AIMS

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PRACTITIONER-LED IMPACT ASSESSMENT: A TEST IN MALI

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ACRONYMS

AIMS	Assessing the Impact of Microenterprises Services Project
ANOVA	Analysis of variance test
CA	Credit association
CMDT	Malian cotton marketing board
NGO	Non-governmental organization
ODEF	Organization de Desarrollo Empresarial Femenino
PVO	Private voluntary organization
SEEP	Small Enterprise Education and Promotion Network

FOREWORD

The Assessing the Impact of Microenterprises (AIMS) Project seeks to gain a better understanding of the processes by which microenterprise programs strengthen businesses and improve the welfare of microentrepreneurs and their households. In addition, it focuses on strengthening the ability of the U. S. Agency for International Development (USAID) and its partners to measure the results of their microenterprise programs. The core agenda of the project includes desk studies, focused field research, three major impact assessments and the development and testing of tools for use by private voluntary organizations and non-governmental organizations to track the impacts of their microenterprise programs.

This paper reports on the second test of tools for organizations to use to track the impacts of their microenterprise programs. Subsequently, the results and lessons learned from the two tools tests will lead to development of a manual containing practitioner tools and guidance for their application.

Additional information about this USAID-funded project, as well as copies of AIMS publications, are available on the AIMS home page (http:\\www.mip.org). The AIMS publications include those which address specific issues and those based primarily on field work applying the AIMS approach to assessing the impact of microenterprise programs. Included in the latter will be papers on the three major impact assessments which focus on specific programs and cover program participants and a comparable group of non-participants. The three assessments will consist of information obtained through two rounds of data collection, with a two-year interval between the survey rounds, complemented by case studies and focus group discussions.

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The authors are particularly thankful to Elaine Edgcomb and Carter Garber who conducted the first tools test and paved the way for the second. In addition, the final version of this report greatly benefited from the in-depth feedback provided by Monique Cohen of USAID and Elizabeth Dunn of MSI and the excellent editorial skills of Robin Kipke of Freedom from Hunger.

A very special thanks needs to be extended to the clients, themselves, who welcomed the team with open arms and volunteered, in many instances, an entire day to the effort. Their enthusiasm and dedication was inspirational and illustrated, firsthand, what the *Credit with Education* program is all about. Their graciousness is best exemplified in the following quote from a village leader as she presented the evaluation team with a sack of millet:

> *"Your tool is a pen, and we have profited from your tool; our tools are our hands, the land, and we would like you to profit from our tools."*

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[1] *Credit with Education* is a service mark protected by Freedom from Hunger for the exclusive use of member organizations of the *Credit with Education* Learning Exchange.

EXECUTIVE SUMMARY

This report documents the second field test of practitioner impact assessment tools designed as part of the PVO-NGO component of the U.S. Agency for International Development's AIMS Project. In an effort to develop low-cost, yet effective ways practitioner organizations can collect information and generate credible findings about the impact of their microenterprise programs, the PVO-NGO component of the AIMS project is charged with developing, testing and refining useful tools within the scope of practitioner resources, staff availability and expertise to implement and analyze their program impact.

Over a three-week period in March 1998 with Kafo Jiginew's—a Malian credit union— *Credit with Education* program, two facilitators contracted by the SEEP Network and a trainer from Freedom from Hunger trained and worked with a team of nine Kafo Jiginew staff to collect and analyze impact data, using five data collection instruments. The three-week period included a week of training, instrument testing and planning; a second week of data collection; and a third devoted to analysis.

The impact survey was administered with three sample groups—one-year clients, two-year clients and incoming clients (women interested in the program who had not yet received any services), and the qualitative tools were conducted with two-year clients. Due to the test nature of the activity, only a minimal number of *Credit with Education* clients were interviewed with each tool. Still, the process provided Kafo Jiginew with a rich variety of information to document better the impact of its *Credit with Education* program as well as to improve program services. Positive program impact was seen at all levels.

At the microenterprise level, a progression of changes for clients over time was evident. While the current clients (one- and two-year clients together) were significantly more likely than incoming clients to have expanded their businesses, added new products, reduced costs with cheaper credit or developed new businesses in the last 12 months, only two-year clients were significantly more likely to have acquired business assets, invested in a marketing site, hired more workers and improved the quality of their product. In addition, only the two-year client sample showed significant improvement in indicators meant to capture entrepreneurial skill and differentiation between the enterprise and the household.

At the household level, program participation enhanced the ability of the households to reduce risk and deal with periods of crisis or economic difficulty. Current clients were significantly less likely than incoming clients to have experienced a period of acute food insecurity or to have been unable to conduct their enterprise due to lack of money. Current clients were significantly more likely to have personal savings and report increased income in the last year 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.

At the individual level, this increased financial security as well as exposure to education and self-confidence sessions may be responsible for the greater sense of empowerment current clients felt. They reported feeling more confident to take a loan, to "solve any problem that presents itself," and to deal with family crises. They also felt they were better able to manage their enterprise(s), care for their children and contribute to household expenses or purchases.

At the community level, current clients felt the program enabled them to increase their attendance and participation in important ceremonies and to have greater leadership roles in the community. This may be attributed in part to the solidarity and relationships with other women in their credit associations, which clients mentioned valuing so highly in each of the assessment tools.

In addition to these positive impacts, the assessment tools raised a number of issues for Kafo Jiginew to consider further as it looks to improve and evolve the *Credit with Education* program. A high percentage of clients reported using at least some of their most recent loan for nonproductive uses. Spending loan capital directly on clothing or articles for the family was associated with a client's longer program participation, while channeling part of the program loan to other family members was associated with larger loan sizes. Although the Kafo *Credit with Education* program has enjoyed excellent repayment rates to date, these practices potentially threaten its success.

Another finding was 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. Given the goals of the *Credit with Education* program to improve Kafo's outreach to a relatively poorer and remote clientele, the program is committed to providing services to these communities. However, it might be appropriate to apply different program policies for initial and subsequent loan sizes that 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.

In terms of keeping good clients, the single most common reasons ex-clients gave for why they had left the program was sickness or death in the family. Kafo might explore ways the program or credit associations themselves could better address clients' health crisis problems, e.g. an emergency fund for serious illness or death, or improved coordination with health services where available. The ex-client responses indicate that, while they valued the program during periods of health crisis, they were unable to sustain their membership.

Similarly to the first tools test, 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 organizational infrastructure and considerable commitment, skill and administrative support are required for the assessment to be successfully carried out.

One of the goals of the AIMS project is to develop assessment tools that practitioners can implement without additional external assistance. The assessment team discovered that the client exit survey and the client satisfaction group discussions were somewhat more practitioner-friendly than the other three tools. Whether additional technical assistance would be necessary or useful depends of course on practitioner staff expertise and time availability. In order to conduct the assessment properly, expertise as well as previous experience is needed to train interviewers, conduct sampling, code and analyze quantitative data and qualitative content. If the practitioner staff lack these skills, it would be advisable to seek outside expertise, ideally local, to play an instructive role in these areas.

Another issue that will affect whether outside assistance is required is the amount of staff time required to conduct a full application of the tools. While ideal sample sizes for the impact survey 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, of course, increase costs and requirements of staff time — two very important issues for microenterprise programs. Because such programs are typically committed to cost-effectiveness and financial sustainability, their staff already have very heavy workloads. Field agent absence for periods of longer than even two weeks begins to jeopardize the quality of service offered to existing clients and slows expansion to new clientele. As mentioned in the ODEF report, there are a variety of ways the assessment tools could be applied. All five assessment tools need not to be conducted during the same time period which would reduce the intensity of demand on staff time. Still, with larger samples, the total amount of time needed for data collection and processing will inevitably increase. Therefore, some practitioners might opt to involve individuals other than current field staff in the assessment (e.g., university students, local research groups or new staff).

Additional work remains to be done on the practitioner tools, particularly the impact survey, to make them more manageable. Shortening the survey and simplifying some of the questions would reduce the amount of time required in all stages — data collection, data entry and analysis. SEEP also plans to develop additional guidance for the application of these assessment tools, including analysis guidelines. With these additional refinements and guidelines, the assessment tools can be made even more practitioner-oriented.

Perhaps the most encouraging lesson from the second tools assessment was that, for relatively modest costs, practitioners can both better document <u>and</u> learn from the impacts their microenterprise programs are having on clients and client households. Certainly a longitudinal design tracking the same clients and nonclients over time, together with more advanced statistical analysis techniques, would have provided findings that could less equivocally be attributed to the influence of the program. However, such an approach is not feasible or even desirable for many practitioners. Yet, 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 (loans made and repayment rates). It is about "durable development" which means increasing people's 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.

I. INTRODUCTION

Credible impact research has often been considered outside the capabilities of practitioner organizations because they don't have the expertise, resources or time to carry out such studies. The PVO-NGO component of the AIMS project is intended to respond to this challenge. Its purpose is to develop a set of tools which could be used by practitioners to generate useful and credible assessments which capture the range of social and economic impact of their microenterprise programs on clients, their businesses, households and communities. For practitioners to be able to do this with no or only minimal external assistance, the tools must be low-cost, quick and within the scope of staff expertise, experience and availability to collect and analyze the data.

Five assessment tools were designed by a team of PVO practitioners to collect quantitative and qualitative data addressing a set of AIMS project hypotheses about impact as well as information about client satisfaction which would help the practitioner organization improve its services. The five tools are:

1) An impact survey to collect information to test AIMS project hypotheses.
2) A client exit survey to determine why clients left the program and whether motivating factors were related to the program or not.
3) In-depth individual interviews about loan use over time.
4) In-depth individual interviews about empowerment.
5) Client satisfaction group discussions about the program and their suggestions for improvements.

This document reports on the second field test carried out in the *Credit with Education* program area of Kafo Jiginew, a Malian credit union federation, in March 1998. (The first field test was carried out with Organizacion de Desarrollo Empresarial Femenino (ODEF) in Honduras in September 1997.) The objectives of both field trials were to:

1) Test a process of training, data collection and analysis conducted by and for practitioners.
2) Assess whether the tools applied were simple, credible, useful and cost-effective.
3) Analyze all the data collected and document, to the degree possible, the impact of the *Credit with Education* program on its clients.

The experience of the two field tests will be used to refine the tools, develop a manual, and conduct two field-based workshops which will be offered to the PVO-NGO community. Because the purpose of these tests was to assess the practitioner tools themselves, only a minimal number of interviews were conducted. In the coming year, ODEF and Kafo will conduct a fuller application of the tools with larger sample sizes.

This report describes both the outcomes of the assessment and the process itself. Section I presents the underlying assumptions of the AIMS project and lays out the specifics of the test in Mali. Section II provides some background on the practitioner organization which served as the test site. Sections III and IV lay out the logistics of the test, the assessment design and sampling methodology used. Section V examines loan and enterprise profit use and their link to the types of impact that can be expected. Impact findings related to the AIMS hypotheses, client exit and client satisfaction are found in the next three sections (VI-VIII). Section IX highlights the institutional implications of the assessment findings. The final section, X, highlights lessons learned and examines the feasibility of practitioners conducting similar assessments. The appendices include the specific hypotheses tested, the assessment schedule, as well as more detailed information on the Kafo staff involved, the impact variables used and the qualitative findings.

A. Conceptual Background

The fundamental purpose of the AIMS project is to provide practitioners with a framework for understanding more clearly how microenterprise development intersects with the economic goals and behaviors of individuals and households. This framework, based on the household economic portfolio model, suggests that impacts may be found at the levels of the enterprise, individual, household and community.

The household model demonstrates how a microenterprise is situated within a broader household strategy to achieve economic security and family well-being. The model suggests that a household's economic activity can be viewed as a portfolio of income-generating and investment strategies designed to act together to achieve specific goals. Because the microenterprise is firmly embedded in the household, especially among poorer families, searching for impact of microenterprise programs requires examining the full range of economic activities undertaken. The model allows practitioners to address the issue of fungibility of credit by opening up the range of possible impacts to include those on other productive activities in the household, on consumption and by providing an explanatory framework for these choices. The model also recognizes that decisions about economic activities and the use of resources within the household may be joint or separate, thereby suggesting the importance of examining decision-making and resource control on the part of female clients with respect to the microenterprise. For this reason, enterprise development may have both social and economic effects, and impact must be sought in both areas. Lack of impact in the most obvious place — the target enterprise — does not mean there is no impact at all. This does, however, increase the difficulty of designing simple tools.

B. Hypotheses and Client Satisfaction

The practitioner tools were designed to provide data across a wide variety of program methodologies and contexts regarding hypotheses outlined in appendix 1. These hypotheses were selected by a working group of practitioners as the key ones that concerned them from the larger set of AIMS project hypotheses. Program operators also have an interest in information that will help them improve program services, and ultimately the impact. As programs become more market driven, there is a need to understand better what clients like and dislike about program services, what changes they would suggest and which factors enhance client loyalty, and which lead clients to leave the program. Recognizing this, the tools were designed to assess and better understand client knowledge and satisfaction with the program as well as to investigate specific impact hypotheses. In each case, the tools should be tailored by each practitioner organization to investigate specific hypotheses and other areas of inquiry as dictated by the emphases of its program goals and services.

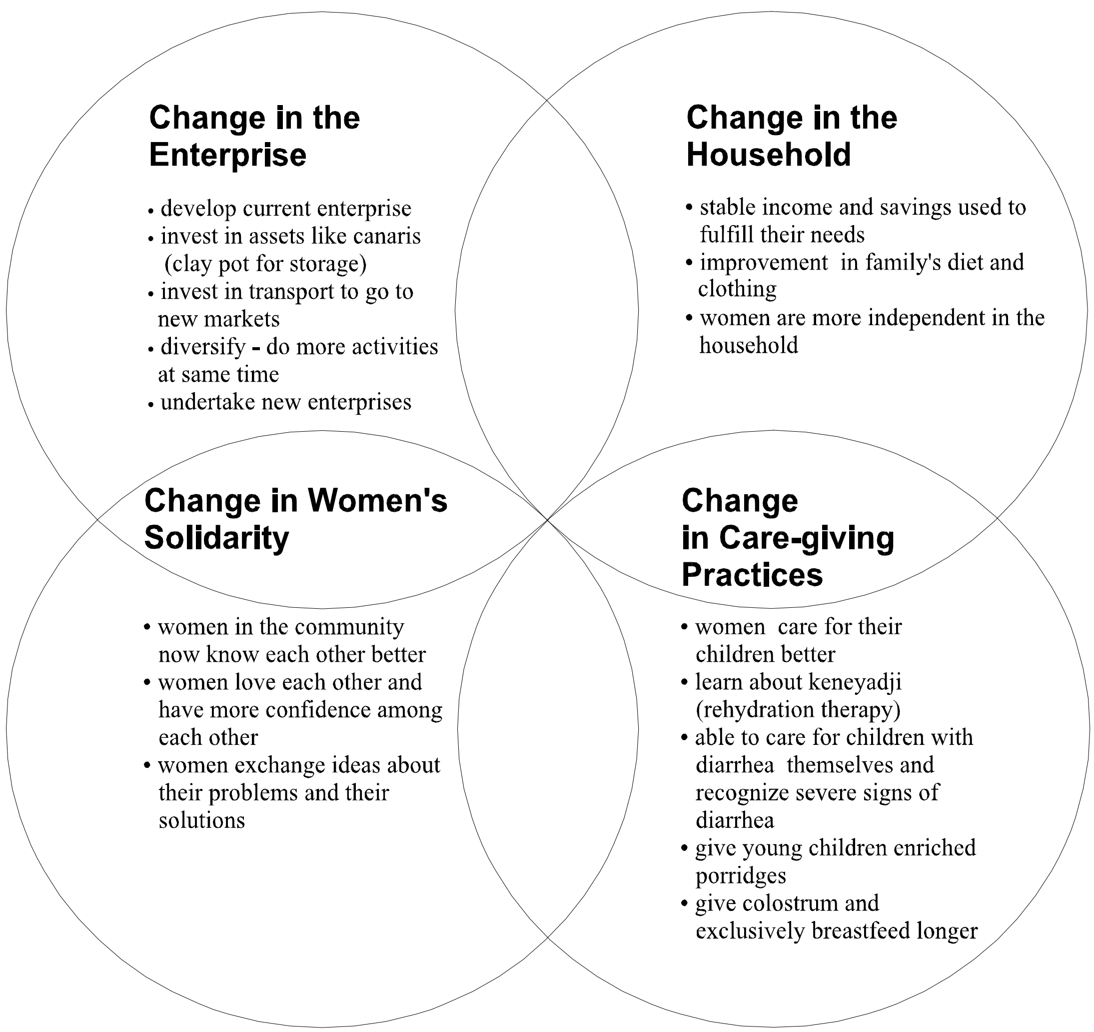
C. Domains of Impact

As part of the tools assessment, a participatory exercise was conducted with field staff to identify the principal domains of impact of the *Credit with Education* program. Field staff were asked to reflect and list the three principal changes they saw the program having in the lives of women who were members. Figure 1.1 groups these changes into four principle domains of impact. Because of their more open approach, the qualitative tools and client satisfaction questions gathered information pertaining to each of these four domains. The impact survey, however, primarily addressed the enterprise and household changes because the sub-group of hypotheses selected as the focus of this tool did not specifically address borrowers' solidarity or care-giving practices.

II. THE MICROFINANCE PROGRAM EVALUATED AND ITS CONTEXT

The second field test of the tools was conducted with clients of the *Credit with Education* program of the Kafo Jiginew Savings and Credit Union of Southern Mali, one of the most successful credit union networks in West Africa. In the Bambara language, a *kafo* is a union or federation and a *jiginew* is a granary. To farmers of the region, the name implies both security and wealth.

Figure 1.1 Staff Participatory Exercise—Principle Domains of Impact of the *Credit with Education* Program



Kafo Jiginew was established under the auspices of the Malian cotton marketing board (CMDT) in 1988 to serve as the central credit union for a network of small rural savings and credit union cooperatives *(caisses)*. The Kafo network consists of 74 self-managed credit union cooperatives or caisses that, as of December 1997, were serving more than 46,000 members, primarily male farmers. In recent years, however, Kafo has taken significant steps to improve its outreach and increase the number of women members by offering loan products they find attractive and manageable. One of these steps was the partnership it entered into with Freedom from Hunger in early 1996 to implement an integrated strategy called *Credit with Education*. This strategy is an integration of credit, savings and nonformal health and nutrition education for groups of rural women.

A. Overview of Kafo Jiginew Structure and Services

Headquartered in Koutiala, Kafo Jiginew serves as a central liquidity fund for the cooperative, investing or redistributing surpluses from the network (Freedom from Hunger, 1997). Kafo also provides centralized accounting, inspection and training services, and serves as a central supplier and purchasing agent for the cooperatives. This structure ensures uniformity in accounting, reporting and pricing, while allowing members to control matters of most concern to them, such as credit approval and loan recovery. The Kafo Jiginew office is staffed by a general manager, a manager of training, a program manager of the *Credit with Education* program for women, two accountants, two inspectors and various support staff.

The network is operated according to the standard Savings and Credit Cooperative (COOPEC) structure wherein members serve as both clients and owners. Each credit union cooperative has a Board of Directors consisting of 12 members, including two local managers/cashiers, a supervision committee and a credit committee for reviewing loan requests, all of whom receive training from Kafo staff. To become a member of the credit union, it is necessary to deposit approximately US$10 known as "the social contribution" which cannot be withdrawn while a member. Membership provides clients access to savings and loan services. Every cooperative is expected to reach financial self-sufficiency within its fifth year of operation.

Although a *Credit with Education* credit association has on average approximately 25 members, the association as a whole is counted as a single cooperative member because it maintains a single savings account with the local credit union cooperative. One or two *Credit with Education* field agents are assigned to each cooperative interested in offering the program. The field agent travels to surrounding communities to promote the program, help organize and train new credit associations and extend credit, savings and educational services to as many as twenty different credit associations in the area of the local cooperative. A program coordinator supervises from six to ten field agents and manages one of three district-level *Credit with Education* program offices.

1. Savings Services

Kafo offers two savings products to its members — savings accounts which pay 4 percent interest annually and one-year time deposits which pay 6.5 percent interest annually (Kafo Jiginew, 1997). Savings deposits are an important source of liquidity for Kafo and provide the bulk of the loan capital granted to borrowers. However, because of the seasonality of farming activities in the region, savings accounts fluctuate dramatically during the year. Furthermore, demand for credit exceeds the supply of savings. To meet all of the demand of its members in the region, Kafo has established a line of credit with the Banque Nationale du Développement Agricole (BNDA) at an interest rate of 9 percent.

Savings policies and services for the *Credit with Education* members are somewhat different. Individuals' savings are held in a credit association group account with the local cooperative. Members are required to save a minimum of approximately $.20 at each meeting although they are encouraged to save more. Individuals' savings can be withdrawn at the end of each four-month loan cycle.

2. Loan Services

Kafo offers four basic loan products, the most recent addition being *Credit with Education* (Horus Banque et Finance, 1997). The first three products offer loans to business owners and farmers with sufficient collateral and personal guarantee. To receive one of these loans, members must wait six months after opening an account with a network cooperative. The most common loan product is the agricultural loan obtained by farmers during the dry season before cotton planting and repaid after the harvest. As much as US$6,000 can be borrowed at 2 percent interest per month, typically for nine months. In addition to personal guarantees, applicants must offer the crop harvest as collateral. Short-term working capital loans of up to US$100 may be obtained for profitable commercial activities at an interest rate of 4 percent for one to three months. Medium-term equipment loans for the purchase of farm equipment are available for up to three years at an interest rate of 1.2 percent per month. The equipment purchased serves as security in addition to the personal guarantee and collateral requirements.

The fourth type of loan product is offered to credit associations of poor women through the *Credit with Education* program. These loans are atypical in that they are granted without physical collateral to credit associations which then disburse individual loans to their members who mutually guarantee each other's repayment. The interest rate on these 16-week loans is 3 percent per month which is higher than the other three loan products. In December 1997, after a little over one year of program operation, *Credit with Education* loans outstanding represented 6 percent of the total portfolio of loans outstanding although the 7,164 credit association members comprised approximately 19 percent of Kafo Jiginew's borrowers.

Table 2.1. Volume of Loans (in US$) of Kafo Jiginew Loan Products 1993 through 1997

	Agriculture	Working Capital	Equipment	*Credit with Education*
September 1993 $1=295 FCFA	783,000	17,000	7,000	-
April 1996 $1=490 FCFA	1,170,000	302,000	286,000	49,000
December 1996 $1=500 FCFA	3,466,000	114,000	366,000	138,000
December 1997 $1=550 FCFA	3,460,000	125,500	430,000	285,000
Percent of Total Portfolio - 12/97	78	3	10	6

3. The *Credit with Education* Program

a. Partnership with Freedom from Hunger. In early 1996, Kafo Jiginew and Freedom from Hunger formed a partnership to offer microfinance services together with nonformal education to poor women through the *Credit with Education* program. By adopting *Credit with Education*, Kafo sought to improve its credit portfolio risk by further diversifying lending to microenterprise activities that have high repayment rates and a different seasonal demand from agricultural loans for cotton. Kafo also aimed to increase its outreach to a poorer clientele and a greater number of women. The nonformal education and group capacity-building offered through *Credit with Education* provides an additional service for members which increases social benefits in a cost-effective and financially sustainable manner. Through their participation in the program, it is intended that women will build their productive assets, accumulate savings, enhance their organizational capacity and self-confidence and improve their knowledge and practice of critical maternal and child health and nutrition behaviors. Ultimately, it is hoped that individual women will graduate from the *Credit with Education* program and themselves become individual members and borrowers of Kafo.

Freedom from Hunger's role in this partnership is to provide the technical assistance and training required to build Kafo Jiginew's capacity to manage the expansion of *Credit with Education* and the full integration of the program into its operations. Through jointly sought grant funding, Freedom from Hunger supports the administrative costs of the *Credit with Education* program not covered by interest and fees paid by clients for at least the first five years of the program.

Kafo Jiginew manages all aspects of the program and finances the necessary credit funds together with participating cooperatives. The *Credit with Education* program manager is based out of Kafo's headquarters, while field agents are attached to each of the participating cooperatives. The field agents, or *animatrices,* facilitate the education sessions and train and supervise 15 to 20 credit associations in the management of the credit and savings. Each credit association, as a group, becomes a member by paying a subscription fee and maintaining an account with the cooperative to which it is linked. Unlike the original village banking methodology as designed by FINCA, there is no expectation that individual credit associations will "graduate" from the program and operate as autonomous village banks separate from Kafo Jiginew.

b. How *Credit with Education* works. The *Credit with Education* program operates in the following manner. Credit associations (CAs) of 20 to 30 women are organized and subdivided into solidarity groups of four to six members for a two-tier system of joint guarantee. The CA applies for a loan from the local Kafo cooperative based on the individual loan requests of its members. Members can ask for as little as US$5 and as much as $US50 for their initial loan. Each cycle the loan amount can increase by $25 up to a maximum of US$300. Each woman must get approval for her loan amount from her solidarity group as well as from the whole CA. Once the CA receives its loan, the credit is subdivided into the approved individual loans.

At the weekly (or in later cycles, bi-weekly or monthly) meetings, members make loan repayments and minimum 100FCFA savings installments weekly and participate in nonformal learning sessions on diarrhea treatment and prevention, breastfeeding, child feeding, immunizations, family planning, better business development and self-confidence topics. Payments are deposited into the CA account maintained at the cooperative until the 16-week loan cycle ends. The CA loan amount is repaid with interest to the cooperative, and members can access their savings. Depending on repayment performance, the whole process starts again, driven by the loan amounts requested by the members individually and collectively. Members may request loans to finance small businesses, commerce or any feasible income-generating activity in which they choose to engage.

c. Status of the *Credit with Education* program. At the time of the AIMS tools test, Kafo Jiginew's *Credit with Education* program had been implemented for almost two years, growing rapidly over that time to reach more than 7,000 women while always maintaining excellent repayment quality. In early 1998, major expansion was underway into the Sikasso and Fana districts with dozens of new CAs in training.[2] Table 2.2 provides additional details on the status and growth of the program.

Table 2.2 *Credit with Education* Status Report

	December 1996	December 1997
Number of Credit Associations	158	272
Number of Members*	5,789	7,164
Number of Borrowers	4,814	5,745
Amount Lent to Date	$327,610	$989,594
Amount of Outstanding Loans	$140,220	$254,208
Average Loan Size per Borrower	$29	$44
Amount of Savings	$7,219	$99,989
Portfolio at Risk**	0%	0%
Operating Self-Sufficiency (last 6 months)	29%	49%

* Number of members is larger than number of borrowers because some women choose to save with the CA and regularly attend meetings but not borrow.

** Outstanding Balance of Late Loans > 30 days/Total Loans Outstanding

[2] According to Kafo Jiginew's *Credit with Education* business plan, by the year 2002 the program will be reaching 30,246 women with an outstanding loan portfolio of $3,613,743. The program will be 104 percent financially self-sufficient. *Credit with Education* will represent 29 percent of Kafo Jiginew's outstanding loan portfolio and 38 percent of the interest revenue from clients. Savings generated by the program will total $386,670.

B. Context of the Field Test

Kafo Jiginew operates in the heart of the country's "breadbasket" and principal cotton-growing area. The majority of Sikasso's population lives in rural areas that would be considered poor by any standard despite the major contribution the region makes to the country's economic growth and cotton production. Women commonly engage in informal income-generating activities in addition to farming, particularly during the dry season. In fact, most households, including those with salaried jobs, engage in informal activities to supplement their agricultural production. This informal sector accounts for at least 25 percent of the GDP and employs 80-90 percent of the economically active population.

The Kafo network now reaches more than 500 villages in the four districts of the Sikasso region—Koutiala, Sikasso, Fana and Bougouni (see figure 2.1). When the tools test was conducted, *Credit with Education* was only operating in the Koutiala district, although dozens of new credit associations were in training in the districts of Sikasso and Fana and program expansion into these districts was imminent. For the purposes of the tools test, the program communities were categorized into three groups to reflect the range of commercial development in the program communities.

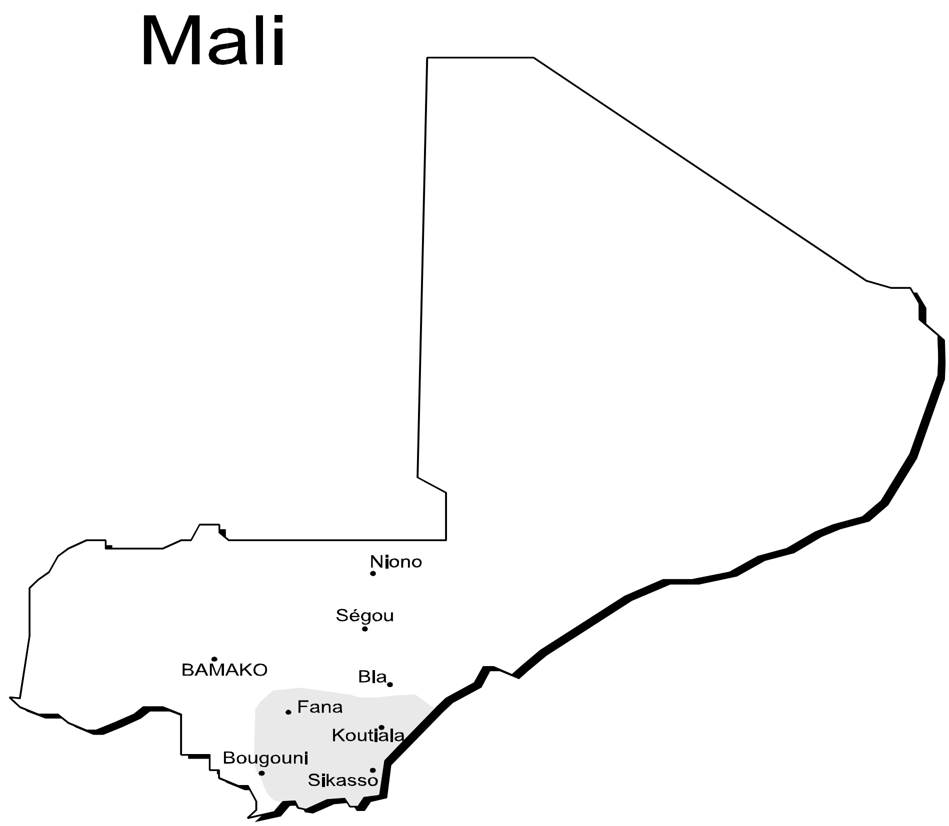
<u>Category 1–Towns</u>. There were only three Category 1 towns in the program area—Koutiala, Sikasso and Fana. These are relatively large towns of between 50,000-85,000 inhabitants. Sikasso is actually a regional capital and is second in size only to Bamako, the country's capital. Category 1 towns are more commercially developed and have better public services (schools, health facilities, electricity) than surrounding villages. These towns are all located on a main road. In addition, of paramount importance is the fact that they have greater commercial activity and daily rather than weekly markets. Many people are able to speak French and virtually all speak Bambara.

<u>Category 2– Large Villages</u>. The Category 2 communities were relatively large villages, each with its own Kafo Jiginew credit union cooperative. Their commercial sector is less active than the towns, but still represent major weekly markets that draw vendors and customers from surrounding communities. Some are on the main road, others are not, but there is usually some form of either daily or weekly public transportation to these villages. These larger villages have public schools and health centers. More people can speak French in these communities and a higher percentage of people are fluent in Bambara than in the Category 3 small villages.

<u>Category 3–Small Villages</u>. The Category 3 communities are relatively small villages with no electricity, public school or Kafo Jiginew cooperative (in one community, a private individual had organized the first years of primary instruction in his home.) Category 3 communities are typically located in more remote areas and none were located on a main road. All have only <u>minor</u> weekly markets that attracted few customers from surrounding communities. Public transportation is not available, so people use donkey carts, bicycles and motorcycles to travel, and many go long distances on foot. Very few people in these villages speak French. In Miniaka villages, often many people cannot speak Bambara, though many may at least understand it.

Section IV provides additional detail on how the tools assessment drew a representative sample of each of these different "types" of communities.

Figure 2.1 Map of Mali and Kafo Jiginew's Catchment Area (the shaded area)



III. LOGISTICS

The field test of the five qualitative and quantitative tools was conducted over a three-week period in March 1998. In collaboration with the AIMS facilitators and Freedom from Hunger trainer, Kafo Jigenew staff carried out each stage of the process from refining the assessment instruments to conducting the analysis of results.

Before the trial, the assessment tools were translated from English into French and sent to Kafo Jiginew for review, recommendations and translation into the most common local language Bambara. This preparatory work made it possible to begin the assessment training with French and Bambara drafts of each of the five impact evaluation tools.

A. Schedule

The assessment began with a week of final preparations for the test implementation which included training interview teams in data collection methods, pretesting and revising the tools, finalizing their translation into Bambara, selecting samples and creating the schedule for data collection. The credit associations and communities for the impact survey and qualitative tool were selected within the first two days. A proposed schedule was made and distributed to the Kafo Jiginew field agents working with these communities. It was necessary to arrange an appointment with each CA so that the assessment tools could be completed in the available time.

In the second week, quantitative and qualitative data were collected and survey data was compiled and computerized. In about a third of the cases, it was possible to schedule the survey to correspond with the credit association's pre-arranged regular meeting to minimize inconvenience to the client. The field agents and CA management committees were tremendously helpful in making the schedule work. In all cases, the women were organized and waiting even when the interview team was late.

The final week was spent training Kafo staff in analysis techniques, analyzing the data collected and reviewing preliminary findings and appropriateness of the various tools. A detailed schedule of activities for the three-week period is included in appendix 2.

B. Staffing

The assessment team was composed of 12 individuals: two AIMS facilitators, one training specialist from Freedom from Hunger and nine Kafo staff members — the C*redit with Education* program manager, three regional coordinators, three field agents, and two Peace Corps volunteers who work with Kafo Jiginew. Apart from the AIMS facilitators, only one of the team members had experience with survey or qualitative research; none of the qualitative team members had previous experience. However, the Freedom from Hunger trainer had considerable experience in conducting surveys and participatory evaluations. A profile of Kafo Jiginew assessment team members is included in appendix 3.

Table 3.1 Staffing

	Quantitative Team		Qualitative Team
Responsibilitieso f Team	Data collection, coding, analysis of surveys	Data input and analysis	Data collection and analysis of in-depth interviews, focus groups and ex-client survey
Composition of Team	5 Kafo staff (2 field agents, 2 coordinators, *CwE* program manager) 1 FFH Trainer 1 AIMS consultant	1 Kafo staff (Peace Corps)	2 Kafo staff (1 field agent, 1 coordinator) 1 Assistant (Peace Corps) 1 AIMS consultant

The assessment team was divided into two groups as outlined in table 3.1, each assigned to specific credit associations for data collection activities. Because of the different sampling requirements of the two teams, they operated independently of each other—each team with its own car and daily schedule. Every reasonable attempt was made to avoid having Kafo field agents interview clients with whom they normally work. This did, however, occur in just two of the 94 impact surveys. One of the interviewers worked with all of the two-year CAs in the town of Koutiala so it was necessary to have her complete two interviews at the two-year CA selected for the assessment so the team could finish in the available time.

C. Costs

The "testing" nature of this field trial necessitated outside assistance at an additional cost for training and analysis which future pracitioner-led assessments will not require. For this reason the AIMS project covered the cost of salaries and travel expenses for the two AIMS facilitators. In addition, AIMS provided a grant of US$7,500 to Kafo and Freedom from Hunger to underwrite a portion of their costs. Kafo Jiginew's costs (for salaries, per diem, gasoline, driver, photocopying and supplies) totalled US$2,800.[3] Freedom from Hunger's expenses were US$8,700 for the salary, hotel and per diem for the trainer and driver as well as compensation for the use of their vehicle. A total of 197 person days were required to carry out the assessment—68 days for on-site planning, training and pre-testing; 78 days for data collection, 15 days for software installation, data coding, data entry and data cleaning; and 36 days for analysis.

D. Instruments

A combination of five quantitative and qualitative tools were tested in this field assessment for their appropriateness and ability to provide information on the AIMS impact hypotheses as well as client satisfaction.

The impact survey was conducted with a sample of 94 one-year, two-year and incoming clients to collect information which tested the sub-group of AIMS hypotheses selected by the practitioner working group. In addition, several open-ended questions were added to explore client satisfaction with the program. The portions of the tools that would be read aloud to clients were translated into Bambara, the local language. In all cases, the field staff would explain the following points before the interview would begin: 1) participation in the survey was voluntary and would in no way affect an individual's program status or access to program services; 2) participants were encouraged to respond to the questions frankly so that the program could learn from their experience; and 3) their identity would remain confidential in any presentation of results. Respondents' answers were coded and loaded into a data file. A simple statistical package, EpiInfo, was used to analyze the survey results.

The exit survey examined whether 20 ex-clients left for reasons related to the program. The exit survey is meant to be used on an on-going basis by the program, particularly if there is a high client turnover rate.

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[3] This figure does not include the opportunity cost of foregone program revenue that field agents might have generated if they were able to do their regular work.

EpiInfo was also used to do descriptive analysis of the results although no statitical tests were performed because the sample was quite small and not collected in a random manner.

In-depth individual interviews were held with 12 two-year clients to examine loan use over time. Clients were asked how they had used the series of loans they received since joining the program. Analysis of the loan-use tool involved a three-step process: first, the data collected from the 12 interviews was transferred onto a form which captured all of the information from the interviews; second, the most salient information was gleaned from the form and captured on two tables; and finally, the team read through each respondent's "case history" and noted any apparent typologies of loan and profit use through this review. Answers to each question were compared and contrasted and major changes and/or trends were identified and summarized.

Another in-depth discussion guide explored empowerment with 12 two-year clients. Again, content analysis was used. First, answers from each of the respondents were clustered together by domain (individual, household, enterprise, community) and placed in a table with the answers from the past placed alongside the answers from the present. Second, answers to questions in each domain were compared and changes were identified and summarized.

In addition, focus groups were held with six credit associations to discuss client satisfaction and ways to improve the program. Two members of the qualitative team participated in each focus group discussion: one facilitated the group process and the second served as a recorder. The recorder ensured that all opinions and recommendations were captured, especially the reasons why participants supported certain program changes. The analysis plan involved summarizing the number of groups liking or disliking a particular program aspect, their reasons for the need of the program to change and their suggestions for change.

A more detailed treatment of the objectives, characteristics, strengths and weaknesses of each of these five tools can be found in appendix 4.

E. Data Analysis

The objective of both the quantitative and qualitative analysis plans was to use methods that practitioners could apply with minimal training. The analysis of the information collected with the quantitative tools was conducted with a public domain statistical package, EpiInfo[4]. Simple content analysis was used to analyze the case study information collected by the qualitative tools. No computer software was used in the analysis of the qualitative tools since the small number of interviews allowed this to be done manually.

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[4] Information about how to access EpiInfo software and manual is available at www.cdc.gov/epo/epi/epiinfo.html. The manual and software are available in English, French and Spanish.

IV. SAMPLE DESIGN

A. General Design Issues

1. Cross-sectional Design

The impact survey utilized a cross-sectional rather than longitudinal design. Program impact is assessed by comparing the responses of current clients to non-clients at one point in time rather than interviewing the same individuals before and after program implementation. Although the SEEP design team appreciated the strengths of a longitudinal design (particularly when coupled with a comparison group that does not receive the program), it was decided that a cross-sectional approach would be more practical for many NGOs. A cross-sectional design would also provide NGOs with more immediate impact information while requiring less time and expense.

2. Categories of Respondents

The impact survey sampled three categories of respondents; one-year clients, two-year clients and incoming clients. One-year clients were members of credit associations inaugurated approximately 12 months earlier in either March or April 1997. Two-year clients were members of credit associations inaugurated two years ealier in March 1996 during the first month of *Credit with Education* implementation. Incoming clients are women who have indicated their interest in joining the *Credit with Education* program but who have yet to receive a loan.

Another distinction used throughout the study is current versus incoming clients. The one-year and two-year clients together represent the current client sample. The objective of including two current client sample groups in the impact survey was to test the assumption that impact increases with longer program exposure. In the first test of the impact survey in Honduras, the sample of clients was drawn from borrowers of at least one year. To give a greater time dimension to the cross-sectional survey, it was decided for the Mali tools test to include two client groups intentionally: one- year clients and two-year clients.

3. Selection of the Comparison Group

A distinctive feature of the impact survey design selected by the SEEP team for the impact survey was the use of incoming clients for the nonclient comparison group. Incoming clients represented an appropriate comparison group for assessing impact because they have self-selected to join the program as did the longer-term clients. Incoming clients are therefore likely to have characteristics similar to current clients with the important exception that they had not yet received program services. However, it was essential that the incoming clients be selected from the same or very similar program areas as current clients if they were to be an appropriate comparison group.

Because all of the one-year and two-year client samples lived in Koutiala district, it was desirable to include incoming clients from this same district. Unfortunately, at the time of the study no new credit associations in the Koutiala district were in training although program promotion had begun in several new program communities. For this reason, two criteria were used to identify incoming clients. First, in communities where field agents had only conducted one or two community-wide introductory meetings, incoming clients were those women who had added their name to a list of interested persons compiled by a local leader. Second, in communities where CAs were already formed, incoming clients were women participating in the five-week orientation training for new groups.

Although the program has an ethos of extending services to the poorer households in the communities, the only specific entry requirements for joining the program is that a woman must become a member of a self-selected solidarity group that agrees to guarantee jointly each other's loans and the loans of all other members of their credit association. Because women in training are already members of a solidarity group, they have met the program's entry requirement and therefore constitute an arguably better comparison group than the incoming clients who had only expressed an interest in the program. Still, the need to draw respondents from similar geographical areas across the three sample groups led to the decision to apply both criteria for incoming clients.

B. Selection of Credit Associations for the Survey

Credit associations of the desired age were identified. These credit associations were grouped into categories by whether they were located in: category 1— towns, category 2— large communities or category 3— small communities. The two-year sample was selected first. An effort was made to draw the one-year and incoming client samples from the same or similar types of communities as the two-year clients so that the three sample groups would be as similar as possible.

1. <u>Categories of Towns and Villages</u>

As described in section II: B, the *Credit with Education* program communities were classified into three categories: category 1–towns, category 2–large villages and category 3–small villages. To insure that the respondents were representative of the *Credit with Education* program in general, it was important to include the range of these different "types" of communities in which the program is operating. At the time of the tools test, it was estimated that approximately 25 percent of the active credit associations were operating in category 1– towns, 50 percent in category 2– large villages, and the remaining 25 percent in category 3–small villages. Therefore, for each of the three sample groups, one category 1– town, two category 2– large villages and one category 3– small villages were selected for a total of four study communities per sample.[5]

Given the relatively large catchment area and dispersed nature of the program communities, it was also necessary to select communities that could feasibly be visited in the allocated one-week period. In some cases, it was possible to draw one-year clients and two-year clients from the same community. For

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[5] Originally, it was intended that the impact survey would be conducted in 15 credit associations over six days; 5 two-year CAs, 5 one-year CAs and 5 CAs in-training. By the second day of data collection, it was clear that it would only be feasible to visit two CAs per day. The schedule was revised so that 4 CAs from each of the three sample groups would be visited, for a total of 12 rather than 15 CAs.

example, at the time of the tools assessment, the only category 1 town with active CAs was the town of Koutiala. As described below, a two-year and a one-year CA was randomly selected from this same town.

2. The Procedure for Selecting Credit Associations

The first step in selecting credit associations for the impact survey was to identify credit associations of the desired age. Lists were created of the credit associations that had been inaugurated one and two years earlier. The incoming client group was selected both from credit associations participating in the orientation training and from new communities that had yet to organize credit associations and begin training.

The two-year client sample was limited to those credit associations that were inaugurated in the program's first month of implementation approximately two years earlier in April 1996. A challenge with the two-year client sample was to identify credit associations that had received uninterrupted program services for approximately two years. Although a relatively large number of credit associations — 75 — were inaugurated in the initial April 1996 "class," only eleven credit associations were in their sixth four-month loan cycle at the time of the tools assessment (six loan cycles indicate a minimum 20 months of program exposur). As mentioned in the section of the report on context, many credit associations elect to suspend program services during the rainy season. The desire to interview women who had participated in *Credit with Education* for approximately two years led to the decision to sample only from these eleven sixth-cycle credit associations. These eleven credit associations were classified as to whether they were operating in a town (category 1), a large village (category 2) or a small village (category 3). Credit associations were selected at random from these groupings.

The procedure for selecting the one-year credit associations was quite similar. A list of all credit associations inaugurated approximately one year earlier in March or April 1997 was prepared. Less than a dozen CAs had been formed at that time, and the one-year sample was limited to those CAs that were in their third or fourth four-month loan cycle. For logistical reasons and comparison purposes, one-year credit associations which were located either in the same communities or close to the two-year CA sample communities were purposely selected.

Ideally, the incoming client sample would be drawn from the same or very similar communities as the one-year and two-year clients. Only a single credit union cooperative in Koutiala district (Bongosso) had yet to join the program. A category 3–small village and a category 2–large village were randomly selected from Bongosso and the surrounding villages where initial program promotion had already begun. However, to include a category 1–town and a second category 2–large village, it was necessary to visit one of the districts in which the program was expanding. Because Fana district was located three to four hours from Koutiala, it was decided to limit the incoming sample to the more accessible Sikasso. The only category 1–town in this district was Sikasso proper. One of these eight CAs in-training in Sikasso was randomly selected. In addition, a second category 2–large village located between Koutiala and Sikasso that had CAs in training was selected as the fourth study community.

3. Breakdown of Communities Selected for the Impact Survey Sample

Table 4.1 provides a breakdown of the communities and number of respondents included in the impact survey. As described above, each of the three groups—one-year clients, two-year clients and incoming clients— had a sample of approximately 25 percent from towns, 50 percent from large villages and 25 percent from small villages. Seven to eight clients were interviewed at the 12 credit associations for a total survey sample of 94 women.

Table 4.1 Impact Survey Communities by Category and Sample Group (number of women)

	One-year Clients n=33	Two-year Clients n=30	Incoming Clients n=31
Category 1– town	Koutiala (8)	Koutiala (8)	Sikasso (8)
Category 2– large village	Karangana, Sinsina (16)	Karangana, Ourikila (14)	Bongosso, Kléla (16)
Category 3– small village	Tandio (9)	Jitamana (8)	Kangné (7)

C. Selection of Individuals for the Impact Suvey

Individual women were randomly selected for the impact survey using information from the credit association registers or community lists together with information provided by the women themselves. Upon arrival at a CA, it would be determined how many women had been in the program for five to six cycles for the two-year sample, and three cycles for the one-year sample. From those women with the desired duration of program participation, women were randomly selected for the interviews in one of two ways.[6]

First, when time was short, clients with the desired period of participation would be randomly selected in the standard way using the CA register that lists the borrowers. Starting at a randomly selected point in the list of names, a counting interval would be selected and, for example, by counting every third or fourth name, a woman would be selected for the impact survey. The counting interval that was used was based on the total number of eligible women and the requirement that they all have an equal probability of being selected.

The second selection method used a more participatory approach that also functioned as a good "ice-breaker" or group warm-up exercise without compromising the requirements of random selection. The

[6] At the first CA visited, one client per solidarity group was randomly selected because solidarity groups were the same size. However, this approach was abandoned when it was realized with the second CA that solidarity groups could have different numbers of eligible women which would undermine the principle of equal probability of selection. Therefore, other than with the first CA visited, the methods described in the text above were used to randomly select the sample.

same number of women as would have been used in the counting interval would be asked to come forward together. For example, if there were 21 eligible clients for the impact survey and a target number of seven to be interviewed, clients would be asked to come forward in groups of three. Each would be offered a small square of paper. One of the papers would have a flower drawn on the side that was not visible, while the other papers were blank. The client who selected the paper with the flower was chosen for the interview. This approach created a sense that the women were "lucky" to select the flower or receive the piece of paper. The pieces of paper were also useful for keeping track of women who were picked to be interviewed but, either because of the business of the meeting or the lack of sufficient interviewers, were not immediately interviewed.

D. Sampling for the Exit Survey

Although there was not enough time in the field test to do a thorough and random sample of women who had left the program to include in the exit survey, a "convenience" sampling approach was used to interview enough ex-clients (20) to test the tool. Field agents helped locate former program clients for exit interviews by walking through the community with a member of the assessment team and simply asking women they knew had left the program if they would be willing to be interviewed. Because of this non-random sampling approach, results from the exit surveys cannot be considered representative of all ex-clients. In addition, the exit survey is meant to be used by a program over time with every client who leaves. Therefore, attempts at sampling ex-clients some time after they quit the program contain inherent biases. For example, even if the sampling had been random, it still would have been impossible to interview those who left the program because they moved out of the area.

E. Selection of Respondents for the Qualitative Tools

Two techniques were used to gather qualitative data for this tools test. For the "loan-use over time" and "empowerment" tools, in-depth individual interviews were conducted. For the "client satisfaction" tool, focus group interviews with entire or sub-groups of credit associations were carried out. In Mali, the sample of clients for all qualitative tools was drawn from credit associations active for approximately two years (in their fifth or sixth four-month loan cycle). Only clients who had themselves been active for five or six loan cycles were selected for the in-depth individual interviews.

A total of six credit associations organized in six different communities were visited by the qualitative team. Of the six credit associations that were visited by the qualitative team, one was located in a category 1–town, three were in category 2–large villages and two were in category 3–small villages.

1. <u>Loan-Use Tool</u>

The selection of clients for the loan-use tool was achieved using a sub-sector approach. Twelve clients, representing four common program loan activities, were chosen in an effort to try and capture similarities and differences by loan activity. Using a client activity list compiled by *Credit with Education* (see appendix 5), the following four categories were chosen as being most common: selling cooked food, selling condiments (salt, garlic, soumbala, etc.), selling *dolo* (local millet beer) and non-food commerce. Upon visiting one of the selected credit associations, women engaged in these four types of enterprise were asked to identify themselves and then were randomly selected to be interviewed. Table 4.2 summarizes the number of clients who completed the loan-use questionnaire by their respective primary enterprise activity and the category of community in which they lived.

Table 4.2 Number of Clients Sampled for Loan-Use Tool by Community Category

Type of enterprise	Category 1– town	Category 2– large village	Category 3– small village
Cooked foods n=4	—	2	2
Condiment(s) n= 3	—	3	—
Dolo (local beer) n=3	—	1	2
Non-food (soap/indigo dye and soap/brooms) n= 2	2	—	—

2. Empowerment Tool

In the six credit associations visited by the qualitative team, two clients were randomly selected to be interviewed using the empowerment tool. The client's principle enterprise activity was not a criteria in this sampling. A total of 12 clients were interviewed with this tool.

3. Satisfaction Tool

A total of six focus group interviews were conducted. Again, only credit associations in their fifth and sixth cycles were sampled because this was the criteria the team used for the in-depth interviews, and the focus group discussions were held with the same credit associations.

F. Summary of the Sample Selected

1. Description of the Sample by Evaluation Tool

Table 4.3 summarizes the number of interviews completed by sample group and evaluation tool. Sample sizes were small for each of the assessment tools. Minimum numbers were selected that would provide adequate experience with the tools and some initial level of analysis. Guided by this principle, the numbers interviewed for each element of the assessment were as follows:

Table 4.3 Samples for Quantitative and Qualitative Tools

	Quantitative Evaluation Tools		Qualitative Evaluation Tools		
Kafo Jiginew's *Credit with Education* program	Impact Survey	Client Exit Survey	Empowerment (In-depth Individual Interview)	Loan use *(In-depth Individual Interview)*	Client Satisfaction Group Discussion
Two-year clients	30	7	12	12	6
One-year clients	33	13			
Incoming clients	31				
Total clients	94	20	12	12	

2. Demographic Information on the Sample

The sampling succeeded in producing three survey groups (one-year clients, two-year clients and incoming clients) with similar demographic characteristics. No significant differences were found in the variety of individual and household-level demographic indicators in comparisons between each of the three client categories included in the impact survey.

Table 4.4 Respondents' Individual Demographic Information

	One-year Clients n=33	Two-year Clients n=30	Incoming Clients n=31
Percent married–monogamous	48	47	29
Percent married–polygamous	39	50	61
Percent not married	12	3	10
Mean age (in years)	33	37	31
Mean years in school	2.0	1.8	1.8
Percent never attended school	73	73	70
Percent able to read a letter	21	17	10
Mean number of children	6.5	5.8	5.4
Mean number living children	4.2	4.6	3.7
Number of children who died	2.3	1.1	1.7

Table 4.4 provides demographic information on the individual women included in the impact survey. The overwhelming majority of these women were married; approximately half of these in polygamous unions. For those able to give their age (only 68 percent of the respondents), the mean age was 34 years with no significant difference between the three sample groups. On average, the women included in the impact survey had completed only two years of school with close to three-quarters of the women in each of the three samples attending no school at all. Although one-year and two-year clients were somewhat more likely to read than incoming clients, the differences were not statistically significant. The high fertility and high child mortality rates common to rural Mali were evident in the survey sample. Women in the three

sample groups had given birth on average to 5.5 to 6.5 children but on average one or two of these children had died. Sixty percent of the respondents had had at least one child die. No significant differences in fertility, current number of children, or number of children who had died, were found between the three client categories.

Table 4.5 summarizes information pertaining to the respondent's household. The demographic information pertaining to household size and members reflects the extended nature and consequently large size of many of the households in the program area. The definition of the household employed by the impact survey was those people *who lived together and ate together at least once per day*. An effort was made to identify those individuals that really pooled economic resources rather than simply living together. Even when applying this relatively narrow definition, households in each group were relatively large, having 6 to 7 adults and a total of 13 to 14 people. The largest household comprised 44 persons. Still, no significant difference was found between the three client categories in any of the household-level demographic information.

Table 4.5 Household Demographic Information

	One-year Clients n=31	Two-year Clients n=30	Incoming Clients n=31
Mean number of adults (persons >18 years)	7.10	5.90	6.40
Mean number of children (persons<18 years)	6.80	7.50	6.50
Mean number in household	13.90	13.30	12.70
Percent female-headed household	6.00	3.00	7.00
Mean years of school completed by head of the household	1.50	1.10	2.5 0
Percent of household heads who attended school	82.00	88.00	67.00
Mean number of household members with salaried	0.52	0.50	0.55
Percent of households without a salaried worker	67.00	63.00	64.00

Tables 4.4 and 4.5 indicate that the three sample groups were similar in terms of their individual and household demographic characteristics. However, the communities included in the assessment had very different characteristics in terms of size, commercial development and services. For this reason, the results for some of the key impact indicators are analyzed by community category.

G. Limitations

The greatest limitation of the sample design relates to the size of the sample for the impact survey. As mentioned earlier, only 94 interviews were completed, meaning that each of the three sample groups comprised just a little more than 30 people. These small sample sizes affect the assessment conclusions because differences between groups have to be very large to be statistically significant.

A second limitation or caveat of the assessment is that the two-year client sample really only represents a sub-group of credit associations inaugurated two years earlier—those CAs that elected not to suspend services during the rainy season. So, although the sub-group included in the two-year client sample may not be representative of the very first credit associations of the program, it may be more representative of what is increasingly becoming the norm for CAs in the program.

V. USE OF LOANS AND ENTERPRISE PROFITS

A central impact assumption of most microenterprise programs is that, through their sustained participation, clients are able to work progressively larger amounts of money, earn higher returns and enjoy greater benefits. For this reason, it is important to know the length of time clients included in the impact survey were in the program, the size of their program loans and the amount of their accumulated program savings. Depending on how credit is used, it can have either direct or indirect effects on consumption and welfare. Another key assumption of the AIMS conceptual framework and of most practitioner organizations is that increased returns to the microenterprise will lead to improvement in household welfare. How increased earnings and savings are used will dictate the type of household-level effects.

Drawing from both quantitative and qualitative tools, this section summarizes clients' reported uses for their loans and their enterprise profits. Some differences were evident by length of time in the program and loan size.

A. Access to Credit and Savings Services

Table 5.1 summarizes the one-year and two-year clients' borrowing experience with the program. In general, program loans are small. The average initial loan is well under the $50 ceiling. The current average loan for two-year clients is almost twice that of the one-year clients. A client's location exerts a strong effect on the amount she borrows. For one-year clients, the average program loan was four times greater in the category 1–town than the category 3–small village. Very few either one-year or two-year clients reported facing difficulties repaying their last loan. Of the three clients who had repayment difficulties, two lived in towns and one lived in a large village.

Table 5.1 Program Loan History for Client Sample and Average Current Loan by Community Category (in $US[7])

	One-year Clients n=33	Two-year Clients n=30
Average number of program loans	3.4	5.9
Average amount of first loan	$35	$29
Average amount of current loan	$48	$85
Town (category 1)	$101	$121
Large village (category 2)	$34	$49
Small village (category 3)	$23	$109
Number reporting difficulty repaying their last program	2	1

As described in section II A. 1, *Credit with Education* clients are required to save $.20 per week but they are encouraged to save more than the mandatory amount. Table 5.2 shows client savings with the program were relatively small—approximately $10 per client.[8] On average, program savings were approximately 20 percent of the program loan for one-year clients and only 10 percent for two-year clients. As with the program loan, borrowers living in the town had higher savings than those in the villages. Still, close to half of both groups saved more than the mandatory amount.

Table 5.2 Client Samples—Program Savings (in $US)

	One-year Clients n=33	Two-year Clients n=30
Average amount of current savings	$7	$8
Town (category 1)	$11	$14
Large village (category 2)	$6	$3
Small village (category 3)	$6	$10
Percent saving more than the mandatory amount	$64	$41

1. <u>Alternative Credit and Savings Services</u>

Respondents could also be borrowing from or saving with sources other than *Credit with Education*. Only one of the incoming clients included in the impact survey reported taking a loan in the last 12 months, and she had borrowed from a formal lender. Thirteen percent of the one-year and two-year clients had borrowed from alternative sources; five from a CMDT "women in development" program, four from family or friends and one from an informal borrowing group called a *tontine*.

[7] Exchange rate of 500 FCFA=$1US can be applied for initial loan of one-year clients and a rate of 490 FCFA=$1US for two-year clients. For "current loan" amounts, apply exchange rate of 572 FCFA=$1US.

[8] Amounts only represent individual savings of clients with their CAs. If clients have their own personal savings outside their group or if they have their own member account with the Kafo Jiginew credit union cooperative, those amounts would not be reflected here.

Membership in *tontines* was relatively common in the area. Some credit associations had functioned as a *tontine* before the *Credit with Education* program began in their community. However, it is unlikely women would consider the amounts they contribute to their *tontine* (sometimes cash or in-kind goods like cloth) to be savings. *Tontines* primarily function as an informal source of working capital or accumulated goods rather than as a savings mechanism.

B. Use of Program Loans

In each loan cycle, clients declare to the other members of their credit association how they plan to invest their loan. These enterprise activities are listed on the loan agreement between the program and the credit association that is signed by each member. Like most poverty lending programs, one of *Credit with Education*'s central principles is that borrowers themselves know best how to use a loan. The credit offered is unfixed and no attempt is made to verify that loans are spent on reported loan activities. However, to help clients avoid repayment problems, program policy and field agents encourage women to use their loans for productive purposes. Still, it is recognized that program loans might not solely be invested in enterprise activities.

1. Productive Investment of Program Loans—Expansion and Diversification

Combining the impact survey responses of one-year and two-year clients, table 5.3 summarizes the most commonly mentioned enterprises in which clients invested their most recent program loan.[9] The strong link to the agricultural sector is evident in that the great majority of women were engaged in food processing or foodstuff commerce.

Table 5.3 Principal Enterprises in Which Current Clients Reported Investing Their Last Program Loan

Reported Loan Activities	Percent of Clients (n=63)
Sell condiments (salt, garlic, soumbala, cube magi, shea butter)	37
Make and sell cooked food (restaurant, food stall or road side)	33
Buy and sell cereal(s)	13
Make and sell clothing	11
Make and sell beverages (primarily local beer)	8

The in-depth interviews on loan use revealed that women typically used their initial program loan to expand an existing enterprise, but in later loan cycles they tended to diversify their enterprise activities or take on a new activity. Eleven of the 12 clients who were interviewed with this qualitative tool reported no new income-generating activities were established with their initial loan. Clients simply continued to operate the same businesses they had before or reactivated a business that they had previously. One client explained, "With my first *Credit with Education* loan, I was able to increase the quantity of rice that I sell," and another said, "I was able to buy more flour for my macaroni business."

[9] See appendix 5 for a more detailed list of the reported enterprises loans were invested in for all clients taking a loan from January through March 1997.

Although continuing with the same enterprise activity, the loan enabled the women to obtain the necessary inputs more directly or more cheaply. One *dolo* maker explained, "I made *dolo* before, but now I don't have to borrow the money from my husband to buy the millet," while another said, "Although I was making and selling *dolo* before the program, now I am no longer in debt to the millet wholesalers."

The qualitative in-depth interviews reinforce the findings from the impact survey that longer-term participation is associated with greater impact and more profound changes at the level of the enterprise, the individual and the household. Beginning with the second loan, clients started to diversify and even start up new activities. Chart 5.4 summarizes the uses of loans and profits of four women engaged in selling cooked food who selected for the in-depth loan use tool.[10] This summary chart highlights ways in which clients begin to diversify enterprise activities. For example, one client supplemented her cooked food business in loan cycles two and three by buying sacks of beans and millet wholesale and reselling them to other women making bean cakes. Another client started making *bouldakassa* (made of peanuts, sugar and millet) in the fourth loan cycle which she sold next to her cooked food stall. The third woman, a midwife, sold injections which she administered to pregnant women, in addition to selling macaroni. The fourth client never deviated from selling her rice and sauce.

[10] See appendix 6 for charts summarizing the loan and profit use of the other sub-sectors of clients who were interviewed: selling condiments, making and selling *dolo* and non-food commerce.

Chart 5.4 Loan Use for Clients Selling Cooked Food—Use of Loan and Profit (Bold = Use of Loan; *Italics* = Use of Profit)

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Client 1 (Karangana)	**Rice, condiments** *Clothing; Savings; School fees*	**Rice, condiments** *Medical Treatment (including transportation)*	**Rice, condiments, peanuts** *Clothing; 1 sheep and 1 goat*	**Rice, condiments, peanuts** *Room for her restaurant*	**Rice, condiments, peanuts** *Clothing*	**Rice, condiments, peanuts**
Client 2 (Karangana)	**Rice, peanut butter** *Kitchen utensils*	**Rice, millet (keeping for rainy season)** *Marmites for restaurant, clothing for herself and for her daughter*	**Rice, beans (to sell to women who make bean cakes)** *Clothing; laundry basket for her household*	**Rice, peanut butter** *1 sheep; Clothing for herself*	**Rice for her daughter** *Knitted baby carrier; small "needs" (e.g., earrings, henna, etc.)*	**Half for herself (to buy rice and peanut butter) and half for her husband (so that he could sell second-hand clothes)**
Client 3 (Kani)	**Macaroni, meat, injections** *Cooking pot for her house*	**Half for herself (macaroni, meat, injections); half for her husband (to make and sell hoes)** *Medication for her sick child*	**Macaroni, meat, injections** *Clothing, shoes*	**Macaroni, meat, injections** *Clothing*	**Macaroni, meat, injections** *Clothing*	
Client 4 (Jitamana)	**Rice, peanuts, condiments** *Utensils/plates for her restaurant*	**Rice, peanuts, condiments, savings** *Clothing*	**Rice, peanuts, condiments, savings** *Ceremonial items*	**Rice, peanuts, condiments, bouldakassa** *Marmites for her restaurant*	**2/3 for her: Rice, peanuts, and bouldakassa; 1/3 for her niece** *Calebasses for the household*	**Rice, peanuts, condiments, keeping a portion at the house**

2. Direct Consumption or Other Nonproductive Uses of Program Loans

Several of the clients depicted in chart 5.4 also chose not to invest all of their loan in an enterprise activity. Three of the four clients gave a portion of at least one loan to their husband or other family member to invest. One of the clients held some of her loan "in her house" to be used later. To gauge the degree to which loans were not directly invested in a client's own productive activities, survey respondents were specifically asked if they had used all or some part of their last loan in the ways outlined in table 5.5.

Table 5.5 Percent of Clients Who Had Used All or Some of Their Last Loan Nonproductively

	One-year Clients n=33	Two-year Clients n=30
To buy clothes or other articles for the family	39*	67*
To save for emergencies or repayment of the loan	24	34
Gave or lent to husband or somebody else	15	21
To buy food for the family	18	7

* Chi square—significant difference between two-year and one-year client samples (p<.05).[11]

A high proportion of clients had used some or all of their last loan to purchase clothing or other articles for the family (see text box on Clothing). More so than food purchases, buying clothing for herself and her children is an expenditure that is traditionally more the obligation of women than men. Also, clothing is both an expression of social status and potentially important to a woman's economic security. Good clothes can help lead to a good marriage and therefore better long-term security. Also, during periods of difficulty, it is common for women to sell their clothes. When demand for new clothing is especially high, such as during major festivals or for other important occasions such as weddings, baptisms and funerals, some women make a business out of renting their clothes to others.

Clothing

Clothing expresses social status. For example, if a woman in the community is well dressed, it is said that her husband is rich, and that he takes good care of her. If the woman is not married and is well dressed, it is said that she is rich.

If a woman is well dressed, it can prevent her husband from going out.

Bintou and Haby Ouattara, Qualitative Team

a. Loan use by length of time in program, loan size and location. A client's duration in the program and loan size are factors that were influential to loan use. Two-year clients were significantly more likely than one-year clients to use part of their loans to buy clothing and other articles for their family. This finding may indicate that as they stay with the program, women lack either the options, the ideas or the desire to work larger loans. Or, this might mean women choose to take their profit "up front" by spending some of the loan and making their repayments from the return on the remainder of the loan.

[11] Throughout the report, a p-value of less than .05 is considered statistically significant. In this test, the p-value is a measure of the statistical significance of the difference in prevalence for the two client samples.

Clients taking loans of more than $50 were significantly more likely to report giving at least some of their most recent loan to someone else to invest than were clients with loans $50 or less ($p<.05$). No difference was evident in spending loan capital on clothing or other articles by loan size; 50 percent of the clients with relatively large loans did so, as compared to 56 percent with small loans.
In terms of location, clients living in towns were more likely than those in villages to save or give some or all of their loan to someone else. However, there were no significant differences comparing the responses of clients in towns and small villages.

In sum, it seems clients taking larger loans were significantly more likely to channel at least some part of that loan to another person, typically their husbands or other family members. However, loan size or a client's location was less influential than length of participation in whether a client used loan capital to purchase clothes or other items for the family. It may be that successful completion of several loan cycles gives women confidence in their ability to repay the program loan. In later loan cycles, they may become more willing to incur the potential repayment risk of spending some of their loan capital up front.

C. Use of Enterprise Profit

The qualitative and quantitative tools also provided good insight into how women used the income they earned from their enterprise. These uses of profit reflect the traditional spending obligations for women in the area. Women are primarily responsible for purchasing clothing for themselves and their children and for buying items for the home, while men have the primary responsibility for food purchases, education costs and housing repair. These uses provide the link between access to financial services meeting basic household needs better.

Chart 5.4 summarizes how the four clients engaged in selling cooked food reported using their profits each loan cycle during the in-depth loan use interviews. Spending on clothing and items for the house (such as a cooking pot and utensils) is evident from the first loan cycle. Spending on medical treatment and/or ceremonies occurs more sporadically in different loan cycles, depending on need.
The text box describes in greater detail the types of items a client might be buying for a ceremony. When a woman has a major role in a ceremony, such as the marriage of a family member, it is likely that she will also plan to use her savings in that way.

Ceremonies

Weddings: For wedding ceremonies, people bring cotton blankets, bed sheets, bowls, and calabashes to give the bride. If a *family* member is getting married, and if it is a brother, his siblings contribute a minimum amount of 100, 000 FCFA to the groom. If it is a sister who is getting married, people bring bowls, bed sheets, carpets for the wall, or *pagnes*.

Baptisms: When a woman gives birth, people bring bed sheets, soap or money for the new mother.

Bintou and Haby Ouattara,
Qualitative Team

It is not until the later cycles (usually from the third cycle on) that clients start to invest a portion of their profits in their primary (or new) economic activity. Of the four clients engaged in selling food, one used some of her enterprise profit to add a room to her restaurant and two bought storage containers called *marmites*.

The impact survey found similar results. Women were asked to report three ways they had used their enterprise profit in the last 12 months. This question referred to actual (not incremental) profit earned from any enterprise, not just those in which respondents had invested their program loan. Summing all three of their answers in decreasing order of frequency, one-year and two-year clients of the *Credit with Education* program reported using their enterprise profit in the following ways:

- 81% to buy clothing;
- 59% to buy items for the house;
- 26% to buy food;
- 24% to buy medicine or pay other health-related costs;
- 22% to save;
- 10% to pay school expenses; and
- 9% to reinvest in the business.

D. Programmatic Implications

To date, Kafo Jiginew's *Credit with Education* program has enjoyed excellent repayment rates. 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 program's repayment performance and sustainability. 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, there 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.

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

[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.

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 $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. Self-esteem

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

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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.

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.

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

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[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.

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. <u>Paid Employment</u>

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. <u>Solidarity and Participation in Community Events</u>

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 first 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

[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.

and/or traveling. 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 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. Qualitative Tools

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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APPENDIX 1

HYPOTHESES ADDRESSED
BY THE PRACTITIONER TOOLS

Hypotheses Addressed by the Practitioner Tools

The following table summarizes the hypotheses addressed by the practitioner tools. The impact survey collects information to address each of these hypotheses. In a more open-ended manner, the in-depth individual interviews also explore each of these areas with perhaps the greatest emphasis on the individual- and business-level hypotheses.

Participation in microenterprise services leads to:	
at the individual level	increased control over resources on the part of women clients no negative impacts on children's labor increases in paid labor — and in the productivity of labor — for women, without negative consequences increased self-esteem on the part of women clients
at the household level	increased income increased assets increased welfare (in such areas as food security, housing and health)
at the business level	increased net worth increased net cash flow increased differentiation between the microenterprise and household
at the community level	increases in paid employment by client households

APPENDIX 2

SCHEDULE

Schedule
Tools Test/MALI - Kafo Jiginew's *Credit with Education* Program
(March 1998)

Week 1: Qualitative and Quantitative Teams

8 Sunday	**9 Monday**	**10 Tuesday**	**11 Wednesday**	**12 Thursday**	**13 Friday**	**14 Saturday**
Meet to discuss the week's events; prepare for Monday's session.	*Plenary* -Introduction -Objectives -Review of Training Manual -Staffing/Schedule -Begin Ex-Client Interview training	*Plenary* (a.m.): Pre-test of Ex-Client Survey _______________ Qual. & Quan. Teams: Review tools/translation/ revisions	Qual.& Quan. Teams: Review tools/translation/ revisions	Qual.& Quan. Teams: Adapt and Practice tools/translation/ revisions as needed	Qual. Team: Pre-test Quan. Team: practice Bambara version of survey	Qual. Team: revisions/discussion Quan. Team: Pre-test

Week 2: Qualitative Team

15 Sunday	**16 Monday**	**17 Tuesday**	**18 Wednesday**	**19 Thursday**	**20 Friday**	**21 Saturday**
Revisions **Xeroxing**	Kafo	Abdulaye	Abdulaye	Abdulaye	Abdulaye	Koffi, Abdulaye
	7:00	8:15	7:00	7:10	7:00	9:30 am
	Karangana 8h CA N° 21 (Benkadi) *Kadiatou Coulibaly*	Finzankoro *Assa Macalou* 9-15:30 In-depth interviews with women 16h CA N° 9 (Jigiseme Sirakoro)	Tianhisso (Karangasso *caisse*) 8h CA N° 9 *Douya Dioma*	Jitamana (Zangasso *caisse*) 8h CA N° 49 (Sabounyuman)	Zanzoni 8:30 CA N° 2 Benkadi Timinasso *Siata Berthe* Koutiala ville 16h CA N° 46 (Benkadi Tonasso) *Aminata D Camara*	Koutiala

Team 1 (Qual): Jennifer McNulty, Bintou Ouattara, Haby Ouattra, Karen Lippold (Sata Traoré)
Team 2 (Quan): Mme Ballo Aïchata, Cissé, Ba Aoua Berthé, Djénéba Dembélé, Aminata Camara, Mansaba Sissoko, Kayla Hagan, Barbara MkNelly (Barakisa Dembéle), Ayele Foly (Tene Koulibaly)

Week 2: Quantitative Team:

15 Sunday	16 Monday	17 Tuesday	18 Wednesday	19 Thursday	20 Friday	21 Saturday
Revisions	Koffi, Abdulaye	Kafo, Koffi	Koffi, Abdulaye	Kafo, Koffi	Kafo, Koffi	Koffi, Abdulaye
Xeroxing	7:00	7:00	6:30	7:10	7:45	7:30
	Karangana 8h CA N° 21 (Benkadi) Ourikila 15h CA N° 56 (Benkadi Cadjila) *Fatoumata Sanogo*	Boungosso 8h - groupe 4 10h Kangé (Boungosso *caisse*) *Fatoumata Dembelé* Finzankoro 16h CA N° 9 (Jigiseme Sirakoro) *Assa Macalou*	Tandio (Karangasso *caisse*) 7:30h CA N° 235 (Yélalé) *Kadiatou Coulibaly* Koutiala ville 16h CA N° 223 (Kotoallama Lafiala) *Aminata D Camara*	Jitamana (Zangasso *caisse*) 8h CA N° 49 (Sabounyuman) *Haby Ouattara* Kléla 13th Quartier Koukoukana - groupe **1**	Sikasso ville 8h (Quartier Mankourani I) *Fatoumata Yaro* Koutiala ville 16h CA N° 46 (Benkadi Tonasso) *Aminata D Camara*	Sinsina 8h CA N° 230 (Alakabo) *Kadiatou Kassongue* Karangana 10h CA N° 223 (Danaya) *Kadiatou Coulibaly*
		Coding of Impact Surveys and Data Entry — 17th - 21st				

Week 3: Qualitative and Quantitative Teams

22 Sunday	23 Monday	24 Tuesday	25 Wednesday	26 Thursday	27 Friday	28 Saturday
Begin Data Analysis	Data Analysis	Data Analysis	Data Analysis	Data Analysis Prepare for de-briefing	Presentation of results — debriefing Organize files	Organize files

APPENDIX 3

BIODATA OF KAFO JIGINEW STAFF

Biodata of Kafo Jiginew Staff

Quantitative Team

Ballo Aïchata Cissé received her Higher National Diploma in Agriculture [given after a two-year higher education course] from the Rural Polytechnic Institute in Katibougou in 1988. For two years she was a field agent for the Project to Support Feminine Dynamism at the CMDT. She then worked for two years for the Women and Development Project of the CMDT as a young graduate in charge of research. She then worked as a field agent for Kafo Jiginew for a year and a half before the *Credit with Education* program (CwE) was installed. She was responsible for promoting the development of female membership at Kafo Jiginew. She has been heading the CwE program since it started at Kafo Jiginew in December 1995.

Ba Aoua Berthé received her certificate of vocational training in accounting [given after three years of training] from the ECICA in 1997. In November 1997, she was hired as Regional Coordinator in Koutiala by Kafo Jiginew.

Djénéba Dembélé received her certificate of vocational training [given after three years of training] from the Technical Agricultural School in 1997. She worked for two months in cartography in Koutiala. In November 1997, she was hired as Regional Coordinator in Fana by Kafo Jiginew.

Mansaba Sissoko received her certificate at the secondary-school level in secretarial work. For four months she worked as a secretary for the Kene tontine in Koutiala. She managed a restaurant for two years. She then worked in the control room of Radio Jamana for eight months. After that, she was a manager at Radio Jamana for eight months. Between January 1996 and February 1998, she was a field agent for Kafo Jiginew in the village of Finzankoro. At present she is a field agent in Kourouma.

Qualitative Team

Jenny McNulty (a.k.a. Djénéba Keita) graduated from Georgetown University Foreign Service School in 1993. She worked for a year in Ecuador for an environmental education program at the Jatun Sacha Biological Station in the Amazon. She then worked for two years as development assistant for FINCA International in Washington, D.C. Since November 1996, she has been working in the *Credit with Education* program for Kafo Jiginew as a Peace Corps volunteer in the small business sector.

Bintou Ouattara received her Higher National Diploma in Agriculture [given after a two-year higher education course] from the RPI in Katibougou in 1993. For three years she worked in collaboration with the Truck Farming Project, PROFED and the Project for the Development of Village Lands (PDVL) of the CMDT in Diola. She entered reports into the database. She also conducted surveys for a study of the profitability of collective gardens. In September 1996, she started work for Kafo Jiginew in Kaniko as a field agent. In November 1997, she was hired as Regional Coordinator in Sikasso.

Haby Ouattara received her certificate at the secondary school level in secretarial work. She worked as secretary for Africare for three years in the Gaos region. She conducted weekly socio-economic surveys on the price of food grains and livestock, and she was supervisor of the women's mill. Haby was a secretary for CARE in Macina for six months, and then worked for two years as secretary and shopkeeper for Assistance for Basic Initiative. For three years she traded in Mali and Burkina Faso. Since 1996, she has been working as a field agent for Kafo Jiginew in the village of Zangasso.

Computer Team

Kyla Hagan (a.k.a. Fattima Berthé) graduated from the University of Texas with a Bachelor's in Business Administration with an emphasis in computer systems management. She learned to use EPI Info software while she was interning at the Department of Health. Since August 1997, she has been working as a Peace Corps volunteer in the small business sector for Kafo Jiginew in Accounting.

Yacouba Konaré received his Baccalauréat degree [high school diploma and college entrance] from Bouyagui Fatiga High School. In 1991, he received his Higher National Diploma in mathematics, chemistry and physics [given after a two-year higher education course]. He was manager at the Cotonnier Hotel for two years. In 1994, he was hired as a translator for Kafo Jiginew. Since 1996, he has been working for Kafo Jiginew as an accountant's assistant.

APPENDIX 4

QUANTITATIVE AND QUALITATIVE INSTRUMENTS FOR IMPACT ASSESSMENT OF MICROFINANCE PROGRAMS

Quantitative and Qualitative Instruments for Impact Assessment of Microfinance Programs

Two quantitative and three qualitative instruments designed by the SEEP team were used in the impact assessment in Mali. The following tables provide an overview of each tool, along with the hypotheses it addresses, why it was developed, how it is to be used, who the participants are to be interviewed, and the strengths and weaknesses found in the application of the instrument.[21]

Title:	**1. Impact Survey**
Overview:	The main quantitative tool for the impact assessment.
Hypotheses:	All of the hypotheses identified by the SEEP Evaluation Working Group as commonly being relevant to practitioners.
Why it was developed:	To provide a survey design and instrument that would generate more valid and reliable impact information than that commonly collected by practitioner organizations. The survey would also identify and test indicators that could potentially be commonly applied by practitioners to set impact targets and compare the relative impact of different programs.
How it is administered:	One on one. Preferably in a private setting so that the respondents can be candid. The survey was conducted in the local language, Bambara. A Bambara/French version of the survey was developed where all parts read to the respondent were written out in Bambara but responses or sections that were not read stayed in French.
Time needed:	1-2 hours
Skill level of interviewer:	High school education; preferably familiar with relating to the type of population of the respondents but not the specific persons in the sample; need a minimum of five days for interviewer training and pretesting. Interviewer needs to be able to read Bambara. [The data analysis requires more sophistication and knowledge of the overall program and its intended impact.]
Respondents:	Three sample groups of approximately equal size: one-year clients, two-year clients and incoming clients.
Use in Mali:	Administered to 94 clients (33 *Credit with Education* one-year clients, 30 two-year clients and 31 incoming clients).
Strengths:	Can cover many items and hypotheses in approximately an hour-and-a-half. Questions can be deleted or added as desired. The pre-coding makes it relatively simple to perform statistical analysis using EpiInfo. If the necessary training, adaptation to local setting and appropriate sampling methodology are applied, the survey can potentially provide impact information that is valid, objective and persuasive to a relatively diverse audience of direct implementers as well as donors or supporters.
Weaknesses:	The impact survey is too long. A shorter instrument would work better because it would require less time at each step in the process (training, implementation, data entry and analysis). A shorter survey would also allow more interviews to be completed in the same amount of time, which would raise the sample size without increasing the costs. All the questions were maintained in this administration of the survey because of its test nature. Still, despite the current length, it covers each hypothesis with just a few questions, so shortening it would mean eliminating hypotheses. A more general weakness inherent in this approach is that practitioners may lack the type of expertise, particularly in data analysis or survey methodology, to conduct this without outside technical assistance. Also, this type of impact survey more directly serves the function of setting and evaluating impact targets and/or demonstrating impact to outsiders than providing managers the type of information they need to improve their programs.

[21] This table format and some of the observations are the same as the ODEF tools test report.

Title:	2. Client Exit Interview (a quantitative survey instrument)
Overview:	Designed to ascertain: 1) Why the client left; 2) whether motivating factors were related to the program or not; 3) ex-clients' opinions of program and problem areas; 4) modest indication of his/her opinion of impact of program on him/her and business before s/he left or graduated.
Hypotheses:	The client leaves because s/he is dissatisfied, and impacts are assessed not to be sufficiently positive to maintain program participation.
Why it was developed:	Microenterprise programs need to have a better sense of why they are losing clients and in particular whether program policies or requirements are perhaps inadvertently causing valued clients to leave the program. The survey aims to provide practitioners with more systematic information and better understanding of a group typically not included in impact assessments—previous clients of the program.
How it is administered:	One on one. Preferably in a private setting so that the respondents can be candid. Should be done ideally as a routine at the time of departure from the program.
Time needed:	20 minutes.
Skill level of interviewer:	High school level. Could be administered by clerical staff or another promoter. Should not be done by client's own promoter.
Respondents:	Clients leaving the program for any reason.
Use in Mali:	20 respondents from 9 different credit associations.
Strengths:	Simple to use since sampling and comparison groups are less of an issue. Also easy to analyze because most questions have pre-coded answers and statistical tests are not required. Can be ongoing so as to gather large numbers of respondents over the course of a year. Good management tool to correct situations seen to cause multiple clients to leave. Good check for supervisors on the impressions of promoters about why clients are leaving. More complete than earlier efforts.
Weaknesses:	The assessment really only tested the exit instrument rather than being a more complete process for collecting and processing this information, particularly on an ongoing basis. Also, because ex-clients were interviewed on a *post hoc* basis when there was time and when they could be located, we don't really know if the 20 who were selected are representative of ex-clients in general. For example, it is likely that those who quit the program because they were leaving the area would not have been interviewed with this approach.

Title:	**3. Loan Use Strategies Over Time (qualitative)**
Overview:	Designed to ascertain the many ways that clients utilize the loans they receive (assuming that not all loans are invested in the growth of the enterprise) and utilize their profits.
Hypotheses:	E-1 Increased net worth in the microenterprise E-2 Increased net cash flow from microenterprise activities E-3 Increased differentiation between the microenterprise and household
Why it was developed:	The specific purposes of the set of activities in this exercise are: — To document use of loan resources over time — To complete an economic analysis of current business(es) — To illuminate decision-making by women — To understand the control women have over the utilization of business income and loans — To demonstrate the interrelationship between household and business — To identify the source of differentiation and diversification in business activities
How it is administered:	One on one. The tool, conducted in the local language Bambara, was presented in two parts. The first part consisted of open-ended questions designed to illuminate the history of loan and profit use. The second part consisted of a mini-economic analysis of the client's business activities for each loan cycle.
Time needed:	Depends on level of implementation. Minimum of 1 hour.
Skill level of interviewer:	High school education; preferably someone familiar with relating to the type of population of the respondents but not the specific persons in the sample. A minimum of five days for interviewer training and pre-testing is necessary. Interviewer needs to be able to read Bambara.
Respondents:	Microentrepreneurs in at least their third loan cycle. It captures a richer history of loan use over time with multiple loan clients.
Use in Mali:	Administered to 12 respondents in either their fifth or sixth (with one exception) loan cycle. The narrative form, as opposed to the graphic form, was used in Mali.
Strengths:	Captures the interrelationship between household and business. Documents history of loan and profit use over time. Captures multiple businesses and diversification.
Weaknesses:	Dependent on client's memory *and* the willingness of the client to be truthful when answering questions about loan and profit use. Analysis is complicated.

Title:	**4. Ascertaining Perceptions and Manifestations of Empowerment among Clients - (qualitative)**
Overview:	Designed to ascertain ways in which clients feel and manifest empowerment (including self-confidence and self-esteem) as a result of their participation in the program activities.
Hypotheses:	Increased self-esteem on the part of women clients.
Why it was developed:	This technique concentrates on the manifestations of empowerment in individual, household, community and enterprise behavior rather than on attitudes because it is hypothesized that those who have been empowered through program participation will make decisions differently and take greater risks in all these areas.
How it is administered:	One on one. There are suggested probing questions. The original calls for drawing self-portraits at a time before entering the program, now, and in the future and then asking the client to explain each of the portraits and to analyze changes, emotions, and how the changes occur.
Time needed:	2-2½ hours depending on degree of detail obtained from client.
Skill level of interviewer:	High school education; preferably familiar with relating to the type of population of the respondents but not the specific persons in the sample; need a minimum of five days for interviewer training and pre-testing. Interviewer needs to be able to read Bambara.
Respondents:	Clients with at least 1½ years in program.
Use in Mali:	Administered to 12 clients.
Strengths:	Lots of probing questions for past, present and future. Tool captures impact at four levels - individual, household, business and community.
Weaknesses:	Probing questions are too general and need to be supplemented with more specific questions. Analysis requires sophistication. Degree of detail and richness of data depend on the *capabilities* of the interviewer and on the *ability* and willingness of clients to express themselves honestly and in detail.

Title:	**5. Ascertaining Client Program Satisfaction**
Overview:	Designed to ascertain whether or not clients are satisfied with the program overall and with the specifics of the program.
Hypotheses:	This technique does not address any hypotheses.
Why it was developed:	It was included because it is assumed that program managers or directors will be interested in learning whether clients are satisfied with the program and, if not, what client suggestions might be for improvement.
How it is administered:	There are three versions: in the first, clients are asked to design the best lending program they can think of. In the next step the group presents its ideal and then compares it to the current program. The differences provide suggestions to the agency of possible changes to consider. In the second, the group is asked to discuss what it likes and dislikes about the present program, and there is a voting process to determine the strength of the opinion. Recommendations for change are solicited for elements which are less satisfactory.
Time needed:	1½ - 2 hours. Depends on number of program aspects you are covering and the number of women in group.
Skill level of interviewer:	Skilled trainer and/or person with extensive experience facilitating groups.
Respondents:	Clients with at least 1½ years of experience so they can comment on the pros and cons of different elements of the program and make suggestions for changes.
Use in Mali:	Administered by a field agent and a coordinator from the program. One person facilitated the meeting while the other took notes.
Strengths:	Stimulates debate and discussion on various elements. Helps staff see what the clients are satisfied with and what they would like to change and why. Although none of the three options mentioned above under "How it is administered" were 100 percent appropriate for Mali, the tool is flexible and can be modified when it is in progress.
Weaknesses:	Even with the modification of the tool, most Malian women who live in small villages are not accustomed to expressing their viewpoints in a public setting and it was difficult eliciting commentary from everyone present at the meetings. The women had difficulty with the concept of expressing their views about an "ideal" program, so the group process was redesigned for participants to describe and discuss the program elements and then talk about their "preferences." There may be a fear (of reprisal or hurt feelings) to state openly to program staff that there is strong dissatisfaction with an element of the program.

APPENDIX 5

COMMUNITY CHARACTERISTICS TABLES

SEEP/AIMS Impact Tools Test

Characteristics of Kafo Jiginew CE/E Communities Included in the Impact Survey

Community & Credit Association ID	Survey Classification and Type of Market	Administrative Classification	Estimated Population	School: Highest Grade	Health Services	Electricity	Total Number of CAs	Is the Community Situated on Main Road?
Two-year Clients—CA inaugurated April 1996								
Koutiala Benkadi Tonasso N° 46	1 major daily market	Town	60,000	12th grade	Hospital	Yes	45	Yes
Ourikila Benkadi Kadjila N° 56	2 large weekly market	Village	5,000	6th grade	Community Health Center	No	1	No
Karangana Benkadi N° 21	2 large weekly market	Village	2,000	6th grade	Community Health Center	No	2	No
Jitamana Sabounyuma N° 49	3 small weekly market	Village	2,500	2nd grade	Small health post	No	2	No
One-year Clients—CA inaugurated March/April 1997								
Koutiala (Lafiala N° 223)	1 major daily market	Town	60,000	12th grade	Hospital	Yes	45	Yes

Karangana Danaya N° 233	2 large weekly market	Village	2,000	6th grade	Community Health Center	No	2	No
Kaniko-Sinsina (Alakabo N° 230)	2 large weekly market	Village	2,500	12th grade	Community Health Center	No	3	No
Tandio (Yélalé N° 235)	3 small weekly market	Village	2,500	6th grade	Community Health Center	No	2	No
Non-Clients (New CAs in-training)								
Sikasso Mankourani I	1 major daily market	Capital of the Region	85,000	12th grade	Hospital	Yes		Yes
Bongosso Group 4	2 large weekly market	Village	2,800	6th grade	Community Health Center	No		No
Non-Clients (New CAs in-training)								
Kléla Group 2	2 large weekly market	Town	5,500	9th grade	Community Health Center	No		No
Bongosso Kangé	3 small weekly market	Village	600	No	Community Health Center	No		No

Characteristics of Additional Communities Included in Qualitative Research

Community & Credit Association ID	Survey Classification and Type of Market	Administrative Classification	Estimated Population	School: Highest Grade	Health Services	Electricity	Total Number of CAs	Is the Community Situated on Main Road?
Zanzoni	2 large weekly market	Village	2,500	6th grade	Community Health Center	No	6	Yes
Finzankoro	2 large weekly market	Village	4,000	2nd grade	Community Health Center	No	3	No
Kani	3 small weekly market	Village	1,810	6th grade	Community Health Center	No	2	No

APPENDIX 6

REPORTED ENTERPRISE ACTIVITIES FOR THE *CREDIT WITH EDUCATION* LOAN

Reported Enterprise Activities for the *Credit with Education* Loan (December 1996 - March 1997)

Enterprise Activities	**Number of Borrowers**
COMMERCE - FOOD AND AGRICULTURAL PRODUCTS	
Buy-Sell vegetables (e.g., tomatoes, okra, onions, eggplant, yams, etc.)	210
Buy-Sell cereals (e.g., rice, millet, corn)	186
Buy/Transform/Sell cereals (e.g., couscous, rice)	253
Buy-Sell raw beans/peanuts/peanut butter	388
Buy-Sell fruits (e.g., kola nuts, coconut, oranges, bananas, néré grains)	66
Produce-Sell cooked food (e.g., rice, macaroni, beignets, meat)	445
Produce-Sell condiments, spices (e.g., salt, garlic, soumbala, cube magi)	236
Produce-Sell oils (e.g., karité, peanut)	19
Produce-Sell alcoholic beverages (dolo, wine)	529
Produce-Sell non-alcoholic beverages (e.g., gingembre, da, tamarind)	105
Retail store selling primarily food	31
Buy-Sell fish (fresh and fried)	149
Butcher	105
Other: Selling sugar, honey, tea	20
COMMERCE - NON-FOOD/NON-AGRICULTURAL	
Buy-Sell articles of clothing	144
Buy-Sell beauty products - henna, hair for braiding	41
Small store/stand selling non-food products (e.g., dye, soap)	101
Buy-Sell charcoal/wood	70
Buy-Sell gas/kerosene	18
Other: medication (e.g., aspirin)	4
Other: potassium hydroxide (for soap-making)	10
ANIMAL HUSBANDRY	
Poultry-raising	1
Small animal-raising (e.g., sheep, goats, pigs)	3
Sell milk (from animals)	30

Enterprise Activities	**Number of Borrowers**
ARTISANAL	
Cloth weaving	30
Tailoring of clothing or other articles	24
Pottery (canaris)	3
AGRICULTURAL PRODUCTION	
Cultivate-Sell vegetables, fruit (e.g., tomatoes, lettuce, bananas, mangos)	9
Cultivate-Sell peanuts	33
Cultivate-Sell tubers (e.g., potatoes, yams, sweet potatoes)	23
Other: Cotton, calebasse	7
OTHER ACTIVITIES	
Tobacco	18
Brooms	52
Plastic articles	42

APPENDIX 7

LOAN USE ANALYTICAL CHARTS

Chart 1: Loan Use Analytical Chart: Loans for Primary Activity by Size of Loan, Date, and Client Location *Currency: US $1.00 = 575 FCFA*

Cooked Foods (Restaurant)		**Loan 1**	**Loan 2**	**Loan 3**	**Loan 4**	**Loan 5**	**Loan 6**
Client 1	Karangana	15,000 Apr.	30,000 Aug.	50,000 Dec.	5,000 May	50,000 Sept	50,000 Jan
Client 2	Karangana	15,000 Apr.	20,000 Aug.	25,000 Dec.	20,000 May	5,000 Sept.	50,000 Jan
Client 3	Kani	25,000 Apr.	25,000 Aug.	5,000 Jan.	5,000 May	5,000 Oct.	12,500 Mar.
Client 4	Jitamana	20,000 Apr.	30,000 Aug.	50,000 Jan.	62,500 May	75,000 Sept.	87,500 Jan.
Condiments							
Client 1	Karangana	25,000 Apr.	37,500 Aug.	50,000 Dec.	50,000 May	50,000 Sept.	87,500 Jan.
Client 2	Karangana	5,000 Apr.	5,000 Aug.	20,000 Dec.	20,000 May	5,000 Sept.	35,000 Jan.
Client 3	Finzankoro	10,000 Apr.	20,000 Aug.	15,000 Dec.	62,500 Apr.	75,000 Dec	
Dolo (Local Millet Bear)							
Client 1	Finzankoro	5,000 Apr.	15,000 Oct	10,000 Feb.	10,000 June	25,000 Dec.	
Client 2	Kani	5,000 Apr.	10,000 Aug.	15,000 Jan.	20,000 May	20,000 Oct.	20,000 Mar.
Client 3	Jitamana	15,000 Apr.	25,000 Aug.	5,000 Jan.	7,500 Jan.		
Non-Food Commerce							
Client 1	Koutiala	25,000 Sep.	37,500 Jan.	50,000 May	62,500 Sept.	75,000 Jan.	
Client 2	Koutiala	25,000 Sep.	37,500 Jan.	50,000 May	62,500 Sept.	75,000 Jan.	

Chart 2: Loan Use Analytical Chart: Use of Loan and Profit

(bold denotes use of loan; italics denote use of profit)

Condiments						
Client 1 (Karangana)	**Condiments, karité butter (keeping for rainy season)** *Clothing; ceremonial items*	**Condiments, karité butter, wood** *Clothing*	**Shirts** *Sacks of onions to re-sell*	**Shirts** *to pay for her credit, condiments*	**Shirts** buy Bazzin	**Bazzin**
Client 2 (Karangana)	**Peanuts** *clothing*	**Peanuts, keeping a portion at the house** *1 bedspread for one of her daughters*	**Peanuts** *Clothing, helping out her husband with certain expenses*	**Peanuts** *Clothing, helping out her husband with certain expenses*	**Peanuts; 2 goats** *Kitchen utensils; ceremonial items*	**Peanuts**
Client 3 (Finzankoro)	**Condiments; peanuts; keeping a portion at home** *Clothing; helping out her husband with household expenses; purchase of peanut seeds for the rainy season*	**Peanuts; wine; keeping a portion at home for safe-keeping** *Medication for a sick child*	**Peanuts; wine; keeping a portion at home for safe-keeping** *Clothing, shoes, ceremonial items*	**Wine; keeping a portion at home for safe-keeping**		
Dolo						
Client 1 (Finzankoro)	**Millet** *Clothing; ceremonial items*	**Millet** *Clothing; ceremonial items*	**Millet** *Clothing, kitchen utensils for her daughters who will be marrying soon*	**Millet** *Clothing, kitchen utensils for her daughters who will be marrying soon*	**Millet** *Shoes, clothing*	

Dolo						
Client 2 (Kani)	**Millet, néré** *Clothing, condiments for her household*	**Millet, néré** *1 sheep, 4 chickens and condiments*	**Millet, néré** *Medication for sick child; condiments*	**Millet, néré** *Medication for sick child*	**Millet, néré, husband** *Clothing, condiments*	
Client 3 (Jitamana)	**Millet** *Clothing, condiments*	**Millet, sugar** *Clothing, 2 chickens, condiments*	**Millet** *Clothing, condiments*	**Millet**		
Non-food						
Client 1 (Koutiala)	**Items for "tabli": cigarettes, candy, tea, sugar, etc. Also, kept some of the money at home** *No profit!*	**Soap, blue dye, kept some at home** *Clothing, ceremonial items*	**Soap, blue dye, wood, kept some at home**	**Soap, blue dye, kept some at home**	**Soap, blue dye, kept some at home**	
Client 2 (Koutiala)	**Soap, brooms** Clothing, ceremonial items	**Soap, brooms** *Clothing, ceremonial items, sent some money to her mother who lives in neigh-boring village*	**Soap, brooms, gave some money to her son** *Sugar, dried fish which she sent to her mother*	**Soap, brooms** *Clothing, 2 kg of sugar and 1,000 FCFA of fish to send to her mother*	**Soap, brooms**	

APPENDIX 8

SURVEY INDICATORS

Summary of the Indicators Included in the Impact Survey

Impact Indicators at the Level of the Microenterprise	**Whether significant difference found between clients and non-clients (Sig. p<.05 clients vs. incoming clients; N.S. p>.05)**	**Whether prevalence was 20% or higher for two-year clients as compared to one-year clients**
INCOME FLOW FROM THE MICROENTERPRISE (last 4 weeks)		
< % reporting their enterprise (#1 or #2) revenue increased in last 12 months	N.S.	No
< monthly enterprise costs (#1 plus #2) in last 4 weeks	N.S.	No
< monthly enterprise revenue (#1 plus #2) in last 4 weeks	N.S.	No
< monthly estimated enterprise profit (#1 plus #2) in last 4 weeks	N.S.	No
< monthly estimated net income revenue - costs (#1 plus #2) in last 4 weeks	N.S.	No
CHANGES IN THE MICROENTERPRISE DURING LAST 12 MONTHS		
< % who expanded their businesses	Sig.	No
< % who added new products to their businesses	Sig.	Yes
< % who hired more workers	Sig. 2 yrs vs. incoming	No
< % who improved the quality or desirability of their products/give value	N.S.	Yes
< % who reduced business costs by buying inputs in greater volume or at wholesale	N.S.	No
< % who reduced business costs with cheaper credit	Sig.	No
< % who developed a new business	Sig.	No
< % who sold in new markets/locations	N.S.	No
< % who purchased small tools/accessories	Sig. 2 yrs vs. incoming	Yes
< % who purchased major tools like stoves/equipment/machinery	N.S.	No
< % who purchased own means of transportation like bicycles, pushcarts	N.S.	No
< % who invested in a storage structure	N.S.	No
< % who made a minor investment in their marketing site (such as a chair, table, shed)	Sig. 2 yrs vs. incoming	Yes
< % who invested in structures for their marketing site (kiosk, shop)	N.S.	No
< mean number of changes	Sig.	Yes
ENTREPRENEURIAL SKILL/ MANAGEMENT OF THE MICROENTERPRISE-DISTINCT FROM THE HOUSEHOLD		
< % who consider “profitability” or “demand” when deciding how to invest	Sig. 2 yrs vs. incoming	Yes
< % who keep their business money separate from money for personal or household expenses	N.S.	Yes
< % who calculate profits based on records of costs and earnings	N.S.	No
< % who know which products bring them the most profit	N.S.	No
< % who pay themselves a wage for their work in their businesses	N.S.	No
< % who have a fixed location with protection from sun/rain for selling their products	Sig. 2 yrs vs. incoming	Yes
< % who have a fixed location for producing or storing their products different from where family lives	N.S.	Yes
< % having “no difficulty” giving estimates of recent costs, revenue and profit from enterprise	N.S.	No

Summary of the Indicators Included in the Impact Survey

Impact Indicators at the Level of the Microenterprise	Whether significant difference found between clients and non-clients (Sig. p<.05 clients vs. incoming clients; N.S. p>.05)	Whether prevalence was 20% or higher for two-year clients as compared to one-year clients
PLANS TO IMPROVE RETURNS TO THE MICROENTERPRISE (DESCRIPTIVE)		
< % who plan to expand, acquire new products, hire new workers, improve quality or desirability, reduce costs by buying in bulk, reduce costs with cheaper credit, sell in new markets, buy machine or other asset	descriptive	
OTHER CREDIT USE (DESCRIPTIVE)		
< % borrowing from source other than *Credit with Education* in last 12 months to conduct their business (from where)	descriptive	

Impact Indicators at the Level of the Household	Whether significant difference found between clients and non-clients (Sig. p<.05 clients vs. incoming clients; N.S. p>.05)	Whether prevalence was 20 percent or higher for two-year clients as compared to one-year clients
HOW PROFIT AND SAVINGS USED - LINK TO HOUSEHOLD WELFARE (DESCRIPTIVE)		
< % who used profit from their businesses to buy food, to buy clothing, to pay school expenses, to pay health-related costs, to buy items for the house, etc.	descriptive	
< % who used their savings to buy basic items like food and clothing for self and family, to pay for medicine or other health-related costs, to make improvements or additions to their houses, to pay for education costs, to pay for animals, to pay for weddings or other ceremonies, etc.	descriptive	
HOUSEHOLD INCOME		
< % whose overall household income has increased over the last 12 months For participants of 24 months, whether overall household income has increased over the last 24 months	N.S.	No
HOUSEHOLD ASSETS		
< % having any household assets (radio/tapeplayer, chair, wardrobe, frame bed, macaroni machine, lcooking pot (*marmite*), bicycle, moped or motorcycle, stove, cart, car, small animals, large animals	Sig. 2 yrs. vs. incoming for bed and macaroni machine	
< mean score of household assets currently owned	N.S.	
< mean score of household assets acquired in last 2 years	N.S.	
EDUCATION		
< % whose household school expenses for the current year have increased	N.S.	No
< % of school-aged children currently in school	N.S.	No
< % of school-aged children never went to school	N.S.	No
< highest grade in school completed by any of children in the household	N.S	No

Summary of the Indicators Included in the Impact Survey

Impact Indicators at the Level of the Household	Whether significant difference found between clients and non-clients (Sig. p<.05 clients vs. incoming clients; N.S. p>.05)	Whether prevalence was 20 percent or higher for two-year clients as compared to one-year clients
Housing Improvements		
< % who made repairs, improvements or additions to their home in the past 2 years	N.S.	No
< % who made specific changes in last 2 years: (1) fixed existing roof, floor or walls;		No only Yes for improved existing
(2) improved or replaced existing roof, floor or walls; (3) expanded their house (built new		roof, floor, etc.
room, shed, attic or fence); (4) improved their water or sanitation system (new well,		
drainage/sewage system, showers or latrine); (5) % who got a kerosene lamp	N.S.	Yes
Improvement in Family's Diet		
< % whose household diet in the past 12 months improved	N.S.	No
< mean number of times respondents ate certain good-quality foods sensitive to income	N.S	No
changes in last three days (meat/fish/chicken, eggs, salad, onions, beans)		
< mean amount spent by household on certain good-quality foods sensitive to income changes		---
in last three days (meat/fish/chicken, eggs, salad, onions, beans)	---	
< (participants) % who said income they earned from their business was used to buy food		---
Coping with Periods of Hardship	---	
< % whose household experienced a "hungry" season in the past 12 months		No
< average length of "hungry" season		---
< % who were unable to conduct a business in the past 12 months because of lack of money	Sig	No
< average length of the period unable to conduct a business because of lack of money in the	Sig.	---
past 12 months	Sig.	
< % who had someone in the family who needed medical attention in last 12 months	Sig.	No
< (descriptive) % who used money from their businesses (profit) to pay for the medical expenses		---
< % who had a family member in the last 12 months who was not taken for medical attention	N.S .	
because the household lacked the money to pay for it	---	No
< % who had children who had to quit school because the household lacked the money to pay		---
Personal Income/Savings	N.S.	
< % whose personal income increased over the last 12 months	---	No
< % who had personal cash savings		No
< % whose personal cash savings increased	Sig.	No
< % who have their own money so that they can usually buy what they need	Sig.	No
	N.S.	
	N.S.	
Productivity		
< amount of time spent in enterprise in last 4 weeks (hours or days)	N.S.	No
< amount profit per hour or day spent working in enterprise	N.S.	No

Summary of the Indicators Included in the Impact Survey

Impact Indicators at the Level of the Household	**Whether significant difference found between clients and non-clients (Sig. p<.05 clients vs. incoming clients; N.S. p>.05)**	**Whether prevalence was 20 percent or higher for two-year clients as compared to one-year clients**
Decision-making within the Household		
< relative say in household decision-making about whether to take a loan, how to use the loan, what to buy for business, how to sell product, how to use profits, what work they do in a normal day	N.S.	No
No Negative Impact on Children		
< number of young children (10 years and under) and older children (11 to 17 years) assisting with enterprise in last 4 weeks	N.S.	Yes
< number of young children (10 years and under) and older children (11 to 17 years) missing school at least once in last 4 weeks to assist with enterprise	N.S.	No
Impact Indicators at the Level of the Community		
Hired Labor		
< % of respondents who had hired labor in last 4 weeks (enterprise #1 and #2)	N.S.	No
< mean number of full-time, part-time and occasional laborers assisting with enterprise in last 4 weeks	--	--

APPENDIX 9

SPECIFIC SUGGESTED REVISIONS TO THE IMPACT SURVEY

Specific Suggested Revisions to the Impact Survey

The Mali test provided insight into specific questions that should be revised or dropped for the second application within the year in Mali and in subsequent drafts of the impact survey instrument.

Quantifying amounts spent. Questions pertaining to school expenses and specific food purchases asked women to estimate amounts they or their households spent over a specific period of time. It was not possible to analyze most of these questions because such a large proportion of women were not able to answer the question. These questions can be dropped from the second application.

Summary indicators vs. disaggregated information. Not surprisingly, questions that allowed for only a single response or that limited answers to a precoded range were the easiest to ask, record, code, enter in the computer, analyze and present. While these questions cause other challenges in that they can be leading, this type of question is more appropriate to a practitioner-led assessment where the data entry, analysis and presentation skills cannot be controlled. The two parts of the survey which collect relatively disaggregated data require considerable work to load and analyze, and should be simplified. One question collects the education histories of every school-aged child. The other collects information on a variety of assets — the number and when they were acquired. Following the Honduras tools test, some summary indicators were added to the education question of the total number of children in the household, the total number who never went to school and the highest grade attained. However, perhaps only the summary information such as totals or highest grade completed rather than the detailed histories should be collected in the final version of the impact survey. The asset questions also need additional work to more simply create a summary wealth score and/or asset accumulation score. In addition, assets need to be given differential scores based on where they fall along a cost continuum.

Retrospective income questions. Approximately four different retrospective questions are included that ask respondents to report change in different types of income (household, personal, primary and secondary enterprise). In the Mali context, the personal income question seemed most appropriate and sensitive to change. Because households are so large in Mali, household income was not a good indicator of program impact although in other cultures it may be valuable. The only indication that incoming clients might potentially represent a biased comparison group was in the questions about change in enterprise income. A much higher percentage reported increased enterprise income than increased personal income over the last year. Since it does not seem very likely that clients could have increases in one and not the other, it may be that incoming clients feel motivated to exaggerate their enterprise health and returns because they are soon to receive their first loan from the program. For that reason, in the second test in Mali perhaps only the reflection questions on personal income should be used.

Enterprise income flow questions. Although the accuracy of the enterprise income information is highly suspect (because the majority of respondents had difficulty answering the questions) and it required significant time during the training and interview, it should remain in the survey. This is one of the more direct impacts potentially attributable to the microenterprise program. Most programs also encourage clients to track returns to their loan activity. If nothing else, the enterprise income section serves as another opportunity for field staff to consider how this should be calculated. However, it would be useful if the SEEP manual included as clear definitions of the related concepts as possible with examples of complicating factors likely to emerge in interviews with entrepreneurs in the informal sector.

Marginal use. As mentioned above, the three questions meant to measure increase in hired labor were not very appropriate for the Kafo Jiginew *Credit with Education* program and should be removed from the second Mali assessment. Other questions that were not particularly useful included one about whether the client had worked for someone else in the last four weeks. Two other questions of marginal usefulness that might also be removed are 1) the question about other sources of credit since the prevalence was so small, and 2) how savings was used since it proved to be similar to how profit was used.

Poor wording. Other questions did not work because of problems with their wording. Most notably, the questions that aimed to measure negative impacts on children and whether they had missed school need to be rewritten. Because these questions only ask if a child missed school to help with the enterprise, they did not capture the possibility that a child was never enrolled in school in order to help with the enterprise. The question about whether housing improvements were made should specify only those improvements that cost a minimum amount (say perhaps $25) so as not to collect information about minor improvements which cost little or nothing, like applying a $0.20 packet of whitewash to the walls.

Demographic information. A section of the survey that annoyed some of the respondents was the questions about their age, marital status and number of children. One woman specifically asked, "How does knowing my age or whether I am married help Kafo to improve the program?" This information is potentially very important for determining whether there are systematic differences between the sample groups that might confound evaluating program impact through a comparison of respondents' answers. However, with a practitioner-led assessment, even if significant demographic differences are found, it is unlikely that responses will be analyzed in such a way as to control for this difference. If it is unlikely that the information will be used, perhaps it should be dropped from the survey.

Insensitive indicators. It might also be useful to drop from the core impact survey indicators that were found not to demonstrate change in either the Honduras or Mali tools test. For example, the series of questions about decision-making in the household showed no difference at either site. This was a somewhat experimental series of questions that the design team was not sure would be sensitive to change in this area even if it were occurring.

Group solidarity. It might be useful to add a question or two to the impact survey that better captures the ways clients feel their groups have helped them (as was included in the exit survey) and the strengthened relationships among the members (whether they have given advice, helped someone, etc.). The Mali test provided evidence that the clients really value the group solidarity and at least the majority of ex-clients cite specific ways their groups have helped them. These types of impacts might be more meaningful to include than the impact on hired labor for NGO/PVOs that use a group lending approach and that strive to reach the poorer, more marginal enterprises.

APPENDIX 10

LESSONS LEARNED REGARDING TRAINING FOR THE ASSESSMENT TOOLS

Lessons Learned Regarding Training for the Assessment Tools

Whether a standardized survey and in-depth interviews are either useful exercises providing as accurate information as possible or an unfortunate waste of scarce resources, depends largely on the interviewer training. For the first tools test with ODEF, SEEP developed an excellent training manual which provided an overview of the AIMS project as well as the characteristics and qualities of good quantitative and qualitative interview techniques. The manual was very useful for general skill-building and clearly established standards that were applied and referred to throughout the assessment. The manual was the focus of the first 1.5 days of training. The remaining 3.5 days of training were committed to:

- A question-by-question review of the intent and objective of each question and whether the wording and pre-coded responses were appropriate for the program. This process was essential so that all interviewers understood the purpose of the question. In addition, although Kafo's input had been sought on early drafts of the survey, it was really not until the SEEP consultants and program staff met and reviewed each question that the essential adaptations were made to the program setting.

- A comparison of the French and Bambara versions of the survey to ensure that both said the same thing and that all interviewers understood and agreed to the Bambara translation.

- Practice of each section of the survey through mock interviews and feedback.

- Practice and pre-test of all tools.

A considerable amount of time was spent during the training discussing and practicing what is probably the most difficult part of the survey — the questions pertaining to enterprise costs, revenue and profits. A number of steps were found to be important for improving the accuracy of this notoriously problematic area. First, it was important to have a common definition of intangible concepts such as enterprise "costs," "revenue" and "profit." Although all field staff had a working knowledge of these concepts, there were important differences in their understanding of each word's specific meaning. For example, the English word *profit* is translated to French as either *"profit"* or "*benefice*" which, according to a common dictionary, have the same meaning. However, for most of the field staff, "profit" implied the amount of money left after all direct business *and* family expenses are covered, whereas "benefice" was the amount left after netting out direct business expenses. For this reason, it was important to use the Bambara translation for "*benefice*" ("tono") rather than the Bambara word for "profit" so that clients' estimated profits would not be underestimated. Case examples for common loan activities were also created and discussed to help prepare interviewers for the likely product cycle and enterprise costs they would be encountering. In addition, this section of the questionnaire was practiced repeatedly with mock interviews to emphasize the importance of probing for all costs and all activities as well as to help the team determine how to deal with likely complicating factors interviewees might mention (e.g. the family eats part of the enterprise product or the mother gives money to each of her children daily as an "expense" which she subtracts before estimating her profit).

Field staff really helped to train each other by providing feedback and suggestions on the practice interviews. Still, the benefits of having the training facilitated by a skilled trainer with survey and in-depth interview experience cannot be emphasized enough. Not doing so risks collection of information with such a high degree of error, inaccuracy and inconsistency that it is not worth analyzing.