VI. FINDINGS RELATED TO THE AIMS HYPOTHESES

A. Overview

The impact assessment was designed to test hypotheses which presume that the impact of microenterprise services will be found at four levels: the enterprise, the household, the individual client and the community. Selected results from both the qualitative and quantitative tools are presented and organized by these four levels.[12]

Major findings at the enterprise level were that although enterprise cash flow was not found to be significantly higher, *Credit with Education* clients exhibited a variety of changes—expansion of existing activities, undertaking new activities and products, acquiring enterprise assets and increasing entrepreneurial skill—that are associated with increased returns. Greater duration of program experience was associated with many of these impacts. At the household level, the program positively affected clients' personal income and savings as well as strengthened households' risk-reducing and risk-coping strategies. Common themes heard in the in-depth qualitative interviews were that clients were better able to contribute directly to the basic needs of their households and care for their children due to the credit and education services. At the individual level, the qualitative tools also provided insight into how program participation had improved women's self-esteem. However, the impact survey found few significant differences in efforts to quantify the social impacts related to welfare and women's intra-household bargaining power.

For the impact survey, assessment of impact is made by comparing the responses of clients with non-clients in the following manner. First, the responses of one-year and two-year clients are pooled in a single *current client group* and then compared to the incoming client (non-client) responses. If no significant difference was found, then the responses of two-year clients were compared to the incoming client responses to explore the possibility that longer program experience might be necessary before impact would be evident.[13]

B. Impact at the Enterprise Level

At the enterprise level, the assessment tools explored AIMS hypotheses that microenterprise services will lead to increased net cash flow, increased acquisition of business assets and ultimately to greater differentiation between the enterprise and the household as the business matures. Evidence supporting each of these hypotheses was found among the *Credit with Education* clients.

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[12] For reasons of space, not all the impact survey results are summarized here, although a comprehensive list of the survey indicators and results can be found in appendix 7. Appendix 6 also provides more detailed information from the in-depth client interviews about loan use strategies over time.

[13] A p-value of less than .05 is considered statistically significant. Depending on whether the variable is interval or categorical data, the p value is a measure of the statistical difference between two mean or prevalence values. The response of the incoming client group is marked with an asterisk if significant differences were found in comparisons with either the current clients or with two-year clients alone.

Finding: Relative to incoming clients, the two-year clients exhibited a greater range of enterprise-level impacts than did one-year clients—changes in their enterprise, acquisition of assets, improved entrepreneurial skill and greater differentiation from the households.

1. Net Cash Flow

Although the expected trends were evident, net cash flow from women's enterprises was not significantly higher for *Credit with Education* current clients as compared to incoming clients. The impact survey collected enterprise costs, revenues and profit information on up to two enterprises undertaken in the last four weeks. The cost and revenue information was used in a computer calculation of net cash flow to supplement women's own estimates of their enterprise profit. Amounts were converted into uniform monthly amounts and summed for the two enterprises.

Table 6.1 summarizes the monthly sales and profit information for the three survey sample groups.[14] Two-year clients had the highest median monthly profit and incoming clients reported the lowest. However, the mean monthly enterprise sales and profits—both women's estimates and computer calculated—were not significantly different for incoming clients as compared to current clients or for incoming clients as compared to two-year clients.

Table 6.1 Monthly Enterprise Sales and Profit (median values in $US)

	One-year Clients n=33	Two-year Clients n=31	Incoming Clients n=31
Sales	46	50	31
Calculated Profit	10	16	11
Reported Profit	14	11	11

a. Reliability of cash flow information. Collecting accurate income flow information is very difficult, particularly for the type of clientele served by the *Credit with Education* program.[15] To help assess the accuracy of the information being collected, interviewers conducting the impact survey were asked to rate whether the respondent had "much difficulty," "some difficulty" or "no difficulty" providing the enterprise cost, revenue and profit information according to how much prompting and assistance was required. Given that close to 50 percent of each survey group had "much difficulty," the accuracy of the specific enterprise cash flow amounts are questionable. Still, because there is no significant difference in the ratings in table 6.2 across the three groups, relative comparisons can be made assuming equal error.

[14] Because of the great variability of women's responses, median rather than mean values are reported. Otherwise, extreme values would very much affect and skew mean values. For example, one incoming client had monthly sales equivalent to approximately $2,800 which was more than three times the sales of any other respondent. Median values provide a truer comparative sense of each group's enterprise returns.

[15] Enterprise profit information was collected with the in-depth loan use qualitative tool but was not analyzed because it was considered inaccurate. The most common response clients gave when asked about returns to their enterprise was, "I have enough for my repayment and for basic necessities for myself and my family."

Table 6.2 Field Agent Rating of Respondent Ability to Provide Cash Flow Information

Percent of Respondents	One-year Clients n=33	Two-year Clients n=29	Incoming Clients n=31
No Difficulty	7	7	3
Some Difficulty	34	45	34
Much Difficulty	59	48	62

b. Cash flow by location. Enterprise sales and profits were very much influenced by the commercial development of the community. Women's reported sales and profits were between 2 and 24 times higher in towns as compared to small villages (see table 6.3). The relative gap between enterprise profits in towns and small villages is greater than the difference in average program loan size for these two types of communities. This potentially reflects the lower possibility for return to loan capital in commercially less-developed small villages.

Table 6.3 Monthly Enterprise Sales and Profit by Community Category (median values in $US)

	Sales	Calculated Profit	Reported Profit
One-year Clients			
Cat. 3–small villages n=9	28	8	10
Cat. 1–towns n=8	175	53	60
Two-year Clients			
Cat. 3–small villages n=8	45	8	10
Cat. 1–towns n=8	85	47	35
Incoming Clients			
Cat. 3–small villages n=7	24	6	8
Cat. 1–towns n=8	644	75	75

A sub-group that really stands out in this breakdown is incoming clients in the category 1 town (Sikasso). Six of these eight women reported monthly sales greater than 228,800 FCFA (approximately $400). It was clear during the interviews that incoming clients in the town of Sikasso had much more developed enterprises than clients in the town of Koutiala. Therefore, they did not represent an appropriate comparison group for the current clients, especially in terms of income flow.

2. <u>Changes in the Enterprise</u>

Although significant differences were not evident in their net cash flow, *Credit with Education* clients reported making numerous changes and improvements to their enterprise that would lead to increased profits and productivity. While the great majority of women in each survey group reported making at least one change in the last 12 months, current clients made a significantly greater mean number of positive changes than incoming clients as table 6.4 illustrates.

Table 6.4 Changes in Enterprise Practices

	One-year Clients n=32	Two-year Clients n=26	Incoming Clients n=30
Percent making at least one change in their enterprise in the last 12 months	94	100	93
Mean number of changes made in the last 12 months	4	6.8	3.2*

*Anova - significant difference between incoming and current clients (p<.05)

The specific types of changes reported reveal a progression of program impact over time. In the last 12 months, current clients were significantly more likely to have: 1) expanded the size of their business; 2) reduced costs with a cheaper source of credit; 3) added new products and 4) developed a new business than incoming clients (Chi-Square p<.05). Additional significant changes were evident for longer-term clients. Two-year clients were significantly more likely than incoming clients to have: 1) hired more workers; 2) improved the quality or desirability of their products; 3) invested in their marketing site; and 4) purchased enterprise assets (Chi-Square p<.05). These results support the assumption that program impacts increase with the duration of program exposure.

a. Enterprise assets. Increase in enterprise assets was another impact associated with duration of program participation. As indicated in table 6.5, two-year clients were significantly more likely than incoming clients to have acquired business assets in the last 12 months. However, when the responses of the one-year clients are pooled with the two-year clients, there is no significant difference. Discussed in a later section, two-year clients were also significantly more likely to have acquired certain household assets like a pasta machine that might also be useful for an enterprise.

Table 6.5 Acquisition of Enterprise Assets

	One-year Clients n=32	Two-year Clients n=26	Incoming Clients n=30
Percent who had purchased a small tool or accessory such as cooking pot, utensils, basins, barrels, storage container, etc.	46	87	45*
Percent who had made a minor investment in their marketing site such as a chair, table or shed	33	67	26*

*Chi Square - significant difference between incoming and two-year clients (p<.05)

b. Entrepreneurial skill. The impact survey also included questions to determine whether clients' entrepreneurial skill was improving. A common characterization of pre-entrepreneurial versus entrepreneurial behavior is that when starting a business, *supply factors* (what products or services they know how to provide or produce) are primarily considered, while the entrepreneur considers more fully *demand factors* (market demand and the likely profit or return). Table 6.6 indicates that, while the level of one's own knowledge and skills remains important, two-year clients were significantly more likely than incoming clients to consider demand or profitability factors when deciding what income-generating activity to undertake. This effect was not significant in a comparison between incoming and current clients.

Table 6.6 Entrepreneurial Skill - Factors Considered When Selecting an Activity

	One-year Clients n=33	Two-year Clients n=30	Incoming Clients n=31
Work I am familiar with	73	67	71
Whether the product or service is in demand or whether it seems profitable	64	87	61*

*Chi-Square - significant difference between incoming and two-year clients (p<.05).

3. Differentiation Between the Enterprise and the Household

Few differences were evident in the variables meant to capture differentiation between the microenterprise and the household. There was no significant difference in client categories in the following practices: keeping business money separate from money for personal and household expenses; calculating their profit based on records of costs and earnings; knowing which product(s) brought them the most profit; paying themselves a wage for their work in their business; and having a fixed location separate from the family home for producing or storing their products, although, again, there was an association with length of program experience. Two-year clients as compared to incoming clients were significantly more likely to have a fixed location with protection from the sun and rain for selling their products, such as a store, stall or kiosk (p<.05).

C. Impact at the Household Level

The household-level hypotheses addressed by the assessment tools were that microenterprise services would result in improvements in personal and household income, increased household assets and improved household welfare. Program participation enhanced households' ability to reduce risk and deal with periods of food insecurity or economic difficulty. Current clients were significantly more likely to have personal savings and increased income than incoming clients, and two-year clients also had more diversified enterprise strategies. The qualitative tool found clients were more directly contributing to the basic needs of their households and felt they could better ensure their familes' health. However, the survey found few quantitative differences in household welfare.

Finding: Credit with Education program participation enhanced households' ability to reduce risk and deal with periods of crisis or economic difficulty.

1. Household and Personal Income

No significant difference was found between the percentage of current clients or two-year clients reporting increased household income in the last 12 months as compared to incoming clients. Not surprisingly, access to credit had a more direct impact on clients' own income as opposed to general household income. Given the large size of households in Mali, total household income might not be sensitive to change in the microenterprise earnings of one member, particularly when on average there are seven adults per household. However, the percentage of current clients reporting increased personal income was significantly greater than that of incoming clients.

Table 6.7 Household and Personal Income

	One-year Clients n=33	Two-year Clients n=30	Incoming Clients n=31
Percent Reporting Increased Household Income	54	67	50
Percent Reporting Increased Personal Income	66	80	52*

* Chi-Square - significant difference between current clients and incoming clients (p<.05).

a. Reducing risk and coping with economic or seasonal shocks. Participation in *Credit with Education* seems to have improved the stability of client incomes and possibly smoothed income earnings throughout the year. A distinction can be drawn between the strategies employed by low-income households for reducing risk (ex ante) and for mitigating the negative impacts of economic shocks (*ex post*) (Dunn et al., 1996). *Credit with Education* offers client households greater options to reinforce both these types of strategies.

Client households are better able to reduce risk by diversifying income-earning strategies over the year and at one point in time. As previously described, during the long dry season when agricultural obligations decline, *Credit with Education* borrowing tends to increase and women's enterprise activities flourish. The assessment was carried out during the dry season and two-year clients were significantly more likely than incoming clients to have recently engaged in more than one enterprise (p<.05). Forty-seven percent of the one-year clients and 68 percent of the two-year clients earned income from two separate enterprises in the previous four weeks as compared to only 32 percent of the incoming clients. In terms of ex post strategies, the increased personal income, savings and assets made client households better able to cope with economic or seasonal shocks. Current clients were significantly less likely than incoming clients to report experiencing an acute food insecurity period when they had to eat less or eat less well. The mean duration of such a period was also significantly shorter (table 6.8). Current clients were also significantly less likely than incoming clients to have been forced to stop their enterprise activity due to a lack of working capital.

Table 6.8 Household Level - Periods of Hardship in the Last 12 Months

	One-year Clients	Two-year Clients	Incoming Clients
Percent Experiencing Period of Acute Food Insecurity	12	10	29*

Length of Acute Food Insecurity (in months)	.25	.39	1.2**
Percent Unable to Conduct a Business Because of a Lack of Money	21	10	45*
Length of Enterprise Disruption (in weeks)	.9	.5	3.2* *

*Chi-Square - significant difference between current clients and incoming clients (p<.05)

**Non-parametric test - significant difference between current clients and incoming clients: p<.05

2. Household Assets

The impact survey included two types of household assets—consumer goods and personal savings.

a. Consumer Goods. Survey respondents were asked to report on whether they owned any of 14 different consumer goods, including appliances, furniture, animals and means of transport.[16] Overall scores were constructed for the consumer goods households owned and acquired over the last two years (table 6.9). Items with an estimated value of less than $50 received a score of one. Items with an estimated value between $100 and $300 received a score of seven.[17] Items worth $1,000 or more received a score of 71. No significant differences were found between current and incoming clients or between two-year and incoming clients for the score constructed for assets owned, indicating that the socioeconomic status of the three groups was comparable. In addition, no significant differences were found between the groups in the total score constructed for assets acquired in the last two years.

Table 6.9 Household Ownership of Consumer Goods

	One-year Clients	Two-year Clients	Incoming Clients
Mean Score of Consumer Goods Currently Owned	102	87	83
Mean Score of Consumer Goods Acquired in Last 2 Years	18	23	21

However, two-year clients were significantly more likely than incoming clients to report owning a bed-frame and mattress (p=.04) and a macaroni (pasta) machine (p=.04). Program participation seemed to be more directly related to the latter item. Of the nine two-year clients owning a macaroni machine, eight had acquired it in the last two years and all since they had joined the program. Field agents explained that women value these machines (which have an estimated cost of approximately

[16] The list included items valued at less than $50 (radio/tapeplayer, chair, macaroni machine, cooking pots [*marmite*], small animals), items valued between $100 and $300 (wardrobe, mattress and bed frame, bicycle, stove, television and large animals), and items valued at approximately $1,000 or greater (moped/motorcycle and car/truck).

[17] A score of seven was assigned because the average value for items in this group was approximately seven times the average value of the less expensive assets. Similarly, the average value of items in the highest value group was 71 times the average value of the least expensive itmes.

$40) both for their enterprises and for private use. Yet only eight of the 23 two-year clients acquiring their bed-frames and mattresses since joining the program.

b. Personal Savings. The impact survey found evidence of positive impact on whether women reported having personal savings. Current clients were significantly more likely than incoming clients to have reported having "personal cash savings for emergencies or for future large purchases or investments." However, the difference in the percent reporting increased personal savings was not significantly different as table 6.10 shows.

Table 6.10 Personal Savings

	One-year Clients	Two-year Clients	Incoming Clients
Percent with Personal Cash Savings	81	70	36
Percent Whose Savings Have Increased	54	50	36

*Chi-Square - Significant difference between incoming and current clients ($p<.05$)

Not all *Credit with Education* clients understood this question to refer to the savings they have on deposit in their credit association account with the local credit union cooperative. Only 70 percent of the two-year clients reported having personal savings, yet all were saving regularly with their CA. Perhaps, because a certain minimum mandatory savings (approximately $.20 per week) is required to receive a loan, clients do not view that money in the same fashion as savings for emergencies or large purchases. Nevertheless, this is another asset they are building through participation in the program which incoming clients do not yet have.

3. <u>Household Welfare</u>

Finding: The qualitative tools found that clients were more directly contributing to the basic needs of their households and felt they could better ensure their families' health. However, the survey found few quantitative differences in welfare.

As discussed in section V, the assumed link between microenterprise services and improved household welfare relates to how credit and enterprise profits are used. A major theme that emerged from the in-depth interviews with clients is that women were better able to contribute directly to meeting their families' basic needs by paying for clothing, food, and health expenses. Five of the twelve clients interviewed with the empowerment tool reported being able to buy clothes for themselves and their children which they couldn't do before joining the program.

Clients described the types of changes their increased economic capacity made possible:

> "Because of the extra revenue, I now have the ability to vary the food I serve to the family. I serve rice, potatoes and sweet potatoes with a much richer sauce."
>
> "Now I am able to buy clothes for myself and for my children."

"Now I am fatter."

The program's nonformal education component was also positively affecting household welfare. Another major theme from the in-depth interviews was the value women placed on the information and health and nutrition practices they were learning at the credit association meetings.

> "Because of *Credit with Education's* lessons, I know much more about health and nutrition matters—how often, how much, and when children should eat, the importance of colostrum for newborns."

> "Because of the *Credit with Education* sanitation and health lessons, neither I nor my children are as sick as often."

One client went so far as to name her once-sick child who is now healthy after a character in one of *Credit with Education's* lesson plans on the benefits of starting to feed six-month-old infants an enriched porridge. However, efforts to quantify these types of welfare impacts with the survey found few significant results.

a. Diet. The majority of respondents from each survey group reported improvement in their family diet over the last twelve months with no significant difference between incoming clients and current clients or between incoming clients and two-year clients. Similar percentages in each client category also reported being able to eat better in the hungry season and buy more condiments, vegetables and staples. There was also no significant difference between client categories in the mean number of times the respondent had eaten a variety of key foods— meat, chicken or fish, eggs, salad, onions, or beans—chosen because they reflected both nutritional quality and relative wealth of the household. Respondents were also asked how much money the family had spent on these foods, but the proportion of those who answered "don't know" was quite high (up to 50 percent for certain items), so it was not possible to analyze food expenditure estimates.

b. Health. Households from each of the three sample groups had similar susceptibility to illness or injury. There was no significant difference in whether there had been a time in the last 12 months when someone in the family needed to seek medical attention. Very few households from any group were unable to seek medical attention because of a lack of money.

c. Education. No significant difference was found among client categories in any of the following education-related variables: highest grade completed by respondents' children, percentage of households with all school-aged children attending school, percentage of school-aged children who never attended school, percentage of households in which none of the children ever went to school. It was not possible to compare the amounts spent by the three groups on school expenses since the majority of women responded that they "did not know." Similarly, 20 to 30 percent of the women in each group were not able to say whether school spending had decreased, stayed the same, or increased this year as compared to the previous school year. It seems likely that a longer period of time would need to elapse before program impact would be evident on indicators such as children's highest attained grade and percentage of school-aged children who ever attended school. However, even over a longer period of time, it seems unlikely that the small villages (category 3 small villages) would demonstrate much change since they lack any public schools.

d. Housing. The survey queried respondents on 1) whether they had repaired, improved or added to their homes over the last two years, 2) whether they had made a number of specific changes, and 3) the amount spent on these changes. A majority of the women in each of the three groups (79-90 percent) reported that their households had made changes, improvements, or additions. One reason for such a high prevalence is that most houses are constructed with materials such as thatch and mud walls that require annual repair. Also, in their responses women also included repairs that required little or no cash, such as re-thatching a straw roof or white-washing a wall. When asked about specific improvements such as repairs or additions to walls, roofs, floors, the sanitation system or acquisition of a kerosene lamp, no significant differences were found between current and incoming clients. Again, it was not possible to compare amounts spent due to the very high prevalence of "don't know" responses.

D. Impact at the Individual Level

The individual-level AIMS hypotheses call for a more in-depth gender and intra-household perspective of program impact. The specific hypotheses at the level tested by the tools are whether microenterprise services lead to an increase in women clients' self-esteem, control over resources, productivity and paid labor without negative consequences. Another individual-level hypothesis of concern to practitioners was that enterprise activities have no negative impact on children's labor.

The in-depth qualitative tool on empowerment, in particular, provided insight into specific manifestations of women's increased self-esteem and self-confidence. Women said they were more confident in how they managed their businesses, contributed to their households' basic needs and cared for their children. Quantitative information from the impact survey did not indicate increased productivity for women's enterprise labor, at least in terms of income earned per time spent. And, while child involvement in women's enterprise activity was common, no link was found to reduced school attendance.

1. <u>Self-esteem</u>

Finding: Women clients manifest greater self-esteem as a result of their participation. Clients credited both the financial and education services for having this effect.

The participatory approach utilized in *Credit with Education's* strategy of combining credit and education components is intended to foster empowerment both at the individual and group level. Data from this assessment suggest that women's self-esteem and confidence do increase with program participation. Women credited both the financial and education services as having this effect. Women most commonly repeated two themes in the in-depth interviews. First, they were more confident because now they knew they were capable of taking a loan and repaying it without a problem. Second, they were also more confident because of the education on caring for children and managing their businesses better. Women's comments revealed:

> "Now I am much more independent and I feel like I can solve any problem that presents itself."
>
> "I feel that if there is a family crisis, I know I will be able to deal with it."

> "Now I have much more confidence because I am able to buy clothing for myself and my children."
>
> This increased self-esteem was also associated with improved status in the family and the community. Clients said:
>
> "Now that I earn money, I am much more respected by other members of the household."
>
> "Now I no longer have to buy millet from my mother on credit."
>
> "Now I feel well-respected by the women in the CA."

The survey included several questions to explore the possibility that women's increased confidence and greater cash contribution to their households might lead them to more assertive and/or successful intra-household bargaining power. However, a series of questions pertaining to women's loans, their enterprises and their work, found no significant difference between incoming and current clients or between incoming and two-year clients.

2. Client Productivity

Finding: Gross estimates[18] of time allocation found current clients dedicating more of their time to their principal enterprise without significant difference in returns to time spent as compared to incoming clients.

In the first tools test carried out with ODEF in Honduras, clients were found to be spending less time on their enterprise activity but earning more than nonclients (Edgcomb and Garber, 1998). This was not the case in Mali. Current clients were spending more time but earning comparable amounts per day in their principal enterprise activity.

Of the women who had engaged in income-generating activities in the previous four weeks, one-year clients worked the greatest number of days in their principal enterprise[19] (see table 6.11). The difference in time spent between incoming and current clients was not significant but it was very close to being so. However, the enterprise profit earned per day was very similar for the three survey sample groups with no significant difference between incoming and current clients.

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[18] The time allocation information reflects gross estimates. Interviewers translated women's estimates of time spent into the number of full or partial days (with 8 hours equal to a full day). Responses were converted to months for uniformity. Several predictable difficulties in getting accurate estimates were that the women were engaged in a variety of enterprise and domestic activities simultaneously, and that some enterprises entailed processing steps or sporadic sales from the home that require periodic attention which is difficult to sum. For these reasons, specific amounts are not thought to be very accurate.

[19] Due to how the information was collected, it was necessary to limit analysis to the principal enterprise only. Because two-year clients were more likely to engage in two enterprises, this may explain why their average days worked were less than the one-year clients.

Table 6.11 Days Worked in Primary Enterprise

	One-year Clients n=30	Two-year Clients n=28	Incoming Clients n=29
Average days worked per month	19	16	13*
Median profit per day (in $US)	1.00	.90	.87

*Anova - marginally significant difference between incoming and current clients (p=.07)

3. Child Labor

Finding: A high proportion of both current and incoming clients reported children assisted them with their enterprises. However, given how the question was worded, it did not seem they were missing school to do so.

The majority of women in each survey sample group—one-year clients (90 percent), two-year clients (61 percent) and incoming clients (86 percent)—reported that at least one child under 11 years of age had helped them with their enterprise. (The children were not necessarily the client's own.) Slightly lower percentages of women reported older children (11-17) had helped them similarly. The occurrence of young children assisting with the enterprise was significantly greater among incoming clients than two-year clients (p=.03). However, when controlling for the number of children in the family, this difference was no longer significant. No women reported that any child(ren) had missed school to assist with the enterprise. However, the focus of the question was on school absences for those children already enrolled. In the next application of the survey, the question should be written to determine also if some children were never enrolled in school so that they could assist with the enterprise.

E. Impact at the Community Level

The single hypothesis at this level which the tools were designed to address was that microenterprise services would lead to increased paid employment by client households. The impact survey found little change in this area given the low prevalence of hired labor among client households. However, the assessment, particularly the qualitative tools, did capture other community-level changes, especially in the areas of clients' networks of relationships and involvement in public events.

Finding: Some impact was found on paid employment among longer-term clients.

1. Paid Employment

The survey attempted to address impact on paid employment in two ways. The first way was to examine the level of employment generated by respondent businesses. In fact, the level of employment creation is generally quite low. Most of Kafo's *Credit with Education* clients conduct their activities either by themselves or with family labor, therefore minimal employment effect is to be expected. Only 15 percent of the current clients and 17 percent of the incoming clients reported hiring any labor at all in the previous month, with no significant difference between the two groups. Still, duration of program experience was found to be associated with some impact on paid employment. When asked what changes they had made in their enterprises over the last 12 months, 17 percent of the two-year clients reported hiring paid labor whereas none of the incoming or one-year clients had. This difference was statistically significant ($p<.03$) and may indicate that with longer program participation, clients are more likely to hire paid labor at least on an occasional basis.

2. Solidarity and Participation in Community Events

Increased solidarity among the women was an important community-level impact that emerged repeatedly in both the quantitative and qualitative interviews. Many women referred to the closer relationships they had developed with women as an aspect of the program which they valued (see section 8, Client Satisfaction). This was also an area that field staff identified as an important impact of the program (see figure 1.1). A greater sense of solidarity, closeness, kinship and cooperation with other women in the CA was also mentioned in the in-depth interviews on empowerment as a change women had experienced.

"Due to the credit association, I now know more people and I enjoy exchanging ideas with other members of the group."

"If someone falls ill within the credit association and cannot manage her business, we will help her with her reimbursement obligations until she is able to work."

Women talked about being able to increase their attendance and active participation in important ceremonies such as marriages, funerals, births and baptisms and in this way were able to increase their leadership role and functions in the community. Although not the specific focus of any of the tools tested, it seems likely that community-level changes in non-kin networks, women's participation in public events and women's community leadership roles were occurring.

VII. FORMER CLIENTS: PERCEPTIONS OF IMPACT AND REASONS FOR LEAVING

Information collected by the client exit survey debunked key assumptions about clients "desertion." Contrary to the general assumption of practitioners, results indicate that clients left of their own accord not primarily for program-related reasons, but because of external or personal factors. The seasonality of the agricultural production seemed to greatly influence client exit because more than half of the ex-clients interviewed left in the same month. Still, a majority of the ex-clients reported that the program loans had been useful and had helped them to increase their business income. The great majority had a favorable opinion of the program and would either recommend the program to others or coPnsider rejoining themselves.

A. Ex-client Experience with the Program

Perception: Fifty percent of the ex-clients quit the program in the month of May just before the rainy season.

Kafo Jiginew's *Credit with Education* program is very much influenced by seasonality because clients need to focus their efforts on agricultural production during the area's single rainy season. As a result, clients tend to leave the program at the beginning of the rainy season (April-June). The text box below explores in more detail women's labor allocation which affects their time availability to run a business in addition to their other areas of responsibility.

Seasons

The difference between winter and the dry season is that, during the reiny season, women take care of their household and help their husbands with agricultural tasks, which means that they don't have the same amount of time to devote to other activities. That is the reason some of them withdraw from the program, some stay as "savers" but do not take new loans and still others take only the minimum loan amount.

During the rainy season, 20 or 30 members regroup to farm in another person's field, and at night they are paid their (daily) wages. At night, on their way home, the women collect karité nuts and baobab leaves for the evening supper. So, we can say that husbands are demanding of their wives during the six months of the rainy season.

During the dry season, the women are free. They attend to their personal business, such as the pressing of karité, their income-generating activities, and they participate in wedding ceremonies, christenings and funerals. Sometimes they travel.

Bintou and Haby Ouattara,
Qualitative Team

Perception: The 20 ex-clients had taken an average of 2.6 four-month loans (actual numbers ranged from one loan to five loans.)

Of the 20 ex-clients, 35 percent left after only one loan, 30 percent left after two or three loans and 35 percent left after four or five loans. Almost twice as many of the ex-clients left after the first loan cycle as any other single cycle.

Perception: The overwhelming majority (85 percent) made their own decision to leave the program.

In only three of the cases were ex-clients forced out of the program: one because of poor attendance, one because of repayment problems and one because of problems with other members of the group. This indicates that credit associations are taking responsibility for ensuring the success and future strength of their groups. Although it is common to hear anecdotally about husbands forcing their wives to leave the program, no ex-client said someone in her family decided that she should leave the program.

Perception: More than half (60 percent) of the clients left for personal reasons and not out of dissatisfaction with the lending program or problems with their businesses.

The general impression of many practitioners is that clients leave because of dissatisfaction with the program or business failure. In this sample, no one mentioned specific program policies (frequency of meetings, loan size, loan period or repayment installments) as the reason for leaving the program. It seems likely that Kafo's willingness to make changes such as decreasing the frequency of meetings in later loan cycles, has maintained clients' satisfaction with the program. However, three women left because of problems with their group. The greatest portion (60 percent) left for reasons external to the program or their businesses such as sickness, death in the family, pregnancy, the seasonal nature of the enterprise or traveling.

Perception: Sickness, death or crisis in the family was the most common single reason ex-clients gave for leaving the program.

Thirty percent of the ex-clients interviewed gave this response, underscoring the vulnerability of *Credit with Education* clients and their families to sicknesses. Sickness or death in the family prevents clients from engaging in their income-generating activities, makes repayment difficult and ultimately may force them to leave the program.

Perception: The majority of ex-clients had no problem repaying their last loan before leaving the program, although at least a quarter did have difficulty and left the program for that reason.

Fifty-five percent of the ex-clients said repayment was within their capacity, although only one individual said it was easy enough to repay but the loan was too small for her needs. Twenty-five percent of the women said they had difficulty repaying and another 15 percent responded "don't know" to this question. Still, 25 percent of the ex-clients left the program because they were "unable to continue paying back loans because of their business returns." Not surprisingly, it was primarily those who reported poor business conditions or who faced an illness or death in the family who had repayment problems.

Perception: Ninety-five percent of the ex-clients found the loan useful to their businesses. Seventy-five percent said their business income increased because of access to program loans.

Forty-five percent of the respondents said that program loans had substantially helped their microenterprise. Another 50 percent said the loan had helped a little. Only one woman reported that the loan had not helped her at all. Interestingly, when asked if the loans had increased their income, 75 percent of the ex-clients responded affirmatively; four individuals said their incomes had increased substantially and 11 said that it had increased some. Only one ex-client complained that business income had decreased somewhat since borrowing from the program. Twenty percent reported their business income remained unchanged.

Perception: In general, the ex-clients had a favorable impression of the Credit with Education *program.*

The vast majority (90 percent) of the ex-clients characterized their experience with *Credit with Education* as "good" or "very good." Only two reported their experience had no effect or had been negative.

The peer lending feature of the program received high marks with 95 percent of ex-clients saying that they had benefited from being a member of the group. Forty-five percent of the ex-clients said that their group had provided support when they needed help and 35 percent said it had offered them new friendships. The majority (79 percent) of ex-clients said they would recommend the program to others, and 85 percent said that they would consider rejoining the program.

B. Program Implications

The information collected with the client exit survey has a number of implications for Kafo's *Credit with Education* program. The high rate of client exit just before the rains underscores the importance of flexible membership policies which allow members to leave the program or to just save during the rainy season but borrow again in the dry season. This seasonal contraction of demand also needs to be factored into loan-need projections for the program.

To address the primary cause of client desertion, Kafo might consider ways the program or the credit associations themselves could better address clients' health crisis problems, e.g. emergency fund for serious illness or death or improved coordination with local health services where available. The ex-clients responses indicate that while they valued the program during periods of hardship, they were unable to sustain their membership.

Another component worth examining is the microenterprise development curriculum. Because a quarter of the women in this relatively small sample indicated they were unable to use the loans profitably, it would be useful for the organization to review the experience of field agents with the better business development lesson plans and build on their ideas to help women find ways to make their investments more profitable. The client exit survey should be utilized continuously to serve as a quick measure of client satisfaction and an indicator of when the program is no longer serving client needs effectively.

VIII. CLIENT SATISFACTION

Three tools—the impact survey, focus groups and client exit survey—were used to ask one-year, two-year and ex-clients about their experience with Kafo Jiginew's *Credit with Education* program. The impact survey included questions about what clients liked, disliked or would suggest to improve the program. In-depth focus group discussions were convened to discuss a range of program terms and policies. Ex-clients were also asked about their satisfaction and recommendations for the program.

Overall, clients were satisfied with the program and its policies. They spoke highly about the access to loans, group solidarity and education. While the majority of clients offered no criticism, those who expressed some dissatisfaction mentioned primarily financial factors related to the loans as points they would wish changed. They offered both general and specific suggestions for how the program could be improved.

A. Client Satisfaction

Finding: Current clients in the impact survey most frequently mentioned <u>first</u> liking the credit. However, group solidarity was also highly valued. Two-year clients and ex-clients mentioned liking this aspect of the program more frequently than even access to credit or education.

What clients valued was influenced by their length of time in the program as well as whether they were current or ex-clients. When asked what three things they liked most about the program, 73 percent of the one-year clients and 62 percent of the two-year clients mentioned credit first. It seemed that access to credit often serves as the initial draw to the program, but over time, women come to value the support and interaction of their credit associations. Summing all answers, both two-year clients (76 percent) and ex-clients (58 percent) mentioned liking group solidarity even more frequently than access to credit or education, although one-year clients mentioned access to credit most frequently (91 percent). In fact, ex-clients valued it more than any other aspect of the program, most likely because they received help from their solidarity groups when they experienced difficulty repaying loans. In category 1–towns, where women may miss a closer sense of community, the group solidarity was important to all of the first-year clients, while only 33 percent of the women in small communities mentioned liking it. "Due to the CA, I now know more people and I enjoy exchanging ideas with other members of the group," one focus group participant said. All six focus groups were very pleased with and had no recommendations for improving the way in which their solidarity and association groups had been formed.

Finding: The education component was also valued highly.

Education was the second-most-frequently-mentioned aspect one-year clients liked, after program loans. It was also important to two-year clients and ex-clients as their third most common response (72 percent and 42 percent respectively). In the focus group sessions, all six CAs were very enthusiastic about the education classes offered during their meetings, especially those on health and nutrition topics. In fact, they suggested a number of health topics they would like added to the curriculum. Four women in the impact survey from small communities where business opportunities can be more difficult to find, mentioned liking the microenterprise education, while none of the clients in towns did.

Table 8.1 Client Preferences from the impact survey

Summary of up to three aspects clients mentioned as liking most about Kafo Jiginew's *Credit with Education* program	Percent one-year clients n=32	Percent two-year clients n=29
Credit – steady source of working capital, lower interest rate, easier guarantee, or higher efficiency than other sources of credit	91	72
Health and nutrition or microenterprise development education	69	72
Group solidarity, group dynamics or confidence among women	59	76
Other financial services such as savings	22	21
Credit association management education sessions	3	14
Don't know	0	3

Finding: Clients appreciated Kafo's flexibility in setting meeting frequency based on clients' desires.

All six of the focus groups reported being satisfied with the frequency of their CA meetings. Kafo Jiginew had already been flexible about the frequency of meetings in response to women's requests. The frequency of meetings varies according to the season, recommendations of the clients and the ability of the field agents to encourage members to meet frequently. Sometimes CAs meet twice a month for their education sessions and monthly for reimbursement purposes. Others meet for repayment twice monthly because some women don't like to keep the money at home. To accommodate women's time constraints during the planting and harvest seasons, Kafo had allowed CAs in their second year to meet monthly during the rainy season (normally meetings are to be held weekly during the first year, twice a month the second year and monthly during the third year). Without this flexibility, a greater number of CAs would have suspended program services. During the dry season, the program promotes a return to weekly meetings.

Finding: Clients liked the regular savings deposit requirement because it helped them save money they might not otherwise have been able to keep.

All six focus groups approved of the *Credit with Education* requirement of making a minimum savings deposit (of US$0.20 weekly or US$0.80 monthly) every meeting. Three groups said they appreciated this service because it allows them to save money they might otherwise spend unwisely, and without the program they risked being unable to save any money at all. Many women said they deposit more than the minimum. However, only approximately one-fifth of the one-year and two-year clients included in the impact survey mentioned "savings" as an aspect of the program that they liked most.

A policy that received diametrically different feedback during the focus group discussions was the practice of taking CA jointly owned funds (interest on their savings accounts and/or fees paid to the CA) to open an individual member account in a single borrower's name with the local Kafo credit union cooperative. Five of the six focus groups liked this because "it gives many women the opportunity to open an individual account that they otherwise would never be able to do on their own." However, one group was quite adamant about its disapproval of feeling obligated to open individual accounts with the interest they had accrued. They would have preferred to use the joint earnings at the end of each loan term for a large celebration instead.

B. Client Dissatisfaction

Finding: Seventy-one percent of current clients in the impact survey said there was nothing that they disliked about the program. Of those who did express some dissatisfaction, most were dissatisfied with some aspect of the loan terms.

The majority (71 percent) of current clients in the impact survey said there was nothing that they disliked about the program, even when interviewers probed and encouraged clients to answer frankly. Even ex-clients had little complaint; 56 percent said there was nothing they liked least about the program. Of those who did express some dissatisfaction, most mentioned elements of the program that were primarily related to loan terms—interest rate, small loan size and length of the loan cycle—as table 8.2 illustrates. Three of the six focus groups felt that the interest rate of 12 percent per cycle (36 percent per year) was too high given the nature of their economic activities and the fact that their revenue is adversely affected during the rainy season. They were unable, however, to suggest a viable alternative for the program. In the impact survey, two-year clients were almost three times as likely as one-year clients to feel that the loan period should be lengthened. As program loans grow, there is a tendency among borrowers to request at least a six-month loan. A longer loan period allows clients to work the money longer and reduces the absolute amount of the weekly or monthly repayment installments. All but one of the six clients who felt initial or subsequent loan sizes were too small lived in the town of Koutiala. A few women in the focus groups (also from Koutiala) felt that loan ceilings were too low and that once having proven the ability to repay, after the fourth cycle clients should be able to ask for the loan size they think they need. Despite this sentiment, when invited to come up with viable program loan policies, all six focus groups decided by consensus that they did not want any changes.

Table 8.2 Client Dissatisfaction from the impact survey

Summary of up to three aspects clients liked least about Kafo Jiginew's *Credit with Education* program	Percent one-year clients n=33	Percent two-year clients n=29
Nothing or don't know	70	72
High interest rates or commission	21	10
Size of initial loan or subsequent loans	12	17
Length of loan cycle	6	17
Lack of grace period	3	10
Meeting too often, too long or meeting absences requiring fee	0	14
Problematic group dynamics (with leaders or at meetings)	0	7
Repayment policies (frequency, amount)	3	0
Guarantee policies	0	3

Finding: Ex-clients were dissatisfied with a greater range of different aspects of the program than current clients and were more likely to mention problems with group members.

Only in the client exit survey did nonfinancial points of discontent come to light. Interestingly, none of the ex-clients mentioned being dissatisfied with the aspects most commonly raised by current clients—small loans, short loan period or high interest rates. Ex-clients were more likely than current clients to mention problems with group members as aspects they liked least about the program. Four of twenty ex-clients mentioned disliking disagreement or problems between members or with other members' behavior. Two ex-clients disliked the seizing of savings of those who could not repay their loans. Another two didn't like paying penalty fees for being late to association meetings. Only one individual said the weekly repayment period is too short. It was remarkable that on the whole, ex-clients felt very positive about the program and their experiences with it.

C. Client Recommendations for the Program

Finding: The most common suggestions for improving the program were the same aspects with which clients indicated some dissatisfaction and pertained to the credit component.

The most common suggestions from the impact survey for specific changes clients would like to see in the program—longer loan cycle, increased loan size and reduced interest rates—were the same aspects with which clients indicated some dissatisfaction (see table 8.3.) Reflecting their longer experience with the program and possibly their increased empowerment and articulation, two-year clients were more likely than one-year clients to offer specific recommendations. Approximately 25 percent of the two-year clients suggested extending the loan cycle and increasing the loan size. Clients in towns were twice as likely as those in small villages to suggest a longer loan cycle, reflecting perhaps that their average loan size is already relatively larger than the loans in villages. Ex-clients had similar suggestions for improving the program. The two most common improvements suggested by ex-clients were increased loan size (26 percent) and longer loan cycle (21 percent).

Table 8.3 Client Suggestions for Improving the Program from the impact survey

If you could change something about Kafo Jiginew's *Credit with Education* program to make it even better, what would you change?	Percent one-year clients n=33	Percent two-year clients n=30
Nothing – no change, no idea, nothing to say, nothing, does not know, everything is good	64	46
Lengthen the 4-month loan cycle (to 5 months, 8 months, 1 year)	15	27
Increase the size of the maximum loan	15	23
Reduce the interest on the loan	18	10
Shorten the 4-month loan cycle to 3 months	3	0
Miscellaneous—have mill or macaroni machine with the group (1), high monthly repayment (1), frequency of assistance (1), survey (1), new innovations (1), increase or lengthen education [sessions] (1).	0	6

Finding: Clients expressed the desire for a longer loan cycle.

The suggested change which enjoyed the greatest consensus among the clients in the focus groups was a switch from the four-month loan to a six-month loan. A longer loan period would allow for smaller weekly loan repayments which they felt would be beneficial during the rainy season when they are planting and during the harvest season when their labor is in high demand. Another alternative voiced by several women was that the loan term be changed to twelve months after the sixth cycle. This would allow them more time to pay back their loans. As mentioned earlier, the CAs visited were in their fifth and sixth loan cycles. By the fifth loan cycle, external loan size ceilings are approximately US$150. However, it was the clients in towns who were twice as likely to suggest a longer loan cycle, reflecting perhaps their larger loan sizes.

One area where Kafo Jiginew could improve its program services is by tailoring loan sizes to the level of development in a particular area. In the focus groups, it seemed clear that some women are able to use loans larger than the ceiling amounts set according to loan cycle. Despite the fact that in the impact survey just as many clients in small villages as those in towns desired larger loans, it would be advantageous for credit union cooperatives in towns to have policies which allow for larger initial loans and faster loan growth rates than credit associations linked to cooperatives in villages. Program revenue earned in towns could help finance outreach to the relatively poorer remote communities that tend to be bypassed by development efforts.

Finding: The focus group discussions and ex-client interviews provided a greater range and more specific recommendations for changing the program.

This may be due to the informal group format of focus groups and the fact that ex-clients may have had greater relative dissatisfaction with the program or they feel more free to propose suggestions since they are not currently members. A few ex-clients proposed some suggestions outside of the range of other responses. Two women said they would like to have monthly, annual or biennial (after six cycles) repayment. Other individuals suggested, "During winter we should be excused, since we completely move out to the field"; "Give women clothes on credit at a good price so that they can repay by installment"; "Organize a ceremony with the women and give them advice (field agent and more Kafo Jiginew staff)"; "Increase education sessions and add microenterprise lessons." Clients in the focus groups also wanted more education topics. They were interested in expanding their knowledge about the cures and prevention for the following afflictions: malaria (five groups); dysentery (four groups); stomach or intestinal problems (two groups); headaches (two groups); smallpox (one group); coughing (one group); meningitis (one group); vomiting (one group); and vertigo (one group).

IX. INSTITUTIONAL IMPLICATIONS OF THE ASSESSMENT FINDINGS

The genuine advantage of a practitioner-led impact assessment is that the "evaluators" are the people in the best position to use the results to improve and evolve their program. The five AIMS tools provide Kafo Jiginew with a rich variety of information to assess progress towards its impact goals, provide insight into possible threats to program success and indicate promising directions for the future. Sections V-VIII of this report summarize the main conclusions from each of the five tested tools. This section highlights those findings with direct institutional or programmatic implications for Kafo Jiginew to consider. Topics covered include: loan and enterprise profit use; average loan size and enterprise returns; former clients' reasons for leaving; clients' management skill level; and client satisfaction with the program.

A high percentage of the more mature clients of *Credit with Education* did not fully invest their most recent program loan. This is evident from the results provided in section V which show the propensity of the clients with longer participation in the program to spend loan capital directly on clothing or articles for the family. The practice of channeling part of the program loan to other family members to invest was significantly more common among clients with relatively larger loans (above $125). This may indicate that women lack either the options, the ideas or the desire to work larger amounts of working capital in enterprises that they manage themselves. To date, Kafo's *Credit with Education* program has enjoyed excellent repayment rates.[20] Still, the program is relatively young. If the tendency to divert loan capital increases with larger loan sizes and longer experience with the program, these practices would presumably become even more prevalent over time. Ultimately, they could represent a threat to the repayment performance and sustainability of the program. Field agents should take the opportunity of the loan feasibility assessments carried by the CA before a new loan cycle to emphasize the potential risks loan diversion can have for an individual borrower, their group and the program in general. Education might help borrowers consider more and better ways of using larger amounts of capital productively to increase their returns.

Average loan sizes and enterprise returns varied dramatically between towns and small villages. This finding, summarized in sections V and VI of this report, concluded that average loan sizes and enterprise returns were as much as six times higher in towns than small villages for clients of the same duration. However, it might be appropriate to apply different program policies to credit associations in towns and small villages. For example, the initial loan in towns could be somewhat higher ($70 rather than $50), and subsequent loans allowed to grow faster in order to better match the commercial potential of the area. This approach would better respond to the demands of some of the clients in towns and potentially enable higher program revenues earned in urban areas to partially subsidize outreach to more remote villages.

The reasons for client departure from the program contradict assumptions about client "exit" since more than half of the ex-clients interviewed left the program for reasons external to program policies or poor enterprise returns, such as sickness or death in the family, pregnancy, the seasonal nature of the activity and/or traveling. In addition to the health and nutrition learning sessions, Kafo Jiginew

[20] It seems that the local ownership of the credit union cooperatives together with the joint guarantee of the credit association members are very effective social mechanisms for promoting repayment. Program managers could cite only two instances when a credit association did not fully repay its loan on time.

might consider options for how the program or the credit associations themselves might better address clients' health crises problems by having an emergency fund for serious illness or death and/or improved coordination with local health services where available. Ex-client responses indicate that while they valued the program, during periods of health crises they were unable to sustain their membership. Still, a quarter of the ex-clients left the program because they were "unable to continue paying back loans due to their business returns." Kafo Jiginew field staff should consider how the business development education sessions could better help women find ways to make their investments more profitable. Already, some women in the smaller, less developed villages described how in their community women had traditionally only produced local beer, but now they were diversifying into new activities. In terms of keeping good clients, the single most common reason ex-clients gave for why they had left the program was sickness, death or crisis in the family. Ex-client responses indicate that, while they valued the program, during periods of health crises they were unable to sustain their membership.

Improvements in clients' management or entrepreneurial skill did not occur as expected. For example, almost as many current as incoming clients had a great deal of difficulty reporting their enterprise costs, revenues and profits. There was also little difference in the percentage of respondents keeping enterprise and household money separate between the client categories. Not fully investing the loan and taking one's profit up front are potentially risky and costly strategies, yet more than half of the current clients reported using some part of their loan for consumption and a quarter kept some amount for repayment. One of the program goals is for clients to become better and more informed borrowers so that they can better achieve their poverty alleviation goals. Being able to assess their investment options and returns is an essential skill if this is to occur. The learning sessions in the microenterprise development curriculum on calculating profit and managing money should be tailored to the program area and facilitated at CA meetings.

In terms of keeping good clients, the single most common reason ex-clients gave for why they had left the program was sickness, death or crisis in the family. In addition to the health and nutrition learning sessions, Kafo Jiginew might consider options for how the program or the credit associations themselves might better address clients' health crisis problems by having an emergency fund for serious illness or death and/or improved coordination with local health services where available.

In general, the *Credit with Education* clients were very satisfied with the program. The most common specific suggestions clients gave for changing the loan terms were longer loan cycles, increased loan size and reduced interest rates on the loans. The desire for a longer loan cycle (from four months to six months) has been seen in other *Credit with Education* programs as borrowers' loan sizes increase. In the fuller application of the tools, Kafo may want to explore how prevalent this desire is and consider the feasibility of offering relatively more mature CAs a longer loan cycle. As mentioned above, larger loans and/or a policy that allows more rapid loan growth might be appropriate in towns with the caveat that larger loans were associated with more on-lending to other family members to invest. Women were also interested in additional education on a number of health topics particularly in the area of malaria prevention.

Only one fifth of the current clients mentioned liking the savings component (see section VIII) even though the current savings policies are relatively flexible (clients have access at the end of each four-month loan cycle). Perhaps in part for this reason, clients' savings also did not progress much with longer program participation. On average, one-year clients had a savings rate of 20 percent and two-year clients only 10 percent of their program loan (see section VI). One of Kafo's motivations for adopting *Credit with Education* was the program's potential to generate savings and new credit union members. Additional education on the benefits of savings might increase appreciation for how savings can do more than simply fulfill the program requirement for getting a loan.

X. LESSONS LEARNED

Lessons learned in Mali help to answer the fundamental questions of the PVO/NGO component of the AIMS project: (1) whether PVO practitioners can conduct credible, useful and low-cost impact assessments of their microenterprise programs; (2) what tools and processes best support such an undertaking; and (3) what type of training, staffing and resources are required.

This section focuses on the issue of testing a practitioner-led assessment—cost, feasibility of tools and the usefulness of findings—and then includes a discussion of each of the five tools used covering lessons learned regarding the sampling, application and analysis of results which underscore the potential threats and challenges practitioners face for conducting valid assessments of program impact in a simple way.

A. Testing a Practitioner-led Assessment Process

As with the first tools test conducted with ODEF in Honduras, Kafo Jiginew and Freedom from Hunger staff demonstrated that practitioners *can* conduct credible, useful and relatively low-cost impact assessments of their microenterprise programs. However, in both test sites, it was clear that certain infrastructure and considerable commitment, skill and administrative support were required for the assessment to be implemented successfully.

Practitioner commitment and interest in the implementation of the AIMS assessment was evident at all levels of Kafo Jiginew staff, from the executive director and the manager of the *Credit with Education* program to the field staff. Exceptional hard work and skill were exhibited by all involved. The tools test was an ambitious undertaking that required seven *Credit with Education* staff to suspend their program work for almost three weeks. Additional administrative and logistical support was provided by other Kafo staff: a driver, a translator, and office personnel who copied documents, coordinated interviewing schedules with credit associations, installed software and maintained documentation of study costs, among other things.

Kafo Jiginew provided the necessary infrastructure required by the assessment, including a vehicle and driver, office space, computers, printers and a photocopying machine. Although the Mali tools test operated out of a town with limited infrastructure, the impact assessment experienced relatively minor delays because of electrical outages. Computer viruses did present a more substantial problem, infecting all files and crashing one of the consultants' computers. However, these problems were not insurmountable and did not cause delays in the team's very tight schedule.

While ideal sample sizes have yet to be determined, it is intended that a fuller application of the assessment tools would include a greater number of interviews. This would increase costs and requirements on staff time, two very important issues for microenterprise programs. Because such programs are typically committed to cost-effectiveness and financial sustainability, program staff already have very heavy workloads. In addition, the absences of field agents for periods over two weeks begin to jeopardize the quality of service offered to existing clients and slow expansion to new clientele.

As mentioned in the ODEF report, there are a variety of ways the assessment tools could be programmed that could reduce the intensity experienced during the initial test. For instance, it is not necessary for all five assessment tools to be conducted at the same time. The exit survey, for example, is really meant to be conducted on an ongoing basis. Still, with larger samples the total amount of time for data collection and processing will inevitably increase. If a fuller application of the tools requires a considerable increase in staff time, some practitioners might opt to involve individuals other than current field staff in the assessment (perhaps university students, local research groups or new staff in training).

One of SEEP's original goals for the NGO/PVO component of the AIMS project was to develop assessment tools that practitioners can implement themselves without additional external assistance. The feasibility of this was not fully tested in either the Honduras or Mali assessments for two reasons. The first is that two outside consultants participated in the tools tests. Second, because this initial assessment included only the minimum number of interviews needed to test the tools, the total amount of staff time and resources required for their full application still needs to be determined.

SEEP consultants were involved in both tools tests and they played a role in: 1) adapting and revising the instruments; 2) developing a sampling strategy; 3) providing training that will be useful for the second application of the tools, especially in the areas of data analysis for the impact survey and content analysis for the qualitative tools; and 4) writing up and presenting the findings. There are plans to develop further training materials to accompany these assessment tools. However, whether additional outside assistance might be advisable would depend on the availability and degree of practitioner staff experience and expertise in a number of key areas: survey methods; in-depth interviewing and focus group techniques; and quantitative data and content analysis. With the Kafo Jiginew test, two of the practitioner staff, in particular, had strong skills in some of the most challenging aspects of the assessment. Freedom from Hunger's Regional Trainer, Ayele Foly, has considerable background and expertise in both quantitative and qualitative evaluation methods, while the Peace Corps volunteer, Kyla Haygen, had a bachelor's degree in computer science and experience using the Epi-Info software. Their participation in the assessment and planned involvement in the second application of the tools makes additional outside assistance unnecessary at this site. The assumption cannot be made, however, that all practitioners have access to such staff expertise.

Kafo Jiginew is prepared to re-apply the assessment tools with a larger number of respondents within the next year. The next steps will be to refine and shorten the instruments, determine which of the tools merit re-application with larger samples and to look for opportunities to more deeply explore the issues and impacts found in the tools test conducted in March 1997.

B. Determining the Impact of the Program and Providing Useful Information to Practitioners

The AIMS practitioner assessment instruments provided Kafo Jiginew with a rich variety of information to document better the impact of its *Credit with Education* program as well as to potentially improve program services. The impact survey and in-depth individual interviews about client loan use over time and empowerment provide complementary insight into the type and progression of changes that are occurring as a result of the *Credit with Education* program. Some of these findings also raise issues about the implications of certain program policies and dynamics.

In addition, the client satisfaction focus groups (and survey questions) and client exit interviews provided practical information which could assist with the evolution of the program.

As with the ODEF test, the impact survey and its findings were of great interest to Kafo Jiginew staff. The executive director explained that Kafo Jiginew's *Credit with Education* program had generated a great deal of interest, including visits and inquiries from various international organizations. He is often asked for evidence that the program is alleviating poverty, improving household welfare and making a positive difference for women, so he was pleased to have impact results. Another senior manager explained that *Credit with Education* had increased Kafo's ability to achieve the type of "durable development" important to Mali. He explained that "durable development" is about more than money and balance sheet figures. He welcomed the assessment as an opportunity to document impact on women's skills, their self-confidence and their participation in the development process.

Field staff also valued the impact assessment process and specifically said it was useful for better understanding the types of changes women had made in their businesses as a result of the program, to learn whether women were able to gain greater economic independence, and to hear from women what they liked or disliked about the program as well as their suggestions for improvement. The assessment also gave new staff and regional coordinators an opportunity to learn about the experience of individual borrowers in greater depth than they may have before.

There are three important issues identified by the assessment team for Kafo Jiginew to consider further as they look towards improving and evolving the *Credit with Education* program.

1. <u>Programmatic Differences Between Towns and Remote Villages</u>

Assessment tools underscored the range in the relative commercial development of the *Credit with Education* program communities. Results of the impact survey indicated that average loan sizes in the towns were as much as four times as great as average loans in the remote villages for clients of the same period. Similarly, monthly enterprise profits were reportedly three to six times as high for clients in the towns as for those in the smaller villages. A myopic concern with the program's financial sustainability would lead to a shift in focus from the smaller villages to the peri-urban clientele. However, in terms of Kafo's development and social goals, it is likely that the greatest social impacts occur in the small villages typically bypassed by other development efforts—even public schools.

It might be appropriate to apply some different program policies in the two types of areas. For example, instead of having the same initial loan ceiling, the urban credit union cooperative could offer a somewhat higher initial loan ($70) or could allow loan sizes to grow faster to better match the commercial potential of the area. Not surprisingly, two-year clients in Koutiala were more likely than the two-year clients in more rural communities to mention "loan size" as an aspect of the program that they disliked, or to suggest larger loan sizes. Given the greater commercial development of the area, it is possible that the urban credit union cooperatives could in part subsidize reaching the more remote cooperatives with program services. The feasibility of this type of cross-subsidization would depend on the administrative relationships among the credit union cooperatives and how Kafo Jiginew manages the program's different cost centers.

2. Working Larger Amounts of Money Productively

The impact survey found that a relatively high proportion of clients had used some or all of their last loan to: 1)purchase clothing and other articles for the family; 2) save for emergencies or repayment; 3) give to someone else; or 4) buy food. Clients with relatively larger loans were significantly more likely to have given a portion of their loan to someone else to invest. Two-year clients were significantly more likely to have used loan capital to buy clothing or other articles for their family. This issue merits deeper investigation into client motivations. Women may lack either the options, the ideas or the desire to work larger amounts of working capital in enterprises that they manage themselves. Or, as discussed earlier, spending part of the loan on clothing or other purchases may be a woman's way of taking her profit up front. In either case, it would be useful to explore further whether nonformal education might help borrowers consider more and better ways of using larger amounts of capital productively to increase their returns.

3. Importance of the Education Component of the Program

All six CAs interviewed with the "Client Satisfaction" focus group tool were enthusiastic about the education provided at the regular meetings and were interested in additional education in a number of specific health areas (malaria prevention, meningitis, smallpox, and dysentery cures and prevention as well as other specific illnesses). From the impact survey, women living in the smaller, more remote communities seemed to be particularly interested in more microenterprise development nonformal education.

C. Practicality, Usefulness and Appropriateness of the Draft Assessment Tools

The Mali tools test presented an opportunity to further refine the instruments and make them more practical, useful and appropriate to a practitioner-led process. The lessons learned from the instrument design, sampling, application and analysis of results for the five tools are presented below, and underscore the potential threats and challenges practitioners face for conducting valid assessments of program impact in a simple way.

1. Quantitative Tools

a. Impact Survey Instrument. Although Kafo Jiginew valued the type of evidence the impact survey provided and field staff were positive about the interviewing experience, the survey itself needs to be shortened and sections simplified for it to be a manageable and appropriate instrument for a practitioner-led assessment.

The impact survey had 46 questions, although potentially more because depending on the response, many questions had follow-up queries. It was unusual for an interview to be completed in less than an hour; the norm was about 75 minutes. The instrument is lengthy because it collects information meant to address approximately 11 of the AIMS hypotheses. Furthermore, additional questions were added because they

- were of interest to practitioners (e.g., whether clients had borrowed money from other credit sources, their opinions about the program, etc.);

- provided important descriptive information about program participation (client duration in the program, initial and current loan sizes, amount of savings, how the last loan was used, etc.);

- provided basic demographic information necessary for assessing the comparability of the sample groups; and

- asked for information from an area of impact in a different way to see which method or wording worked best.

Questions about enterprise costs, revenue and estimated profits occupied a considerable amount of time during the training and during the interview. Women were first asked if during the last four weeks they had worked on their own businesses. If they answered yes, they were asked to report their costs, revenues and estimated profits for the last product cycle (the time from the purchase of inputs to the sale of the product). Particularly for the type of clientele served by the *Credit with Education* program, collecting accurate income flow information is very difficult. Interviewers rated the majority of the one-year and incoming clients as having "much difficulty" in answering the cost, revenue and profit questions. Less than 10 percent of the respondents in any of the three groups were rated as having "no difficulty" providing this information. Given these ratings, the accuracy of the income flow information is questionable.

The assumption of the SEEP tools design team has always been that practitioners would omit questions or indicators not of key importance to their mission or program, and in that way shorten the survey. For example, for impact at the community level, the survey includes questions about whether there has been an increase in hired labor. Given the profile of the typical Kafo client, very few of the enterprises engage hired labor. Still, this question remained to test the full survey.

From the experience of carrying out the impact survey in March, a number of specific refinements can be suggested for the second application of the survey planned for Mali and for the future versions of the instrument (see appendix 9).

b. Impact Survey Sampling. The real benefit of the cross-sectional design selected for the impact survey is that it is cheaper and provides impact information more immediately than a longitudinal approach, which tracks change in the same clients over time. The downside of the cross-sectional design, however, is that the client and nonclient (or incoming client) groups must be virtually the same with the only difference being their exposure to the program. Unfortunately, whether the client and nonclient groups are sufficiently similar to each other to represent appropriate comparison groups is not known until the descriptive information about the two groups is analyzed. This only occurs after the survey has been conducted.

The Mali test underscored the difficulty of establishing truly comparable client and nonclient samples. It seemed that the incoming clients in Sikasso had much larger and more developed businesses when they joined the program than the clients in the matched town (Koutiala).
Increasing the sample size and drawing respondents from a greater number of communities can help reduce the risk of ending up with systematically different comparison groups. However, this is the risk when not tracking changes in the same clients.

Establishing a sampling approach is another particularly challenging aspect of the impact survey that, to some degree, will need to be tailored to each specific program setting. The sampling approach needs to balance a variety of concerns: 1) that the sample groups are comparable; 2) that credit associations and clients of the desired age are included; 3) that groups and clients are selected randomly; 4) that the sample is representative of the programs' clientele; and 5) that the sample is logistically feasible. Depending on staff experience, this might be another area where it would be worthwhile to seek external technical assistance.

The fact that the Mali test had two client samples—one- and two-year clients—was an improvement over the ODEF assessment because it provided much better insight into the progression and timing of program impact. A greater degree of change was evident among the two-year clients, especially for the indicators meant to capture impact at the level of the enterprise. An interesting possibility for programs older than Kafo Jiginew's would be to sample clients with even longer duration of program exposure (e.g., sample two- and four-year clients instead of one- and two-year clients). With a longer timeline, it would be possible to see if perhaps some of the household-level or individual-level indicators such as highest grade of school attended or decision-making in the household are relatively longer-term impacts.

It was also very useful to include a range of program communities in the survey sample and to analyze the results to some of the questions by type of community. Kafo Jiginew is well aware that it is operating in communities with very different levels of commercial development and opportunity. It is useful for them to have better information on the impact and client satisfaction implications of the different types of communities in which they work.

c. Impact Survey Data Analysis and Presentation of Results. SEEP is working to provide guidelines for the analysis of the impact survey. A first draft was created by a consultant who worked with ODEF after the SEEP team left. This document was translated into French and revised to reflect changes made to the impact survey for the second tools test in Mali. While these guidelines are potentially quite useful, it is not possible to provide a uniform set of instructions that anticipates all of the important judgments and approaches required for a specific data set. Someone with previous experience with data coding, data file creation, data entry and data analysis will be required to, at a minimum, supervise the data management and analysis of the impact survey. Also, additional guidance in reading and using the variety of statistical tests presented in the EPI results is necessary for practitioners using the software. Unfortunately, the Epi-Info manual includes virtually no instruction on how to read or use the statistical test results.

Shortening the survey and simplifying certain questions is also essential for making the data analysis and presentation of results more manageable and appropriate for a practitioner-led assessment. For example, it was decided not to try to include all of the results from the impact survey in this report because they would make it too lengthy. If there are too many results to present here, then it seems likely that too much information was collected for a practitioner-oriented assessment.

d. Exit Survey. The exit survey is a very manageable assessment tool that is more within the capacity of most practitioners to carry out unaided than the impact survey. Because the exit survey is relatively short (approximately 20 minutes to conduct), it is less burdensome to conduct, to enter into a data file and to analyze. The exit survey primarily provides descriptive information which also greatly simplifies issues of sampling and analysis. The exit survey focuses on only one "type" of respondent — ex-clients — and so does not require comparable comparison groups or statistical tests to assess differences. As noted in the ODEF report, processing the exit survey can be a good training exercise for becoming familiar with using Epi-Info software, constructing data files and conducting basic data analysis.

Additional instructions and suggestions for ways the exit survey could be applied are needed if it is to be used as an ongoing monitoring tool. For example, should all clients leaving the program be interviewed with this instrument, or only a sub-group, e.g., selected credit associations? Or should the exit survey be conducted periodically for perhaps a month during different seasons of the year? What are the implications of data processing and staff time if a survey is completed for all clients leaving the program? At what intervals should the information be processed and analyzed?

2. <u>Qualitative Tools</u>

The qualitative tools are more time-consuming, and in some respects more challenging than the surveys to implement, taking approximately twice as long to administer. Although qualitative research by nature has a high degree of flexibility and does not require a highly structured questionnaire format, open-ended questions require facilitators and interviewers to be adept at probing for answers beyond the first response to a question. Three-and-a-half days of training (the first part of the week was spent in plenary with the quantitative team going over the objectives of the impact assessment and the ex-client survey) for three qualitative tools was insufficient. As qualitative research deals with the emotional and contextual aspects of human response rather than with objective, measurable behavior and attitudes, it was essential that the Bambara translations catch the necessary nuances. Much time during training was spent making sure the translations were accurate and that the responses the questions elicited answered them.

a. Empowerment Tool. The empowerment in-depth interview tool was shortened slightly from the version used in Honduras. After the Mali pre-test, the qualitative team sat down and revisited every question. In addition to deleting several questions and re-working others, a subset of core questions was developed. These questions helped clarify general or abstract prose and guided the interviewers through the process.

Recording the information in detail on paper did not prove to be difficult for the interviewers, as it was constantly stressed during the training to capture *everything* the interviewee said. Tape recorders were not used, but, in the Malian context, it is doubtful if using them would have sped up the interview process. The empowerment tool took an average of two-and-a-half hours to complete. This was primarily because each question needed to be repeated over and over again to the interviewee and explained in detail. Many, if not all, of the issues discussed, were ones the clients had probably never thought of before, let alone ever verbalized.

As mentioned in the Honduras Tools report, one way in which the empowerment tool could have been strengthened would have been to have the local program staff adapt specific questions on behaviors at the four impact levels (individual, household, enterprise and community) that could have been considered markers of empowerment. Although the team held a brainstorming session and listed manifestations of empowerment at each of the four levels before the field work, the objective of this exercise was to help explain to the team that empowerment (a term which does not translate easily into French and is even more obtuse in Bambara) can be measured in terms of changes in *behavior* rather than just *attitude.* Also, as mentioned in the Honduras report, it would have been best for the qualitative researchers to have worked in teams of two, with one asking the questions and the other recording. In the future, tape recorders should be used, because having access to discussions during the analysis stage is invaluable.

b. Loan-Use Tool. The loan-use tool presented an even greater set of challenges to the qualitative team than the empowerment tool. In addition to the "free form" questions designed to illuminate the history of loan use, interviewers completed a mini economic analysis of the client's business activities for each loan cycle. With one exception, all of the clients interviewed with this tool were in either their fifth or sixth cycle, which meant that five or six questionnaires were filled out per client. For each of her loans, the client was expected to remember exactly: 1) the amount of each loan (which was not as easy as one would have thought); 2) the way she used her loan; 3) whether she achieved a profit, and, if so, the amount; 4) the way she used the profit; and 5) whether she calculated her profit daily, weekly or monthly. The guidelines for administering the questionnaire do state that with the more mature clients, because it may be hard to recall the history of each loan, a better option would be to ask the client about her experience by *years* of participation. Malians, however, do not think in terms of years, but seasons, so it was necessary to complete one form per loan.

There were pros and cons to interviewing mature clients. The predominant benefit to interviewing clients in their fifth and sixth cycle, which made the effort worthwhile, was that the team captured a wealth of information on the use of loan and profit resources over time. More importantly, and of great interest to program management, was the ability to document the diversification in clients' businesses who remained in the program throughout the year without suspending their activities during certain parts of the year — i.e., the rainy season and the harvest season.

The loan-use tool did *not* succeed in accomplishing the mini-economic analysis of the client's business activities. The women could not, in most cases, differentiate profit amounts between one loan and the next. In fact, a number of women were unsure of exact loan amounts they had taken from earlier cycles. It would be helpful in the future to have the client's loan and savings history in hand to confirm that the client is giving accurate data and to help "jog" the client's memory if she forgets the amount of a loan.

Selecting respondents by business type was a good idea. It would have been more helpful, though, to have chosen only two activities (interviewing six clients in each category) instead of covering four activities. Program management might also have an idea of the activity they would want researched and their input would be invaluable.

c. Client Satisfaction Focus Group Discussions. The client satisfaction group interviews confirmed the statement in the Honduras report that *managers must be able to test and adapt the instruments to the local population and context.* The selected methodology of the client satisfaction focus group interview did not work in the pre-test and required allowing the clients to explain the program feature for the group and then describe their preferences and their reasons for them. Other CA group members then contributed their ideas.

d. Sampling for the Qualitative Tools. As mentioned above, the qualitative tools do not have to be administered at the same time as the quantitative survey. In fact, it would be advantageous for program managers to use the qualitative tools *when* they perceived a need. For example, after the main impact survey is done, the qualitative tools could explore the reasons for an unexpected finding. If program management was interested in comparing loan use among borrowers from two different economic activities, or reasons some of its *Credit with Education* clients are more successful than others (borrow throughout the year and continuously demand maximum, or higher, loans amounts for each cycle), a series of one-on-one in-depth interviews would be the best approach.

e. Data Analysis for the Qualitative Tools. The analytical guidelines currently associated with the empowerment and loan-use tools were not clear enough for the practitioners to understand. For example, with the loan-use tool, before "case histories" were studied for apparent typologies of loan use and business development, a table needed to be designed which captured all the data from the interview sheets. Once this table was designed and filled in (the facilitator did this), several other tables (see appendix 6) were compiled which allowed the team to begin comparing responses. Extracting commonalities and differences from the individual is a learned skill.

Similarly, for the empowerment tool, although case studies were not written up, all the data from the questionnaires were transferred onto a form which captured, by client, responses by domain (individual, enterprise, household, community) for the past and the present. Because of a lack of time, the SEEP facilitator worked on this first step with the Peace Corps member of the team. Extracting commonalities and differences from the write-ups was quite straightforward, but interpreting the findings and writing an analysis of major trends or patterns found in the data was much more difficult.

As noted in the Honduras report, suggestions for analyzing the loan use and empowerment data need to be revised to contain very specific guidlines for this analytical process.

In conclusion, perhaps the most encouraging lesson from the second tools test was that for relatively modest costs, practitioners can both better document and learn from the impacts their microenterprise programs are having on clients and client households. Learning about and from client-level impact is essential to microenterprise practitioners. As one senior Kafo Jiginew official explained, *Credit with Education* is about more than figures and numbers. It is about "durable development", which means increasing peoples' skills, their self-confidence, their well-being and their participation in the development process. The AIMS project provides practical tools for assisting practitioners who want to go beyond the program performance figures to understand better and improve the capacity of their microenterprise programs to achieve durable development.

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