

FOSIS AND SOUTH-SOUTH COOPERATION

Best Practices for Knowledge Exchange



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How does FOSIS work?

The Solidarity and Social Investment Fund (FOSIS, its Spanish acronym), founded in 1990, is a part of the Ministry of Social Development. Its mission is to “work urgently to eradicate poverty and diminish social vulnerability in Chile.”

FOSIS supports poor and extremely vulnerable people, helping them to improve their quality of life. FOSIS designs and implements programs that contribute to building a society with greater security and opportunities. Its work is focused on attaining greater social protection and economic inclusion of the most vulnerable people in Chile.

Based on the needs of the individuals and families who seek FOSIS' support, programs are offered in three areas: **Entrepreneurship, Work, and Social Development.**

FOSIS programs are aimed at society's most vulnerable groups. Families and people interested in becoming beneficiaries have the possibility of applying to programs based on their ranking in the Social Protection Scorecard. This scorecard is the tool used by the Ministry of Social Development to assess the degree of vulnerability of Chilean households. Other FOSIS programs are set aside exclusively for families participating in its Chile Solidario program, a social protection program for the poorest 5% of the population.

FOSIS offers

- psycho-social and socio-vocational support
- integration into the public social support network
- social and human capital development
- housing solutions
- education and training for dependent and independent workers
- promotion of microentrepreneurship
- financial literacy
- training to create small vegetable gardens and improve nutritional habits

FOSIS is a government agency that designs innovative programs and initiatives to address the special characteristics of vulnerable populations and produce significant, positive impacts for its beneficiaries.

FOSIS in the international context

With the transformation of Chile into a middle income country in just a decade, its role in international cooperation has changed. Chile no longer qualifies for “traditional” foreign aid, and now receives requests from Latin American and Caribbean countries for partnerships in knowledge exchange.

FOSIS has received increasing attention on an international scale from its Latin American and Caribbean neighbors and beyond, including countries in regions as distant as Africa (South Africa, Mozambique) and Asia (China, Indonesia). These countries are interested in learning about and applying the methodology, instruments, techniques, approaches, and programs developed by FOSIS.

FOSIS and cooperation networks

Since the 1990s, FOSIS has participated in the Social Network of Latin America and the Caribbean (REDLAC, its Spanish acronym), an important regional forum for sharing experiences in poverty alleviation. **The Inter-American Social Protection Network for Social Protection (IASPN)** was launched in September 2009, based on the programs of international cooperation developed under REDLAC. This network includes the United States and Canada, the first countries from the global North interested in exchanging ideas for overcoming poverty with Southern countries.

FOSIS played an active role in the process of evaluating foreign aid effectiveness. In preparation for the IV High Level Forum on Aid Effectiveness in 2011, FOSIS provided best practices case studies to support knowledge exchange in the Southern hemisphere. FOSIS participated in **The South-South Opportunity** network, supported by the OECD.

FOSIS is open to all types of public-private partnerships, and participates in diverse forums with civil society, the private sector, and multilateral actors, including ECLAC, IADB, World Bank, OAS, SEGB and others.

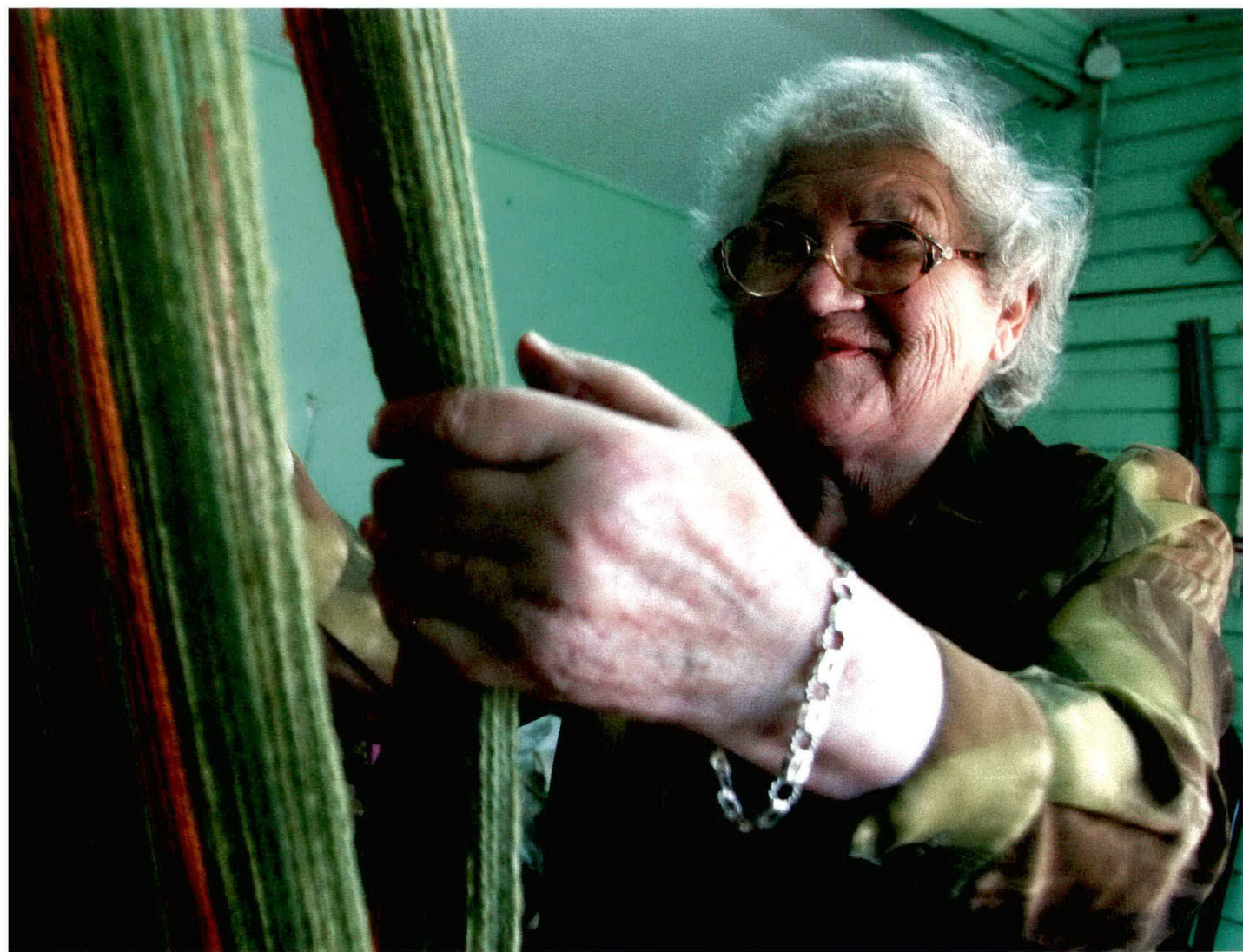


International interest has focused on the gradual alleviation of poverty through social protection and the creation of specific opportunities for employment and entrepreneurship. In this context, many Latin American countries have requested information on the FOSIS management model to adapt it to their own needs. The psycho-social support component of FOSIS programs, in particular, has generated significant interest for the personalized attention it provides in promoting the social inclusion and empowerment of vulnerable families.

FOSIS shares its experiences with neighboring and distant countries, reflecting its new international cooperation paradigm. As Chile no longer receives significant official development aid, the country looks to support other countries through the transfer of its methodologies and the exchange of experiences.

The process of exchange with diverse countries over recent years has enabled FOSIS to accumulate best practices and new methods of working with partners. As a result, FOSIS has developed a working model for South-South and Triangular Cooperation Programs.

FOSIS works closely with the Chilean International Cooperation Agency (AGCI, its Spanish acronym) and international cooperation agencies, including GIZ (Germany), BIDASOA-Activa (Basque Country), and the Canadian International Development Agency (CIDA), that have aided Chile since its return to democracy. Innovative financing mechanisms like the **Triangular Cooperation** model are among the instruments employed by FOSIS in its international programs. Triangular Cooperation means that Chile exports its know-how and successful strategies to equally or less-developed countries through programs financed by international sources as partners in these projects.



FOSIS international cooperation principles

The FOSIS philosophy focuses on capacity-building through international cooperation programs. Presenting successful experiences is not a goal in itself but a key element to include when incorporating these models into the public policies of requesting countries. The cooperation process is designed to be beneficial for all the parties involved. For this reason, FOSIS employs the concept of “knowledge exchange” instead of technical assistance or transfer.

The following principles are derived from this philosophy:

1. First and foremost, international cooperation projects are implemented with objectives, time frames, resources, and development stages that are defined beforehand.
2. Projects are designed jointly with the partner country and institutions. Since every project is unique because of its origins, history, actors, and level of institutional development, the partner country must be involved in designing the project from its inception.
3. Teams from both countries work together in a participative manner to assure a mutual learning process. The objective is never a mere transfer, but the exchange of knowledge useful to all involved.
4. All projects are designed for the medium term (minimum of 18 months), from diagnostic period to implementation.
5. The teams that carry out projects are composed of FOSIS professionals experienced in designing and implementing poverty alleviation strategies. The FOSIS staff has participated directly in developing FOSIS programs on a national level.
6. A shared costs model is used for most international cooperation projects. The requesting country ensures that its authorities, professionals, and experts (plus office space and materials) are made available for the project. Chile provides the expertise of its FOSIS professionals. Financing sources cover the costs of travel, room and board, preparation of materials, and the systematization and evaluation of the process by consultants.

Requesting countries receive high added-value consulting services.
Chile is enriched by increasing its international experiences and knowledge
of diverse realities and methods.

In international cooperation, FOSIS works in conjunction with:

- Strategic and political partners, including the Chilean International Cooperation Agency (AGCI), the Organization of American States (OAS), the European Union (EU) and others.
- Technical partners, including the international cooperation agencies of requesting countries and partner institutions, the Inter-American Development Bank, research institutes such as Instituto de Estudios Peruanos, and others.
- Financial partners, including Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ, the German Development Cooperation Agency), the Basque development agency BIDASOA-Activa, the Canadian International Development Agency (CIDA), Ford Foundation, and others.

Why does FOSIS believe in South-South Cooperation?

The FOSIS international cooperation programs are designed to provide innovative and relevant answers to the cultural realities of every partner country in order to support their efforts to reduce poverty and vulnerability.

The support provided by FOSIS is based on its experiences in specific areas and is delivered through a process of systematic mutual exchange. This process includes the diagnosis, design, and initial implementation of programs or projects monitored, on site or remotely, for evaluation purposes.

FOSIS believes that peer-to-peer exchange is a valuable tool in growing together and advancing toward the construction of societies that offer greater justice and fundamental security and opportunities for all.



Photo: Leana Mayzlina



Photo: Sandra Portillo

Best practices model

The international cooperation provided by FOSIS is a process of transferring approaches, tools, methodologies, strategies, and/or programs defined by mutual agreement to the country applying for technical assistance. With every program and each foreign delegation that it receives, FOSIS broadens its horizons, learns new approaches, and undergoes an enriching process of knowledge exchange.

International cooperation programs are financed with a shared costs model, where both Chile and partner countries provide resources based on **South-South** or **Horizontal Cooperation** models. If a third entity becomes involved in financing technical assistance, the cooperation is referred to as **Triangular Cooperation**.

A typical horizontal or triangular cooperation program consists of four stages:

- Application/request from the foreign country and analysis
- Internal planning (in Chile)
- Program execution
- Systematization and evaluation of the program

The implementation of international cooperation programs requires the creation of two **mirrored teams** - one in Chile, and one in the recipient country - to assure that profound exchanges occur at every step of the decision-making ladder.



Photo: Sandra Portillo



Sharing key strategies

FOSIS international cooperation programs transfer the strategic principles, programs and support materials that underlie its work and methodology with the most vulnerable families.

These principles are:

- **Rights-based Approach:** FOSIS aims to create opportunities, foster competitiveness, promote individual autonomy, and strengthen community bonds. It aims to provide training to aid local actors and communities in autonomous decision-making and the acquisition of the enduring skills required to tackle future challenges they may face in the future.
- **Public-Private Partnerships:** FOSIS provides incentives to leverage resources from the private sector (both civil society organizations and for-profit enterprises) through decentralized offices and a regional presence throughout Chile. New methods of working with private and public sector actors are identified and designed rooted in common objectives.
- **Financial Inclusion:** Low-income families need financial guidance to be able to access suitable financial products and to avoid debt. FOSIS offers financial education and facilitates access to microcredit for microentrepreneurs.
- **Information Management:** FOSIS conducts permanent evaluation and analysis of its target population, geographical distribution and the social services available to this population. FOSIS uses this information to establish programs and priorities.
- **Coordination among Sectors:** Creating a strong network within the public sector is a fundamental objective to the work of FOSIS. To achieve this, FOSIS works closely with local institutions to provide social services and promote income-generating activities.
- **Results-oriented Work:** FOSIS aims to achieve measurable results that can be compared empirically, focusing on effectiveness, achieved goals, and changes generated.
- **Monitoring, Feedback, and Adaptation:** These components provide FOSIS with timely feedback to improve its program management. Permanent monitoring helps facilitate the timely adaptation of programs for more effective intervention and efficiency when conditions change or difficulties occur.

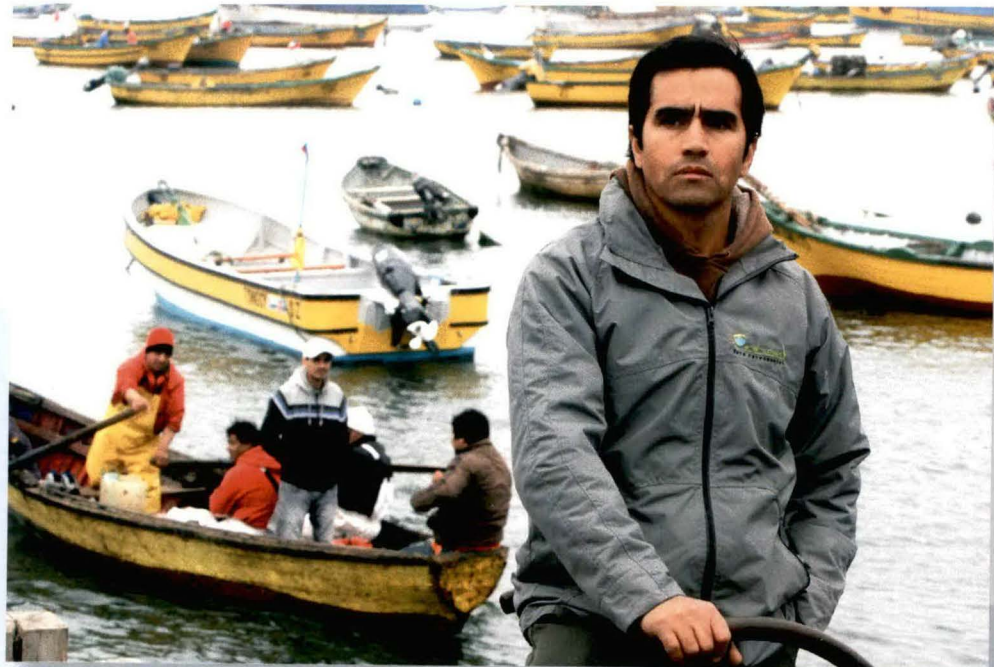
Sharing knowledge in overcoming poverty

FOSIS shares programs in all areas related to its work. These exchanges are based on the methodology and management of its poverty alleviation programs. These address three central areas: Entrepreneurship, Employment, and Social Development.

Entrepreneurship

FOSIS seeks to identify and foster entrepreneurial skills among its target populations. Depending on the needs and stage of projects, beneficiaries can participate in programs in this area. All programs offer:

- Training
- Support for business plan development
- Technical assistance and follow-up
- Seed capital



FOSIS understands that access to funding can be a challenge for people interested in starting their own business. For this reason, FOSIS supports foundations, credit unions, and banks in the provision of microcredit by subsidizing operational costs.

Employment

FOSIS prepares and improves people's ability to find legal employment. In accordance with individual needs, FOSIS aids program participants in seeking employment by offering:

- Basic work skills training
- Support in creating a work placement plan
- Funding for activities related to this plan

Social Empowerment

FOSIS believes that people possess valuable skills that can be maximized by providing them with opportunities to develop their social and human capital.

The programs **Families in Action** and **Community in Action** strengthen the skills and abilities that allow families and communities to start the process of improving quality of life and increasing their participation as citizens.

The **Bridge** program provides psycho-social and socio-vocational support to extremely poor families, promoting and reinforcing individual and family skills to improve quality of life and to participate in the network of public services offered by the State.

The **Housing** program improves the quality of life of families living in extremely precarious conditions. It provides concrete solutions, such as basic home repairs (bathrooms, kitchens, electrical wiring), basic household goods (bedding) and basic kitchen appliances. The program offers workshops to address sanitary and waste management skills at the household level.

The **Family Production for Subsistence** program teaches families how to grow vegetable gardens as a means of reducing food expenditures. It offers workshops for families to improve eating habits and attain healthier lifestyles.



How to apply for the technical cooperation provided by FOSIS

Institutions interested in participating in a cooperation program with FOSIS should contact their national cooperation agency or the Chilean International Cooperation Agency (AGCI) through their national authorities. Interested institutions may also contact FOSIS directly or through a third-party financing source, including multilateral (OAS, EU) or bilateral (CIDA, GIZ, JICA, etc.) entities.

FOSIS will evaluate all requests with partner institutions based on the feasibility of implementing the requested exchange or cooperation program.

If the initial evaluation is positive, the FOSIS International Cooperation Department will conduct a more detailed initial study and draft project. Requests are analyzed and evaluated by the directors of each FOSIS department in conjunction with the third-party financing sources (AGCI, foreign international cooperation agencies, etc.), based on the availability of human resources required to carry out a sustainable program.

All parties involved discuss the possible deadlines, resources, commitments, etc. and the necessary start-up financing. Once consensus is reached and Work Agreements or Contracts have been signed by the corresponding authorities, the program is initiated.



Photo: Sandra Portillo

The role of emerging economies in the Southern hemisphere and the demands from low income countries – stated with an increasingly strong and independent voice – are creating a new “global architecture” in cooperation.

What was formerly a vertical structure with a strong hierarchy of “developed” and “developing” countries is today a horizontal global community where new groups and alliances are constantly emerging.

Cooperation is no longer a one-way street; the process is always centered on mutual learning. Cooperation projects are valuable for the participants of all the countries involved – not only the “beneficiary” countries, but the countries providing assistance and support, as well.

“The only source of knowledge is experience.”
(Albert Einstein)



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