support necessary for implementation. Project beneficiaries and their families would be entitled to CDV services in the areas of health, preschool and nutritional care, training and recreation.

- For every 50 groups organized through the project, CDV would appoint an adviser to lend support and ensure an improvement in social conditions.

- Specialized personnel would be contracted in Cartagena to perform required beneficiary training services that could not be carried out by the CDV team.

- A social worker would assist with the project's social aspects: selection of beneficiaries, organization and operation of groups, improvement in living conditions for the families of beneficiaries, and human relations (e. g. within the groups, between groups and the project, and within families).

- An administrative assistant would be given responsibility for accounting records and basis statistics pertaining to the project.



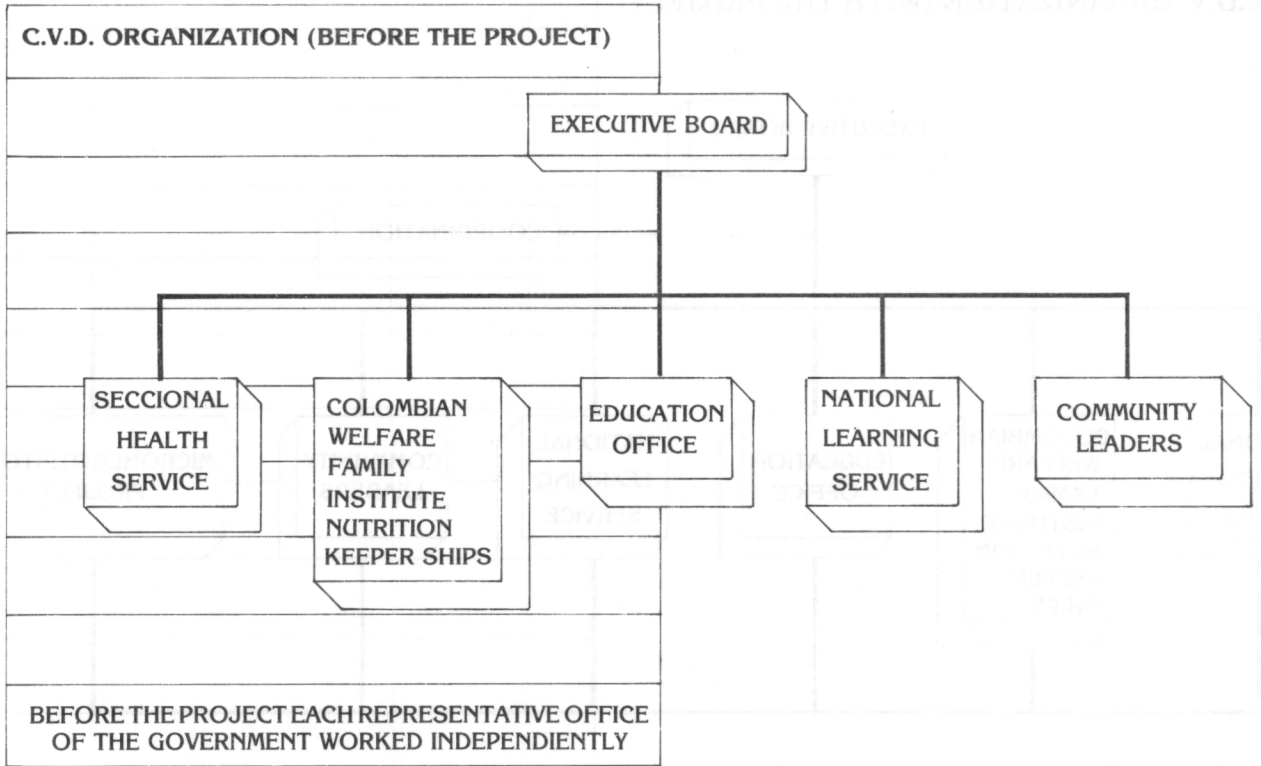


Chart 6

C.D.V. ORGANIZATION (WITH THE PROJECT)

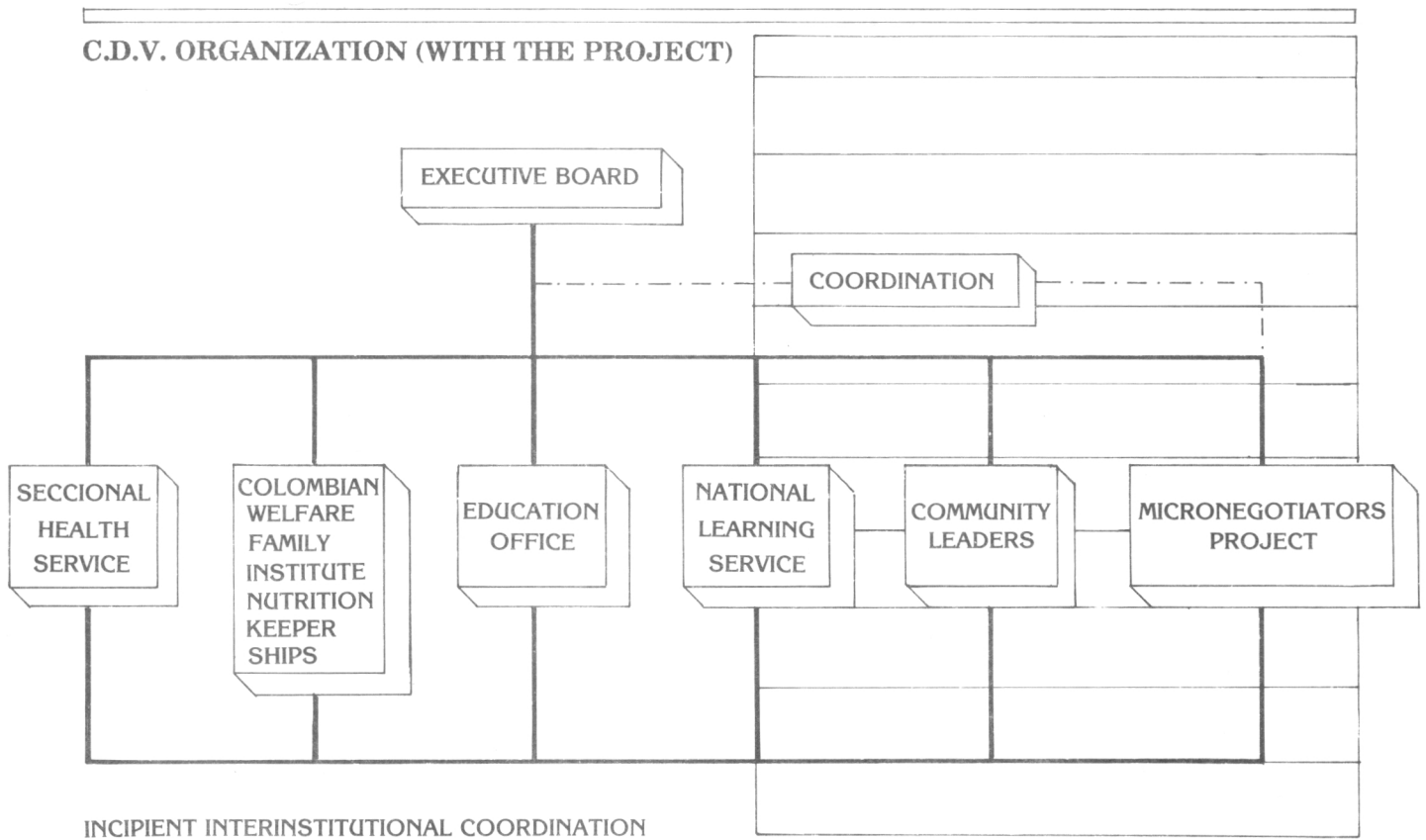


Chart 7

Accomplishments and lesson of the preparatory stage

Successful negotiations between UNICEF and the CDV Executive Board produced the following results, among others. Five state agencies coordinated efforts in order to assume responsibility for an Income Generation Project emphasizing women. Said initiative would be incorporated into the CDV administrative structure, which was characterized by multiple and complex interrelations of a technical and administrative nature owing to the participation of five state agencies. It was agreed that 50% of the project beneficiaries would be women.

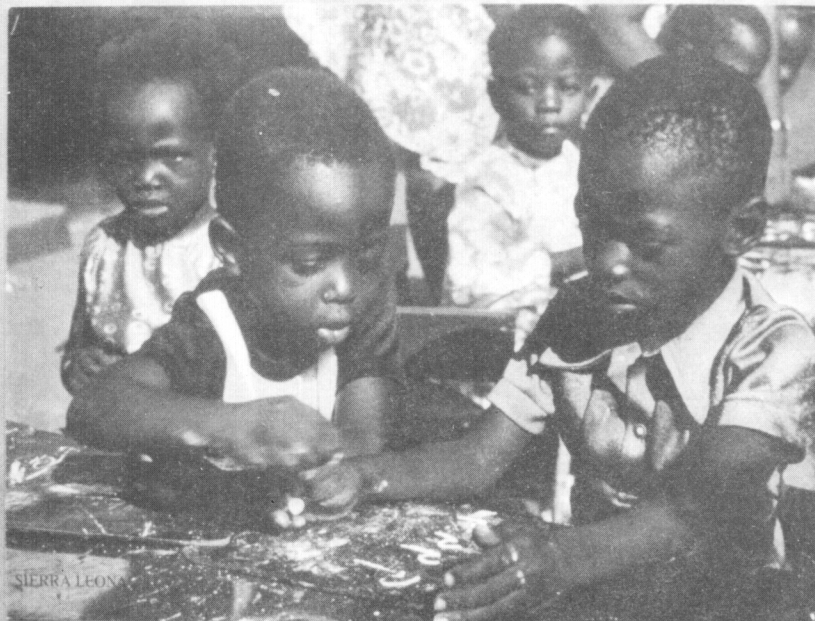
Insertion of an Income Generation Project into the CDV administrative structure brought about a change in the center's traditional approach to basic community services. It opened the door to inter-institutional cooperation and the provision of integrated services to project beneficiaries. This has beneficial connotations in terms of an organized supply of state services and organized demand on the part of CDV beneficiaries.

Induction and training of members responsible for the project was extremely important, not

only to enhance acceptance of the initiative among the poorest segment of the population but to guarantee an understanding of the problems facing women in the southeast zone of Cartagena and ensure priority attention to the same. A true team effort was undertaken by executives and technicians of the five CDV agencies, the solidarity group adviser, the UNICEF liaison officer and project staff members.

2. Second Stage : Organization of the Project:

Working in conjunction with the solidarity group adviser and the UNICEF liaison officer, the CDV team prepared all materials needed to implement integral training activities relative to the execution stage of the project, considering that most of the participants were illiterate. This material was designed as an introduction to the philosophy and operation of the project and the solidarity group methodology. It covered financial as well as social aspects. The material and its application had to ensure that project beneficiaries took an active part in discussions and decisions, since they would be obliged to formulate their own criteria regarding organization of the groups and operation of the project.



The social aspects demanded material of a more didactic nature, especially that pertaining to financial elements dealing with the operation of a formal group as opposed to an informal one, responsibilities and attitudes of members with regard to the group and vice versa, individual and group leadership, relations among group members, election of group representatives, characteristics required of both the candidate and the election process, individual and group discipline, individual and joint responsibility etc. This material was considered key to operation of the group and success of the project.

As to the financial part, estimates were made on the basis of seed capital provided by UNICEF and calculations as to how large loans should be in view of research conducted to identify appropriate installment periods and the speed

with which money from the fund could be rotated. This made it possible to determine the number of loans that could be granted in a three year period. Corresponding credit forms and criteria for the selection of beneficiaries, group incorporation papers, the solidarity guarantee, the promissory note, the control card for loan installments, and credit policies and regulations.

A line of credit was designed in response to the system customarily used by project beneficiaries which featured daily payments to usurers. Yet, in this case, the loan plus 3% interest had to be paid in equal daily installments during a period of 20 working days. The system has the following advantages for beneficiaries and the credit fund:

- Payment is made in the form of small daily installments.



- It facilitates compliance with scheduled payments.
- Funds revolve quickly.
- It gives beneficiaries permanent access to working capital.
- It entitles beneficiaries to a second and possibly third loan for the same amount, once the previous credit has been paid.
- Interest (3% a month) is lower than that charged by usurers (10% to 20% a month).
- Payment of daily installments permits frequent contact with group leaders, who are responsible for collecting individual installments from the members of their groups.

Revolving Credit Fund Regulations

Regulations corresponding to the credit fund reflected the foregoing criteria. Loans were to be used only for investment in the each group member's business activity, and responsibility for credit was assumed by the group as a whole. Regulations specified installments and mechanisms referring to payment through the group leader.



The possibility of partial installments was ruled out, however funds could be received on deposit until the group was able to meet the entire installment.

Regulations stipulated that interest could be charged for delayed payment as provided for by law. Loan costs amounted to 3% per month, distributed as follows:

- 1.5 (50%) for administrative expenses
- 1.0 (33.3%) for capitalization of the Revolving Fund
- 0.5 (16.67%) for the Guarantee Fund



Loans to micro-merchants in 1985 ranged from Col. \$1,000 to Col. \$15,000 pesos, while those for micro-producers fluctuated between Col. \$2,000 and Col. \$30,000 pesos.

Steps were taken during the preparatory stage to crystallize banking procedures for operation of the fund, even though it would be administered by the project. Mechanisms and instruments for project monitoring and evaluation were defined. These featured weekly, monthly and annual cut-off dates as well as social, administrative, financial and organizational aspects.

New Legal mechanisms also were necessary in order for the CDV to resolve administrative and financial aspects of the project. Once the project structure had been defined within the CDV, responsibilities assigned to project personnel and the planning and preparatory stage completed, actual execution was begun.

3. Execution Stage

The execution stage was initiated once preparation and organization of the project was complete. This phase included the following activities:

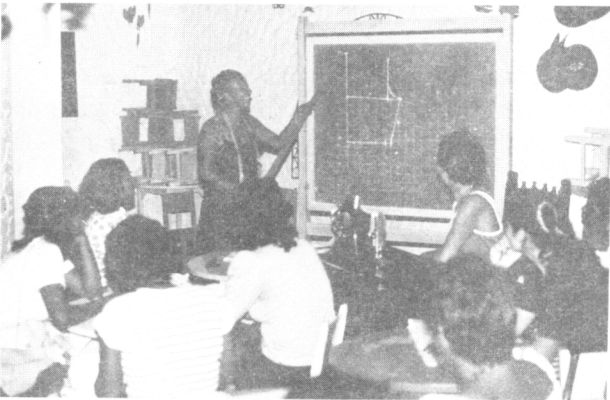
i. Promotion

The project started with eight ambulatory vendors: four women and four men. These individuals completed the training sessions and were granted credit. Each was responsible for selecting a project partner who was obliged to meet all conditions and prerequisites stipulated by the groups and the project. In this way, promotion of the project was undertaken and maintained by the beneficiaries themselves, and not by the CDV or the project team.

It is important to highlight the multiplying effect of the solidarity group methodology and the subsequent reduction it implies in terms of costs and research needed to select beneficiaries. Eight people were responsible for locating their partners, providing them with initial information about the project, and securing their commitment to a joint and mutually binding effort.

ii. Integral Training

This activity was carried out in four evening sessions held after the beneficiaries had completed their daily work and were thought to have had a certain amount of time for rest. The team carefully prepared each evening's topic in terms of content as well as the use of prepared teaching materials. The first series of training sessions involving the group of four women and four men were conducted by the UNICEF liaison officer and the solidarity group adviser. This served as a demonstration for the CDV team, which later developed training activities under supervision of the two advisors until its proficiency had been verified.



iii. Development of the Project

The initial progress report covering the first four months of operation shows that credit was granted to three groups during the first month, six groups in the second month, eight in the third and fifteen in the fourth.

Compiled ten months after initial implementation of the project, the second report indicates that 79 groups had received loans averaging Col. \$67,500 pesos each. Given Col. \$400,000 in seed capital, this amounts to Col. \$2,580,500 in credit.

After 18 months of operation, 118 groups had

received credit amounting to a total of Col. \$7,256,100 pesos. The loan portfolio came to Col. \$932,868 pesos, with 6% delinquency in payments. Average financing for each group was Col. \$40,000 pesos.

This situation enhanced the project's image among members of the community and, as a result of increased utilization, the fund rose from US\$42,272 in 1984 to US\$67,468. A US\$25,000 increase is highly significant, given the marked rate of devaluation evident in Colombia at that time.

Although the fund continues to grant minimum loans of Col. \$5,000 pesos, the maximum limit was increased to over Col. \$200,000 pesos in 1988. During the same year, credit was extended to 562 solidarity groups: 327 comprised of women. The yearly volume of operations has made it possible to increase the project staff to 5 people and finance all administrative expenses.

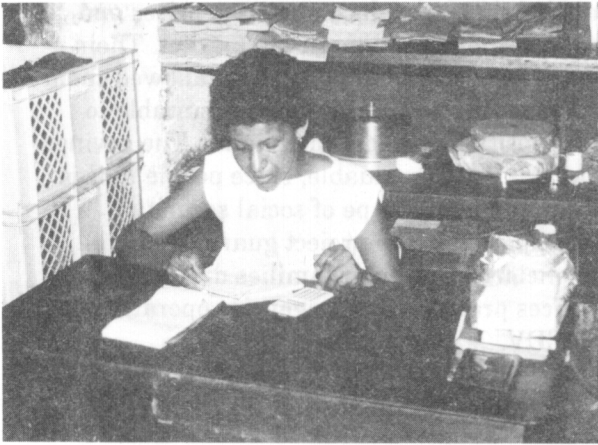
UNICEF withdrew its technical and financial cooperation in 1987, but has developed liaison activities with other international cooperation agencies that continue to support the project.

Efforts are now underway to apply the project in Ecuador through direct assistance provided by the CDV Project Director to the Ecuadorian government via the UNICEF office in that country. Likewise, the AITEC adviser, who is an expert in solidarity groups and was contracted by the UNICEF for the CDV project, has been hired by the UNICEF Area Office in Brazilia to plan and organize a similar initiative.

On the national scene, Colombia now has a National Association of Solidarity Group Projects comprised of twelve such initiatives. These also were started by the AITEC adviser and have credit resources managed with criteria developed through the CDV-UNICEF agreement.

iv. The Saving Fund

The savings fund established by micro-merchants participating in the project is a prime indication of how successful the programme has been. The fund contemplates a scheme whereby each of the beneficiaries establishes a savings installment in order to



create a fund for loans to cover family or domestic emergencies.

Each individual with a minimum Col. \$2,000 pesos in saving is entitled to a loan equivalent to twice the amount of their capital investment in the fund. Loans must be approved by the social worker. The saving fund has been extremely useful, as in the case of a micro-merchant who was hit by a car. The members of his group used resources from the fund to cover corresponding hospital expenses and approved a special quota in cash and/or kind to help support the family.

Savings fund regulations stipulate that each member must save at least Col. \$400,00 pesos a month. Loans are granted for a maximum three-month period at a monthly cost of 1.5%. Bank interest generated by the savings fund are credited to each partner on a quarterly basis, in proportion to the capital they have managed to save. Interest paid on loans in supplied to administration is of the programme.

v. Monitoring

Monitoring referred essentially to progress in terms of economic activities and was conducted through meetings with the leaders in which each group reported on progress and difficulties, explained how solutions had been found or simply presented their problems. Accordingly, by the end of each session, team efforts not only resulted in monitoring but also ensured that discussion of problems was used to continue and consolidate training.

Regular group meetings at the CDV generated a rich network of relations between the groups. Different types of relations arose naturally. This

opened the door to an exchange of experiences. As an example, purchasing fish from distributors at the beach or fruit from wholesalers at the public market was shown to be a way of reducing costs. Agreements were established whereby certain groups would purchase goods on a wholesale basis and resell to other groups. These experiences helped to alter working conditions for participants and, as a result of the project, the community now frequents the CDV and makes increasing use of the possibilities offered by the centre and the agencies operating therein.

vi. Evaluation

Initially, this aspect was a major concern. In addition to monitoring mechanisms and the assembly meetings, an annual self-appraisal of the project has been conducted from the beginning. Outside experts have been contracted to develop studies, and the experience is compared each year with other projects generated through national and international workshops supported by AITEC.

4. Impact and lessons of the project

Accomplishments

Effects of the project are varied and its impact at national level has been of major importance. The following is a breakdown of how the project has influenced men and women micro-merchants, the CDV, the community and UNICEF.



i. Effect on men and women micro-merchants

Incorporation of an income generation project into CDV activities gave the poorest segment of the population in Cartagena access to a regular line of credit with interest comparable to that available on the financial market and substantially below rates charged by usurers and intermediaries who virtually confiscated all possible profit.

Micro-merchants managed to establish their own working capital, break the hegemony of usurers, guarantee themselves a stable income and increase their earnings by reducing financing costs. Moreover, regular compliance with loan installments has entitled them to other types of credit intended to improve housing or businesses.

The groups were able to form solidarity chains, exchange information and, thus, achieve a number of comparative advantages that have

enabled them to reduce purchase prices and improve their standing in the market. Their status as an association or group allowed them access to SENA training courses suitable to their position as micro-merchants. The savings fund has been invaluable, since people in this situation have no type of social security. Participation in the project guaranteed beneficiaries and their families direct access to services provided by all agencies operating at the CDV.

ii. Effect on the community

The establishment of solidarity groups whose activity was centered at the CDV increased the volume and efficiency of CDV services to the community.

Giving women access to credit and training for the first time, enabled them to begin exercising renewed leadership in relation to urgent problems affecting neighborhoods in the zone.



The work of micro-merchants, the way they managed to free themselves from extreme usury, and the processes created to store products under better conditions and at a lower price has increased the quantity of food and basic merchandise available to the community, improved quality of the same, and influenced the cost of living for local inhabitants.

The CDV became more efficient in serving the community, since the presence of group members at its installations and contact with the agencies increased awareness among the poorest sectors of the population as to the existence of these services and their right to the same.

iii. Effect on the CDV

Adoption of an income generation project as one more activity designed to assist the population



of the zone, enabled the CDV to conduct an internal reorganization that has facilitated the degree of inter-agency cooperation needed to successfully develop its actions. As part of the administrative reorganization, the CDV contracted its own staff, and the social worker was able to effectively establish contact with the population of the zone in order to promote organizational and social aspects of the project. This put her in a position to reach an increasing number of families.

CDV installations became the center of life and daily activity for highly important segment of the community. Accordingly, public opinion of the centre changed for the better, and a process of community appropriation has arisen that is essential to the success of any basic service programme.

The CDV experience in Cartagena has prompted CIDES, the World Bank for Women and other institutions to gradually adopt the

income generation model for solidarity groups with an emphasis on women.

Travels undertaken by the project director to transfer this experience to other countries have enriched knowhow available to the CDV and served to compare its experience with that of other cities and nations.

iv. Effect on UNICEF

The CDV project confirms the assumption that UNICEF assistance to income generation projects for poor women must be preceded by an intensive advocacy campaign involving a state agency. The project must encourage other state or private institutions to develop action indispensable to its success.

The CDV project model demonstrates that the efficiency and effectiveness of basic service programmes for the poor can best be improved by incorporating an income generation component.

Seed capital provided by UNICEF for credit purposes must encourage the establishment of permanent and stable lines of credit.



Seed capital provided by UNICEF to income generation projects for women must permit the development of innovative criteria and strategies that can be adopted by governments and financial agencies in order to create permanent and stable lines of credit.

VIII. LESSONS OF THE CREDIT EXPERIENCE WITH THREE PROJECTS: ICA-SENA-CDV

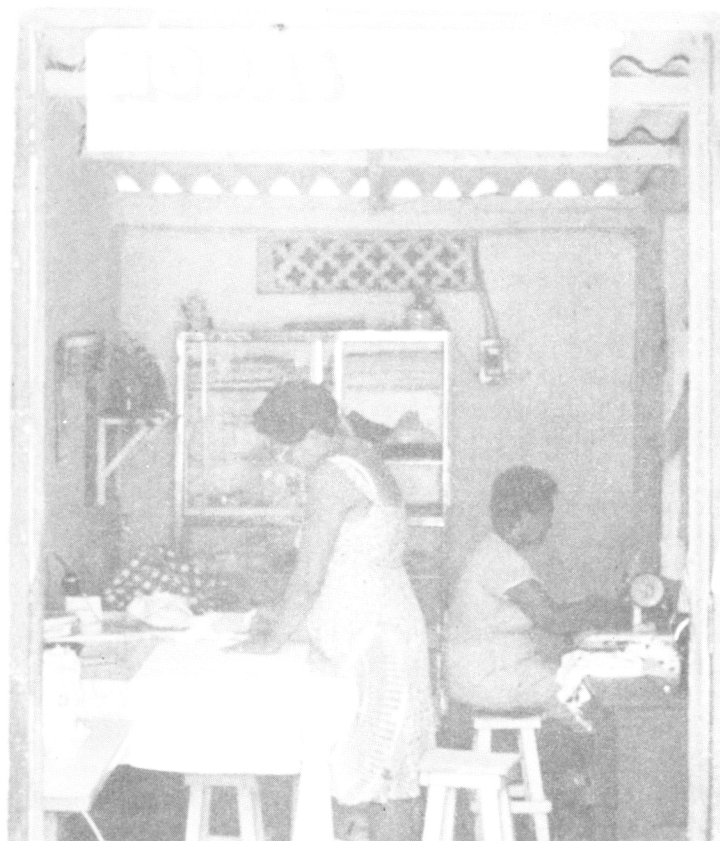
The three experiences show that:

- Credit is a "sine quanon" requirement for income generation projects designed to assist poor women.
- Credit is not enough to ensure the success of a project when an attempt is being made to develop integral objectives intended to affect family well-being and conditions for children.
- Credit must be accompanied by action in the fields of technical and socio-managerial training, counselling, transfer of technology and

organization. These elements are vital to an integral approach whose sequence, intensity and characteristics will depend on institutional resources and conditions facing specific groups of women to whom the project is directed.

- Credit must not be circumstantial, temporary or insolated from the aforementioned factors. Rather, it demands regular an stable action.
- Credit can be based on seed capital at the start of a project, but must be institutionalized at short term with financial entities in the country.

The three experiences reiterate these lessons. SENa is an institution specialized in training and advisory services for the formal sector. ICA is dedicated to the generation and transfer of agricultural technology within the formal sector, while the CDV provides basic services to the poorest sector of the population. Hence, credit was neither a function nor a responsibility of these three state agencies. Yet, having agreed to implement income generation projects, they were obliged to seek





alternate solutions designed to satisfy this requirement using seed capital provided by UNICEF. To achieve this goal, UNICEF initiated a series of conversations with other entities and sponsored events to help each find an appropriate way for a private agency (FES and/or CORFAS) to administer seed capital as a credit fund. Four to five years later, official lines of credit were established with conditions and characteristics identical to those applying to the funds created with seed capital.

As a result, credit became a permanent component of the income generation projects: not an end in itself but a fundamental aspect that permits the accomplishment of objectives established by each institution. The CDV used credit as a basis for guaranteeing poor women access to basic services. SENA adopted this component to ensure technical training and social counselling, while ICA used credit to guarantee training and transfer of technology.

Moreover, credit was the driving force that enabled these agencies to adapt strategies, methodologies, training content, advisory services and transfer of technology to the situation and needs of poor women.

The foregoing lessons regarding credit and the project institutionalization process demonstrate that:

- Poor women repay loans.
- The use resources in accordance with an investment plan prepared through counselling provided by the institution.
- They use the fruits of training to improve and expand productive units.
- Said Knowhow is multiplied in the community.
- Corresponding income is used to improve conditions for the family, particularly children.
- Women's productivity and ability to make a sustained contribution to development increases.
- These initiatives can generate employment.

Results like these prompted the three agencies to expand coverage of Project Woman and request that UNICEF increase seed capital. Having specified internally that projects should not depend on its funds, UNICEF encouraged each agency to seek official lines of credit and lent its cooperation to these initiatives.

While UNICEF was providing encouragement to ICA, SENA and the CDV, other private agencies with projects to protect and promote the informal sector also were exerting pressure. In this sense, UNICEF supported the three agencies with which it had been cooperating, and mobilized state administrative and political levels to facilitate direct contact with income generation project for poor women aimed at generating and awareness of individual characteristics and possibilities for official lines of credit.

Lines of credit established by the government for women in agricultural, micro-entrepreneurial and solidarity sectors of the economy were based on innovations and characteristics attributed to credit funds of the three UNICEF assisted projects and others of equal value. For example, requirements such as mortgage security or solvent co-signers were replaced by women's participation in training and commitment to execute an investment plan prepared with pertinent guidance from the institution. New credit regulations, procedures, installments and forms of payment reduced financing costs for beneficiaries and the time involved in securing a loan. The volume of credit must be sufficient if increased income is to compensate for the rise in costs. Moreover, it is essential that installments be adjusted to production and market cycles.

The National Plan for Micro-enterprises offers a stable line of credit established as a rediscount fund with the Banco de la Republica (Central Bank of Colombia) in the amount of \$10 million: US\$7 million corresponding to an IDB loan and US\$3 million in matching funds provided by the Colombian government.

Micro-entrepreneurs also have access to resources in the hands of foundations that manage approximately US\$5 million. CORFAS, an entity specializing in financing for the informal sector, has US\$3 million available to micro-entrepreneurs, micro-merchants and associate groups in urban and rural areas. The Asociation de Grupos Solidarios has approximately US\$800,000. This group has expanded since the initial 1983 agreement in Cartagena, and now includes 12 projects throughout the country.

The Caja Agraria, the official credit agency for the farming sector, has established a special



line of credit for poor women in the agricultural sector. This financing has characteristics similar to those of the ICA-UNICEF-CORFAS Project Fund.

The foregoing accomplishments and lines of credit are new and, as such, will have to be adapted and adjusted by the financial agencies involved in order to meet the needs of the population for whom they were created, particularly women. This means that terms, timelines and coverages must be appropriate for credit beneficiaries.

Considerable technical assistance to executing agencies, women and their organizations is still required if this goal is to become a reality. Women must demand the fulfillment of credit services created for them by the state. Moreover, compliance must coincide with the aforementioned conditions in order to achieve the social, managerial and technological components necessary to the institutionalization of integral projects aimed at making poor women both agents and beneficiaries of development.

Income generation projects, coupled with stable and significant lines of credit that guarantee project coverage, must be planned and supported at mid-term and in the long run since these projects demand structural changes in executing agencies and financial institutions.