Policy Influence Plan

1.1 Context

**General political context**

The Chilean government and Chilean policy makers in general have shown an increased awareness of the importance of rigorous impact evaluations recently, and in particular of randomized evaluations.

A few randomized evaluations supported by the government are currently being implemented. Another example is the initiative from the Chilean Ministry of Planning to establish a commission of local and international experts, to advise the government on innovative strategies to improve the social development of Chile. The international experts include renowned Professors as Orazio Attanasio, Jere Berhman, Paul Gertler and Petra Todd. The Government of Chile has committed to fund and support at least one of the most promising programs identified by the Commission on a pilot basis and will also fund and support its randomized impact evaluation.

**Economic environment**

Despite relatively high growth rates and a decrease in poverty rates over the last 20 years, Chile still presents high-income inequality and the level of extreme poverty has remained stable for the last 10 years.

A great amount of effort has been put in place to give poor citizens the chance to overcome their situation, but there is still much to learn about which policies work and why. In a context of limited resources from the government, we believe there is a great scope for promoting the use of rigorous evidence in policy making.

**Entrepreneurship sector and PAME program**

One example of policies that attempt to alleviate poverty is micro-credit initiatives that have been adopted in Chile and many other developing countries. These initiatives assume that businesses planning training and financial constraints are
very important, and access to the financial sector will provide a way out of poverty. However, little is known about the specific human capital and skills that are needed to manage a micro-firm or the skills needed to become a successful self-employed individual. Also, there is no certainty about which are the practices that make a good micro entrepreneur and whether it is possible to teach those skills to low human capital micro entrepreneurs.

We proposed a randomized control trial experiment of an entrepreneurship program; PAME, which has been implemented by the Chilean government since 2006 and has approximately 24,000 beneficiaries each year. The program includes training in business planning, marketing and administration and funding for entrepreneurship. The PAME is an ongoing program, and the implementing agency (FOSIS – the Government body which funds social programs) plans to continue with the program in the long run. This program is part of the core of the program offered by FOSIS and has a budget of US$21 millions for 2011.

The idea of evaluating this particular program comes from the need of FOSIS to evaluate and improve their practices, which means the results from this evaluation could eventually translate into changes in the design of the program. This implies that the implications we will obtain from the evaluation will have a very long lasting effect on the program.

1.2 Risks

We believe risks related to the screening of findings and recommendations to suit political purposes are very small. Indeed, the government itself (FOSIS) has requested that this program be evaluated, with the objective of learning from the results and eventually making modifications to the program design. Additionally, the results of the evaluation will be published through an academic paper and will be largely disseminated in both academic and policy-maker circles.

Similarly, risks related high political turnover are very small, as the program has been implemented since 2006 and is very likely to continue regardless of political turnover. In fact, the evaluation process started with the previous government (of a different political coalition), and has continued flawlessly.

In addition, given that there is a new government in place, “bad” results for the evaluation of PAME could open an opportunity to improve the program by the new administration. On the other hand, if program results are positive, this could be another opportunity for re-launching a similar fine-tuned program. So risks of the government not disseminating results are minimal.

However, we believe there are risks related to the manipulation of information by the press in the case the evaluation design and objectives are not properly understood. In particular, we have considered the risk of a misinterpretation of the randomization design in the pilot program. The fact that there is a control group that will not receive the treatments means there is a risk of the government being criticized and accused of denying the program to certain people. In order to
minimize this risk, we have decided jointly with FOSIS to be particularly cautious about disseminating any intermediate results before the impact evaluation is completed.

1.3 Stakeholder analysis

FOSIS (Solidarity and Social Investment Fund) is a government body that is part of MIDEPLAN - the Ministry of Planning in Chile. It is the main executor of social protection and poverty alleviation programs in Chile. FOSIS has a central office, mainly in charge of program design, and regional offices, in charge of program implementation.

FOSIS works with other government institutions such as SENCE (National Service of Training and Labor), which is part of the Ministry of Labor, providing training to vulnerable populations, as well as with training centers and NGOs such as FINAM and BMD.

The BMD program, managed by the Engineering School of the University of Chile, provides micro entrepreneurial training to improve the skills of micro entrepreneurs in metropolitan area. FINAM on the other hand is responsible for the implementation of the microcredit component of the evaluation, and provides subsidized credit to PAME beneficiaries.

2.3.1 FOSIS (central office)

FOSIS' central body has a high level of policy influence, both in the design and implementation process of poverty alleviation programs. It has shown strong political commitment in evaluation processes, as well as familiarity with evidence-based policy. It benefits from institutional support at the highest political levels.

Its main interests in the evaluation are (i) assessing the impact and effectiveness of a particular model (micro entrepreneurial development) which has been implemented for the past 10-12 years in government-supported projects, and in particular identifying which specific elements (ie: increase capital) of the intervention have (or not) significant effects; and (ii) validating (or assessing) national consensus on particular social policy interventions.

We therefore expect that this evaluation will result in a high quality assessment of the program's impact, and that results will be used to strengthen the program's design and implementation.

We also expect it will help increase expertise on impact evaluation, and enhance the reputation of FOSIS programs among policy makers, government agencies and international counterparts, as high quality interventions.
Finally, it is likely that the evaluation results will help secure funding lines for new or expanded programs.

We expect to see strong confidence in the validity and legitimacy of results. Even if results are not as expected, these would be taken as indications for potential adjustments in the program's design and implementation. The active participation of FOSIS technical team in the methodology design and implementation of the program has contributed to increase the level of acceptance within the institution (ie: regional office).

One potential challenge is that the experimental methodology has been integrated and internalized by the main actors, and there has been initial preoccupation associated with the potential ethical implications of a randomized controlled trial. Also, there has been limited interaction and communication on evaluation process with actors outside the Ministry.

However, a Unit for External Affairs is in the process of being created, and would be in charge of designing and implementing communication and dissemination strategies. Moreover, a new congress bill currently under discussion could potentially change the mission and mandates of MIDEPLAN (Ministry of Planification, of which FOSIS is part), and could increase the role of the ministry (and FOSIS) in the design and evaluation of interventions in the social sector, separating the role of program implementation.

2.3.2 FOSIS (regional office)

Another key stakeholder in the evaluation is the regional office of FOSIS for the Metropolitan Region (MR) of Santiago. FOSIS MR is the main responsible actor for the operational management and implementation of PAME, and we consider it to have a medium level of policy influence.

Although it has a limited impact on policy design, this regional office of FOSIS has influence on the design of the program implementation through its regular interactions and feedback to central FOSIS.

It has a strong interest in the improvement and strengthening of the program's design and implementation. More specifically, its main interest in the evaluation is to assess and validate the effectiveness and impact of the additional capital component.

We expect that the results of a long-term evaluation will provide solid inputs to either reinforce the Program's impact and/or adjust its design. We also expect to see increased awareness of the importance of rigorous impact evaluations in FOSIS' regional offices, and a better acquaintance of experimental methodologies. Finally, we believe the implementation of this evaluation will result in the adoption of best practices and protocols regarding the management of administrative data and communications.
Potential challenges identified are (i) the concern among the operational team on ethical and methodological considerations of an experimental evaluation as well as on potential changes to selection processes and protocols; and (ii) the fact that the team had previously participated in a series of pilots and evaluation process, with limited participation and results.

2.3.3 Building my Dreams (BMD)

The BMD program has a medium level of policy influence. It covers about 600 beneficiaries per year in the Metropolitan region, and 300 beneficiaries in Southern Regions (where it has expanded to the University of Los Lagos and the University Las Americas).

BMD has a strong interest in the impact evaluation at the institutional level, and in evaluation processes to improve the program’s impact. We therefore expect that the intervention will provide inputs for changes in policy, as there is scope for reinforcing the Program’s impact and adjusting its design.

They are interested both in replicating interventions; for example, results of the evaluation could support the program expansion to other regions, universities and municipalities; and in improving the program’s methodology, particularly, targeting and training content. In addition, the impact evaluation has been helping BMD to adopt protocols and best practices, and to keep track of beneficiaries and administrative records in a more rigorous manner.

2.3.4 FINAM

FINAM has limited influence in the design of the Program’s components; however, the quality and impact of its services may provide inputs for changes in policy (i.e.: expand micro credit services, change targeting, etc.). We consider its level of influence to be medium.

Its specific interests in the evaluation are to improve targeting of potential clients; identify potential determinants of low take-up rates and find cost-effective alternatives to current contract mechanisms. This would help them to increase their number of clients, and improve the model’s design and targeting.

FINAM is also likely to improve its methods for approaching beneficiaries through the adoption of protocols for call centers and better training of staff, as a direct result of the evaluation implementation.

Potential challenges that FINAM will face are recent changes in the eligibility criteria of beneficiaries by FOSIS (eligibility is now determined by a lower number of points in the social protection card, meaning FINAM will work with more vulnerable people on average) and a low take up of the program. Another issue is the possibility of a heterogeneous intervention when contacting potential clients, although protocols are progressively being introduced. Finally, there is the need
for microcredit interventions to be seen as both a financial, as well as social component.

2.3.5 Academia and think-tanks

Academics’ level of policy influence varies according to the linkage and relationship with policy makers, and reputation of a particular institution. The PAME evaluation has attracted strong interest and participation of key actors including the University of Chile, the Catholic University (PUC), the Poverty Action Lab (J-PAL), and international evaluation practitioners. It will potentially result in a strengthening of the RCT methodology and in replications in other sectors/areas, increasing the demand for evaluation studies.

Additionally, solid and technically sound results will translate into increased expertise and knowledge on RTC evaluations in the social sector, and will likely reinforce partnerships with policymakers. In order to avoid that participation is restrained by political considerations and results are shared only in academic circles with limited implication in policymaking, reports and documents need to be tailored to the specific audiences.

On another hand, we believe think tanks such as Centro de Estudios Publicos (CEP), Instituto Libertad, Libertad y Desarrollo, Fundación Futuro, Asesorías para el Desarrollo, Fundación Chile 21, Cieplan, also have a strong level of interest in evaluation results and significant political influence.

Indeed, a particular feature of Chile is that research centers, think tanks and politicians have a strong interaction. Think-tanks and academics frequently interact through seminars, workshops and the publications of columns and articles in the media. On the other hand, many previous and current government ministers have worked in these think tanks.

2.3.6 Municipalities

Municipalities are also potential stakeholders in this evaluation. Municipalities in Chile have their own social programs, in addition to national-level programs. They often work in cooperation with FOSIS and one of their roles is to create links between between FOSIS and the communities (for example informing potential beneficiaries on the availability of programs).

We believe municipalities will indirectly benefit from the program evaluation through learning and the improvement of the design of programs with similar characteristics as PAME. They are also likely to become more aware of the importance of implementing rigorous impact evaluations of social programs.

As in the case of FINAM and BMD, it is also likely that this will result in municipalities increasingly adopting best practices and protocols in the implementation of their programs.
2.3.7 Other stakeholders

Other identified stakeholders are training agencies such as SENCE (National service of employment and training), which we believe could have a strong level of influence and interest in the evaluation results.

We also believe non-profit organizations and international donors such as the World Bank, the Inter-American Development Bank (IDB), the Economic Commission for Latin America and the Caribbean (ECLAC) and the United National Development Program (UNDP), could have an interest in evaluation results, as it would increase overall knowledge on social policies in the area of micro entrepreneurship.

We might also suppose that this evaluation could have some influence on the promotion of RCTs, and funding of new evaluations in the future by international organizations. Indeed, it has been contributing to capacity building at the government level, through the creation of technical capabilities for carrying out randomized impact evaluations.

1.4 Key Policy-makers

The three key policy makers we believe have the potential to influence policy are FOSIS, SENCE and FINAM. Details and contacts are described below.
<table>
<thead>
<tr>
<th>1. Name: Claudio Storm</th>
<th>Name of organization: FOSIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position: Director</td>
<td>Website: <a href="http://www.fosis.cl/">http://www.fosis.cl/</a></td>
</tr>
<tr>
<td>Contacts: (email/tel. number)</td>
<td></td>
</tr>
<tr>
<td>Type of organization: Central Government agency</td>
<td></td>
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</tbody>
</table>
Stakeholder engagement plan

2. Name:  
Position:  
Contacts: (email/tel. number)  
Type of organization: Central Government agency  
Name of organization: Servicio Nacional de Capacitación y Empleo - SENCE  
Website: www.sence.cl

Relevance/Level of influence: FOSIS is the implementing agency of the government for this type of social program. They manage the budget, prioritize the programs, define main guidelines for all social programs, and deal with the regional offices. They have been very involved in the evaluation from the beginning and have contributed with human and monetary resources to the evaluation. They permanently look forward for new results and ask for updates of the information gathered. As part of the Social Ministry, FOSIS is in the heart of the social policy design. We have been working with this policy maker in the project from the very beginning.

2. Name:  
Position:  
Contacts: (email/tel. number)  
Type of organization: NGO  
Name of organization: FINAM  
Website: www.finam.cl

Relevance/Level of influence: FINAM, as credit lender for promoting low-income people, are very interested in the evaluation for extending the impact of their business. The evaluation results will provide relevant information for them to improve the targeting of their efforts. We have no previous experience working with FINAM.

1.5 Stakeholder engagement plan

2.5.1 Strategy

Funds for dissemination activities have not been considered in the initial budget for the impact evaluation. However, following discussions with 3IE we have agreed to define a dissemination strategy in close cooperation with FOSIS and other key stakeholders, which will include a wish list of presentations and meetings with other non-academic actors.

This strategy will highlight the importance of including actors not directly involved in the evaluation process in the dissemination phase (i.e.: SENCE, municipalities, evaluation units at government agencies, etc). We believe there are risks involved in the dissemination of intermediate results, such as a misinterpretation and
improper diffusion. Our strategy will therefore focus on the dissemination of final results.

A budget to finance these activities will be defined, and we will ask FOSIS to commit funds for these dissemination activities. In parallel, we will discuss the possibility for 3IE to contribute with part of the funds.

2.5.2 Engagement Plan

<table>
<thead>
<tr>
<th>Stage in evaluation</th>
<th>Objectives and dimension of the engagement</th>
<th>Channels and Frequency</th>
<th>Stakeholders</th>
<th>Focal Point</th>
<th>Monitoring/ Learning and influencing indicators</th>
</tr>
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<tbody>
<tr>
<td>Highlight the kind of engagements and policy influence objectives (Awareness raising/Knowledge sharing/Policy influencing) What are the specific drivers? What are the expected benefits?</td>
<td>Specify the channels used, e.g. Meeting, Design workshop, Training workshop, Dissemination workshop, Partnership with key intermediaries/allies, Participation / contribution to discussion (online forums/working groups, Media interviews/briefings/opinion pieces, Focus group/town hall meeting, Presentation at national and international conferences. Providing study outputs such as briefing notes and videos Frequency: (monthly/quarterly/annually or once/twice etc.)</td>
<td>This should include but not be limited to the three policymakers identified above</td>
<td>Name the person or people in the team responsible to carry out this engagement</td>
<td>Identify key indicators and measuring tools (see guidelines for section on evaluation below)</td>
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</tr>
<tr>
<td>Study design Knowledge sharing on importance of rigorous evaluations and methodology</td>
<td>Meetings between research team and counterparts, design workshops (defining protocols)</td>
<td>FOSIS (central) FINAM BMD</td>
<td>Claudia Martinez Jaime Ruiz Tagle Esteban Puentes</td>
<td>- Number of new programs being evaluated with same methodology - Adoption of best practices and standardized processes by partners</td>
<td></td>
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<tr>
<td>Implementation</td>
<td>Knowledge sharing and awareness raising on best practices and importance of adopting protocols, training staff and tracking beneficiaries</td>
<td>Regular meetings, working sessions to discuss potential issues, field visits to monitor program implementation, discussing work in progress with other researchers</td>
<td>FOSIS MR FINAM BMD Academia</td>
<td>Claudia Martinez Jaime Ruiz-Tagle Esteban Puentes</td>
<td>Adoption of protocols and standardized processes by partners for managing administrative data and tracking beneficiaries - Number of new programs being evaluated with same methodology</td>
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<tr>
<td>Preliminary findings</td>
<td>Limited Policy influence at this stage, risks of misinterpretation of results</td>
<td>Meetings with partners and presentation to other researchers</td>
<td>FOSIS (central) FINAM BMD</td>
<td>Claudia Martinez Jaime Ruiz-Tagle Esteban Puentes</td>
<td>- Number of presentations - Budget lines allocated for changes in PAME program in 2012 - Number of changes in program design - Number of new programs being evaluated with same methodology - Adoption of best practices and standardized processes by partners</td>
</tr>
<tr>
<td>Dissemination</td>
<td>Knowledge sharing on evaluation results and interpretation. Awareness raising on a larger scale on importance of rigorous evaluations</td>
<td>Presentation of academic paper, seminars targeted to specific audiences</td>
<td>FOSIS (central) FINAM BMD Government bodies (SENCE, etc.) Academia, Think tanks International organizations</td>
<td>Claudia Martinez Jaime Ruiz-Tagle Esteban Puentes</td>
<td>- Number of media clippings - Formal publication of results - Number of citations - Number of seminars/presentations held - Number of high level policy makers engaged - Number of new programs being evaluated with same methodology</td>
</tr>
<tr>
<td>Adoption of recommendations</td>
<td>Policy Influencing, changes in program design and</td>
<td>Workshops, providing policy recommendation notes</td>
<td>FOSIS (central) FINAM BMD</td>
<td>Claudia Martinez Jaime Ruiz-Tagle Esteban Puentes</td>
<td>- Budget lines allocated for changes in PAME program in 2012</td>
</tr>
<tr>
<td>outreach (PAME, BMD, FINAM - microcredit)</td>
<td>Puentes</td>
<td>Number of policy makers who reported having been influenced by the study</td>
<td>Number of new programs being evaluated with same methodology</td>
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</tr>
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</table>

In addition to the impacts and indicators described above, we believe the evaluation will have longer-term impacts that could be measured by the following indicators:

- The number of new RCTs being adopted by FOSIS and other government institutions (SENCE, municipalities) in the near future.
- The demand for impact evaluation from CONACE (National Council for Narcotics control), that has approached the PIs for advice on impact evaluation.
- The number of students enrolled in the Master of Public Policy of the University of Chile (and/or other related programs), and the number of diplomas issued for courses of Impact Evaluation and Social Evaluation of Projects by the same University.
- The number of dissertations and thesis on the subject of evaluation of social policies.

1.6 Evaluation and learning

We will prepare a variety of materials – including an academic paper, J-PAL Policy Brief, presentations, and seminars – in order to communicate our findings to key private, nonprofit, and public stakeholders. We plan to disseminate the results of this study in many formats and use a diverse set of communication strategies in order to reach a broad audience, and take advantage of the close relation between public policy and academia in Chile.

There are several initiatives similar to the ones we want to evaluate, thus the lessons we can obtain will be of great help for NGOs and policy makers. At the same time, this is the second randomized evaluation for a public program of this kind in Chile, which makes it academically particularly attractive.

Local NGOs
For this audience, we plan to present the results in a very simple fashion, through brochures and talks to the community, with several presentations that could be given by FOSIS and the PIs.

Some of the indicators we will use to measure impact among this audience are: the number of presentations given, the adoption of protocols and best practices regarding program implementation as a result of the evaluation (in particular by FINAM and BMD), the number of changes in program design and program expansion.

**Government and municipalities**

We will communicate to FOSIS and other interested government bodies the evaluation results through several presentations and a report to present the results and the methodology used.

In addition, we will provide them with a comprehensive report and presentation at the conclusion of the project. This documentation will help inform future decisions regarding the PAME program.

The main measure of the impact of the evaluation is the changes that may occur in micro entrepreneurship programs at the central level by FOSIS. Also, there is a number of Municipalities that implement their own programs, so that the manner in which they implement their programs could also be a measure of influence.

To measure impact, we will look at the demand for new RCTs coming from the government, the number of changes in the design of government programs, changes in budget lines allocated to the PAME program in 2012, the number of seminars held and the number of high level government officials involved, among others.

**Academia**

The investigators for this project are all university-affiliated researchers who will author an academic paper at the study’s conclusion. This paper will be submitted for publication in peer-reviewed journals with international academic audiences. Our findings will be of interest to researchers in the fields of public policy, microfinance, and development among others. We will reach them through presenting the results of this study at academic conferences locally and internationally, such as LACEA.

For this audience, we will mainly measure the impact of the evaluation by looking at the number of academic presentations and seminars, and the number of citations in other academic papers.