PRACTITIONER-LED IMPACT ASSESSMENT: A TEST IN MALI

Barbara MkNelly
Freedom from Hunger

Karen Lippold
Management Systems International

In collaboration with:

Ayele Foly
Freedom from Hunger

Robin Kipke
Freedom from Hunger

Note: This work was carried out by the Assessing the Impact of Microenterprise Services (AIMS) project funded by USAID's Microenterprise Development Office. Information on the AIMS project and AIMS publications, including a complete copy of this field study, may be found at www.mip.org.

Abstract

This paper looks at the feasibility of practitioner-led microcredit impact evaluation, then at actual impacts of programs themselves, in Mali.

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 purpose of this study is to refine and test 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.

International Journal of Economic Development,
1(2), 1999: pp. 120-164.

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 these data.

Five assessment tools were designed by practitioners to collect quantitative and qualitative data addressing microcredit impacts, 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 key 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 of the tools. It was 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 the data collected and document, to the degree possible, the impact of the program on its clients.

The project provides practitioners with a framework for understanding more clearly how microenterprise development intersects with the economic goals and behaviors of individuals and households. This framework is based on a household economic portfolio model (Chen & Dunn, 1996), which implies that impacts may be found at the levels of the enterprise, individual, household and community.

The household model can be used to demonstrate how a microenterprise is situated within a broader household strategy to achieve economic security and family well-being. 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. 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. 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 increases the difficulty of designing simple tools.

This evaluation describes both the outcomes of the assessment and the process itself.

Credit with Education

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.

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. Kafo has taken significant steps to improve its outreach and increase the number of women members by offering loan products that 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.

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 supervision committee, a credit committee for reviewing loan requests, and a Board of Directors consisting of 12 members, including two local managers/cashiers, 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, helps 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.

At the time of the assessment, Kafo offered two savings products to its members: savings accounts which pay 4% interest annually and one-year time deposits which pay 6.5% 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% per annum.

Savings policies and services for the *Credit with Education* members are somewhat different. Individual's savings deposits 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. Individual savings can be withdrawn at the end of each four-month loan cycle.

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% 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% 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% 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% 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 represented 6% of the total portfolio of loans outstanding in Kafo, although the 7,164 credit association members comprised approximately 19% of Kafo Jiginew borrowers.

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, 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, 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 facilitate the education sessions and train and supervise 15 to 20 credit associations in the management of their 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.

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 US$50 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 US$0.20 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.

Kafo Jiginew operates in the heart of the country's “breadbasket” and principal cotton-growing area. At the time of the study, 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.

Methodology and Application of the Tools

When the tools test was conducted, *Credit with Education* was only operating in Koutiala district, although dozens of new credit asociations from Sikasso and Fana districts were in training. For the tools test, communities were categorized into three groups to reflect the range of commercial development in the program communities.

Category 1 Towns. 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.

Category 2 Large Villages. The Category 2 communities are 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.

Category 3 Small Villages. 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 minor 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, many people cannot speak Bambara, though many may at least understand it.

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 evaluation. The impact survey was conducted with a sample of 94 one-year, two-year and incoming clients. The latter are used as the control group.

An exit survey examined whether 20 ex-clients left for reasons related to the program. The exit survey should be used on an on-going basis by the program, particularly if there is a high client turnover rate. 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. Another in-depth discussion explored empowerment with 12 two-year clients. In addition, focus groups were held with six credit associations to discuss client satisfaction and ways to improve 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) participants' identity would remain confidential in any presentation of results.

Table 1 provides a breakdown of the communities and number of respondents included in the impact survey. Table 2 shows the disposition of quantitative and qualitative tools by respondent group. Table 3 reports respondent demographics, while Table 4 summarizes household demographics.

Table 1
Impact Survey Communities by Category and Sample Group (# 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)

Table 2
Samples for Quantitative and Qualitative Tools

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

Table 3
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
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 job	0.52	0.50	0.55
Percent of households without a salaried worker	67.00	63.00	64.00

Use of Loans and Enterprise Profits

Access to Credit and Savings Services. Program loans are small. The current average loan for two-year clients ($85) is almost twice that of the one-year clients ($48). 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 one-year and 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.

Credit with Education clients are required to save $.20 per week but they are encouraged to save more than the mandatory amount. Client savings with the program were relatively small, approximately $10 per client. On average, program savings were approximately 20% of the program loan for one-year clients and only 10% 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.

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 "women in development" program, four from family or friends, and one from an informal borrowing group called a *tontine*.

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 that 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.

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. 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. To help clients avoid repayment problems, program policy and field agents encourage women to use their loans for productive purposes. Still, program loans might not solely be invested in enterprise activities.

The in-depth interviews on loan use revealed that women typically used their initial program loan to expand an existing enterprise, but in subsequent loan cycles they tend 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. Although continuing with the same enterprise activity, the loan enabled the women to obtain the necessary inputs more directly or more cheaply.

The qualitative in-depth interviews reinforced 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. Several of the clients 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.

A high proportion of clients had used some or all of their last loan to purchase clothing or other articles for the family. 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 economic security. Being well-dressed 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 and for important occasions like weddings, baptisms and funerals, some women make a business out of renting their clothes to others.

Survey findings show that a client's duration in the program is a factor that is 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. As they stay with the program, women may lack either the options, the ideas, or the desire to work larger loans. Or, 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. 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.

Size of the loan is also a factor in loan use. 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--typically their husbands or other family members--than were clients with loans of US$50 or less. However, no difference was evident in spending loan capital on clothing or other articles by loan size; 50% of the clients with relatively large loans did so, as compared to 56% with small loans.

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 and the ability to better meet basic household needs.

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 the top three client 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.

Programmatic Implications. At the time of this study, Kafo Jiginew's *Credit with Education* program had 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, their group, and the program in general. Education might also help borrowers consider more and better ways of using larger amounts of capital productively to increase their returns.

Impact – Related Findings

Impact at the Enterprise Level. 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. 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 5
Monthly Enterprise Sales and Profit (median values in $US)

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

Table 5 summarizes the monthly sales and profit information for the three survey sample groups. 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.

Collecting accurate income flow information is very difficult, particularly for the type of clientele served by the *Credit with Education* program. 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% 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 across the three groups, relative comparisons can be made assuming equal error.

Table 6
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

Enterprise sales and profits were very much influenced by the commercial development of the community. Reported sales and profits were between 2 and 24 times higher in towns as compared to small villages. 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.

A sub-group that really stands out in this breakdown is incoming clients in the category 1 town (Sikasso). Six of eight women interviewed 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.

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 7 illustrates.

Table 7
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 than incoming clients 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. 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. Program impacts on business practices increase with the duration of program exposure.

Increase in enterprise assets was another impact associated with duration of program participation. As illustrated in Table 8, two-year clients were significantly more likely than incoming clients to have acquired business assets in the last 12 months. When the responses of the one-year clients are pooled with the two-year clients, there is no significant difference. 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 8
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 ($p<.05$)

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 9 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 9
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 ($p<.05$).

Few differences were evident in the variables meant to capture differentiation between the microenterprise and the household. There was no significant difference between incoming and current client respondents 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. There was, however, an association with length of program experience. Two-year clients as compared to incoming clients were significantly more likely to have a fixed location, such as a store, stall or kiosk, for protecting their products from the sun and rain.

Impact at the Household Level. 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 that clients felt they could better ensure their families' health and were more directly contributing to the basic needs of their households. However, the survey found few quantitative differences in household welfare.

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. Access to credit had a more direct impact on client's 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 10
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 ($p<.05$).

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. During the long dry season when agricultural obligations decline, *Credit with Education* borrowing tends to increase and 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. Forty-seven percent of the one-year clients and 68% of the two-year clients earned income from two separate enterprises in the previous four weeks as compared to only 32% 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 11). 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 11
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

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. Overall scores were constructed for the consumer goods households owned and acquired over the last two years. 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, because their average value was approximated at seven times the average value of the less expensive items. Items worth $1,000 or more received a score of 71, again, due to the relative average value compared to the less expensive assets. 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.

However, two-year clients were significantly more likely than incoming clients to report owning a bed-frame and mattress and a macaroni (pasta) machine. 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. In comparison, only eight of the 23 two-year clients acquired their bed-frames and mattresses since joining the program.

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 12 shows.

Table 12
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)

Only 70% of the two-year clients reported having personal savings, yet all were saving regularly with their CA. Perhaps, because a certain minimum mandatory savings 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.

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.

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.

*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 reported being unable to seek medical attention because of a lack of money.

*Education***.** No significant difference was found among client categories in any of the following education-related variables: highest grade completed by respondent's children, percentage of households with all school-aged children attending school, percentage of school-aged children who never attended school, and percentage of households in which none of the children ever went to school. It was not possible to compare trends in spending on education because 20 to 30% of the women in each group were unable to say whether school spending had decreased, stayed the same, or increased this year as compared to the previous school year.

*Housing***.** A majority of the women in each of the three groups (79-90%) reported that their households had made changes, improvements, or additions to their house. 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.

Impact at the Individual Level. The in-depth qualitative tool on empowerment, in particular, provided insight into specific manifestations of 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 enterprise labor, at least in terms of income earned per time spent. And, while child involvement in enterprise activity was common, no link was found to reduced school attendance.

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 the assessment suggest that a woman'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.

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

Of the women who had engaged in income-generating activities in the previous four weeks, one-year clients worked the greatest number of days in their principal enterprise. The difference in time spent between incoming and current clients was not significant. 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.

The majority of women in each survey sample group--90% one-year clients, 61% two-year clients, and 86% incoming clients--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.

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

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. The survey found the level of employment creation to be quite low. Most of Kafo's *Credit with Education* clients conduct their activities either by themselves or with family labor, therefore minimal paid employment effect is to be expected. Only 15% of the current clients and 17% of the incoming clients reported hiring any labor at all in the previous month, with no significant difference between the two groups. The second way of assessing program impact on employment generation considered duration in the program. Length of program experience was found to be positively associated with paid employment. When asked what changes they had made in their enterprises over the last 12 months, 17% of the two-year clients reported hiring paid labor whereas none of the incoming or one-year clients had. With longer program participation, clients are more likely to hire paid labor at least on an occasional basis.

Other community-level impacts were found in both the qualitative and quantitative interviews. Increased solidarity among the women was an important community-level impact that emerged repeatedly. Many women referred to the closer relationships they had developed with women as an aspect of the program they valued. This was also an area that field staff identified as an important impact of the program. A greater sense of solidarity, closeness, and cooperation with other women in the CA was also mentioned in the in-depth interviews on empowerment as a change women had experienced.

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.

Former Clients

Information collected by the client exit survey debunked key assumptions about why clients leave a program. 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 consider rejoining themselves.

Experience with the Program. Kafo Jiginew's *Credit with Education* program is very much influenced by seasonality because clients need to focus their efforts on agricultural production during Mali's single rainy season. Clients tend to leave the program at the beginning of the rainy season (April-June). Of the 20 ex-clients interviewed, 35% left after only one loan, 30% left after two or three loans and 35% 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.

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. Kafo's willingness to make changes such as decreasing the frequency of meetings in later loan cycles, has maintained client satisfaction with the program. However, three women left because of problems with their group. The greatest portion (60%) 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.

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. 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.

Fifty-five percent of the ex-clients said repayment was within their capacity. Twenty-five percent of the women said they had difficulty repaying, and another 15% responded "don't know" to this question. Still, 25% of the ex-clients left the program because they had difficulty making loan repayment installments. Not surprisingly, it was primarily those who reported poor business conditions or who faced an illness or death in the family that had repayment problems.

Forty-five percent of the respondents said that program loans had substantially helped their microenterprise. Another 50% 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% 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.

The vast majority (90%) 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 % 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% said it had offered them new friendships. The majority (79%) of ex-clients said they would recommend the program to others, and 85% said that they would consider rejoining the 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 health crisis problems by having an emergency fund for serious illness or death or improved coordination with local health services, where available. While ex-clients 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.

Client Satisfaction

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.

Client Satisfaction. 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% of the one-year clients and 62% 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%) and ex-clients (58%) mentioned liking group solidarity even more frequently than access to credit or education, although one-year clients mentioned access to credit most frequently (91%). In fact, ex-clients valued solidarity 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% of the women in small communities mentioned liking it. 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.

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% and 42%, respectively). In the focus group sessions, all six CAs were very enthusiastic about the education sessions 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 13
Client Preferences from the impact survey

Summary of up to three aspects clients mentioned as liking most about *Credit with Education* program	Percent one-year clients n=32	Percent two-year clients n=29
Access to steady source of working capital, and 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

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, which 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 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.

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. Still, only one-fifth of the one-year and two-year clients included in the impact survey mentioned savings services 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 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.

Client Dissatisfaction. The majority (71%) 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% said there was nothing they liked least about the program. Of those who did express some dissatisfaction, the most mentioned elements of the program were primarily related to the loan terms: interest rate, small loan size and length of the loan cycles (Table 14). Three of the six focus groups felt that the interest rate of 12% per cycle (36% 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 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 14
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

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 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 20 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. On the whole, ex-clients felt very positive about the program and their experiences with it.

Client Recommendations. The most common suggestions from the impact survey for specific changes clients would like to see in the program were longer loan cycle, increased loan size and reduced interest rates, the same aspects with which clients indicated some dissatisfaction (see Table 15). 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% 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 suggestions were increased loan size (26%) and longer loan cycle (21%).

Table 15
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 idea, nothing to say	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 comments: group have mill or macaroni machine (1), high monthly repayment (1), frequency of assistance (1), survey (1), new innovations (1), increase or lengthen education [sessions] (1).	0	6

The suggested change enjoying 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. 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.

Implications

The genuine advantage of a practitioner-led impact assessment is that those conducting the study are the persons in the best position to use the results to improve and evolve the program. The five 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.

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

The reasons for client departure from the program contradict assumptions about client exit since more than half of the ex-clients interviewed left the program for reasons external to program policies or poor enterprise returns, such as sickness or death in the family, pregnancy, the seasonal nature of the activity and/or traveling. In addition to the health and nutrition learning sessions, Kafo Jiginew might consider options for how the program or the credit associations themselves might better address health and associated crises by having an emergency fund for serious illness or death and/or improved coordination with local health services where available. While ex-clients valued the program, during periods of health crises they were unable to sustain their membership.

A quarter of the ex-clients left the program because they were unable to continue to make loan payments due to low 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. Improvements in client 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 between the client categories in the percentage of respondents keeping enterprise and household money separate. Not fully investing the loan and taking 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 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.

All six CAs participating in focus group discussions on client satisfaction 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.

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 clients return for larger size loans. Kafo may want to explore how prevalent this desire is and consider the feasibility of offering relatively more mature CAs a longer loan cycle.

Only one-fifth of the current clients mentioned liking the savings component even though the current savings policies are relatively flexible (clients have access at the end of each four-month loan cycle). Savings also did not progress much with longer program participation. On average, one-year clients had a savings rate of 20% and two-year clients only 10% of their program loan. 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.

Lessons Learned

Testing a Practitioner-led Assessment Process. 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, 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 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.

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 and computer viruses presented a more substantial problem, crashing one of the consultant's computers. These led to delays in the schedule. A broader application of the assessment tools would include a greater number of interviews. This would increase costs and requirements on staff time. Because such programs are typically committed to cost-effectiveness and financial sustainability, program staff already have very heavy workloads. 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.

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 broader 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.

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

The impact survey and its findings were of great interest to Kafo Jiginew managers and 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 skills, self-confidence and 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.

Specific Tools. The test of the five tools and accompanying instructions revealed a number of lessons that can be applied in refining the tools and the tool process.

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.

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 difficult. Less than 10% of the respondents were rated by interviewers as having no difficulty providing this information. Therefore, the accuracy of the income flow information is questionable.

Practitioners could shorten the survey in omitting questions or indicators not of key importance to their mission or program. 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.

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 non-client (or incoming client) groups ought to be virtually the same with the only difference being their exposure to the program. Unfortunately, whether the client and non-client 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.

The Mali test underscored the difficulty of establishing truly comparable client and non-client samples. 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 increases costs.

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 that: 1) the sample groups are comparable; 2) credit associations and clients of the desired age are included; 3) groups and clients are selected randomly; 4) the sample is representative of the programs' clientele; and 5) 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 Mali test had two client samples--one- and two-year clients, which provided 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. With a longer timeline, it would be possible to see if perhaps some household-level or individual-level impacts occur only with longer participation in the program.

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.

Impact Survey Data Analysis and Presentation of 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..

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 focuses on only one type of respondent (ex-clients) and does not require comparable comparison groups or statistical tests to assess differences. Processing the exit survey can be a good training exercise for becoming familiar with software, constructing data files and conducting basic data analysis.

Qualitative Approaches. 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 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.

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 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, and, 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.

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.

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 open-ended questions designed to illuminate the history of loan use, interviewers completed a mini economic analysis of 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 loan, the client was expected to remember: 1) the amount of each loan; 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.

The loan-use tool did *not* succeed in accomplishing the mini-economic analysis of business activities. The women could not, in most cases, differentiate profit amounts between one loan and the next. 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.

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

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* (Edcomb & Carter, 1998). The selected techniques for the client satisfaction focus group discussions had to be modified based on in-sights gained in the pre-test.

Application of the Qualitative Tools. 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.

Analysis of Qualitative Data. The analytical guidelines currently associated with the empowerment and loan-use tools were not clear enough for the practitioners to understand. For example, the information generated by the empowerment tool was transfered onto a form which captured, by client, responses by domain (individual, enterprise, household, community) for the past and the present. 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.

Suggestions for analyzing the loan use and empowerment data need to be revised to contain very specific guidelines for this analytical process.

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. The 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. The additional work planned by the AIMS project to refine the five tools and provide a manual with guidelines for their use, will be a real contribution to practitioners wanting to learn from and improve the impacts of their microenterprise programs.

References

Chen, Martha A. and Elizabeth Dunn. 1996. Household Economic Portfolios. AIMS Paper. Washington, D.C.: Management Systems International.

Dunn, Elizabeth, Nicholas Kalaitzandonakes and Corinne Valdivia, 1996. Risk and the Impacts of Microenterprise Services. AIMS Paper. Washington, D.C.: Management Systems International.

Edgcomb, Elaine and Carter Garber. 1998. Practitioner-Led Impact Assessment in Honduras. AIMS Paper. Washington, D.C.: Management Systems International.

Freedom from Hunger, 1997. Freedom from Hunger: Kafo Jiginew and Nyèsigiso Credit/Savings with Education Program in Mali Application for Microenterprise Innovation Project Implementation Grant Program, 1997-2002. Davis, California: Freedom from Hunger.

Horus Banque et Finance, 1997. Plan à Moyen Terme de Kafo Jiginew. Paris, France: Horus Banque et Finance.

Kafo Jiginew. 1997. Briefing Sheet. Koutiala, Mali: Kafo Jiginew.

Biographical Sketches

Karen Lippold is a Program Manager at Management Systems International. Her key areas of expertise include women in development, small business development, training and evaluation. Ms. Lippold has lived and worked extensively in Mali and other parts of West Africa and is fluent in both French and Bambara.

Barbara MkNelly has been Freedom from Hunger's Technical Advisor for Evaluation since 1991 with primary responsibilities for impact evaluation research and nonfinancial monitoring of Credit with Education programs in Africa, Asia and Latin aa. She has been a consultant to the USAID Assessing Impact of Microenterprise (AIMS) project to develop pratitioner oriented impact evaluation tools. Barbara also co-authored Village Banking: The State of the Practice PACT publication and "Loan Size Growth and Sustainability in Village Banking Programmes" in the Small Enterprise Development Journal.