PRACTITIONER-LED IMPACT ASSESSMENT: A TEST IN HONDURAS

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Introduction

In September, 1997 representatives of the SEEP Network led a team of NGO practitioners from two organizations –Katalysis North/South Development Partnership and Organizacion de Desarrollo Empresarial Femenino (ODEF) – in an impact assessment of ODEF's microenterprise programs. Implemented over a three week period, the assessment had two objectives:

- to test a process of training, data collection, and analysis conducted by and for practitioners, and
- to assess whether the tools developed for this practitioner-led process were simple, credible, useful and cost-effective. In all, five data collection instruments were tested.

The test is part of a project of tools development responding to the growing interest of NGO practitioners in evaluating the social and economic impact of their microenterprise programs on clients, their businesses and households.

Design of Impact Assessment Test

ODEF implements a variety of loan programs. This study focused on their village bank and individual loan programs, both of which incorporate some business development training into the services provided. The study design involved several key aspects:

- a cross-sectional comparison of clients to non-clients using a survey instrument addressing all key hypotheses;
- in-depth interviewing of a small sample of clients on either empowerment or loan use/business development issues;
- a survey of ex-clients on their assessment of program impact and program services; and
- focus group interviews with village b a n k members on client satisfaction issues.

The non-client comparison group included individuals from village banks-in-formation, and individual loan applicants who had met the approval criteria. None had yet received their first loan from the program.

A team of eleven ODEF and Katalysis staff were led through the assessment by two SEEP facilitators. The three week period included a week of training, instrument testing, and planning; a second week of data collection and a third devoted to analysis. Specific steps were taken in designing the process to compensate for weaknesses of previous practitioner-led assessments. A specially created and trained team released from other obligations avoided the tendency for staff involved in ongoing data collection to dismiss or short-change these tasks. Objectivity was supported by assigning interviewers outside their areas of responsibility; and the lack of skill was addressed by intensive training and close monitoring.

Because of the test nature of the activity, and the interest in applying all the instruments, the number of ODEF clients and non-clients interviewed with each instrument was limited. Nevertheless, sufficient data were gathered to identify the strengths and weaknesses of the tools

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in generating information on impact assessment, and the apparent outcomes of ODEF programs on its clients.

Assessment Findings

The findings demonstrated some significant outcomes experienced by ODEF clients especially at the enterprise level. Client enterprises were found to be significantly larger than non-client enterprises, and generated greater profits. Reports of positive business results were also associated with length of program participation. Clients reported making more changes in their businesses to "earn more profit or be more productive," and in particular, reported acquiring new products to increase their profitability. More clients than non-clients also invested in business assets.

In terms of household level impacts, more clients than non-clients reported that their savings had increased over the last year. And, clients who had participated for at least a year were more likely to report that their personal income had increased. There was also evidence that household income had improved for village bank clients as program participation lengthened. More clients than non-clients reported that their household food consumption had improved, and those reporting gains had an average of 3.3 program loans.

At the level of individual impacts, there was qualitative evidence that women acquire greater self-esteem and confidence through program participation. Women clients also reported spending less time on their enterprises than non-clients, while at the same time generating greater return for their investment.

Client Satisfaction

The assessment contained a strong component focused on client satisfaction issues, with data gathered from current and former clients. Client satisfaction is not a proxy for impact but NGOs recognize that they must keep clients satisfied if they are going to remain in the program long enough to benefit. Most interesting was that departing clients generally left of their own volition, and not because of compliance problems or business difficulties. The great majority reported income increases as a result of their loans, and feel positively enough about the program that they would consider borrowing again, and recommending the program to family and friends. Current clients also reported favorably on many program aspects including access to a permanent source of working capital, the ease of guarantees, the savings, and loan insurance services, and the training provided. Village bank clients in particular made strong recommendations to the program with respect to increasing the level of attention that banks get from promoters, and improving the quantity and quality of the training provided.

Lessons Learned

Overall, what was learned about practitioner-led impact assessment? NGO staff can evaluate with objectivity and rigor, but it requires substantial skill, interest, and time commitment. Management must articulate the importance and rationale of the assessment to staff, and must create an independent team encharge with implementing the process with the highest standards. Doing this requires not only vision but finance, a solid support system, and the sustained involvement of senior managers.

While there may always be a need for outside technical assistance, this assistance should serve to support rather than overstep NGO management of the process. Useful outsider roles include planning assistance, guidance in sampling, ensuring that the requirements of objectivity are met, and data analysis.

The tested tools can be tailored to mesh more closely with the organization's particular goals and issues. The set of tools should be seen as a package. They need not be implemented simultaneously but within a reasonable limited timeframe so as to be mutually reinforcing.

Finally, more effort needs to be devoted to training NGO staff in quantitative analysis techniques, and in qualitative data gathering and analysis. These skills are not commonly found in NGOs, and may require more practice than was permitted by the test's three week schedule.