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FINAL REPORT

**PRO MUJER: AN INTERIM EVALUATION OF THE
COMMUNAL BANKING PROGRAM**

Submitted to USAID/Bolivia
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GENESYS

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EXECUTIVE SUMMARY

An evaluation of the PRO MUJER business skills and communal banking program was conducted from March 31- April 17, 1993. The evaluation was designed to assess the degree to which the program's three components, training in basic business skills; establishment of communal banks; and technical assistance to other agencies, have contributed to increasing women's business skills, access to investment and operating capital, and incomes.

The evaluation is a programmatic review of progress to-date. It deals with institutional, operational, and impact assessment issues. The primary objectives of the evaluation are to:

- ♦ assess how well business and banking skills training has prepared women to improve their businesses and to manage the communal banks established under the program;
- ♦ document programmatic problems, solutions, and anticipated and unanticipated successes;
- ♦ help Pro Mujer staff to assess and establish criteria and indicators for measuring the impact of the program on raising women's income and expanding self-employment opportunities.

The evaluation found that PRO MUJER, during its first year of funding, successfully met the criteria of USAID/Bolivia's PL-480 Title II strategy by effectively stimulating income generating opportunities through training, credit, and empowerment activities. The PRO MUJER program serves one of the most disadvantaged segments of the urban population in El Alto. Approximately 40% of the participants in the business and banking skills courses are illiterate and less than a third have more than an elementary education. Their net incomes average about twenty dollars for over 50 hours of work per week. More than 95% speak Aymara or Quechua as a primary language and over 74% are migrants from rural areas. Few qualify for credit from the formal banking structure or meet even the minimum criteria to receive loans from targeted microenterprise programs, such as PRODEM, Banco Sol, or FIE.

Training

The business and banking skills courses designed by PRO MUJER offer a unique approach to credit programs for micro-entrepreneurs in Bolivia. The methodology of providing 19 lessons on business skills and how to manage communal banks prior to receiving credit strengthens participants abilities to assess the viability of their business, builds their ownership over the bank and its assets, and develops management skills prior to providing economic resources.

The real impact of the training can be seen in the women's capacity to manage the banks. Group and individual interviews with women in the

communal banks during the evaluation, and other informal interviews indicate that women now use business plans and other skills developed through the training to improve their businesses. There is also anecdotal evidence that most women have been able to increase their earnings.

Impact of Communal Banks

It is too early to measure the impact of PRO MUJER's communal banks program on the participants' businesses and income. Anecdotal evidence from individual and group interviews demonstrates the participants' interest in and commitment to the banks.

Most micro-credit programs measure their success exclusively by loan repayment rates. By setting income as a primary indicator of success, PRO MUJER has established what might be an unrealistic short-term measurement (i.e. 2 year) which no institution convincingly could either measure or achieve. The evaluation recommends rethinking this indicator and substituting some proxies for income, as well as adding some process indicators, such as "number of participants that meet the eligibility criteria for borrowing from PRODEM". In the process, PRO MUJER can contribute to knowledge about micro-enterprise growth without being held to an unrealistic standard.

Institutional Growth and Development

A principal focus of the evaluation was to examine the possible effects of expansion on the quality and impact of Pro Mujer's programs. One of the major outcomes of the evaluation is better definition of PRO MUJER's institutional persona and some preliminary guidelines for controlled growth.

After considerable discussion and analysis, PRO MUJER management concluded that their primary mandate is to provide high quality training and that the communal banks are principally a vehicle for training women from disadvantaged areas of El Alto to manage credit and to become familiar with how financial institutions operate. Therefore, an expected outcome of the banking program in the future will be to prepare PRO MUJER's training and bank participants to deal with other micro-credit institutions and the formal banking structures.

PRO MUJER's strength is in its training. It needs to retain its focus and not be pulled into service delivery or long-term financial intermediation.

The evaluation concluded, however, that PRO MUJER has the capacity to expand beyond direct implementation into providing technical assistance to other agencies. A mixed approach of direct program implementation, as a laboratory for program and materials development, in conjunction with increased training of other agencies will achieve two objectives: 1) effective education and economic development of

disadvantaged populations in Bolivia; 2) increased capacity of Bolivian and international NGOs to implement programs. PRO MUJER has the unique capacity to develop and implement programs that achieve both of these objectives.

Recommendations

This list of recommendations is a summary of suggestions that appear throughout the body of the evaluation. The recommendations are directed at PRO MUJER and should serve as a guide for improving an already excellent program, as well as for providing some parameters for future growth. It is the overall assessment of the evaluation that the PRO MUJER program offers an innovative and effective approach to increasing women's social, political, and economic opportunities. Therefore, the recommendations are not in response to any serious deficiencies, but rather to perceived opportunities for making the program even better.

Business and Bank Training

- ◆ Improve accessibility of the lessons to non-literate persons through greater use of icons and pictures, role play and manipulatives for calculations and math concepts.
- ◆ Mainstream some of the elements of the leadership course into the organizational segments of the banking skills lessons
- ◆ Offer the leadership workshop regularly at the beginning of each banking cycle and recommend it for all newly elected members of the boards of directors.
- ◆ Include more hands-on experience and critique from the lead trainer in promoter training.
- ◆ Provide the bank/business promoters, who are mostly trained in education or the social sciences, with additional training in business or accounting through periodic workshops. This would be particularly useful in preparation of a second level training program.
- ◆ Encourage the promoters to more systematically capture some of the anecdotal testimonies of the women and their families.

Urban Banks

- ◆ Offer leadership training to all first cycle boards of directors and perhaps to all boards of directors, which change each cycle, during the first year of bank operation.
- ◆ Establish some minimum standard criteria for *lightening loans* to minimize arbitrariness in the approval process.

Rural Banks

- ♦ Revise rural bank model to improve participants' repayments and sense of ownership and commitment (see p.16 for alternative models).

Other Training Programs

- ♦ Introduce more hands-on training techniques and demonstrations and revise training materials to lend themselves to more experiential learning through greater use of pictures and manipulatives.
- ♦ Review lesson manuals for cultural sensitivity
- ♦ Develop a more interactive method for training promoters and encourage promoters to be more innovative in the way they present the material to the participants.
- ♦ Provide additional training to supervisors in supervision and reporting skills.
- ♦ Increase efforts to incorporate fathers and adolescent sons into the child development and health lessons.

Technical Assistance to Other Agencies

- ♦ Strengthen supervision and training skills of PRO MUJER supervisors.

Institutional Issues

- ♦ Strengthen middle management level to relieve directors of some of the day to day program supervision so as to provide them with the time for program development, proposal writing, reporting, and strategic planning.
- ♦ Reassess terms for loans to communal banks to determine whether PRO MUJER can afford not to charge the banks interest for seed capital.
- ♦ Revise objectives and impact indicators of communal banks program to reflect more accurately PRO MUJER's institutional objectives (see p. 24).
- ♦ Decrease and simplify type and amount of quantitative information that is collected. Increase collection of qualitative information through the use of interns, special studies, and promoters' journals.

Future Directions

♦ Develop pilot rural communal banks program for Cochabamba and track FHI program in Potosi to assess viability of urban model for rural areas

♦ Continue to develop new training programs in response to participants' demands. Ensure that program development in response to donors' demands meets participants' needs and include real costs.

♦ Maintain institutional focus on training and avoid temptations to expand into financial intermediation.

1. INTRODUCTION

An evaluation of the PRO MUJER business skills and communal banking program was conducted from March 31- April 17, 1993. The evaluation was designed to assess the degree to which the program's three components, training in basic business skills; establishment of communal banks; and technical assistance to other agencies, have contributed to increasing women's business skills, access to investment and operating capital, and incomes.

The evaluation has found that PRO MUJER has successfully met the criteria of USAID/Bolivia's PL-480 Title II strategy by effectively stimulating income generating opportunities through training, credit, and empowerment activities.

1.1 Background

Over the past five years, USAID/Bolivia has taken some major steps to integrate gender considerations into its programming. One of the most significant of these actions was the reorientation of the Mission's PL-480 Title II Strategy in 1991. This included the decision to gradually replace food donations to poor rural and urban women and children through mothers' clubs with economic development programs which would benefit women and their families by increasing their employment and income generating opportunities.

In 1991, the USAID Mission decided to fully monetize its Title II Women's Economic Development Program. The new strategy statement stressed that innovative ideas and effective management would be essential for the success of the program. According to the strategy, the principal criterion for funding projects would be the extent to which they contribute to the generation of economic opportunities for women through:

- a) direct creation of jobs and income generating activities
- b) training
- c) development of leadership skills (empowerment)

Rather than continuing programs that tended to isolate women employment opportunities, the strategy emphasized developing programs that would enable women to succeed economically within the wider Bolivian society.

The Mission launched this new strategy in FY 92 under its Title II monetization program by financing a business skills training and communal banking program run by PRO MUJER, under the auspices of Food for the Hungry International (FHI), one of three PL-480 cooperating sponsors working in Bolivia.

1.2 Description of the Program

PRO MUJER's business skills and communal banking program serves a population that is not currently served by any other financial institution. The majority of the women in the communal banks program cannot meet even the minimum eligibility criteria of other credit programs designed for micro and small entrepreneurs such as PRODEM. The PRO MUJER program, which is in its second year of operation, has trained approximately 1000 women in 18 different neighborhoods of the city of El Alto in business and communal bank management skills and another 200 women in three rural communities in the Provinces of Pacajes and Villarroel in the Department of La Paz.

PRO MUJER also is training FHI to run similar programs in other peri-urban neighborhoods of El Alto. PRO MUJER trains FHI trainers in their methodology, provides all materials, and provides technical assistance in training, supervision, an evaluation. Additionally, under the monetization program, PRO MUJER is conducting a pilot program that provides training in health, early childhood education, empowerment, business, and communal banking to four urban food-for-work groups run by ADRA-OFASA (ADRA). The purpose of the ADRA training is to test the feasibility of providing training and on-site daycare of the women involved in the food-for-work program. The long-term objective is to help the women make a transition from the program to self-employment.

1.3 Objectives of the Evaluation

The evaluation report presents a programmatic review of progress to-date. It deals with institutional, operational, and impact assessment issues. The primary objectives of the evaluation were to:

- ♦ assess how well business and banking skills training has prepared women to improve their businesses and to manage the communal banks established under the program;
- ♦ document programmatic problems, solutions, and anticipated and unanticipated successes which can serve as case study material for the Mission and PRO MUJER in their efforts to assist other implementing organizations to develop effective economic development projects for rural and urban women, who face the multiple obstacles of little formal education, language, and limited access to capital and markets;
- ♦ help Pro Mujer staff to assess and establish criteria and indicators for measuring the impact of the program on raising women's income and expanding self-employment opportunities.

PRO MUJER is at a critical juncture for assessing its program and future directions for growth and development. In less than two

years, the success of its program and the capability of its leadership and staff have established a reputation among donors, and governmental and non-governmental organizations as demonstrated by its diverse funding sources and clients. As with any organization that has put together a successful program, there have been pressures on Pro Mujer to expand rapidly. Thus, an overarching focus of the evaluation was to examine the possible effects of expansion on the quality and impact of Pro Mujer's programs. One of the principal outcomes of the evaluation is better definition of PRO MUJER's institutional persona and some preliminary guidelines for controlled growth.

1.4 Methodology of the Evaluation

The evaluation followed a methodology akin to fourth generation evaluations, which are processual rather than judgmental. This approach employs a methodology which is participatory and iterative, such that PRO MUJER and the consultant were full partners in the assessment of the program. The recommendations of the evaluation evolved out of this interactive process. Several of the recommendations of the evaluation were acted upon by PRO MUJER during the course of the evaluation. Thus the evaluation served as a vehicle for PRO MUJER to define more precisely its institutional objectives and directions for future growth and development.

The consultant visited and conducted focus group sessions in 4 urban and 2 rural banks, as well as in 3 business training courses, 3 ADRA Food for work groups, and 2 FHI groups. The consultant also met with 11 women entrepreneurs and interviewed them individually in their respective places of business to discuss how the training and credit programs have affected their businesses and incomes. She also observed 11 out of 17 promoters/educators to assess their effectiveness in conducting training in business skills, early childhood development, banking, and health, and facilitating the communal banks.

The consultant reviewed Pro Mujer's data collection and reporting systems and reviewed management and training practices with Pro Mujer management staff. In addition, the consultant reviewed and critiqued all training materials for the business skills and banking courses, and the training manuals for the empowerment, health, and early childhood courses. Consequently, much of the evaluation report deals with operational aspects of the project in great detail, including specific suggestions on how to improve the training methodology, materials, and the training and supervision of the promoters/educators.

2. BUSINESS AND BANK TRAINING

The PRO MUJER program serves one of the most disadvantaged segments

of the urban population in El Alto. Approximately 40% of the participants in the business and banking skills courses are illiterate and less than a third have more than an elementary education. Their net incomes average about twenty dollars for over 50 hours of work per week. More than 95% speak Aymara or Quechua as a primary language and over 74% are migrants from rural areas. Few qualify for credit from the formal banking structure or meet even the minimum criteria to receive loans from targeted microenterprise programs, such as PRODEM, Banco Sol, or FIE.

The purpose of the business skills training is to help these women to more effectively manage their businesses and increase their incomes. The training is composed of 19 lessons, 14 on business skills and 5 on how to manage a communal bank. In the business skills course the participants learn how to evaluate their time; to distinguish between fixed and other capital assets; and how to calculate income and profit on an hourly, daily, and weekly basis. The lessons follow a sequence of skills building that culminates in each participants ability to develop a business plan. The course also includes lessons on numeracy skills and how to use a calculator, as well as on pricing and strategies for expanding the size of participants' businesses.

The banking skills lessons prepare the participants to run a communal bank. The course teaches them how a communal bank functions and how its assets grow over time through interest and savings deposits. They learn and practice how to calculate their weekly payments, composed of principle, 12% interest and 20% of the principle in savings divided by 16 weeks, which is the length of each banking cycle. During the last three lessons, the participants engage in building the institutional structure of the bank by forming solidarity groups, a board of directors, and by establishing procedural rules. The participants spend the last lesson practicing collecting payments within their solidarity groups, writing down each borrower's payment, and adding up the totals in plenary session.

The real impact of the training can be seen in the women's capacity to manage the banks. Group and individual interviews with women in the communal banks during the evaluation, and other informal interviews indicate that women now use business plans and other skills developed through the training to improve their businesses. There is also anecdotal evidence that most women have been able to increase their earnings. It is not clear, however whether this is attributable principally to the skills developed through the training, to the additional capital provided by the communal banks, or to some combination of both.¹

¹ See "Notes from the Field: The Impact of PRO MUJER'S Communal Banking Program" by Janet Lowenthal, March 1993.

2.1. How appropriate is the content and methodology of each of the training programs? How can each aspect of the program (lessons, homework assignments, women's workbooks, trainer's manuals) be improved?

2.1.1 Methodology

The business and banking skills courses designed by PRO MUJER offer a unique approach to credit programs for micro-entrepreneurs in Bolivia. The methodology of providing 19 lessons on business skills and how to manage communal banks prior to receiving credit strengthens participants abilities to assess the viability of their business, builds their ownership over the bank and its assets, and develops management skills prior to providing economic resources. Many indicators point to the validity of the methodology which draws significantly from the participants own experience with their businesses. A large percentage, over 90% in most groups, of the women trained elect to become members of the banks. Only 5-10% of the women who join subsequently decide to leave the banks and to-date no one has defaulted on a loan without reaching a resolution on payment and bank membership with her banking partners.

There are three ways in which the training methodology could be improved: 1) increased accessibility for non-literate women; 2) greater emphasis on leadership skills; 3) continue training after establishing the banks.

The strength of the lessons is that they draw on the women's own experience with their businesses. The lessons are constructed around the analysis of examples elicited from group by the promoter/educator. After analyzing a couple of businesses in plenary group, the women form small groups to analyze the viability of each participant's current or future business endeavor.

The case study method, while effective at bringing women's own experiences into the training, tended to result in laborious flip chart writing segments. Women who are non-literate or marginally literate seemed to have trouble following the sequence of these lessons. Observation of 3 business training lesson during the evaluation indicate that the training methodology could benefit from developing some more interactive technique that are less reliant on literacy.

♦ Accessibility of the lessons to non-literate women could be increased through greater use of icons and pictures, role play, and manipulatives for calculations and math concepts.

Interviews with the promoters revealed that one of the major problems faced by the banks during the first 16 week cycle is that of leadership. In response to this problem, the promoters developed a leadership course which they have offered once. The participants gave the course high ratings and the promoters also remarked on its

positive impact on the management of the banks which had sent their boards of directors. Based on the results of this pilot effort, PRO MUJER should consider:

- ♦ mainstreaming some of the elements of the leadership course into the organizational segments of the banking skills lessons
- ♦ offering the leadership workshop regularly at the beginning of each banking cycle and recommending it for all newly elected members of the boards of directors.

A clear indication of the positive impact of the training is the participants' continual demand for more. Through both focus group and individual interviews conducted during the evaluation, women in the banks expressed their desire for additional training. Currently, promoters continue to meet with the banks once a week. During the first banking cycle most groups require a great deal of time to collect payments, calculate totals, settle problems, and process requests for extra loans. By the end of the third cycle, however, the women are quite adept at managing these operations and they are able to arrive at solutions to problems with increased alacrity. Therefore, additional training, during the first year of bank cycles, should concentrate on practical hands on management. In addition to the leadership training, mentioned above, bank members would benefit from additional practice in record keeping and developing and following business plans. Promoters could use weekly sessions to reinforce some of the math concepts by engaging the group in adding up totals, converting to dollars, figuring out the differences between amount of money collected and amount of money loaned out through extra loans. This is already happening in a number of banks. The women also should be encouraged to share their business experiences. For instance one or two could explain how they have used their loan to change or increase their businesses, which is a logical review of lesson 12 of the business course. Periodic review of the other lessons also would be useful.

In the second year, the women will be much more agile in collecting money and rendering accounts. The promoters might consider attending only every other week, during which they would provide some additional training in areas such as:

- ♦ accounting skills
- ♦ how to make a business grow
- ♦ how to identify and evaluate alternative markets
- ♦ skills needed to use formal banking structure
- ♦ field trips to banks and other financial organizations such as FIE or PRODEM, and to larger businesses or factories, or stores

to talk to managers to understand how they are administered (use role play and other techniques to help women to feel more comfortable dealing with the types of people they will encounter in these institutions)

♦ return to lesson on planning, and step by step objectives

♦ give women the opportunity to share their experiences and skills with one another

♦ engage in hypothetical problem solving exercises, focussed around real situations that they might encounter if they continue independently after 2 years.

2.1.2. Materials

The participants' manual for the business and banking course is a very well designed text and workbook combination. The design allows the women to put their special mark on it by drawing, writing, and painstakingly coloring in designated spaces. One side benefit of the PRO MUJER manuals is that they provide reading material for other family members, a scarce resource in most El Alto households. The manuals are also a stimulus to read, write, and learn mathematics for many women with limited literacy and numeracy skills. PRO MUJER is developing additional literacy and numeracy materials and a set of lessons to respond to this demand.

Another way PRO MUJER could meet the needs of non-literate participants would be to make greater use of pictures and manipulatives in the lessons. For instance, the Director of the Banking Program stated that some promoters had the participants practice calculations with play (Alasitas) money. This idea could be extended to the use of Alasitas miniature products for role play and calculations as a complement to the performing calculations with calculators and on the flip chart.

In some instances, the text of the manuals could also be improved. The conclusions at the end of lessons are often rather trite. For example, the conclusion at the end of lesson 2 (which is that "it doesn't matter what kind of work we do or the amount of money we make; what is important is our effort to help ourselves." is a contradictory message for a course on how to increase income and expand businesses. Rather, The whole point of the training is to help women who are exerting a lot of effort for little return to identify how to get greater return on their efforts. Rather, the conclusion of this lesson is: given the few alternatives that exist, the women need to develop ways to improve their businesses so as to increase their incomes and the welfare of their families.

Similarly, in Lesson 3, which examines women's use of time, the analysis should do more than simply ask if Doña Carmen's day is

disorganized. Rather, it should also ask the participants to examine what factors influence the apparent disorganization. The lessons should raise the following questions: What factors intervene? Which does she have control over, which does she not control and why? How can these factors be overcome?. This is an excellent opportunity to introduce problem solving techniques, which will be key to managing banks. Therefore the promoter can ask which problems can Doña Carmen solve on her own, and which require collaboration with other individuals or groups.

2.1.3 Promoters and training

PRO MUJER has recruited a cadre of very dedicated and for the most part talented promoters/educators. Each promoter in the business/banking skills course remains with their groups from the beginning of the courses through the establishment of a functioning bank. After completing the series of bi-weekly lessons, the promoter continues to meet with the banks on a weekly basis to oversee bank operations. The Director or the Coordinator of the Bank program supervise each promoter conducting lessons and managing banks. In addition, new promoters are trained by the Bank Program Coordinator who models the lessons. The new promoters, along with group aides chosen from each bank, watch and participate the new lesson prior to conducting it in the group. While this preparation is useful, a more interactive model would provide new promoters with the chance to experiment with techniques and practice the lessons prior to delivering them. PRO MUJER should consider altering their promoter training to include more hands-on experience and critique from the lead trainer.

Additionally, since none of the bank/business promoters are trained in business or accounting, they would benefit from some training in those areas through periodic workshops. This would be particularly useful in preparation of a second level training program.

2.2. Have the training programs and their outcomes affected (positively or negatively) women's positions in their households, places of work, and neighborhoods or communities, with regard to their ability to generate and control local resources? What have been the effects on other members of their households and communities (e.g. spouses, children, community leaders).

Overall the response of the participants seems to be very enthusiastic. Many women talk about the significant changes that the courses have had on their lives, in relationship to their spouses, community leaders, and other authorities. They also talk about their increased ability to deal with problems, to speak publically, and to manage their businesses. Some women did say, however, that they did not understand all of what was taught in the courses. For that reason I have suggested some ways that the

material in the courses can be communicated in ways that are less dependent on literacy skills and more hands on and participative.

The training appears to reinforce joint decision-making within the household. In addition, several women interviewed described their husband's increased acceptance and recognition of their more public decision-making roles within their households, workplaces, and neighborhoods. During both the group and individual interviews conducted for the evaluation, many women stated that their husbands actively read and discussed the content of their manuals. I spoke to several husbands who were extremely enthusiastic about their wives participation in the classes and their access to credit. A number of the participants recounted stories of hiding their attendance in the training from their husbands for fear of disapproval, only to find out later that their husbands strongly supported their participation in the banks, even when the women were hesitant to take on debt.

The promoters' visits to the women during the training period as well as during the banks is key to success. The promoters should be encouraged to more systematically capture some of the anecdotal testimonies of these women and their families. So little is known about how training actually changes practices and access to opportunities.

3. URBAN BANKS

PRO MUJER is currently operating 16 urban communal banks in El Alto. An additional 10 will begin operating in May and 5 more will complete their training and begin functioning in July. There are a total of 1009 women in the 31 urban groups, averaging about 30 members per group. After completing the business skills and banking training, the communal banks receive a start-up credit from PRO MUJER equal to \$50 multiplied by the number of bank members. The start-up capital provides enough money for each member to receive an initial loan of \$50 to invest in her small business.

PRO MUJER provides the seed money for 6 banking cycles. It withdraws its money in two tranches at the end of the fifth and sixth cycles, but does not charge any interest to the banks. The money is deposited in dollars and is maintained in a dollar account in a regular bank. The loans from the communal bank to its members are in bolivianos.

PRO MUJER requires that each bank charge its members a minimum interest rate of 2.5% per month and deposit at least 20% of the principal in savings. Weekly payments are calculated by adding interest + principal + savings and dividing the total by 16 weeks, which is the length of the banking cycle. PRO MUJER does not currently charge the communal banks interest on the seed capital. All interest paid by the bank members and interest earned on money

in its formal bank account accrue to the communal bank. Women can also contribute additional amounts of voluntary savings.

After the eighth week of the first banking cycle, and after the third week of subsequent cycles, bank participants can also request extra loans. These have to be requested and approved by the bank membership as a whole and are subject to the availability of funds. Bank membership sets the interest rate and terms of repayment of these loans. Thus, there is considerable variation in extra loan solicitation and approval procedures, amounts, repayment schedules and interest rates among the different communal banks.

The organization of the banks follows a fairly typical village banking model. The members are each affiliated with a solidarity group of 4-6 people who guarantee each others' loans. If anyone defaults, it is the solidarity group that bears primary responsibility for repayment. The women become eligible for incrementally larger loans in each new 16 week cycle. In the first cycle, PRO MUJER limits the loan amount to \$50 for all participants. In the second cycle women can opt for loans of \$50, \$65, or \$ 100, depending on their needs and ability to repay. PRO MUJER's approach is unique in the sense that all participants receive training prior to entering the banks, as well as requiring a written business plan from each woman prior to granting her credit.

3.1. How well does the training help women administer their communal banks? How well do the women administer the banks?

3.1.1 Organization

The organizational strength of the banks is very impressive. A clear process of maturation is evident as banks move from the first to subsequent cycles. One indicator of this is the change in the role played by the promoter. In the first cycle banks, the promoter often must facilitate problem resolution by suggesting several alternatives. The first cycle banks often fail to come to consensus without a strong suggestion from the promoter or even direct intervention. By the third cycle, the promoter plays a minor role in dispute resolution and problem solving. It is enough for the promoter to ask the question: "how are you going to resolve this problem?" The bank members respond relatively quickly with their own solutions and reach agreement.

Another indicator is the speed with which payments are collected within solidarity groups and accounts are settled in plenary. In the newer banks it takes a full two hours to collect and process the payments. In the older banks this is accomplished in about half the time.

Leadership problems periodically affect banks in all the cycles, although they tend to decrease in the older banks. The evaluation

suggests that the leadership training be offered to all first cycle boards of directors and perhaps even to all boards of directors, which change every cycle, during the first year of bank operation. Several examples were cited of boards of directors having to be changed mid-cycle due to their failure to fulfill their obligations.

3.1.2. Demand for Credit and Repayment

The demand for regular loans appears to be high. Only 2-3 women per bank, ranging in size from 18-45 members opt to sit out a banking cycle. Some of these members elect to contribute voluntary savings only, others opt out due to time conflicts and decisions not to engage in business, and some decide that the loans are too small to suit their needs. For the vast majority of members, however, the size of the loans and the terms of lending appear to be consonant with the participants' needs and ability to pay the financial (their time and money) costs of borrowing.

After the eighth week of the first banking cycle, and after the fourth week of subsequent cycles, members can petition their communal bank for extra loans, colloquially referred to as *lightening loans* (*préstamos relampagos*). Each bank sets its own rules for the loans. The solicitation process, the interest rate, and the repayment schedule and terms are all at the discretion of the Bank. The advantage of this system is that the women learn to establish terms that both meet their members needs as individuals and benefit the bank as a group. The disadvantage, at least to an outside observer, is a high degree of arbitrariness in the loan approval process. The promoters might think about ways to make this less of a popularity contest. One promoter has already done this by insisting on business plans from all members who request extra loans. The members evaluate each request with respect to the viability of the business plan. This requirement serves two purposes: 1) all requests are subject to the same criteria and 2) the membership as a whole benefits from the additional training that the review and assessment of the business plans offers. Additionally, PRO MUJER, should consider setting some minimum criteria for the extra loans, such as refusing petitions from women who have been late or missed payments are eligible. This would still allow each bank to establish their own rules about loan size, repayment terms, and interest rates.

3.1.3. What do women learn through bank membership?

One of the most important outcomes for the participants of PRO MUJER's training courses and weekly urban bank meetings is development of group and individual problem solving skills. The bank members learn how to resolve conflicts, deal with individuals who refuse or are unable to pay, enforce group standards pertaining to attendance, leadership, and participation.

The members also learn to perform quite complicated financial transactions. On a weekly basis, the bank participants collect payments, add up bank proceeds, process extra loan requests, calculate the difference between total payments and new credit demand, and convert the totals from bolivianos to dollars. Although many of these operations are the official responsibility of the board of directors, most banks conduct these various operations in plenary, thus preparing other members to assume leadership in the future.

The principal lesson learned by the participants from the banking experience, however, is that the weekly discipline of paying and collecting payments creates a sense of ownership and mutual obligation. Among the urban groups, where this discipline is rigorously enforced, the participants feel that the money is theirs and demand compliance to group rules by their membership.

3.2. Business and Income effects: What are women using the credit for? Do the banks meet women's needs for credit? Does the credit help improve their businesses?

It is too early to measure the impact of PRO MUJER's communal banks program on the participants' businesses and income. Anecdotal evidence from individual and group interviews certainly demonstrates the participants' interest in and commitment to the banks. Both the women interviewed and some of their spouses spoke enthusiastically about how the credit and the business skills training had opened the door for new investments, expanded businesses, and more careful planning and decision-making.

Their experiences, however, raise more questions than they answer about the economic and social impacts of the communal bank program. Firstly it not clear what is realistic to expect in terms of income and business effects. For instance, should one measure these effects individually, i.e. each participant relative to herself over two year's time, or is some global measure of average net income or increased business volume more indicative? Secondly, we know very little about process of growth of micro-businesses and what we do know indicates that the prospects for micro-enterprises expanding into larger enterprises are quite remote. One of the major challenges that PRO MUJER faces is how to capture anecdotal evidence and to extract patterns about the process.

Most micro-credit programs measure their success exclusively by loan repayment rates. By setting income as a primary indicator of success, PRO MUJER has established what might be an unrealistic short-term measurement (i.e. 2 year) which no institution convincingly could either measure or achieve. The evaluation recommends rethinking this indicator and substituting some proxies for income, as well as adding some process indicators, such as "number of participants that meet the eligibility criteria for borrowing from PRODEM". In the process, PRO MUJER can contribute to knowledge about micro-enterprise growth without being held to an

unrealistic standard.

3.3 Are communal banks an appropriate, useful, and sustainable vehicle for providing credit to this population and for facilitating their gradual transition to the use of other financial institutions?

4. RURAL BANKS

The rural banks run by PRO MUJER differ from the urban banks in a number of ways. The European Community's artisanal rug project asked PRO MUJER to help provide credit for materials and organizational training for their rug production groups. Unlike in El Alto, PRO MUJER did not play a direct role in the formation and organization of the groups with which they work. In addition, the solidarity groups were not organized primarily for either training or banking purposes but rather for production. The European Community project (PAC II) requested PRO MUJER's assistance to address organizational and financial problems that were interfering with the participants ability to acquire the needed skills and resources to produce rugs acceptable for sale.

Unlike the urban banks, the rural banks do not meet on a weekly basis to collect payments. Under the current design for rural banks, each member of a solidarity group receives a loan of Bs. 100 at the beginning of an 8 week cycle. The participants do not pay interest on their loans but do contribute 20% in savings to the banks. At the end of the 8 week cycle women are supposed to pay back the principle plus Bs. 20 in savings in a lump sum. The loans are specifically for purchasing the raw materials for making wool rugs. Thus, in contrast to the urban participants, the rural bank members have limited discretion in deciding how to invest their loans. The only variations are in how each solidarity group decides to purchase the wool and organize their labor. For instance, in Coro Coro, one of the rural banks visited during the evaluation, each member of a solidarity group buys wool separately and is responsible for contributing a 1/4 part of the spun wool necessary for the rug. Alternatively, in Collana, the solidarity group puts their loans together to buy wool in bulk. They then divide it up to wash and spin. Each 1/5 portion is weighed when it is distributed and again after it is spun. The group representative keeps track of it each woman's quota until the group amasses enough to weave the rug.

4.1 How well does the training help women administer their communal banks? How well do the women administer the banks?

4.1.1 Organization

Overall the rural banks are not functioning as well as their urban counterparts. Several factors seem to have contributed to this.

♦ The linkage of a prescribed production system to the banks limits the flexibility with which women can make business decisions. To an even greater extent than urban women, rural women are involved in multiple productive activities which demand differing amounts of time and resources at various times of the year. Rather than offering women a complementary source of income, the rug manufacture appears to periodically conflict with other demands on women's time. It was beyond the scope of the evaluation to assess which of these various activities is most lucrative or productive. It is clear, however, that women view rug production as an addition to other activities rather than as an alternative.² Since the loans are tied directly to rug production, women invest in raw materials for their manufacture whether or not that is the most profitable use of the loan at the time. Conflicting demands on their time mean that they are often not able to produce and sell a rug within the timeframe of 8 weeks, thus defaulting on their loans.

♦ The fact that the banks only meet once every two months to collect payments and rectify accounts prevents the women from developing a sense of ownership over their bank, which is the strength of urban banks. This was evident from the women's pleas to PRO MUJER in Collana for leniency in the repayment schedule. This contrasts with similar, but infrequent, requests on the part of individual women in the urban banks. They also make their pleas to their fellow bank members rather than to PRO MUJER directors or promoters.

♦ PRO MUJER did not have a direct role in organizing the rural banks and can not provide adequate supervision to its rural promoters. PRO MUJER has had to make their program fit another agency's objectives. As a result, the women in the banks receive many mixed messages, both from PAC II and from PRO MUJER. For instance, PAC II originally told the women that the rug looms were for sale on credit. They then stated that they were for training purposes only, but would be left behind if the women continued to make rugs after the training period. Thus the women could keep the training looms, but would have to purchase any additional looms at a cost of approximately Bs. 1000/large loom and Bs 400 for smaller ones. The PRO MUJER promoter also implied that if women did not have the cash to pay off their loans and obligatory savings, they could show up on payday with their wool or yarn to prove that they had used the loan appropriately. That communicated to several women that they would not be obligated to pay and would suffer no consequences.

² This is less true in Coro Coro where most of the participants are townspeople, many of whom are ex-miners who have few economic alternatives. Rug production and the bank seem to operate better there due to fewer conflicting demands on the participants' time.

This is a very different message than what PRO MUJER communicates to the communal banks in the city.

4.1.2. Credit Demand and Repayment

The rural model developed by PRO MUJER and PAC II was designed to allow the participants time to purchase, spin, weave and sell a finished rug. All groups were expected to be able to finish and sell at least one rug in the 8 week period. Due to organizational problems and erratic sales, the timing of sales does not conform neatly to repayment schedules. Several of the groups that sold rugs during the cycle, immediately reinvested in wool without setting aside money for repaying their loans. The women seemed to think that the loans could be repaid at the time when they finished and sold a rug rather than on a regular schedule. Several asked PRO MUJER if they could just pay their savings. Unlike in the urban banks, the women clearly did not understand the rationale behind the "village banking" model. They saw it simply as a source of seed capital for manufacturing rugs.

4.1.3. Problem solving

One of the major consequences of the infrequent meetings and conflicting messages given to the rural groups is that they have not had an adequate chance to practice and develop the problem solving skills that are such an important aspect of PRO MUJER's training courses and weekly bank meetings in the urban program. Consequently, the women are much more dependent on outsiders offering and imposing solutions to problems that they should solve themselves. For instance, while in Collana the evaluator witnessed a lengthy discussion about a loom that had a loose screw and therefore could not be used. The solidarity group responsible for taking the screw out after completing their rug claimed to have tried to get the screw rethread but had been unsuccessful because the local blacksmith was temporarily out of commission due to a power outage. The bank as a whole had extreme difficulty coming to an acceptable conclusion about how to deal with the situation until the PAC II rug technician imposed a solution by insisting that the responsible group either go to the local market or La Paz to buy a new screw. The women also did not have a clue about how they should deal with solidarity groups that did not repay their loans. In many ways they did not regard it as their problem, but rather as PRO MUJER's problem.

4.2. Business and Income effects: What are women using the credit for? Do the banks meet women's needs for credit? Does the credit help improve their businesses?

It is too early to be able to establish exactly what the income effects of the rural loan program are. It is not clear whether or

not the rug program could have operated without the Bs. 100 loans. The PAC II technician noted that the groups are functioning organizationally much better than before the PRO MUJER program, thus making the artisan training more effective.

At current prices of Bs. 120/sq. meter of rug (Bs. 720 for a rug 6 m²), the women are making approximately Bs. 17.67 per week or Bs. 140/2 months. Of this they must repay Bs. 100 loan and Bs. 20 in savings which leaves them with a net of Bs. 20 for two months work. Individuals in groups that can work faster and double their production can earn Bs. 280 per month, of which 120 must be repaid. This increase in productivity would allow women to increase their net earnings by 8 times, from 20 to 160. The major constraints at this time are availability of looms, spinning wheels, electricity (there is currently a power outage that means that women who were working in the evenings can no longer do so) and markets.

There has been a lot of progress in locating markets. The PRO MUJER promoter has been extremely active in helping to form an association of rug makers which is about to become affiliated with INBOPIA. The person in charge of cultural affairs in the Prefecture was so impressed with the rugs that she agreed to make a store available to the association in San Miguel. The association also will exhibit at the annual national artesanal fair in Cochabamba.

4.3. Lessons Learned from the Rural Banks

The principal lesson learned from this experience is that the weekly discipline of paying and collecting payments creates a sense of ownership and obligation among the bank members. Among the urban groups, where this is rigorously enforced, the participants feel that the money is theirs and demand compliance to group rules by their membership. Each woman knows that she is responsible for coming up with the payments on a weekly basis. The rural banks need to establish a similar kind of rhythm.

While in Collana the evaluator and the director of PRO MUJER developed an alternative model that hopefully will help to establish this sense of obligation and ownership, as well as help to solve the loom shortage problem.

At the beginning PRO MUJER will deduct the interest of 5% (2.5% per month) from the loan. This will go toward a loom fund. The women will meet bi-weekly to deposit 1/4 of their savings (Bs. 5 on Bs. 100 loan or Bs. 10 on Bs. 200 loan). The principle will be repaid in its entirety at the end of the 8 week cycle.

Until a sense of group obligation and ownership develops, PRO MUJER will make all subsequent loans to all solidarity groups contingent on universal repayment. Therefore no solidarity group will receive an additional loan until all groups have paid off the previous loan.

Additionally, it is the recommendation of the evaluation that the groups concentrate their meetings on learning how to run the banks and thus forgo health and other lessons until the women feel comfortable managing the bank. Too many demands are being made on the women currently. In addition to producing rugs, they are also involved in the harvest, in community works such as building a sheep dip, as well as their daily demands of attending to household and animals. The health lessons take time away from being able to practice bank management.

5. OTHER TRAINING PROGRAMS

Most of the women in the business skills training program received training from Pro Mujer in empowerment, early childhood development, health and family planning before they received training in business skills and communal banks. These women followed a training sequence beginning with 5 empowerment lessons on women's goals, rights as citizens, and relationships to others. The purpose of these lessons is to increase women's self-esteem and assertiveness. The second training segment consists of 7 lessons on early childhood development and 2 on the use of a child development card which helps parents to assess their own children's developmental progress. The lessons and developmental card help the trainees to plan and execute activities which stimulate and enhance the physical, intellectual, social, and emotional growth of their children.

The evaluation addressed a number of training issues with regard to: a) appropriateness of content and methodology; b) changes in the trainees knowledge, attitudes, and practices; c) impact on the trainees lives; d) effects of training on other household members.

5.1. How appropriate is the content and methodology of each of the training programs? How can each aspect of the program -- lessons, homework assignments, women's workbooks, trainer's manuals -- be improved?

5.1.1 Training Methodology:

PRO MUJER's training methodology and materials overall are very well targeted to its audience and follow a sequence that is conducive to learning. There are, however, a few areas where the training methodology can benefit from improvement. A number of the lessons in health and a few in early childhood development tend toward lecture rather than more hands on experience, involve the use of overly complicated definitions and rely too much on written instead of pictorial or oral communication. The evaluation recommends:

♦ using less lecture and more hands on and demonstration. For instance, in the development card segment the promoter could model developmental card by demonstrating on 2 children in contiguous age groups to show both how to use the card and that children develop one set of skills based on a previous set of skills.

♦ avoiding complicated definitions that don't necessarily enhance the women's understanding of the concepts. For instance the lesson on *infecciones respiratorias agudas* (IRA) dwells unproportionally on learning what the acronym stands for. This is an unnecessary burden for trainees, many of whom are monolingual and nonliterate.

♦ using more pictures or objects and fewer written words or using written words in combination with pictures. In many of the lessons the primary technique used by the promoters is writing on flip charts. While they initially elicit information orally, the major media for the lesson is the flip chart. Several promoters, on their own initiative have developed methods that could be employed more generally to enhance understanding for women who do not read and write. For instance, in one ADRA group training a promoter innovated by writing words on pieces of paper with a set of activities that could be stuck onto one of two columns (care or teaching). This technique was much more effective than simply writing the words on the flip chart. The innovation could be further developed to put pictures along with the words on the pieces of paper and the different cards could be distributed to the women who could walk up to the flip chart and paste them on themselves.

5.1.2 Materials

The manuals used by the trainees in the courses are very impressive. There are two suggestions for improving the materials on health, empowerment, and early childhood development:

♦ the manuals should be reviewed for cultural sensitivity. There were two examples identified during the evaluation that suggested that the presentation of the graphics might be misinterpreted by the women. Several of the promoters indicated that a black border around the pictures reminded women of obituary notices in the newspaper. A picture that designed for women to identify happy times in their lives, omitted any examples of women working alongside spouses or parents. The instances depicted, although illustrated with Aymara looking characters, were of leisure activities not terribly representative of the women's lifestyles. While these might appear to be minor details, they do affect how women relate to the lessons and how well they understand the information being communicated. Much of this information could be elicited from the trainees themselves by a culturally informed social

scientist.

♦ as stated above, the types of materials used in the training sessions, especially in the health lessons, should lend themselves to more experiential learning. The child development lessons are a good model to follow. They involve the women in interacting with their children during the lessons, in making age-appropriate materials, and using the development cards in an interactive process with their children. The health lessons, in contrast, tend to rely too much on reading, writing and lecturing.

In general the lesson notes developed for use by the promoters are also excellent. They guide even relatively novice promoters through the lessons. One way they could be enhanced would be to provide some more information on the theory and rationale behind the lessons objectives. For instance, the promoters' notes might indicate that particular lessons are designed to teach problem solving skills or to teach developmentally appropriate play for children of particular ages. This will help the promoters to understand what is behind the lesson and to stimulate them to develop different ways to help the women achieve the lesson's objectives. The promoters' manuals should encourage them to innovate and develop more interactive approaches geared to the particular skill levels of their groups. One way to encourage the promoters to innovate is to include blank pages in the manuals for developing their own lessons plans.

5.1.3. Promoters: Training and Supervision

Overall, PRO MUJER has selected a group of highly qualified promoters/educators. In addition, a very talented and dedicated group of 4 supervisors head up each one of PRO MUJER's training programs (Business/Banking, FIS, ADRA, and FHI). The enthusiasm of the promoters and warm and interactive working relationships between the promoters and their supervisors attest to the strength and dedication of the team. All promoters, even those with extensive training experience, go through hands-on training and supervision when joining PRO MUJER. The supervisors model lessons for the new promoters during sessions designed to simultaneously train participant leaders selected from each group of trainees. The promoters watch and then replicate the lessons in their own groups. While this approach seems to work moderately well, it tends to promote imitation rather than innovation. Several of the promoters indicated that they felt reluctant to experiment with alternative modes of presentations. Although there was no indication that lead trainers/supervisors discouraged innovation, the "modeling" approach to promoter training appeared to communicate that the lessons should be structured fairly unilaterally. The result is a certain rigidity in the presentation of the lessons. This seems to

dissipate over time, as more experienced promoters develop sufficient confidence and familiarity with the material to be more creative and flexible trainers and to more effectively communicate with the trainees.

A more interactive model for training promoters would encourage promoters to develop these skills earlier in the process. The current model could be adapted to an approach in which the lead trainer models part of the lesson and then allows each new promoter to prepare another segment of the lesson. The supervisor and other promoters-in-training could provide feedback on the success of the presentation.

In addition, the supervisors would benefit from additional training in supervision techniques and reporting skills. Better supervision of promoters and better periodic reporting to PRO MUJER's management go hand in hand. As the program grows, weekly senior staff meetings are critical, but monthly supervision reports must also reflect the ups and downs of the program. The bank and business training program is a good model for the other programs. The supervisor requires monthly reports and weekly review meetings with the entire group of promoters, in addition to random supervision visits. Her monthly reports to PRO MUJER's directors summarizes information from all three of these sources.

5.2. Have the training programs and their outcomes affected (positively or negatively) women's positions in their households, places of work, and neighborhoods or communities, with regard to their ability to generate and control local resources? What have been the effects on other members of their households and communities (e.g. spouses, children, community leaders). What are the lessons to be learned from the integration of the training programs?

PRO MUJER should make a greater effort to incorporate more fathers into the child development and health lessons, particularly if the health lessons are now going to come after empowerment and bank training. Health and child rearing decisions are not the sole domain of women. Men also make decisions about how household resources are spent, who should get medical attention, or go to school, as well as about family planning. Men are likely to take a greater interest in the training after they have seen the benefits of the business training and bank loans. The clausura seems an ideal time to invite them to participate in family health and child development lessons.

5.3. How critical have previous training experiences been to the effectiveness of the business skills training program (i.e. assess the process of group formation and cohesion.

familiarity with the training context, trust between trainers and trainees, and timeframes needed to realistically achieve overall goals)

Recently, PRO MUJER has reversed the order of the training on an experimental basis in two urban and four rural groups. Although these groups began the lesson sequence with the empowerment segment, they went directly on to the business and banking skills segments. They began the early childhood and health segments after becoming communal banks.

There do not appear to be any adverse effects to altering the sequence in this manner. The urban banks meet once a week to collect payments and attend to bank management issues. In the first cycle of banking, this tends to occupy the entire 2-3 hour session. Attendance at the health lessons is voluntary, but it requires an additional afternoon per week. During the business and banking skills courses these women were required to attend twice a week, as are women who go through the health and early childhood segments before the business and banking skills lessons. Several women stated that they were interested but could not afford the additional time commitment. Nevertheless, approximately 50% of the bank members signed up for the health lessons.

According to the trainers, and observations by the evaluator, these banks seem to be as cohesive and functioning as well as other banks in the first banking cycle. It is unclear, however, whether these particular banks, both composed of women who know each other well and interact on a daily basis through a common place of residence and business, are characteristic of how other groups might fare.

There is also inconclusive evidence as to whether the level of interest in the health lessons is due to the advantages provided by the credit program -- i.e. the loans stimulate more business opportunities, thus women are busier after receiving their loans. Therefore, they have less time available for other types of training that they perceive to have a less direct effect on their income. Another way to look at this issue is to ask whether the entry ticket to the banks, through the normal sequence, is perhaps unduly costly in terms of time. It is clear that most women in the groups have few alternatives and are willing to pay the price. It is less clear whether there is a direct correlation between time spent in training as a group and the success of the communal banks. This is a question that PRO MUJER should address in the future as they experiment with sequencing of the training segments with different types of groups.

6. TECHNICAL ASSISTANCE TO OTHER AGENCIES

Food for the Hungry International (FHI) is the first agency to receive technical assistance from Pro Mujer. An examination of PRO

MUJER's technical assistance to Food for the Hungry International (FHI) was not a major focus of the evaluation. The evaluator spent only a couple of hours observing 3 of FHI's groups in El Alto. Based on these cursory visits, PRO MUJER's strategy for providing technical assistance to FHI appears to be working well. The training participants appeared extremely interested in the lessons on early childhood development and demonstrated considerable enthusiasm when practicing how to use the child development cards. Similarly, the FHI personnel expressed their excitement about the program. In addition, they stated that they want to implement all 5 of Pro Mujer's programs in El Alto, as well as extend the program to rural areas of Potosi.

7. INSTITUTIONAL ISSUES

7.1. Organization

Over the last three years PRO MUJER has grown from a 4 person training laboratory into a 30 person [exact #?] multifunctional institution. Such meteoric growth would challenge even the most experienced management. The fact that the evaluation encountered an excellent program, a capable and highly motivated staff, and enthusiastic beneficiaries attests to the high quality of PRO MUJER's Directors and the soundness of its organizational structure.

7.2. Management

PRO MUJER is well managed. Both the Executive Director and the Director of Programs in Bolivia are extremely hands-on in their management style. The strength of this approach is that program development and decision-making is very participatory and democratic. Nevertheless, increased demand for PRO MUJER's services and rapid expansion of their program is beginning to tax this approach to management. The fact that almost all of PRO MUJER's program directors have assumed a great degree of autonomy in running their program indicates that PRO MUJER has matured to the point where the directors can begin to delegate more responsibility to the middle management level. The evaluation recommends that coordination among the different programs would be improved by the appointment of a program coordinator who could relieve the directors of the day to day problem solving. That would free the Directors to concentrate on developing strategic directions for the institution, write proposals, to interact with clients and donors, and to network with other NGOs and governmental organizations.

In order to facilitate this transition, the evaluation recommends that the directors provide in-house training in supervision and management skills to their program directors as part of their weekly senior staff meetings. They also need to be clearer about what kind of information they need from their program heads to make

decisions about programmatic changes.

7.3. Administration and Finance

PRO MUJER will have financing from monetization through 1995. It seeks to diversify its financial base, for instance through PL-480 funding and possibly through a loan from the Inter-American Development Bank (IDB) for the communal banks program. Both of these options will require PRO MUJER to reassess the terms by which they loan money to the communal banks. They will have to convince donors and credit institutions of the validity of the training component and justify its cost, even though it is currently a very reasonable \$200 per trainee/bank member. Presently, PRO MUJER does not charge interest to the communal banks for the use of the seed capital, although they do recuperate the capital at near value since the communal banks maintain their funds in dollar accounts in formal banks.

At the time of the evaluation PRO MUJER's administrative procedures were somewhat cumbersome, causing occasional logistical problems and misunderstandings between staff. These were solved during the course of the evaluation by a realignment of responsibilities from the chief financial officer to the office manager. This reorganization improved logistical aspects of the project enormously. This type of mid-course adjustment is indicative of PRO MUJER's management's willingness to make quick and decisive changes when program staff indicate that administrative procedures are impeding program delivery.

7.4. Monitoring and Evaluation

Pro Mujer is collecting a wide range of data to be used to monitor and evaluate its training programs. PRO MUJER's monitoring and evaluation system accommodates all the information required to track PRO MUJER's impact indicators. The system, however, exceeds what realistically is needed by PRO MUJER to monitor their program and to meet routine reporting requirements to their donors. PRO MUJER is attempting to collect more information than is necessary and as a result is behind in both the collection and the processing of data. In addition, the data has not been put to much analytical use.

The amount, type, and frequency of information could be reduced without affecting PRO MUJER's ability to demonstrate impact of their programs. For example, one of PRO MUJER's impact indicators of the banking program is participants' income. PRO MUJER collects detailed information on participants' businesses in order to arrive at the income indicator. They might be able to demonstrate impact through some simpler proxies for income such as increased capital investments, especially fixed capital; increases in volume of trade; number of employees; or changes in types of businesses (i.e. to higher value goods). Tracking the demand for loans, after the

first banking cycle, is another possible proxy for income effects. Demand for increasingly larger loans over time along with continued high repayment rates will demonstrate that participants' businesses are expanding. It is adequate to collect this information once a year, rather than at the beginning of each new 16 week banking cycle since short-term changes in income realized as a result of a \$50-100 loan do not really demonstrate sustained impact of the credit program.

The promoters who are responsible for collecting the information have not received a clear message as to the seriousness of the data collection or its ultimate use. Therefore, they have not been consistent nor timely in collecting information on the participants' businesses and incomes. If PRO MUJER is going to use direct implementation as a social laboratory for assessing the impact of their program, they need to decide what kind of information they needed to track these "experiments" and to make clear to the promoters that they must collect the information at regular intervals.

Unless PRO MUJER is seriously considering conducting some indepth socioeconomic analysis of their program and participants, the amount of information could be reduced. Even if social analysis is an objective, PRO MUJER could simplify the process by choosing a sample of participants rather than tracking the entire universe. Similarly, rather than placing the data collection burden on all promoters, PRO MUJER might work with 3 or 4 who have the training and interest to collect information.

PRO MUJER's program would also benefit from lessons learned through the collection and analysis of qualitative data on their training process, women's business experiences, and group process. Analysis of the quantitative information on income and business development would be much richer with the addition of qualitative case studies and indepth interviews. The quantitative information comes alive when interpreted in relation to the participants words and experiences. PRO MUJER might consider asking summer interns to collect and analyze some of this qualitative information, or alternatively might look for a graduate student interested in writing a dissertation on the communal banks. Another is to ask for volunteer promoters to keep running journals on their groups. The program is certainly unique and innovative enough to warrant such an effort.

7.5 Relations with Donors

The success of PRO MUJER's programs and the great demand for their services raises a number of issues with regard to donors and financiers. In their enthusiasm to be responsive to offers of funding from donors, on a few occasions, PRO MUJER has committed to programs without adequate funding to cover the costs of those

programs. For instance, Dutch Aid provided seed money for food cooperatives without covering the costs of training cooperative members to manage the food. They have also taken on programs that are somewhat far a field from their principal objectives, such as the rug cooperatives under the PAC II program.

PRO MUJER has learned from both of these experiences and appears to be more critical of what is demanded of them in relation to what it really costs. They have also become more proactive rather than reactive in the search for funding.

8. FUTURE DIRECTIONS

8.1. Defining long-range objectives

A major thrust of the evaluation was to help PRO MUJER staff define their long-range objectives. The evaluation queried the Directors on whether the principal objective of the organization was training or service delivery (e.g. credit, food cooperatives, daycare centers). The overwhelming response from PRO MUJER managers and staff was that they view themselves as trainers and educators. Their primary objective is to train women to be more empowered citizens, mothers, wives, and economic actors.

This conclusion raised questions about how the banks fit institutionally: are they primarily training vehicles or long-term financial institutions? After considerable discussion and analysis, PRO MUJER management decided unequivocally that their primary mandate is to provide high quality training and that the banks are principally a vehicle for training women from disadvantaged areas of El Alto to manage credit and to become familiar with how financial institutions operate. Therefore, a principal objective of the banking program will be to prepare PRO MUJER's training and bank participants to deal with formal banking structures. They will develop a plan for a second tier business and bank training program to assist the participants to make a transition from the communal banks to other micro-enterprise credit programs such as FIE and PRODEM, or to the formal banking system. Along with this objective, PRO MUJER will develop impact indicators which match the eligibility criteria demanded of borrowers by BancoSol or FIE, such as a fixed place of sale/business and the ability to pay 4% interest per month. They will compare the number of participants that meet those criteria at the beginning with the number that meet the criteria at the end of the two year period.

By focussing their program and objectives on the results of training rather than on the impact of lending, PRO MUJER has carved out a unique niche that is often absent from micro-enterprise programs. It emphasizes increasing viable demand for credit rather than increasing supply. Most NGO credit programs respond to perceived problems in supply or access to credit, making credit

available to people who do not qualify for loans through the formal banking system. The dilemma faced by such programs, especially successful ones, is whether or not to become permanent financial institutions. Very few make that transition successfully (Drake and Otero 1992). PRO MUJER, through its training and hands-on bank communal administration will prepare participants to qualify for and use other financial institutions. This has a number of benefits. It contributes to expanding the number of people who qualify for PRODEM/Bancosol or FIE, which require an expanding pool of borrowers to remain viable. In addition, by depositing the communal bank funds in savings accounts in formal banks, the participants in PRO MUJER's program gain familiarity and a degree of comfort with using financial institutions. If they use these institutions as a group, it is very possible that individual group members might use them for their personal savings as well, especially as their businesses grow.

PRO MUJER's emphasis on credit demand, has even greater significance for rural areas of Bolivia. One of the principal reasons that so few financial institutions exist in the rural areas of Bolivia is that demand is relatively low and transaction costs are high. The PRO MUJER model provides an excellent vehicle for addressing existing demand (the short-term supply-side of the program) while expanding demand for other credit sources (the long-term demand-side).

8.2. Developing an Institutional Persona

The conclusion that PRO MUJER is a training organization, rather than a financial institution helped to define future directions of the institution. One of the major lessons to be learned is that PRO MUJER should not make the transition from training to financial intermediation. As a premier training institution, however, PRO MUJER could expand to provide technical assistance to Bolivian and international NGOs to run similar programs in other areas of the country. PRO MUJER's pilot project with FHI is an excellent prototype.

8.2.1. Training other Organizations

One of the ways for PRO MUJER to meet the increasing demand for their programs without losing the capacity to develop training programs in new areas, such as their innovative pre-employment course, is to train other organizations. PRO MUJER should start developing a model for training other institutions. The current FHI model of training promoters and a supervisor appears to be a good one. What is lacking is better definition of how much time and effort supervision and training entails and what kinds of people are best suited to this kind of "technology" transfer. The FHI program demonstrates that not all good promoters are necessarily good supervisors and trainers of other promoters. A

second requirement for success is that PRO MUJER maintain a hands-on process in developing new programs and in seeing through older programs by continuing to work directly with communal groups.

Additionally there is a need to convince donors that they should finance training courses for other NGOs. This is difficult, because most donors expect programs they fund to demonstrate direct impact on beneficiaries. In order to do this adequately, PRO MUJER would have to demonstrate that by training other institutions they produced the intended impact through programs over which they had no direct control. Nevertheless, as A.I.D. moves toward a greater reliance on NGO implementers of its program,³ one way to expand and systematize coverage of a larger population is through a FHI-PRO MUJER type model which combines well proven programs with local implementation. It is also a way to provide training and skills development to NGO personnel in a cost effective way.

8.4. Developing Rural Models

PRO MUJER has the opportunity to expand their program into rural areas of Cochabamba with funding from PL-480 and the possibility of working with FHI in Potosi. The evaluation offers two alternative models for consideration. The first is an approach developed during the evaluation in response to some of the problems experienced by PRO MUJER with their rural banks in the Department of La Paz. This model accommodates a communal bank that is linked to a specific type of artesanal production (e.g. rug making) where loan repayment is dependent on the completion and sale of a product. The second model adapts PRO MUJER's urban banking model to rural areas. The only variation is that the banks might meet fewer times per month to adjust to a slower turnover in commercial activities in the rural areas and to allow promoters to cover a greater number of groups despite longer distances between communal banks.

Model I: While in Collana the evaluator and the director of PRO MUJER developed an alternative model that hopefully will help to establish this sense of obligation and ownership, as well as help to solve the loom shortage problem. The elements of this model are that PRO MUJER will require:

- 1) the communal banks collect the 5% interest up front when issuing the loans.
- 2) During the bi-weekly meetings the participants will be required to pay 1/8 of their savings.
- 3) the principle to be paid in full at the end of the cycle

³ Brian Atwood, the new A.I.D. Administrator has emphasized that he intends to expand implementation of A.I.D.'s development assistance through NGOs (cf. remarks to the "Open Forum").

4) that all groups repay outstanding loans before the communal bank can lend out additional loans

Model II: This model is not tied to any one type of production. As is the case in PRO MUJER's urban model, each participant decides how to invest her/his loan. Participants would develop individual or joint (household or cooperative) business plans, form solidarity groups, and make regular payments of interest, savings, and principle.

Based on the multiple and interdependent productive activities and the complementarity in men's and women's labor and income sources in rural households, the evaluator recommends that PRO MUJER open participation in the training and the banks to both men and women.

9. CONCLUSIONS AND RECOMMENDATIONS

9.1. Growth: The Great Dilemma

The success of PRO MUJER's training and credit programs during the last year, has resulted in interest from several donors and from Bolivian government organizations. Several issues and concerns were raised by USAID/Bolivia about PRO MUJER's rapid growth. During the evaluation, PRO MUJER's management and the evaluator spent considerable energy and reflection assessing the capacity of PRO MUJER to expand its program at this time. The evaluation focussed on the pros and cons of PRO MUJER's growth in three possible directions: 1) programmatic diversification; 2) geographic spread; and 3) institutional functions.

9.1.1. Programmatic diversification

To-date PRO MUJER's training methodology has easily accommodated new types of training. In May, PRO MUJER will begin pre-employment training for women and men with a minimum of a junior high school education. This program will teach young adults basic skills for finding and maintaining employment in the industrial and service sectors. Additionally, in response to needs identified by participants in the business and banking program, PRO MUJER is developing literacy training and numeracy training courses. New programmatic directions in PRO MUJER's training courses have all been in response to participant demands. PRO MUJER's great strength is in the innovativeness and responsiveness of its training programs. The evaluation concludes that they should continue to develop new programs in response to participant demand, but should be cautious not to be driven by donor objectives that do not match the needs of PRO MUJER's primary clients, the participants in their programs.

9.1.2. Geographic Spread

PRO MUJER's social laboratory, to-date, has been the urban altiplano. Its only rural program, in collaboration with PAC II, is not directly replicable (see rural banks above). The evaluation recommends that PRO MUJER expand on a pilot basis into rural areas of Cochabamba to test the viability of its urban model under rural conditions not skewed by rug production. In a parallel effort, FHI is considering working in northern Potosi. These two experiences will provide information on whether the approach is transferable to the needs of rural populations, on whether another NGO can effectively implement PRO MUJER's training programs, and on whether the training methodology is responsive to regional variations. One option is for PRO MUJER to develop a model project for Cochabamba and then to train local agencies, through NGO consortia such as UNIBAMBA, UNITAS, SEMPAS), to run the communal banks in other areas of the department.

9.1.3. Institutional Functions

PRO MUJER's strength is in its training. It needs to retain its focus and not be pulled into service delivery or long-term financial intermediation. The evaluation concluded, however, that PRO MUJER has the capacity to expand beyond direct implementation into providing technical assistance to other agencies. A mixed approach of direct program implementation, as a laboratory for program and materials development, in conjunction with increased training of other agencies will achieve two objectives: 1) effective education and economic development of disadvantaged populations in Bolivia; 2) increased capacity of Bolivian and international NGOs to implement programs. PRO MUJER has the unique capacity to develop and implement programs that achieve both of these objectives.

9.2 Recommendations

This list of recommendations is a summary of suggestions that appear throughout the body of the evaluation. The recommendations are directed at PRO MUJER and should serve as a guide for improving an already excellent program, as well as for providing some parameters for future growth. It is the overall assessment of the evaluation that the PRO MUJER program offers an innovative and effective approach to increasing women's social, political, and economic opportunities. Therefore, the recommendations are not in response to any serious deficiencies, but rather to perceived opportunities for making the program even better.

9.2.1 Business and Bank Training

- ◆ Improve accessibility of the lessons to non-literate through greater use of icons and pictures, role play, and manipulatives for calculations and math concepts.

- ♦ Mainstream some of the elements of the leadership course into the organizational segments of the banking skills lessons
- ♦ Offer the leadership workshop regularly at the beginning of each banking cycle and recommending it for all newly elected members of the boards of directors.
- ♦ Promoter training should include more hands-on experience and critique from the lead trainer.
- ♦ Provide the bank/business promoters, who are mostly trained in education or the social sciences with additional training in business or accounting through periodic workshops. This would be particularly useful in preparation of a second level training program.
- ♦ Encourage the promoters to more systematically capture some of the anecdotal testimonies of the women and their families. So little is known about how training actually changes practices and access to opportunities.

9.2.2 Urban Banks

- ♦ offer leadership training to all first cycle boards of directors and perhaps to all boards of directors, which change each cycle, during the first year of bank operation.
- ♦ establish some minimum standard criteria for *lightening loans* to minimize arbitrariness in the approval process.

9.2.3 Rural Banks

- ♦ Revise rural bank model to improve participants' repayments and sense of ownership and commitment (see p.16 for alternative models).

9.2.4. Other Training Programs

- ♦ Introduce more hands-on training techniques and demonstrations and revise training materials to lend themselves to more experiential learning through greater use of pictures and manipulatives.
- ♦ Review lesson manuals for cultural sensitivity
- ♦ Develop a more interactive method for training promoters and encourage promoters to be more innovative in the way they present the material to the participants.
- ♦ Provide additional training to supervisors in supervision and reporting skills.

◆Increase efforts to incorporate fathers and adolescent sons into the child development and health lessons.

9.2.5. Technical Assistance to Other Agencies

◆Strengthen supervision and training skills of PRO MUJER supervisors.

9.2.6. Institutional Issues

◆Strengthen middle management level to relieve directors of some of the day to day program supervision so as to provide them with the time for program development, proposal writing, reporting, and strategic planning.

◆Reassess terms for loans to communal banks to determine whether PRO MUJER can afford not to charge the banks interest for seed capital.

◆Revise objectives and impact indicators of communal banks program to reflect more accurately PRO MUJER's institutional objectives (see p. 24).

◆Decrease and simplify type and amount of quantitative information that is collected. Increase collection of qualitative information through the use of interns, special studies, and promoters' journals.

9.2.7 Future Directions

◆Develop pilot rural communal banks program for Cochabamba and track FHI program in Potosi to assess viability of urban model for rural areas

◆Continue to develop new training programs in response to participants' demands. Ensure that program development in response to donors' demands meets participants' needs and include real costs.

◆Maintain institutional focus on training and avoid temptations to expand into financial intermediation.

APPENDIX I

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- Early Childhood Course
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APPENDIX II

List of People Contacted:

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- ♦Lynn Patterson, Executive Director
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