

Title: Imp-Act Synthesis Report for April 2001-March 2002. By Anna Portisch at Imp-Act (April 2002).

Título: Informe Sintético de Imp-Act de abril 2001 a marzo de 2002. Por Anna Portisch de Imp-Act (abril de 2002).

Note: The Synthesis Report summarises key learning and experiences carried out by 21 partner Microfinance Organisations under the *Imp-Act* programme during the first 12 months of the implementation phase, April 2001 to March 2002. The report looks at common threads of learning apparent across the programme as a whole, issues specific to regional contexts, and issues arising from collaborative work. This report thus presents learning and ideas relating to many of the most current practices within the field concerning the poverty impacts of microfinance.

Nota: El Informe Sintético hace un resumen de enseñanzas y experiencias clave llevadas a cabo por 21 Organizaciones socias de Micro-Financiamiento bajo el programa de Imp-Act durante los primeros 12 meses de la fase de implementación, de abril de 2001 a marzo de 2002. El informe analiza hilos de aprendizaje comunes a lo largo del programa en su totalidad, temas específicos a contextos regionales, y temas surgidos del trabajo en colaboración. Este informe, entonces, presenta el aprendizaje y las ideas relacionadas con muchas de las prácticas actuales al interior del campo relacionado con los impactos del micro-financiamiento en la pobreza.


Keywords: Imp-Act, microfinance, impact, capacity building.

Palabras clave: micro-financiamiento, impacto, capacidad de construcción, Imp-Act.

Countries: Bolivia, Bosnia-Herzegovina, Croatia, Ghana, Honduras, India, Kenya, Mexico, Nepal, Nigeria, Peru, Philippines, Poland, Russia, Slovakia, Romania, South Africa, Uganda, USA.

Países: Bolivia, Bosnia-Herzegovina, Croacia, Ghana, Honduras, India, Kenya, México, Nepal, Nigeria, Perú, Filipinas, Polonia, Rusia, Eslovaquia, Rumania, Sudáfrica, Uganda, EEUU.

# **Imp-Act**

The logo for Imp-Act features the text 'Imp-Act' in a bold, black, sans-serif font. To the right of the text is a graphic consisting of three curved, overlapping lines in shades of green and yellow, suggesting movement or a stylized 'A'.

*Improving the Impact of  
Microfinance on Poverty*

*Action Research  
Programme*

PROGRAMME DOCUMENT NO. 5

Synthesis Report  
For period April 2001 to March 2002

April 2002

Anna Portisch, *Imp-Act* Secretariat

## ***Imp-Act***

The Institute of Development Studies,  
at the University of Sussex, Brighton BN1 9RE, UK  
Tel: +44 (0) 1273 873733, Fax: +44 (0) 1273 621202/691647  
Email: [annap@ids.ac.uk](mailto:annap@ids.ac.uk) Web: [www.Imp-Act.org](http://www.Imp-Act.org)

Charitable Company no.877338 limited by guarantee and registered in England

## Contents

1. Executive summary	1
1a. Key achievements of the period	1
1b. Key learning points for the period	2
2. Introduction	4
3. Achievements: action learning and action research	5
3.1 Developing useful IA	5
3.2 Organisational context and the role of IA	5
3.3 Revisiting and adjusting plans	6
3.4 Creating awareness	7
3.5 Identifying a methodology and choosing an approach	7
3.6 Tools refinement and development	8
3.7 Members' role in tools development	9
3.8 Piloting and implementation	9
4. Collaborative work and networking	10
4.1 Regional collaboration	10
4.2 Specific regional collaborative projects	11
4.3 Intra-regional comparison through network work	11
4.4 Developing network-wide methodologies ...	11
4.5 ... and individual MFOs' IA needs	11
4.6 Learning from umbrella organisations - learning from the partners	12
5. Thematic Learning	12
5a Impact Assessment Systems and Processes	12
5a.1 The SEEP CIWG study	12
5a.2 Lessons from the first CIWG - Imp-Act questionnaire	13
5a.3 Ways forward for the Systems and Processes Thematic Group	13
5a.4 Other associated collaborative work	13
5b. Microfinance for the Poorest	13
5b.1 Ways forward for the Thematic Group on Microfinance for the Poorest	14
5b.2 Re-defining concepts of poverty and the role of microfinance	14
5c. Understanding the Wider Impacts of Microfinance	14
5c.1 Outcomes of the first workshop	15
5c.2 Ways forward for the Thematic Group on Wider Impacts	15
5c.3 Latin American work under the Thematic Group on wider impacts	15
6. Capacity Building	16
6.1 Staff involvement in IA process	16
6.2 Staff capacity building	17
6.3 Data analysis skills	18
6.4 Building clients' capabilities as part of the IA	18
7. Technical assistance and other external input	19
7.1 Programme level TA	19
7.2 The role of Public Voluntary Organisations and consultants	19
7.3 Other microfinance events	19
8. Learning points and recommendations from individual MFOs	20
8a. IA process - learning	20
8a.1 Establishing a continuous learning process	20
8a.2 Continuous learning processes and levels of impact	20
8a.3 Participatory approaches and empowerment issues	20
8a.4 The scope of participatory approaches	20
8a.5 Covering large areas and logistics	21
8a.6 Difficult season	21
8a.7 Data collection overload	21
8a.8 Selecting and using tools and the role of field staff	21
8a.9 Children's welfare as an indicator of poverty and impact	21

8a.10 Questions of 'universal' indicators	21
8a.11 Capacity building - data analysis skills	22
8a.12 Working together with other development actors	22
8b. IA findings - learning	22
8b.1 The role of credit in poverty reduction	22
8b.2 Loan use	22
8b.3 Savings and exits	22
8b.4 Targeting the very poor	22
8b.5 Improving educational modules	22
8b.6 Employment patterns and impact	22
9. Conclusions	23
References	24
Appendix 1: MFO Progress	25
Appendix 2: list of <i>Imp-Act</i> partner MFOs	26

# 1. Executive summary

This first Synthesis Report of the *Imp-Act* programme covers the first twelve months of the Implementation Phase (April 2001 - March 2002) and indicates the diversity of approaches to impact assessment (IA) undertaken by the partner MFOs. Experiences and learning points reflect the individual projects' objectives and organisational contexts.

Learning points predominantly relate to the process of beginning and undertaking the first stages of an IA project, rather than results or findings stemming from data collected. This emphasis reflects the fact that most MFOs are not yet at a stage where learning points have been drawn from the data gathered or findings collated.

## 1a. Key achievements of the period

- Despite considerable differences in type and amount of work planned and carried out by the partners across regions, the majority of MFOs have been able to proceed according to schedule. Problems have mostly resulted from external limiting factors.
- The development of IA that is useful to MFOs and fit in with existing work patterns is an aim that runs through all partners' work. This objective is furthermore being pursued through regional and thematic collaborative work.
- The programme partner MFOs include a wide variety of different kinds of organisations; Grameen replicants, NGOs, commercial banks, village banking, and Self Help Group programmes. This diversity of organisational context, mission and products and services combined with cultural, social, and political differences means that a wide variety of approaches to IA have been embraced.
- Creating awareness about the purpose and usefulness of impact assessment at different levels of MFO staff as well as to external audiences through briefings, workshops, presentations, and email-based discussion.
- Most MFOs' work has involved adapting and refining IA tools and approaches to local needs and priorities. In some instances MFOs have developed new IA methods. A small number of MFOs have involved their beneficiaries in the development of tools and the identification of impact indicators.
- All MFOs have sought to improve staff capacity and knowledge of IA through a variety of training and workshop related events. Some have drawn upon external consultants for this purpose, while others have trained certain members of staff and these trained staff have further trained other members staff.
- Work to date has mainly involved research staff and IA project staff in the initial stages of the work. Field staff is the level of staff mainly involved in training programmes, tools development and piloting and implementation. Senior management is generally involved in the process of defining the IA project, but then its direct involvement generally decreases. External consultants are drawn upon in the project design, tools development and piloting and implementation phases. Some MFOs also draw on consultants for the purposes of analysis and report writing.
- Workshops at regional level were held achieving better understanding of the impact assessment process, methodologies, and the tools available. These workshops also served to cement collaborative efforts between partners and partners and external consultants.
- Work on specific collaborative projects has started through regional clusters, e.g. the East and South Africa cluster's two collaborative projects on 'strengthening the feedback loop' and 'local financial markets'.
- Work through Thematic Groups has commenced. At the twelve-month mark, findings from the work done through Thematic Groups are preliminary, but already indicate important lessons for the programme as a whole.

- The work of individual MFOs and collaborative efforts is being documented through progress reports, workshop reports, training manuals, reports on findings from pilots, implementation and in one case, completion of the first part of the planned IA work.

### **1b. Key learning points for the period**

#### **The importance of establishing a continuous learning process**

- This involves establishing sound baseline data and, where possible, following up with the clients forming the original sample.
- It involves an approach of continuous learning whereby the IA process becomes an integral aspect of organisational procedures and product development.
- IA work can be a learning process both at an organisational and at a client level.
- A continuous IA system where clients play an active role can contribute to the empowerment process.

#### **Stakeholder interests**

- Several organisations note the differences in various stakeholder groups' interests. Different stakeholders could have different hopes for the outcome of the IA study and this may make it difficult to determine the objectives for the work.

#### **Logistics**

- Covering large areas has been a problem for some organisations where branches or clients are spread over a large geographic area. This and other logistical problems during the 'difficult season' has created problems of regular contact with field locations. These factors should be taken into account when planning the IA work.
- Other logistical problems include data collection overload, where data analysis has not been clearly thought through prior to collection, or problems in obtaining data from operational staff where IA is being conducted internally.

#### **Participatory approaches to IA**

- Existing participatory approaches and tools have in some instances been found lacking in terms of their potential to elicit clients' perspectives on quality of life, risks, etc.
- MFOs are working to further refine existing tools and to develop new participatory approaches to microfinance IA.

#### **Differences in learning needs and outcomes**

- Different stakeholders involved in the IA process (e.g. members, research staff, field officers, and management) will have different learning needs. The nature and extent of the capacity building required will be linked to the objectives for the IA project as well as on the organisational mission and culture.
- It is clear that the level of investment in staff capacity building (in terms of time, thought, and resources) is directly reflected in the process as well as in the quality of the end-result.
- There are clear benefits of involving field staff in the process of selecting indicators as this can contribute to internal learning, awareness, and improve decision-making skills.
- Organisations have chosen different ways of distributing responsibilities. The involvement of the same staff members in the entire process has the benefits of greater continuity and possibly better understanding of the entire process by individual staff members.
- Some organisations on the other hand have found it useful to share responsibilities between different groups of staff. At an organisational level different groups of staff are now able together to conduct an IA project.
- One large-scale study has found that many MFOs may need training in data analysis, more than in data collection skills.

#### **Livelihoods framework and indicators**

- It is important to incorporate a client livelihoods framework and not simply focus on individual indicators in isolation of how these indicators really have an impact.

#### **Group and individual member methodologies and IA**

- Using group-based initiatives can sometime make it difficult to keep track of the individual member. Learning systems designed for Self Help Groups (SHGs), for instance, should seek to incorporate the individual's needs as far as possible.

**Targeting**

- This is a key issue for several organisations working to target the poorest in the community. It is recognised that the relatively less poor in the community are frequently the main beneficiaries of microfinance programmes. Specific efforts are therefore needed in order to reach the very poorest.

**Combined poverty reduction work**

- A single MFO cannot address all the needs of its clients and therefore it is important that the MFO work together with other development actors, sharing findings from the impact assessment work, in order that together more needs can be met, and more difficulties overcome.

## 2. Introduction

*Imp-Act* is a three-year action-research programme (2001-2004) designed to improve the quality of microfinance services and their impact on poverty. The programme has three main objectives:

1. to develop credible and useful impact assessment (IA) systems based on the priorities of Microfinance Organisations (MFOs) and their stakeholders,
2. to broaden the scope of IA to include wider poverty impacts,
3. to influence thinking and practice relating to the role of microfinance in poverty reduction.

This report summarises key learning and experiences carried out by twenty-one partner MFOs under the *Imp-Act* programme during the first twelve months of the implementation phase, April 2001 to March 2002.

The report looks at common threads of learning apparent across the programme as a whole, issues specific to regional contexts, and issues arising from collaborative work. This report thus presents learning and ideas relating to many of the most current practices within the field concerning the poverty impacts of microfinance.

Each partner organisation has begun implementing an agreed project of IA development and research. Partner MFOs work independently as well as through regional and thematic groups. Some partner MFOs are themselves networks of other MFOs. Collaborative research carried out in the thematic and regional groups ensure that the programme address major challenges and issues facing the microfinance industry in achieving improved impact on poverty.

*Imp-Act* thus builds on the variety of experiences and objectives of the partner MFOs. It seeks to apply and develop IA approaches, methodologies and systems which more effectively support learning and decision making of MFOs at all levels. An important aim is to promote IA that is owned and controlled by microfinance providers themselves.

The basic premise is that IA should have a central role in the effectiveness and efficiency of the MFOs involved and in product design and evaluation. To this end, the IA approach adopted by individual MFOs depends on the type of information that is required and for what purpose it is needed. The learning and experiences of the partner MFOs documented in this report therefore reflect the range of IA approaches and methodologies chosen.

*Imp-Act* partner MFOs cover a wide range in organisational type including Grameen replicants, village banks, individual lenders, Self Help Group based organisations, commercial banks and NGOs.

Due to the variety of organisational contexts and cultures, and IA project objectives and methods, this report is organised firstly (section 3) around key steps in the IA process providing examples of individual MFOs' work where appropriate. Section 4 outlines collaborative work undertaken by partner MFOs through regional and bilateral co-operation. The report then looks at thematic learning (section 5) resulting from the MFOs participation in the three Thematic Groups working to address programme-level objectives and MFO needs and foci. Section 6 looks at endeavours under the programme to build and strengthen the capacity within organisations to undertake IA, Impact Monitoring (IM), and Market Research (MR). Section 7 outlines the ways in which Technical Assistance is provided, and section 8 draws out the main learning points relating firstly to the IA process and secondly to IA findings. To give a sense of the overall programme-level progress, Appendix I illustrates MFO numbers engaged in the steps of the IA process.

The report forms part of a series of synthesis reports dealing with the overall programme development.<sup>1</sup> These will together combine to draw lessons that are important within the field as a whole, insofar as they will reflect current practices within the field; experiences, approaches, methodologies, problems and recommendations. The aim is not to draw universal guidelines for good practice, but rather to indicate various paths to better understanding, better practice, and more effective poverty alleviation.

---

<sup>1</sup> The programme synthesis reports are based on the 6-monthly narrative reports submitted by the programme partner MFOs describing progress to-date. All partner MFO narrative reports covering the first 6-month period from April to October 2001 are included in this report. The report also covers the period from October 2001 to March 2002, but unfortunately six MFOs have not been able to report on time with the second narrative report (31 March 2002) and we have therefore not been able to include their most recent progress in this Synthesis Report.



### 3. Achievements: action learning and action research

The first twelve months of Phase Two of *Imp-Act* have served to consolidate plans and commence the work at a practical level. This process has identified objectives at the organisational and the regional level, and develop a set of hypotheses for each individual project. This step in the process has involved identifying the questions to be answered through IA, looking at how to answer these, and selecting appropriate combinations of tools and methodologies with which to find the information needed.

#### 3.1 Developing useful IA

*Imp-Act* seeks to develop IA systems which fit into existing work patterns of MFOs, that learn from, and build on, existing knowledge and experience, and produce credible results that can easily be used by management and staff of MFOs in a time-conscious manner.

This is a concern that informs all MFOs' IA work across the programme. The work by individual MFOs, and through regional and thematic collaboration contributes to this learning objective and thus to the overall programme-level learning-process. Furthermore, at least one region is specifically addressing this issue through a collaborative project.

The East and South Africa region is conducting a project involving the five regional partners on 'Strengthening the Feedback Loop' (see MicroSave-Africa 2001b). This project will examine the lessons learned from institutionalising feedback into the MFOs' systems and products. The first phase of the project will help the MFOs think through how they will use the data they propose to collect. The second phase will take place towards the end of the project and will draw together the lessons learned for institutionalising the feedback loop. This study relates to the IA Systems and Processes Thematic Group: it aims to optimise the quality of qualitative research and tools and qualitative and quantitative data analysis, and to develop the systems to feed the information from IA into MFOs' systems and products.

- - -

SEEP (based USA) has a number of working groups, the CIWG is the direct partner in the *Imp-Act* programme. The CIWG have recruited twenty-seven southern MFOs and their Northern Private Voluntary Organisation counterparts to participate in their study. MFOs are required to attend the annual CIWG/*Imp-Act* workshops for three years, to actively engage in Impact and/or Client Assessment activities for the duration of the project; and to commit to a process of 'full disclosure' about these Impact or Client Assessment activities during that period. The objective of the study is to develop methodologies for doing IA and Client Assessment that are applicable to MFOs across the network.

#### 3.2 Organisational context and the role of IA

An awareness of the organisational context, mission, the nature of its work and previous experiences is instrumental in formulating a methodology and identifying a set of key questions to be answered through the IA study. The organisational context and objectives for doing IA will define the approach that is to be taken.

The following two examples give a sense of the breadth of MFOs involved in *Imp-Act*. This variety of organisational and local contexts is reflected in the different impact assessment approaches adopted. (See Appendix III for a summary of each MFO's, and its IA work.)

CYSD (India) believes the most effective development strategy is to '*... renegotiate the relationship between the state, the market, and the civil society. To strengthen the civil society (making it more and more inclusive) not only as an answer to an imperfect state and an imperfect market, but also in a world characterised by an increasing dominance of the market over the state.*'

Rather than providing an alternative, CYSD strives to reorient itself towards facilitating the effective participation of the poor and the "excluded" in the market economy and their "inclusion" in the mainstream. One of the means to this goal is to strengthen Self Help Groups, micro credit and small enterprises as a strategy for empowerment.

The recognition that poverty alleviation and social transformation is limited unless sustainable institutions are developed has motivated CYSD to improve organisational performance and financial services. The objectives for undertaking IA include enhancing organisational skills and capacity, and improving existing tools and approach geared to strengthen the management information system (MIS). In this way CYSD hope to contribute to a global process of producing high quality and applied knowledge, developing a practical approach and best-practices in practitioner-led, credible, middle-range IA in the micro-finance sector.

Driven by a mix of "accountability" and "management" goals, CYSD hopes to both *prove* and *improve* impact, thereby establishing a linkage between IA and institutional performance, while also linking it more closely to its own operations and mission.

- - -

CERUDEB is a fully licensed commercial bank operating nation-wide in Uganda. CERUDEB's objective is to provide appropriate financial services to all Ugandans in a sustainable manner. Since 44% of Uganda's population lives on less than \$1 per day and 85% are involved in agriculture, CERUDEB works to provide financial services to meet the needs of low-income clients and farmers. As well as involving the expansion of the MIS currently being used by the organisation to include information on a range of impact indicators and the initiation of a credit-scoring system, the project planned under *Imp-Act* involves designing and assessing the impact of various innovative financial products such as drought insurance for farmers and high yield deposit accounts for low-income savers.

### **3.3 Revisiting and adjusting plans**

The beginning of the implementation phase necessarily involves reconsidering and fine-tuning the aims of the work to be done. To a greater or lesser extent this has formed part of all twenty-one MFOs' planning and the beginning of their implementation phase.

MFC (Poland) is an umbrella organisation working throughout Central and Eastern Europe (CEE) and the Newly Independent States (NIS). The first twelve months of Phase One were spent consolidating the group of MFOs to participate in the regional project under the *Imp-Act* programme. A training-programme was arranged for those organisations towards the end of the six months in Poland, and a meeting was held involving the MFOs, MFC and two representatives from the UK Universities team. The meeting and training helped the individual MFOs formulate a specific action-plan for their IA projects. These individual action plans formed the basis for a regional-level plan put together by MFC.

The training brought to the fore the very different levels of expertise and experience in IA and MR of the seven participating MFOs. Some MFOs have already undertaken their own studies or have participated in the tools training programmes organised by MFC, including AIMS-SEEP tools training and the tools developed by MicroSave-Africa. On the other hand, for some of the MFOs IA is a completely new subject. It was noted that prior to the meeting and training, these organisations may have felt somewhat at a loss as to the nature and the purpose of the planned collaborative projects. It was also noted that such a level of heterogeneity could make progress as a group problematic. These and issues of the expected outcomes at the institutional, regional and programme levels were felt to have been clarified in the regional meeting.

As the first twelve months of the implementation phase have progressed, most MFOs have made adjustments to their projects, including such issues as the number of tools used, the kind of tools, collaborative efforts, reliance on external consultants, et cetera. For instance, CYSD (India) has decided not to work with a control group but with new and old members. PRADAN (India) had initially planned to pilot PACT's MicroAssess methodology, but due to staff changes within PACT it was felt that there would not be enough input from PACT and the collaboration was called off. FOCCAS (Uganda) has decided to cut back the number of tools to be used in the first year of the study due to time constraints.

### 3.4 Creating awareness

The practical execution of the implementation phase involves creating awareness of the IA work that is to be carried out, its importance and its usefulness to the organisation at all levels. At the institutional level creating awareness and building capacity is an integral part of the project's successful implementation. An important component of the first period of the implementation phase has been staff briefings on the action-research projects planned, the importance and usefulness of IA, and the role of the different levels of staff within the organisation in making these projects work. Briefings and staff involvement can be a learning process for all levels of staff, including field officers, research staff and management.

During the first twelve months of the implementation phase LAPO (Nigeria) has held various staff briefings and training sessions. The learning process has worked both ways, creating more awareness of the project, but also making the research staff aware of the how different levels of staff within the organisation view changes in livelihood status. At another level, the first part of the implementation phase has begun to create awareness within the organisation of which economic and non-economic issues of well-being are important to LAPO's clients. Now, every member of staff involved in '*... credit delivery is aware of the need for impact monitoring. Field officers are now conscious of the need to take interest in changes in members' lives in addition to their 100% repayment rate ... this is now reflected in the staff determination to target the poor.*'

- - -

CAME (Mexico) note that the staff briefings and co-operation of staff members has taught the staff members involved in the project to work as a team. People from different backgrounds have worked together and this has proven useful to all staff members. Working together to adapt a questionnaire used was also interesting, particularly discussions about the informal sector in which most clients work.

- - -

CERUDEB (Uganda), on the other hand, has completed a semi-annual customer satisfaction survey forming part of CERUDEB's regular work (that is, not directly linked to the *Imp-Act* programme). In this connection discussions at the management level have been held, which are felt to have resulted in a better awareness of issues to be addressed through the survey, and thereby of the usefulness of the IA project planned under *Imp-Act*.

At the individual level, partner MFOs also disseminate experiences and preliminary findings to external audiences.

Donors have been positively impressed by the poverty alleviation impact of CERUDEB. A presentation was given to the US congress citing previous research findings, and lawmakers were keen to follow the development of CERUDEB's IA system and will continue to monitor its poverty alleviation efforts.

- - -

Pro Mujer (Peru) has presented findings from their previous Bolivian IA study to SIPAN, a Peruvian MFO network. Their present study under *Imp-Act* is based on these findings and subsequent adaptations of that approach. The Puno study has also been presented to the Peruvian National Congress of Anthropology.

- - -

CAME in Mexico is in contact with the inter-American farming institute who are interested in receiving IA training and may also publish outputs from CAME's study.

### 3.5 Identifying a methodology and choosing an approach

To assist partner MFOs in thinking about the process of conducting the planned IA project which lay ahead, the *Imp-Act* Secretariat facilitated an email-based meeting on IA methodologies at the beginning of the implementation phase. A background paper was distributed to the partners taking readers through the process of doing IA. This information was generally found very useful by the participants. The virtual meeting took up individual issues in a step-by-step way and was found to have covered topics important to the work the MFOs were to begin.

Regional workshops on IA methodologies have also been held during the first twelve months of the Implementation Phase. For example, a workshop for the Asia regional cluster was arranged in July 2001 in response to a widely felt need to gain a better and more in-depth understanding of the process of undertaking an IA project, the possible methodologies, and the tools available which have been tried and tested in different contexts. The workshop on methodologies was felt by all participating MFOs to have been extremely useful in helping the organisations formulate a clearly defined methodology, and selecting an approach that suited the individual hopes and practices. The workshop provided an opportunity to share ideas between organisations for the design of an IA

project. The workshop further helped the MFOs define their individual objectives for doing an IA project and develop detailed work plans.

PRADAN for instance note that the Asia regional workshop helped “...PRADAN staff in getting a clearer picture of the way forward in developing systems for assessing impact.” In the context of the workshop, PRADAN decided to carry out its impact study and to adopt the Internal Learning System (ILS) in designing a customised participatory IA system. An action-plan was completed at the end of the workshop to conduct an IA study in two of PRADAN’s mature project locations studying the impact of the Self Help Group (SHG) programme using the ILS.

The regional workshop also served to cement collaborative efforts. CARD here began working with the International NGO, PLAN International, to develop and integrate issues of child welfare into its IA project. This collaborative work was more generally carried forward in connection with the first meeting of the Thematic Group on IA Systems and Processes held in October.

For CARD (Philippines) the virtual meeting, the Asia workshop and a consultative workshop on methodologies for integrating MR and IA together were felt to have consolidated CARD’s approach. The Asia workshop and the virtual meeting assisted in thinking through the various possible methodologies for doing IA, and clarified the process of getting to the point of being able to select the appropriate tools. These two events also brought home the need to adapt the tools selected to local and organisational contexts.

Commentaries from the majority of the partner MFOs show that the first twelve months of the implementation phase have succeeded in creating greater understanding of the process involved in undertaking an IA study.

The Small Enterprise Foundation (South Africa) note that “We have realised as an organisation, during the review period, that before deciding on which variables to use in [the] impact monitoring and assessment process, it is important to first ask questions such as: What information do we need? What is the information going to be used for and by whom? The process will help us identify variables that are user-friendly to both field staff and clients.”

What is further noted is the importance of designing “... a process that will ensure collection of useful data only. When designing impact monitoring and assessment, organisations should ask themselves a few questions. For example, questions such as what do we want to measure? Why do we think our choice of variables would best capture what we want to measure? Who is going to collect the information and when? Who is going to use the information, when and for what?”

### **3.6 Tools refinement and development**

The process of developing a methodology and selecting an appropriate approach to the study leads to the identification of appropriate tools that can help yield information on the areas of interest. Defining the objectives of the study helps in understanding the type of information of interest and the questions to be answered. This process involves thinking through and developing indicators that link objectives and hypotheses and allow defined changes to be measured or analysed.

Generally MFOs are using and refining tools that have already been developed. Sinapi Aba Trust (Ghana) has partnered with SEEP-AIMS to implement the full set of IA tools with a particular focus on developing *holistic* client transformation indicators, i.e. measures of social, political/empowerment and spiritual change among clients. The Loans and Savings Use tools and the Empowerment tool have thus been expanded to include questions reflecting the organisational mission, touching on the impact of services on the spiritual life of clients. More broadly Sinapi Aba Trust is a member of the Christian network Opportunity International (OI) and its present IA work will form the basis for the integration of such holistic client transformation indicators into the OI Network accreditation system with respect to impact measurement and monitoring.

- - -

FOCCAS (Uganda) is working together with Freedom from Hunger to develop a learning system, 'Progress Tracking', designed to provide *Credit with Education* practitioners with information about the poverty level of clients, the quality and appropriateness of services offered, staff and institutional performance and the progress toward social impact goals. As part of the Progress Tracking learning system FOCCAS (Uganda) has developed a market research tool, the 'client difficult seasons and coping strategies' tool. A data analysis framework has also been developed. The tool presents an internal learning opportunity for FOCCAS to learn about the seasonal crisis which clients face and their impact on the financial and education services offered.

### **3.7 Members' role in tools development**

Not many MFOs report that they have consulted clients or members in the tools development process. Members are often simply involved in the IA process as sources of information needed for predefined areas of 'impact'. Of course, in order to gauge the impact on members' or clients' lives and livelihoods, it is valuable to include members from the initial stages of the process, to understand what 'impact' means to members themselves, and what areas of 'impact' members identify as important and relevant.

To develop a questionnaire for a planned IA survey, PRADAN (India) held meetings in the areas where the survey was to be implemented, as well as in similar locations, with the Self Help Group members. This was done in order to understand members' conceptions of 'impact'.

- - -

The MFC partner BosVita (Bosnia-Herzegovina) has used a mix of participatory tools to begin a process of product diversification and research on drop-outs. Participatory MR tools developed by MicroSave-Africa were used including a simple wealth ranking tool. Through this exercise different categories of poverty were identified (poorest, poor, not-so-poor, better off) - the focus being to get a clearer understanding of the general perception of poverty by the local people. This exercise involving local people helped form a picture of the socio-economic characteristics of people in the area where BosVita operates, and to identify well being indicators at the individual and household levels, for possible integration into BosVita's MIS (see MFC 2002a).

### **3.8 Piloting and implementation**

Within the regions, between the MFOs, there are considerable differences between the type of work carried out, and in terms of the stage which the organisations have reached in the IA process (see also Appendix I). Some MFOs are far into the process, having already completed pilot studies or baseline surveys, adjusted tools, and some MFOs have commenced data entry and analysis on certain components of the projects. A few organisations had not commenced implementation or had experienced delays due to external limiting factors. Most MFOs, however, have been able to progress according to plan.

ODEF's work (Honduras) builds on its previous participation in the AIMS project. The project seeks to disseminate both findings and learning and build MFOs capacity to conduct IA. The project involves a number of the Covelo network MFOs. The first part of the implementation phase has involved discussing and adjusting plans with the Covelo Network, meetings with the AIMS-SEEP tools consultants, a training event for approximately 10 MFOs in the Covelo Network on AIMS-SEEP tools and the EPI Info software, implementation of one tool in each Covelo partner MFO, analysis of the data and the development of a second tool.

- - -

Pro Mujer (Peru) planned to use a similar methodology and tools in the Peruvian context of this present IA study, conducted in Puno, as had previously been used in the context of their Bolivian programme. The Pro Mujer's study explores gender associated and other risks that client's face, the changes in status and relationships between clients and their spouses or partners over time that might be attributed to the provision of financial services. For the case-study component of the project, a client sample and control group were selected. The approach adopted would compare the client sample with the non-client control group. It would furthermore compare the clients' domestic male partners with the control-group's domestic male partners. The exercise would thus document and compare women's and men's attitudes and their activities, as well as identify some key indicators for routine monitoring of program progress and impact.

Adding the control group and the domestic male partners of clients to the study increased the complexity of the study in ways not anticipated. The sample for the control group and their partners was difficult as, "...there are no accessible and reliable population maps for Puno. We opted for random selection of non-participant households in the neighbourhoods where Pro Mujer's clients reside. Although it was time consuming to identify households with similar characteristics to those of Pro Mujer's clients, the methodology proved to be successful and feasible. A similar methodology was used by the AIMS study in Lima, Peru."

The most formidable problem however was "... tracking down male partners of clients and non-clients. Puno is an area of a high degree of temporary and permanent out-migration. As a result, the enumerators had to return several times to many households in order to interview men."

Despite the difficulties, it was concluded that the richness of the information yielded and the increase in the validity of the results (through being triangulated), would compensate for the difficulties experienced during the data collection phase. The baseline data was collected. Data collection was

completed and processed from the qualitative survey of 125 clients and their male partners, and 125 non-clients and their partners. Interviews with 200 ex-clients were completed in the same period.

### **3.9 Findings and outputs**

The current implementation phase covers a three-year period. As will be apparent from Appendix I general progress varies from organisation to organisation, reflecting the nature of the planned work, the timelines for the work, and of course intervening external factors.

Outputs from the individual MFOs' implementation process include progress reports, workshop reports, training manuals and also reports on findings from pilots, implementation and in one case, completion of a project.

SHARE (India) has completed the planned IA for the first year according to schedule. The study involved three of its branches. At the beginning of the process orientation workshops were held for staff, and staff members were selected to conduct the interviews and data collection. Training was provided on the AIMS-SEEP tools selected, and more generally on IA. The data collected was input and analysed using EPI Info and a draft report on the findings was submitted to the board of SHARE. During the study, SHARE received technical assistance from CASHPOR and PHILNET.

The findings from the project report on the change in poverty status of SHARE's clients over a period of 3-4 years. The impact study looks at client satisfaction, loan use, it reports on client exit rates and causes, on the impact on mature clients of SHARE's intervention, and finally on empowerment issues. Analysis and recommendations for improvements to services are supported by case studies. The project used qualitative and quantitative tools to look at issues such as services provided by staff, members' likes and dislikes of the SHARE program, recommendations from members for improvement to the program, best liked products, and more (see SHARE 2001).

One problem encountered during the implementation was the difficulty of tracing exit clients – a number of ex-clients had emigrated from the village where the study was conducted and others were not available during the period in which the survey was planned. To move forward, other exit clients had to be sampled and the exit survey was completed.

Following the completion of the study, recommendations have been made to policy makers and funding institutions to push for the recognition of microfinance as a powerful tool in poverty reduction.

## **4. Collaborative work and networking**

### **4.1 Regional collaboration**

The participating MFOs in *Imp-Act* are grouped into regional clusters through which they contribute to collaborative networking and learning. The regional clusters allow the MFOs to share information about the IA process they are going through, past and present experiences, and particular problematic issues encountered. The regional collaborative work contributes to regional level learning at the individual MFO level, and at the regional level in terms of identifying issues that are relevant across the region as a whole. The regional collaborative work also contributes to the overall programme-level learning through specific collaborative projects.

All five regions, Asia, East and South Africa, Eastern Europe, Latin America, and West Africa, held regional meetings during the first year of Phase Two (see FINRURAL 2001; CMF 2001; MicroSave-Africa 2001a; SAT 2002). Regional workshops have explored IA methodologies through workshops and dissemination. One region has commenced work on specific collaborative projects.

#### **4.2 Specific regional collaborative projects**

The East and South Africa region is conducting two collaborative studies on 'strengthening the feedback loop' in IA systems and on 'local financial markets' (see Johnson 2001). The first meeting and training held during the first part of the implementation phase was felt to have been useful in establishing contacts between the organisations in the cluster and improving awareness of the other MFOs' plans and work. From the perspective of the co-ordinating organisation it was felt that the training together with the regional meeting achieved an improved research knowledge amongst the MFOs, as well as a generally better understanding of the regional proposal and work plan.

The training included MR; qualitative research techniques; gender-sensitive research methods; and in-depth interviews. Participants found the training particularly useful as it covered a wide range of quantitative and qualitative research tools. The training brought to the fore the importance of the sequence of the thinking and action process in doing IA: from identifying the needs of the MFO and the uses the information required can be put to, through designing a tool that helps to answer these needs and questions, to training staff in data collection, piloting, subsequent revision of tools, and documenting the process and results.

Some partner MFOs are themselves umbrella organisations and have an important role in the dissemination of findings both from an individual view point or from a comparative perspective.

#### **4.3 Intra-regional comparison through network work**

The network organisation MFC (Poland) collaborates with seven of its member MFOs in the NIS and CEE. This gives the network an opportunity to contrast and compare how different approaches to IA work in different countries in the region. MFC provides TA to these organisations, giving MFC the opportunity to observe different IA methods in different social, political, economic, and cultural as well as organisational contexts. Regular updates on the work of all seven MFOs from MFC keeps all organisations up to date with the work in the region. (see MFC 2002a, 2002b, 2002c).

#### **4.4 Developing network-wide methodologies ...**

Other networks and umbrella organisations aim also to develop network-wide methodologies, tools, indicators or information systems. But the active participation of MFOs may involve the piloting of these methodologies in one or a few MFOs, for later dispersal throughout the network.

This, for instance, is the purpose of the study carried out by FINCA. FINCA (based USA) has carried out and completed a pilot study in Uganda. Baseline data and individual and group data have been collected at the beginning of each cycle and an external data-base has been set up. Recommendations on the indicators used, data collection, and data entry have subsequently been made in FINCA affiliates world-wide. The process of selecting a number of indicators that would be applicable across all FINCA affiliates and a number of 'optional' context-specific indicators, has brought to the fore the difficulties in using identical indicators of impact across a global network of affiliates.

#### **4.5 ... and individual MFOs' IA needs**

Certain MFOs are collaborating closely with a national or region-wide network. Findings from the IA work carried out will benefit other members of the networks with little or no previous experience in doing IA. Learning issues and experiences are expected in these cases to be of particular relevance to the region or country.

CARD (Philippines) is collaborating with The Microfinance Council of the Philippines (MCPI) to integrate Impact Assessment and Market Research. The project's objectives include promoting a client-centered approach to microfinance program management, institutionalising the regular conduct of practitioner-led IA, and integrating client-level information both for IA and MR. CARD and MCPI are working towards this end through the development, pilot implementation and dissemination of an information system that integrates IA into MR throughout the MCPI national network. CARD's project under the *Imp-Act* programme will develop and pilot the information system for the Philippine network to learn from and use.

CARD organised a consultative workshop held at the beginning of the implementation phase for participating MFOs, government agencies, and a variety of support organisations. The workshop highlighted valuable learning points for the network as well as for the MFO. It was found that IA in the Philippine context remains to a large extent donor-driven and have mainly used quantitative methods (surveys), while there have been no systematic methods and regularity in doing MR. These findings led the network to conclude that the project will play a major role in the Philippine microfinance industry, particularly given the high demand amongst Philippine MFOs for more client-centered products and services.

Another important learning point for the network was the emphasis that a practitioner-focused IA process should be specific and linked to the context and objectives of the MFO, '*... which means processes and approaches in IA are not necessarily the same for all MFIs. This also means that a set of impact indicators and the corresponding tools and methodologies to collect data do not apply for all MFIs [in any given network].*'

#### **4.6 Learning from umbrella organisations - learning from the partners**

Through its project to examine IA/IM processes over time and over a cross-section of MFOs world-wide, the CIWG (SEEP Network) has created collaborative links with MFOs on Latin America, Asia, Central Asia, Eastern Europe, and Africa.

*'Most are "Southern" partners of SEEP members, although not all. These have allowed us to expand our reach and influence, both in general terms and on specific practices within these MFIs. We in turn are exposed to more organizations, from which we can draw broader lessons for the field. We hope that we are building the basis of future collaborative efforts, not only with the same organizations, but others through reputation and word of mouth. Also, working with a diverse and large group of institutions expands significantly the depth, breadth, and quality of data we have to work with.'*

## **5. Thematic Learning**

There are currently three actively functioning Thematic Groups under the *Imp-Act* programme: 'Impact Assessment Systems and Processes', 'Understanding the Wider Impacts of Microfinance', and 'Microfinance for the Poorest'. Partner MFOs are working in Thematic Groups reflecting their organisational aims and the impact assessment project undertaken. During the first year of the Implementation Phase all three groups have held workshops.

### **5a Impact Assessment Systems and Processes**

The Thematic Group on Impact Assessment Systems and Processes is a collaborative effort between the *Imp-Act* programme and the SEEP Client Impact Working Group (CIWG). The group seeks to develop ways of integrating Impact Monitoring, Market Research, and Impact Assessment; it looks at the use of participatory approaches; and at the role of umbrella MFO bodies in facilitating client and impact assessment. The group seeks to share information and experiences regarding formalising and integrating organisational learning processes. The first meeting of the Thematic Group, held in October 2001, was co-ordinated by the CIWG and held in conjunction with the SEEP AGM.

The meeting was composed of one day's discussion and sharing of information between project participants and a day's training on client assessment methods given by MicroSave-Africa.

#### **5a.1 The SEEP CIWG study**

The CIWG then conducted in-depth interviews with several of the participating representatives from the MFOs and the associated Private Voluntary Organisations (PVOs). From the perspective of SEEP's CIWG this latter component forms the basis for the CIWG proposal to the *Imp-Act* programme, the broad objective of which is to develop network-wide methodologies for conducting client and impact assessment. In all, twenty-seven MFOs world-wide have completed the '*Imp-Act* questionnaire' developed by the Client Impact Working Group.

These questionnaires have been recorded in a standardised way and the findings have been analysed and summarised in a summary report (see CIWG 2002).

The findings of the questionnaire will serve as baseline data in a longitudinal study of the IA/IM processes in participating MFOs. Two further questionnaires will form part of the three-year project. The long-term objective of the study is to examine the dynamic changes, challenges, and strategies of the IA/IM process over time and over a cross-section of MFOs. Lessons learned from this process will help guide the SEEP Network's efforts in and capacity building of IA/IM.



### **5a.2 Lessons from the first CIWG - Imp-Act questionnaire**

The initial questionnaire contains sixteen questions relating to the IA/IM work carried out by the participating MFOs (for the full report - see CIWG 2002). The CIWG have identified a number of trends from the responses to the questionnaire.

#### **Integration into existing information systems**

Integration of IA into existing systems (e.g., MIS) is a very high priority of most participating MFIs. Integration of this kind implies movement away from traditional IA methods (e.g., large scale surveys) and toward simpler methods in which the information is integrated into the MIS.

#### **'Practical' IA**

There exists an overwhelming preference for practical over "scientifically valid" IA methodology and that, overwhelming, the intended audience for IA is management. Both are consistent with the integration objective of IA. The preference for 'practical' or 'feasible' IA implies relatively low cost, reasonable demands on staff time, and reasonably simple methodology. Many respondents emphasised that the results of the IA/IM work should be managerially useful.

Suggestions for 'practical' IA include

1. Keeping tools short, simple, to the point, and user-friendly,
2. Using random sampling (as opposed to collecting information from all clients),
3. Collecting information at times and places most convenient for clients.

#### **IA objectives**

Many MFOs have multiple objectives of IA, not the least of which (and perhaps THE most important) is "market research," or developing a better understanding of clients for the purpose of appropriate design and delivery of products and services. This challenges common conceptions of what IA is and what its purpose is.

#### **Impact indicators and categories**

Some institutions have attempted unique approaches to IA (e.g., CARD, ASA) and others have adapted the SEEP/AIMS tools. MFIs use a large variety of specific IA indicators, but there is considerable similarity in terms of broader impact categories.

### **5a.3 Ways forward for the Systems and Processes Thematic Group**

An issue identified at the first Systems and Processes meeting was how to ensure work undertaken by all MFOs contributes to more cost-effective impact improvement. This issue reflects issues raised during the Management and Steering Committee meetings concerning how to monitor the programme's overall quality. Leading on from this the group work-plan seeks to address ways of assessing the IA work of all partner MFOs, and not just those participating directly in the Systems and Processes Thematic Group. The meeting in October served to identify a number of distinct areas of interest, areas, which should be addressed through the IA work taking place across the programme. Thematic learning teams will be formed at the Global Meeting at the end of April 2002 and each partner MFO will contribute to these through their own and collaborative IA projects.

### **5a.4 Other associated collaborative work**

In addition to the collaborative effort between *Imp-Act* and SEEP through the Systems and Processes group, *Imp-Act* is collaborating with PLAN International. PLAN are looking to develop IA systems which are useful from the individual organisation's perspective, and provides evidence of impact on child welfare, for application at a network-wide level. Towards this end, PLAN are working in parallel with several *Imp-Act* partners including CARD, Pro Mujer, and FINRURAL.

## **5b. Microfinance for the Poorest**

This group focuses specifically on those organisations working with the poorest. The aim is to deepen our understanding of the role of microfinance in securing long term improvements in the livelihoods of the very poor. Work focuses on how IA can help understand both the short-term and the long-term impacts of microfinance on poverty, and how this learning process might strengthen MFOs' strategies in working with the poorest.

The first workshop was organised by the SEF (South Africa) and took place in South Africa in November 2001. The aim of the workshop was to explore an action-research methodology to design programmes that focus to a greater extent on their impacts on the poorest, and which learn from and monitor their impacts using IA systems. The workshop made important steps towards developing guidelines for good practice in microfinance for the poorest.

The first part of the workshop looked at analytical and theoretical questions of the role of microfinance in poverty alleviation. Key issues discussed included definitions of poverty, the importance of being aware of the broader environment in which MFOs work, and of understanding what motivates the aid environment. Discussions further situated the issues in the context of the debate of organisational sustainability vs. poverty alleviation and how these two paradigms approach key issues in the field from widely different standpoints and how MFOs might balance the two inherently conflicting issues.

The main part of the workshop was a practical exploration of the IA work carried out by SEF and the other participating MFOs, specifically looking at the role of the individual MFOs' IA work in designing and testing their poverty-focussed methodologies. The presentations and the general discussion looked at a range of issues including the need for targeting within different environments and the cost of operations like targeting and supporting the poorest; different methods for targeting; strategies for reaching different levels of poverty; advantages and disadvantages of different IA approaches; and the mechanisms that act to exclude the poorest, including local and broader social and power-dynamics.

### **5b.1 Ways forward for the Thematic Group on Microfinance for the Poorest**

An action plan was drawn up dealing with issues felt to be important in the development of IA and MFO learning processes that deepen the understanding of the role of microfinance in securing long term improvements in the lives of the poorest. Issues included poverty definitions, defining guidelines for good practice, and the development of services for the very poor, trade-offs and benefits; the importance of demonstrating that microfinance impacts on the very poor, and understanding the benefits and drawbacks of different methodologies (see Microfinance for the Poorest Thematic Group 2001a for a full report).

### **5b.2 Re-defining concepts of poverty and the role of microfinance**

The group recognises the complex and multi-dimensional nature of poverty. By implication, measurements and definitions of poverty will vary depending on what is measured and whose perspective is emphasised. Each MFO working in this Thematic Group will work towards defining what the category of the 'very poor' means in its own context and provide a rationale for defining the group of "very poor" that it feels it can work with.

'The group believes that no person is per se "too poor" for financial services. There may be constraints on the ability of an MFO to provide appropriate services to certain groups, but this is a lack of capacity of the MFO not of the poor. No person or group of people should be automatically excluded from the services of an MFO because they are "too poor".

It is the responsibility of each MFO to:

- to understand what poverty means in its local context and to thereby define who is meant by the term "very poor"
- analyse the needs of the population in its target area disaggregated by poverty level i.e. to determine the needs of the very poor as well as others
- to innovate and experiment in the design of appropriate financial and other services to meet the needs of the very poor
- to make active decisions as to who can or cannot be served by the programme (who is excluded and why; who is included and why)
- to monitor delivery of its services to ensure that they reach the intended beneficiaries and that these services continue to meet their needs.' (see microfinance for the Poorest Thematic Group 2001b).

The group has developed a preliminary plan for using the work it carries out to advocate for changes in perceptions and in practices within the microfinance industry and in relation to donors.

## **5c. Understanding the Wider Impacts of Microfinance**

This Thematic Group seeks to understand client livelihoods and their inter-relation with the MFO, combining this level of impact with a broader consideration of wider impacts at the community, regional and national levels. By building on information systems that service MFOs' own needs, it will develop cost-effective ways of considering the wider social and economic impacts of MFO interventions. The first workshop was organised by BRAC and held in Bangladesh in January 2002.

The rationale for holding the event in Bangladesh enabled the group to engage with the debates and context of microfinance there - which has the largest outreach of any microfinance sector in any country. The workshop saw a variety of presentations and papers, exploring very different themes around and meanings of "wider impact".

### **5c.1 Outcomes of the first workshop**

Papers given looked at themes such as 'Practitioner approaches to measuring impact of Microfinance on the poorest of the poor' (SEF, South Africa), 'Microfinance use patterns of African female-headed households' (University of Sheffield), 'BRAC's Loan and the Rural Poor in Bangladesh: special Focus on Women' (BRAC, Bangladesh), and 'Assessment of impact of microfinance on inner-city regeneration in Eastern Europe' (Integra, Bosnia-Herzegovina).

#### **'Self-Help Groups and Democratic Governance' Anup Dash CYSD/Utkal University Bhubaneswar, India**

The crux of democracy, consists in its social organisation and social base ... for the electoral system to become sensitive to the needs of the people, and to be rooted in the social structure, there is need for social formations of various kinds. This paper emphasises the impact of Self-Help Groups (SHGs), as a social formation of this kind, on local democracy and governance. It argued that savings and credit is a tool to develop their management skills, but the groups, as they grow, go beyond savings and credit management and undertake broader community responsibilities such as management of community assets and infrastructure. Impact, through this process may be slow and realised over a longer time frame. The SHG model of microfinance, however, is designed for wider impacts.

---

#### **'Social Capital and Micro-Enterprise Development: Assessment of impact of microfinance on urban regeneration in Eastern Europe' Marek Markuš, The Integra Foundation, Slovakia**

This paper starts from the premise that poverty is not a single sided problem. You can try to heal one of these non-functional relationships, but the problem will show up somewhere else. Addressing the problem of material poverty through micro-credit is vital and critical, but it will not be enough for the poor households to escape from the poverty trap. Therefore it is not possible to neglect these aspects of human nature and all aspects of the poverty. The paper then goes on to explore Integra's experience in social capital and community building in CEE: having identified corruption as a major obstacle to the economic prosperity of its clients, Integra has carried out base-line research about the problem in Slovakia, Croatia and Bulgaria. As a result of this research, the organisation is developing new tools and approaches, to help its clients cope with corruption and promote ethical and transparent corporate culture.

### **5c.2 Ways forward for the Thematic Group on Wider Impacts**

During the workshop different themes for further research were discussed. Two groups discussed IA work towards examining wider social impact and wider economic impact.

1. The group discussing wider social impact was concerned with the ways in which group based organisation enables wider impact, for example, through women's empowerment and local campaigning for rights. This group hopes to plan more in-depth work on this topic.
2. The group considering wider economic impact considered the way in which effects might arise through labour markets and financial markets, in particular, they were interested in examining the causal linkages that might produce these impacts. The study, already planned, exploring financial markets in East Africa will be extended to include India, Nepal and South Africa

Research under this Thematic Group on labour market effects is also planned, as is research on some of the macroeconomic effects of the financial crisis in the microfinance sector in Bolivia.

### **5c.3 Latin American work under the Thematic Group on wider impacts**

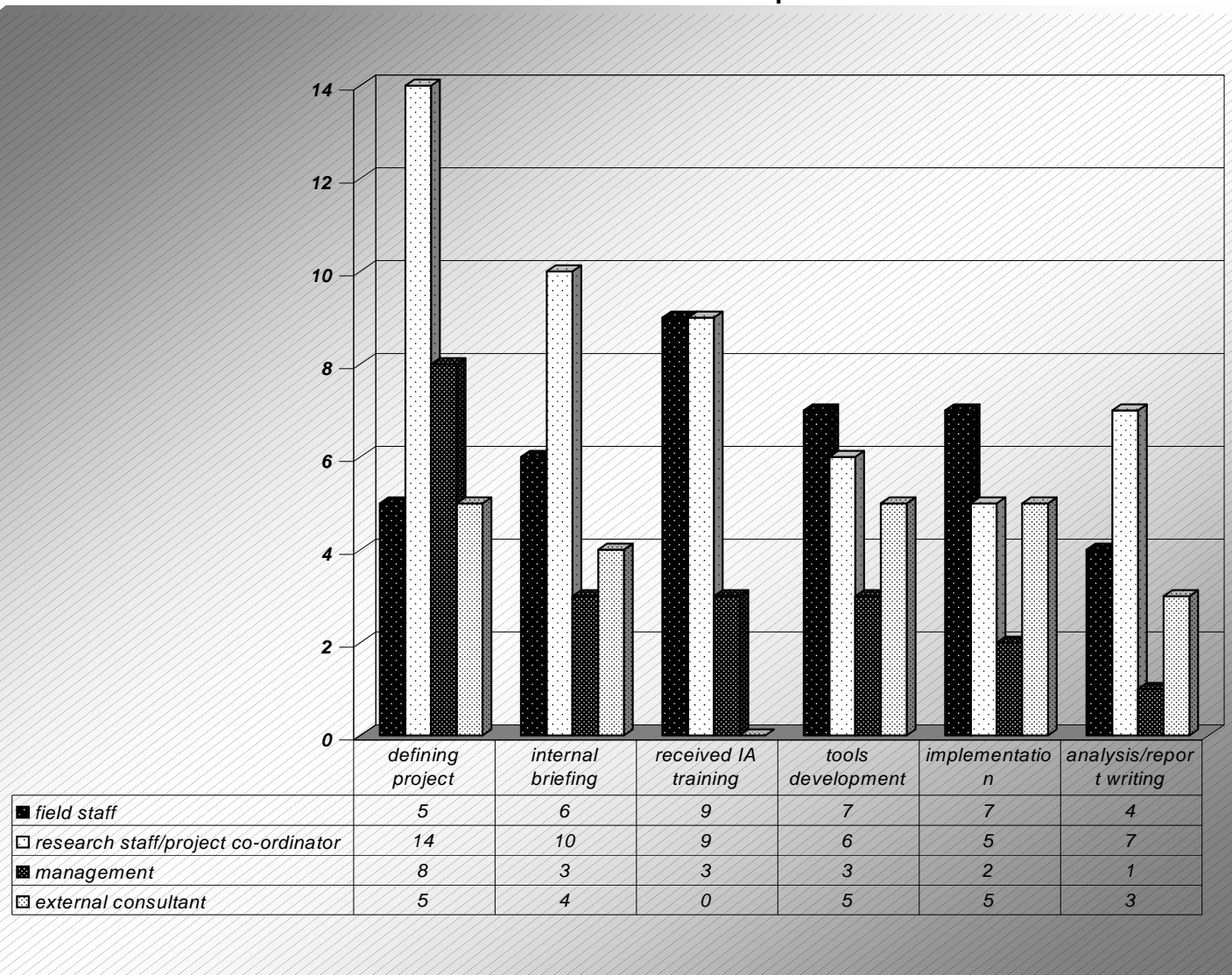
Two Latin American MFOs networks are planning collaborative projects. FINRURAL (Bolivia) and the Covelo Network (Honduras) are planning to explore aspects of the wider impacts of microfinance on poverty in their respective countries. CAME (Mexico) and their partner the Colegio de Post-Graduados also propose to integrate issues of social capital into their IA work under the programme.

## 6. Capacity Building

### 6.1 Staff involvement in IA process

Staff involvement in and ownership of the IA process is a key component of all projects. The diagram below gives an overview of the level of staff involved in the IA process. The diagram shows the extent to which different categories of staff - field staff, research and project co-ordinators, management, and external consultants - are involved in each step of the IA process. Note that some organisations involve all or several levels of staff in each step of the process and are therefore represented in all corresponding categories.

**Level of staff involved in the IA process**



*Defining the IA project outline/objectives:* The diagram shows that research staff and project co-ordinators have predominantly been involved in the process of defining the IA projects. Management is also significantly involved in this stage of the process. Field staff and external consultants have been equally involved in this initial step.

*Staff involved in internal briefings:* Research and project staff have again been predominantly been involved in internal briefings. This would reflect the fact that IA project staff would often give the briefings to field staff, branches, or management alike. Field staff has been relatively well involved in internal briefings on IA, whereas external consultants and management have not been involved in briefings as much.

*Received IA training:* Research and project staff and field staff have been the main beneficiaries of IA training. Management, where involved directly in the IA project, have also received IA training.

*Tools development:* MFOs reports indicate that field staff and research and project staff have been equally involved in the development of tools. Five MFOs have drawn on external consultants to develop IA tools. Only three MFOs have involved management in this step of the process.

*Implementation:* The majority of MFOs have reported that implementation has been carried out by field staff. Research and project staff has also been involved in the implementation, whereas management level staff has only been involved in the implementation in two cases.

*Data analysis, report writing and recommendations:* Research and project staff has in the majority of cases been responsible for data analysis and report writing. In four cases field staff has also been involved in this step of the process. In three cases external consultants have undertaken this work, whereas only in one case was management involved in the analysis and report writing.

## **6.2 Staff capacity building**

Field officers, branch managers and research staff at FOCCAS (Uganda) have received training from the *Imp-Act* research project manager on data collection and analysis. The intention is to enable branch staff and field officers to analyse the data they collect themselves, and thereby to deepen their understanding of seasonal problems to do with loans and client attendance levels at meetings and learning sessions. The importance was stressed, of involving branch and field staff in the process as a whole: from data collection to analysis and implementation. *"... this saves time and enables the members of staff who were involved in the data collection to improve their research methods and learn more about their clients, as well as improving their decision making skills."*

Clients were given feedback on the findings to date.

Recommendations from FOCCAS field officers and branch staff have been implemented. Product refinements have seen changes in loan size and testing an educational module on malaria. The decision-making process within the organisation is now seen to be more participatory as recommendations by field officers and branch managers have been taken on board by senior management and have been implemented. Some immediate program improvements have been achieved: a malaria education module has been pre-tested and findings indicate that clients appreciate the module. Change in loan-sizes have been implemented and FOCCAS itself is benefiting from these changes.

- - -

CARD (Philippines) and its partner, the Microfinance Council of the Philippines, held a training workshop for staff of five branches together with FFH consultant, Barbara MkNelly in client assessment approaches to Progress Tracking (teaching field staff to gather client feedback through a survey and how to use Product Attribute Ranking. Together with training on Lot Quality Assurance Sampling this training of staff was seen as a first step towards developing CARD's integrated client assessment system: *'The ... workshop has shown how the branch staff themselves can gather, analyze and interpret data. The exercise was a powerful demonstration that with only minimal disruption to their regular work schedules, the branch staff can very effectively elicit feedback from clients and make practical suggestions based on this information.'* (see CARD 2001)

- - -

SHARE (India) has also drawn on an external consultant, Helen Todd (CASHPOR), to assist with staff training in quantitative methods, design of questionnaires, and conducting interviews. Training on software and data management and analysis has also been provided by external consultants. Team leaders have received training on data analysis (also from CASHPOR).

By contrast with FOCCAS and CARD, this reflects a decision to divide the work under the IA project into distinct areas with different teams being responsible for different areas of the research: qualitative research, quantitative research, data analysis (using EPI Info), data analysis and logistical arrangements.

It is now felt that the different members of staff together are able to carry out an IA study without any external expertise being needed. SHARE has also volunteered to provide TA to other MFOs in the region with no expertise in the area who are interested in conducting their own IA studies.

The training needs of each organisation differ according to previous experience, the extent, size and timeframe of the IA study planned, and the organisational culture. In many instances, part of the objectives of the study is to build an internal capacity to conduct IA. Many organisations have opted to plan one large-scale training session or workshop, for certain members of staff. The experience and knowledge gained can then be passed on by those persons who have received the training to other members of staff, or in the case of umbrella organisations, to other members of the relevant network.

CMF (Nepal) IA work during the first twelve months has involved identifying a number of SACCOs working in the hill districts of Nepal to participate in the project. One field officer from each SACCO has been recruited.

The Project co-ordinator received training on the AIMS-SEEP tools. The co-ordinator found the training useful in terms of learning about the experiences of using different tools in different parts of the world. This training helped CMF prepare a research questionnaire for the SACCO IA study.

A two-day training workshop for CMF staff and the project Research Officer was organised, on the institutional auditing tool used to assess SACCOs' institutional status and to identify their training needs. This process helped to formulate a methodology applicable to all four SACCOs.

Gauging the training needs of staff or institutions participating in the project can also be revealing of the organisational structure and mission.

The training needs of the SACCOs participating in the project were found to vary. One of the SACCOs selected to participate in the CMF project is self-promoted while another is government promoted. Through CMF's auditing exercise it was found that the self-promoted SACCO fares better financially, it has a better book-keeping and record-keeping performance, it has greater outreach and offers more services to its clients. The strength of the government promoted SACCO on the other hand lies in its community development activities, and it is seen to be more effective in reaching the poor because of its mission. The self-promoted SACCO, on the other hand, has been run by a 'social elite' with experience in microfinance, banking and co-operatives. These differences affect how the organisations work and how training is best provided.

The training provided by CMF has now been followed up by improvements to the work processes in the SACCOs. Training was provided to different levels of staff following on from the needs assessment by CMF. Staff '*... participated enthusiastically and have been following the learning of the training.*' One SACCO for instance has improved its book-keeping practices. It is further felt that the SACCOs now have a clearer understanding of the work ahead a better familiarity with the co-operative principles.

### **6.3 Data analysis skills**

One lesson from the SEEP Network's Client Impact Working Group's first questionnaire (see also Thematic Learning above) was that '*...MFI's collect IA information, but do not analyze it, mostly because they lack the capacity to do so. This suggests to us a different approach to IA capacity building.*' The report suggests that it is possible that the biggest obstacle to effective IA is not necessarily knowledge of IA data collection methods, but the capacity to do data analysis. Building MFOs' capacity in data analysis has perhaps suffered as a result of the emphasis on data collection methods. SEEP is likely to focus on this need through its training programmes.

### **6.4 Building clients' capabilities as part of the IA**

As part of their IA work Pro Mujer (Peru) aims to further develop participatory methodologies for IA. They have found that aside from a few participatory methods, there are few that '*... really engage microenterprise clients in an analysis of how the programs affect their businesses and their lives.*' Pro Mujer is using a selection of wide-ranging research methodologies in their project and hope that the methodological scope of their project will provide practical lessons and guidelines for more directly engaging clients in the IA process. Towards this end, Pro Mujer aims to develop didactic case studies that can be used by clients to analyse their own situations and to take steps to realise their goals for themselves, their families, and their communities.

---

PRADAN (India) is adapting the Internal Learning System (ILS) created by Helzi Noponen. The adaptation of the earlier 'pictorial impact diary' has been substantial, and the end result is a learning tool for members in the shape of a 'life and livelihoods workbook'. It reflects PRADAN's approach to microfinance as a tool for strengthening livelihood systems for the rural poor and guides the participant '*... step-by-step through a thinking process on their current situation, their total 'availabilities' of resources, problems with inputs and utilization of the resources, mix strategy and production options, culminating with a credit investment plan.*' The workbook contains a separate section on empowerment issues, but gender concerns are also incorporated throughout. Finally the workbook contains a 'synthesis section' encouraging participants to think through their role within the SHG. It is felt that this tool really has the potential to contribute to participants' learning. Workbooks are kept by participants themselves, enabling them to record information about changes as these happen as well as reflect on changes retrospectively. The learning process, then, involves the participant in data-collection, data-assessment, data-analysis, sharing learning (within the SHG

and with the programme more broadly) and planning. Vis-à-vis more standard survey methods, ILS is more directly empowering for the participants as a form of self-monitoring and learning process, supported in the context of the SHG programme.

## 7. Technical assistance and other external input

### 7.1 Programme level TA

Each MFO is assigned a member of the UK Universities team, to provide Technical Assistance (TA) to assist in the development and implementation of their projects. This also ensures rigour in methodology and analysis, and exposes MFOs to the alternatives available to them as well as relevant information and literature.

All participating MFOs in the programme have met with the UK team member providing TA to them, either on an individual basis or in connection with the regional and thematic group meetings held during this period. Feedback shows that the support received has been valuable to the MFOs' work. PROMUC (Peru), for instance, note that TA concerning their work plan and the articles provided have helped the organisation to gain a better understanding of the issues involved in undertaking the impact assessment work. Similarly, MicroSave-Africa (Uganda) recognise the value of inputs from Susan Johnson (University of Bath) to the two studies planned for the region. CERUDEB' management (Uganda) was much inspired by James Copestake's (University of Bath) paper on developing a framework for client monitoring within MFOs and are now considering developing a client profiling system of their own. LAPO (Nigeria) note that TA from the UK team (Anton Simanowitz, IDS) meant that staff were better equipped to use participatory tools to facilitate discussions with clients, and support was also instrumental in devising a strategy that would enable all stakeholders to claim and learn from the IA process.

PRADAN (India) report that after the Asia workshop held in July 2001, it was decided to conduct a quantitative survey in two locations where PRADAN's Self Help Group promotion programme is operating. Naila Kabeer (IDS) assisted in developing and refining the questionnaire to be used for the survey: '*... Dr. Kabeer then visited the PRADAN field sites for a personal understanding of the groups. The visit was useful for her to further suggest changes in the questionnaire. She also interacted with the PRADAN staff very closely which led to a lot of learning on their part, regarding how studies of this nature are conceptualised and details of how questions are phrased, etc..*'

In some instances, it was reported that not enough background material and theoretical information, and case studies of IA projects have been provided to the MFOs during the first part of the implementation phase. FOCCAS (Uganda) note that there is still a need for more exposure to ideas of developing a research concept from preliminary data, designing relevant research tools and the feedback loop, and skills in documenting discussions.

### 7.2 The role of Public Voluntary Organisations and consultants

A number of MFOs are collaborating closely with a PVO or a consultant and their IA study will be a collaborative effort between the PVO or consultant and the organisation. Some of these collaborative efforts are between PVOs and MFOs with a long-standing relationship of co-operation.

PRADAN (India) are working together with Helzi Noponen, who is their consultant on the Internal Learning System (ILS) project. Linda Mayoux further supported the inception workshop for PRADAN staff on the ILS, particularly in terms of gender issues.

---

FOCCAS (Uganda) is working with Freedom From Hunger (FFH). FFH has assisted in the field observation follow-up and has also documented the approach adopted and the preliminary findings for FOCCAS. In the development of the educational modules run by FOCCAS a lecturer in adult and community education has assisted the process.

---

Sinapi Aba Trust (Ghana) also, is working closely with Opportunity International (OI). Sinapi Aba Trust's IA study under the *Imp-Act* programme will work as a pilot study from the perspective of OI, to measure spiritual impacts of MFOs at client, household, business and community levels. OI is taking a leading role in the development of tools and methodologies and in the piloting and implementation of the project in Ghana.

### 7.3 Other microfinance events

In the process of disseminating individual experiences and findings, organisations also receive valuable inputs. Organisations have found it very useful to attend large-scale microfinance meetings and events such as the Microcredit Summit. These and the regional meetings can provide valuable

feedback on plans. Feedback further shows that the attendance of regional Ford Foundation officers at the regional and other meetings is greatly valued for the inputs given to individual MFOs.

## **8. Learning points and recommendations from individual MFOs**

Reports on learning points for the first twelve months of the implementation phase from MFOs have centred around the process of the carrying out IA. This emphasis reflects both the stage in the IA process reached by most MFOs and the programme level focus on the development of systems that are useful to microfinance practitioners and can be integrated into decision-making and practices in useful ways. Some reports have outlined learning points in relation to preliminary findings from the IA work carried out. This section is therefore divided up into IA process related learning and IA findings related learning.

### **8a. IA process - learning**

#### **8a.1 Establishing a continuous learning process**

PROMUC (Peru) operates a number of communal banks and with its IA project aims to establish an impact monitoring and evaluation system. The objective of the project is to gauge impact on the poorest micro-entrepreneurial sector, mainly those micro-enterprises led by women. The study looks at improvements at the economic level, in the quality of life of clients and their families, and in terms of social relations within the community. PROMUC emphasises the importance of establishing sound baseline data, and, where possible, following up with the clients forming the original sample. PROMUC also stresses the benefits of a continuous Impact Assessment and Monitoring system, finding that in order to be able to *'... listen to the clients, it is necessary to have the space to continually collect the information, and find the relevant information to improve the services and program.'*

#### **8a.2 Continuous learning processes and levels of impact**

PRADAN (India) is building on its ILS approach to establish a continuous client monitoring system. This approach will yield information on impacts at different levels. ILS workbooks together with other participatory tools will be integrated into the running of standard SHG promotion processes, thereby lessening the pressure on staff. The workbooks completed by SHG members are 'collated upwards' to into Group workbooks. The Group workbooks are collated to Staff workbooks recording important information about the SHGs. This information, combined with the development of a MIS, will form the basis for PRADAN's client monitoring process. At the different member, group, and staff workbook levels the ILS will provide information about individuals in groups and groups in the programme. The *'... workbooks at the member level looks very closely at the empowerment aspects of the women's life. Similarly the books at the Group level and the Staff level will look at the other wider impacts at the village level and the larger social level.'*

#### **8a.3 Participatory approaches and empowerment issues**

PRADAN is working with a number of mature Self Help Groups (SHGs) (over 10 years in existence) and emphasise that the impact assessment process should be a learning process for the SHG members, as well as a learning process for the organisation. There are different learning needs at different levels involved in the IA study, and it is important to understand these different needs to develop a useful and successful impact assessment system. Learning needs at organisational and member levels may be quite different, and this needs to be taken into account. One single system may not meet these different needs.

The ILS methodology was found well suited to PRADAN's needs, but the organisation warns that if the planned IA study does not necessitate the participation of the individual member or client, then *"...the organisation should not go for a participatory learning system or an ILS. Because it can be a major commitment that can consume a lot of organisational financial and human resources ... It is important to question the need for the individual woman to participate in an IA process, when the study is oriented towards the learning needs of the organisation. A participatory system should not degrade the role of the group members to that of unpaid data collectors but should add to the process their empowerment."*

#### **8a.4 The scope of participatory approaches**

Pro Mujer (Peru) hopes to extend the scope of participatory approaches and methodologies to IA work through their IA project. They have found that existing participatory approaches and tools often do not adequately elicit clients' perspectives on quality of life and perceptions of risk and vulnerability, for instance. For the case studies part of the IA work staff are meeting biweekly with 20 of Pro Mujer's clients at their place of business and at their homes conducting interviews. The parallel participant observation component study of those same clients' communal banks aims to gain a better



understanding of the social dynamics of the banks and how they affect individual women and their businesses beyond the financial impact of the loans.

#### **8a.5 Covering large areas and logistics**

The main problem experienced by PRADAN during the first twelve months was the geographic distance to its SHGs, associated with its relatively decentralised approach. *"Integrating activities taking place over great distances is a big challenge."* Another related problem was keeping in touch with the field locations of the selected programmes, made difficult by bad communication facilities. Furthermore, staff-shortages in the selected locations for the study have meant that the IA work will require staff to re-schedule existing field commitments.

#### **8a.6 Difficult season**

FOCCAS (Uganda) stresses the importance of taking factors of the difficult season for both clients and for fieldworkers into account, including food shortages, weather conditions, illness, difficult transport – this is necessary for the program and operation plans to work well.

#### **8a.7 Data collection overload**

MFC (Poland) report on a recurring problem. MFC is a network of MFOs in the NIS and CEE. In relation to the *Imp-Act* programme MFC is working with seven of its partner MFOs. MFC has experienced difficulties in requesting data from its partners, due to several data collection initiatives taking place within a short space of time. It is therefore suggested that data collection be kept at a minimum low, to avoid data collection fatigue. In other instances, data collection initiatives taking place within a short space of time has caused confusion. If several pilots and studies are planned it can be a good idea to let branches or partners know in advance how much data will be required, when, and for what purposes.

#### **8a.8 Selecting and using tools and the role of field staff**

SEF (South Africa) have found that if certain indicators are to be used, there will of necessity be corresponding training needs within the organisation. Some indicators, for instance, require field staff to use PRA tools and facilitation skills which they may have no training in. Indicators to be used by field staff therefore need to be carefully selected. The process of selecting the indicators contributes to internal learning and also provides an opportunity for front line staff to develop a strong bond with their clients.

The process should also allow field staff the opportunity to contribute to decisions-making processes within the organisation. *"It should be remembered that the field officers are one of the main sources of information to the organisation because they interact with clients on a daily basis."* Tools and research methods should be implemented by staff that are properly skilled and trained in using those tools: *"I cannot emphasise enough that the outcome of the research could be heavily influenced by the nature of [the] facilitation."*

On the other hand, in certain situations it may be useful for a neutral outsider to lead the research process: *"...my personal experience working with clients indicates that clients have a tendency to tell what they think one wants to hear. A neutral person is more likely than an organisation employee, or another person with invested interest, to elicit truthful and accurate responses from clients."*

#### **8a.9 Children's welfare as an indicator of poverty and impact**

LAPO (Nigeria) reports that through their recent IA activities they have found that clients' ability to cater for the needs of their children is a recurring theme and a good indicator of both poverty levels and the impact of LAPO's services. This question has been integrated into the organisation's IA work.

#### **8a.10 Questions of 'universal' indicators**

Many of the *Imp-Act* partner MFOs work in different countries or parts of the world, seeking in some shape or form to develop universally applicable IA methodologies, tools, and/or indicators that can be applied at the level of networks, branches or partners. FINCA (based USA) aims to develop an IM system through adaptations to its existing MIS and to be applied in the context of FINCA's programmes world-wide. To develop ten 'universally' accepted indicators a team for the IA project has been established. Through discussions many different indicators to measure impact were emphasised. These ranged from household to business performance indicators. Twelve universal indicators have now been selected, with an additional eight indicators as 'optional' for the individual affiliates. Non-universal, 'optional' indicators now include community interaction, eating habits, and building structure type. Universal indicators include household level indicators such as number of residents, number of children in education; business indicators; and group management indicators. It was reasoned that certain indicators should be 'optional' because for instance, *'... how often a family eats meat, how many meals a day are seen as being too affected by local culture and regional*

*differences...* It is recognised, however, that even the indicators selected as 'universal' may not be entirely valid as universal indicators. (see FINCA 2001 for the full report).

#### **8a.11 Capacity building - data analysis skills**

The CIWG found that MFOs may not be well-equipped to undertake data analysis work. The challenge in terms of building staff capacity to do IA may not necessarily lie in building data collection skills, but in building data analysis skills.

#### **8a.12 Working together with other development actors**

FOCCAS (Uganda) note that since one MFO cannot address all the needs of its clients, it is important to work together with other development actors in that area, sharing findings from the IA work, in order that together more needs can be met, and more difficulties overcome.

### **8b. IA findings - learning**

#### **8b.1 The role of credit in poverty reduction**

CERUDEB (Uganda) has preliminary findings from the first part of the implementation phase. These have helped the organisation understand the limitations of its services and products in impacting on clients' lives. As a result CERUDEB will seek to develop and provide more a holistic financial services package to its clients.

#### **8b.2 Loan use**

The results of SHARE's IA study (India) indicate that loan use is linked with the extent of the poverty reduction impact on the client. It was found that 77% of SHARE mature clients have experienced a significant reduction in poverty over the last 4 years, and 50% of these are no longer categorised as poor. An important path for a large proportion of mature clients who are no longer classified as very poor has been the purchase of milk buffaloes with the loan from SHARE. However, it is noted that "*... there are many possible paths out of poverty, provided a poor household can get access to ... microfinance services and provided these are used to add income earners to the household and to diversify its sources of income.*"

#### **8b.3 Savings and exits**

Through its IA work Pro Mujer (Peru) has found that limited access to savings appears to be a major reason why clients leave the programme: *'Clients have expressed a desire to have a more flexible system that allows them to access their savings to deal with crises and investment opportunities.'* Pro Mujer's IA work has therefore focused much more on findings relating to savings from the baseline than initially expected.

#### **8b.4 Targeting the very poor**

K-REP's preliminary findings (Kenya) from piloting of a baseline survey indicated that the first beneficiaries of its FSA intervention are the less poor in the community. It is concluded that much more is needed in order to reach the poorest.

#### **8b.5 Improving educational modules**

FOCCAS (Uganda) provides a Credit with Education module. As a result of findings from the IA work, FOCCAS has worked to adjust its educational curriculum. Issues identified as useful to clients include a module on technologies for food production, processing and storage.

#### **8b.6 Employment patterns and impact**

Pro Mujer (Peru) is undertaking a comparative study of the client sample with a non-client control group as well as the clients' domestic male partners with the control-group's domestic male partners. Findings during the first twelve months show that there are clear differences between men's and women's employment patterns. Men tend to have more temporary and multiple sources of income than women do. In most households, women's business activities also do not appear to be the only source of income.

## 9. Conclusions

- This report draws together findings and recommendations from the twenty-one MFO partners in the *Imp-Act* programme based on work conducted during the first twelve months of the implementation phase (April 2001 - March 2002).
- The report indicates the **diversity of approaches** to Impact Assessment undertaken by the partner MFOs. Experiences and learning points reflect the individual projects' objectives and organisational basis.
- These experiences and recommendations are of relevance to practitioners, academic and donors, both in terms of **practical implications**, and in terms of gaining a more specific understanding of the **poverty impacts** of microfinance.
- **Learning points** predominantly relate to the **process** of beginning and undertaking an impact assessment project. This pattern may be a reflection of the fact that many MFOs are not yet at a stage of being able to draw conclusive learning points from the data gathered or their findings. Some IA preliminary findings are also presented. IA **findings** indicate a wide range of organisational and other local emphases.
- Learning points relating to the process of conducting IA are key to the **programme's** overall learning **objectives**. *Imp-Act* works to apply and develop approaches, methodologies and systems which more effectively support learning and decision making of MFOs at all levels.
- An integral part of promoting a development towards greater **organisational learning** is creating awareness within the organisation conducting the IA of the rationale for doing so and the usefulness of the process. Although MFOs have approached this in individual ways depending on the project scope and objectives and the organisational background this aspect has formed part of MFOs' work across the programme during the first part of the implementation phase.
- An overall concern, reflected in the work of all MFOs is the endeavour to develop IA systems that can inform **decision-making** in a time-sensitive and effective manner. Despite the differences in terms of organisational mission and, by implication, IA approach, this emphasis on improving the feed-back loop forms part of MFOs' work and thinking across the programme. This is, at this early stage, seen in some MFOs' **refinement of products and services**, following preliminary findings from the current IA work. Improving the feedback loop and integrating IA data and recommendations into the regular work of the MFO has resulted in a clearer internal organisational understanding in many cases. Furthermore, a better understanding of clients is already frequently reported. This level of understanding within MFOs means that organisations' missions can be more directly addressed and practically implemented. This is one of the first steps towards **improving the impact** of microfinance on poverty.
- The themes touched upon by individual partner MFO's work will be explored in a collaborative framework through the Thematic Groups over the **coming two years**. The framework for collaborative action-research will be formalised in the coming months and at the first *Imp-Act* Global Meeting taking place in April 2002. The MFOs will work through these groups on developing approaches to issues such as monitoring group dynamics, participatory assessment, the role of umbrella organisations, and impact monitoring systems. In this way, impact assessment work at the individual MFO level will contribute to a broader level of learning at the programme level, and ultimately to thinking and practices within the field. Recommendations and guidelines to be further developed over the coming years for improved microfinance practices and more effective poverty alleviation will thus be based on a multiplicity of objectives, experiences, and approaches to microfinance and to impact assessment.

## References

CARD/Freedom from Hunger (Nov. 2001) Report on the Results from the CARD/Freedom from Hunger Client Assessment Approaches for Progress Tracking Workshop *held November 2001*. Available from CARD and the *Imp-Act* Secretariat.

Client Impact Working Group of the Small Enterprise Education and Promotion Network (2002) *Summary report of the Client Imp-Act workshop and the Imp-Act questionnaire*. Available through the Client Impact Working Group web-page: <http://www.seepnetwork.org/ciwg.html>

CMF (July 2001) *Preliminary Synthesis Report from the Asia Region Workshop on Micro-finance and Impact Assessment Methodology*. Available through the *Imp-Act* programme website [www.Imp-Act.org](http://www.Imp-Act.org).

Dash, Anup - CYSD/Utkal University Bhubaneswar, India (2001) *Self-Help Groups and Democratic Governance*. Available from CYSD and the *Imp-Act* Secretariat. Forthcoming in Thematic Group publication on Understanding the wider impacts of microfinance.

FINCA (Nov. 2001) *Report on the FINCA Uganda 2000-2001 Research Methodology and Recommendations on Future Research Strategies*. Available from FINCA or the *Imp-Act* Secretariat.

FINRURAL (Dec. 2001) *Workshop report - First workshop of the Latin American network*. Available through the *Imp-Act* programme website [www.Imp-Act.org](http://www.Imp-Act.org).

Johnson, Susan (2001) *Imp-Act East Africa Cluster: Local Financial Markets Study Proposal*. Available from Susan Johnson and the *Imp-Act* Secretariat.

Markuš, Marek - The Integra Foundation, Slovakia (2001) *Social Capital and Micro-Enterprise Development: Assessment of impact of microfinance on urban regeneration in Eastern Europe*. Available from Integra and the *Imp-Act* Secretariat. Forthcoming in Thematic Group publication on Understanding the wider impacts of microfinance.

Microfinance for the Poorest Thematic Group (2001a) *Report from Microfinance for the Very Poor Thematic Group - First Thematic Group meeting*. Available through the *Imp-Act* programme website [www.Imp-Act.org](http://www.Imp-Act.org).

Microfinance for the Poorest Thematic Group (2001b) *Draft for microfinance for the Very Poor: Definitions and Assumptions for the Thematic Group*. Available from the *Imp-Act* Secretariat.

MicroSave-Africa (2001a) *Preliminary Report from East Africa Regional workshop*. Available through the *Imp-Act* programme website [www.Imp-Act.org](http://www.Imp-Act.org).

MicroSave-Africa (2001b) *Terms of Reference for Analysis and Strengthening the Feedback Loop into MFIs' Systems and Products (First Phase)*. Available from MicroSave-Africa and the *Imp-Act* Secretariat.

MFC (2002a) *MFC Technical Assistance Mission to BosVita - Working draft*. Available from MFC and *Imp-Act* Secretariat.

MFC (2002b) *Summary Report from the MFC TA Mission to Partner*. Available from MFC and *Imp-Act* Secretariat.

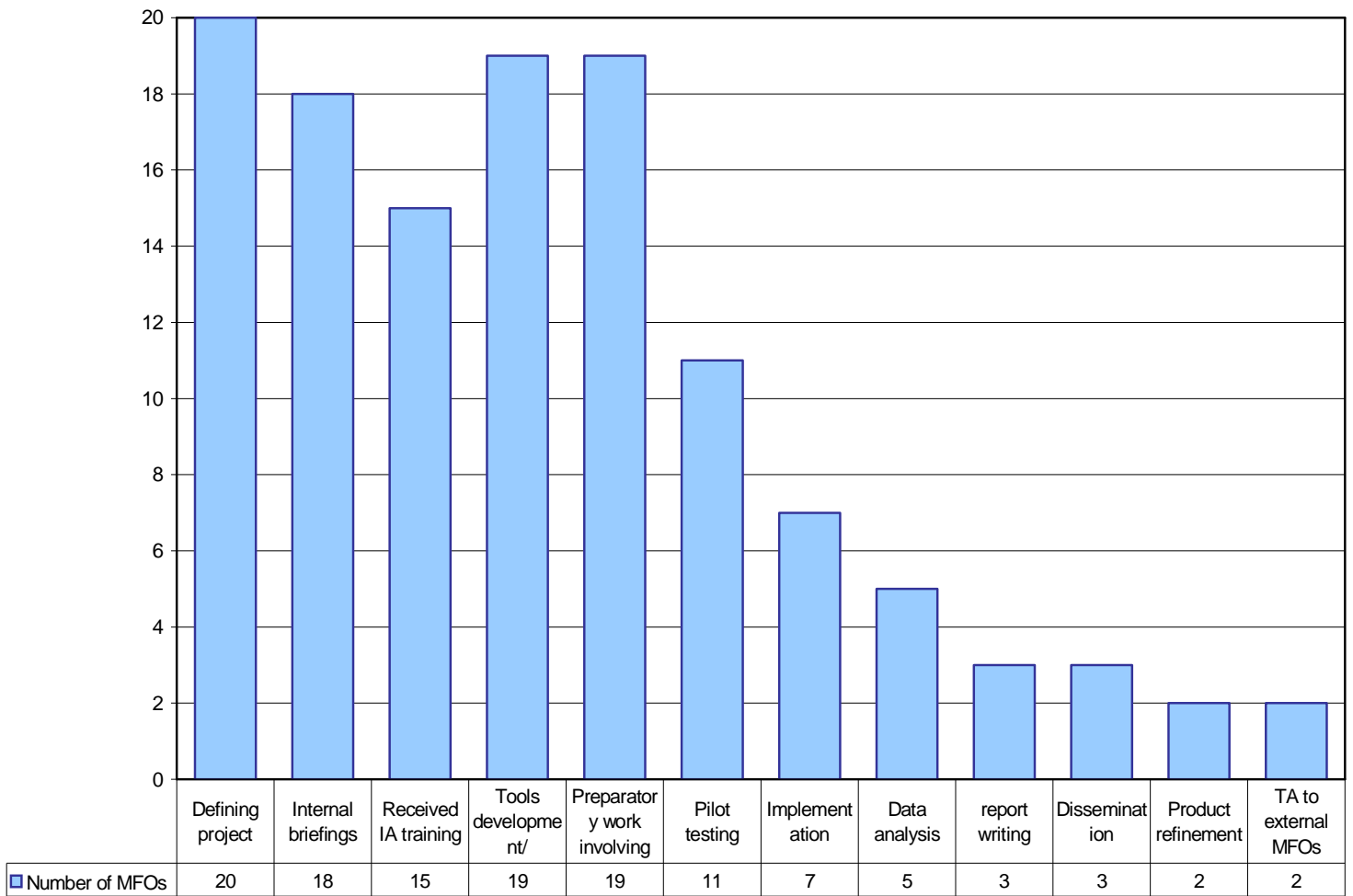
MFC (2002c) *Imp-Act Programme, CEE and the NIS cluster, TA Mission to Demos*. Available from MFC and *Imp-Act* Secretariat.

SHARE (2001) *Reports on Client Satisfaction; Exits; Loan Use Strategies; Empowerment*. Available from SHARE.

Sinapi Aba Trust (2002) Report from second West Africa regional meeting, held in Kumasi, Ghana, January 2002. Available from SAT and the *Imp-Act* Secretariat.

## Appendix 1: MFO Progress

### MFO progress



## Appendix 2: list of *Imp-Act* partner MFOs

<b>List of <i>Imp-Act</i> - funded organisations by country</b>	
Finrural	Bolivia
BosVita	Bosnia-Herzegovina
PRIZMA	Bosnia-Herzegovina
DEMOS	Croatia
Sinapi Apa Trust	Ghana
ODEF and Covelo	Honduras
Centre for Youth and Social Development (CYSD)	India
PRADAN	India
SHARE	India
K-Rep	Kenya
MicroSave-Africa	Kenya
CAME	Mexico
Centre for Microfinance (CMF)	Nepal
Lift Above Poverty Organisation (LAPO)	Nigeria
Promuc	Peru
Pro Mujer	Peru
CARD	Philippines
Microfinance Centre (MFC)	Poland
Inicjatywa Mirko	Poland
FORA	Russia
Integra Foundation	Slovakia and Romania
Small Enterprise Foundation (SEF)	South Africa
Centenary Rural Development Bank (CERUDEB)	Uganda
FOCCAS	Uganda
Uganda Microfinance Union (UMU)	Uganda
FINCA	USA
SEEP Network	USA