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Freedom from Hunger

Second Annual Report (September 30, 1994 – June 30, 1995)  
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USAID Matching Grant Second Annual Report  
October 1995

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Attachment 3: Technical Update No. 8: Program Loan Terms

Attachment 4: Three concept papers for impact evaluation research

Attachment 5: Freedom from Hunger's FY 96 plans

Attachment 6: Credit Association Status Report

Attachment 7: Impact Survey Results (6/95) for CANEF *Credit with Education* Program

Attachment 8: Notes from the First Annual *Credit with Education* Learning Exchange

Attachment 9: *Credit with Education* Field Agent Operations Manual: Chapter 1

Attachment 10: Marketing brochures for various *Credit with Education* programs

\*The Logical Framework is not included in this report because it has not changed.

Freedom from Hunger  
**CREDIT WITH EDUCATION FOR WOMEN**  
 USAID Matching Grant Second Annual Report  
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**EXECUTIVE SUMMARY**

Freedom from Hunger's goal for the five-year Matching Grant period is to demonstrate that *Credit with Education*<sup>SM</sup> can be scaled up to a high-performance level, become increasingly self-financing, and cost-effectively serve a large and growing number of people in need. Such a program model will be both sustainable and replicable.

This Second Annual Report covers the 12-month period from July 1, 1994 to June 30, 1995. During this period there was a dramatic increase in the number of Credit Associations in several program countries, notably Burkina Faso, Ghana, and Bolivia. Table 1 (below) shows the status of Credit Association growth in each country.

*Table 1. Growth of Credit Associations in 1995, Compared to 1993 and 1994*

Country		June 1993	June 1994	June 1995
<i>Bolivia</i>	Credit Associations	41	79	138
	Participants	1,176	2,287	3,593
	Amount Lent—Project-to-Date	\$276,139	\$661,143	\$1,564,230
	Recovery Rate		99%	98%
<i>Burkina Faso</i>	Credit Associations	7	81	196
	Participants	71	2,366	6,009
	Amount Lent—Project-to-Date	\$2,137	\$46,832	\$343,418
	Recovery Rate		100%	100%
<i>Ghana</i>	Credit Associations	7	11	76
	Participants	232	397	2,211
	Amount Lent—Project-to-Date	\$16,190	\$74,617	\$308,189
	Recovery Rate		99%	100%
<i>Honduras</i>	Credit Associations	30	42	76
	Participants	534	772	1,118
	Amount Lent—Project-to-Date	\$124,920	\$250,067	\$441,643
	Recovery Rate		100%	100%
<i>Mali*</i>	Credit Associations	65	87	82
	Participants	1,662	2,611	2,522
	Amount Lent—Project-to-Date	\$288,645	\$432,245	\$531,750
	Recovery Rate		99%	100%

\*As of February 1995

There was also significant progress in developing new partnerships. During this reporting period four new partners joined the *Credit with Education* network: Nyèsigiso in Mali, the Nandom Rural

Bank in Ghana, FUCEC (Fédération des Unions Coopératives d'Épargne et de Crédit) in Togo, and FOCCAS (Foundation for Credit and Community Assistance) in Uganda. Within the next year, we expect to sign agreements with three additional organizations: Kafo Jiginew in Mali, and Women's World Banking Ghana/MASU and Nsoatreman Rural Bank in Ghana.

Materials and methods for program implementation were further refined. A full set of health/nutrition/family planning learning sessions were completed, as well as a very important technical update on program loan terms. The Field Agent Operations Manual was revised and field tested during start-up training for groups of field agents in two new programs.

Program management systems were strengthened through preliminary development of an effective Financial Management Information System (FMIS). This is being developed first with our partner in Burkina Faso, the Réseau des Caisses Populaires de Burkina Faso (RCPBF), but can then be adapted to other programs. There has also been progress in accessing or expanding access to needed credit funds in several countries.

Finally, this reporting period marks a watershed in Freedom from Hunger's role as a catalyst for the dissemination of *Credit with Education* as well as the leader of a true network of practitioners. A very successful informal meeting of partners following the 1994 SEEP-sponsored Village Banking Conference in Guatemala led to plans for a more elaborate Partners Meeting at Freedom from Hunger's International Center in Davis, California, as well as an informal Learning Exchange meeting with other organizations which integrate education into a group-based lending mechanism.

An overarching challenge of the coming year is simultaneously to continue developing and refining the *Credit with Education* model, to ensure the massive scale-up of certain programs, and to meet ever-increasing demands for dissemination of key tools and strategies.

Specific priorities for the following year can be summarized as follows:

1. Education/Training Component and Replication Packet—Complete revision of the Field Agent Operations Manual and continue development of the replication packet with an emphasis on the Coordinator Operations Manual.
2. Business Plans—Work with partners to create and implement all the systems involved in the formation of a business plan.
3. Monitoring/Tracking Systems—Review, streamline, and implement financial and programmatic systems to track inputs and activities and to monitor the process and impact of the *Credit with Education* strategy in each program.
4. Grants Management—Develop and inaugurate a comprehensive grants management system in conjunction with partners.
5. Management/Communication Procedures Among Freedom from Hunger Staff—Concentrate senior staff time and attention on the three strategic focal points: education, financial services, and evaluation/learning exchange. Review and revise procedures for keeping senior management regularly briefed on program implementation issues and involved in training and support of regional and middle-management staff.

## I. BACKGROUND AND PROJECT CONTEXT

Freedom from Hunger was founded in 1946 as a nongovernmental, nonprofit organization dedicated to action against world hunger and malnutrition. Our mission is to contribute to the elimination of chronic hunger by providing resources and information that empower women, their families, and their communities to help themselves. We view freedom from hunger both as a fundamental human right and a prerequisite for development. No serious attention can be given to long-term prospects for improved health and longevity, smaller family size, increased agricultural production, economic growth, democratization, and environmental protection until people have achieved freedom from hunger.

Worldwide, hundreds of millions of the world's poorest women need additional resources and information to overcome their own and their families' chronic hunger and malnutrition. With the support of the United States Agency for International Development (USAID), Freedom from Hunger has been working since 1988 to develop an innovative, sustainable, and replicable strategy which will provide both cash credit and nutrition/health education to the poorest of the economically active women in seven developing countries. It is called *Credit with Education*.

The purpose of Freedom from Hunger's original Partnership Grant with USAID (1988-1993) was to strengthen the institutional capacity of Freedom from Hunger and its local partners to develop effective and sustainable programs to test the feasibility of the *Credit with Education* concept. Demonstration programs have been successfully tested in six developing countries. We have just completed the second year of a USAID Matching Grant (1993-1998), which has a major emphasis on scale-up and sustainability—developing large-scale, progressively self-financing programs that will serve increasing numbers of people in need. Such a program model will be shown to be both sustainable and replicable, not only by our current partners but also by other organizations interested in the integration of poverty lending and nonformal adult education.

## II. PROGRAM METHODOLOGY AND STRATEGY

The goal of *Credit with Education* remains the same: to help poor households in developing countries gain access to more and better-quality food and to have improved maternal and child survival and health. Very poor people are extremely vulnerable to the following primary causes of chronic hunger and malnutrition, all of which are addressed by the program:

- ◆ Lack of food due to inadequate food production and/or lack of money to buy food.
- ◆ Poor knowledge and use of appropriate diet practices, especially for infants, children, and pregnant and breastfeeding women.
- ◆ Poor knowledge of and use of modern medical technology, such as immunization or contraception.

The purpose of the program also has not changed. It is to motivate and assist thousands of very poor women to change their behavior in certain key ways in order to:

- ◆ Gain and use income to provide an adequate quality and quantity of food for themselves and their families.

- ◆ Exclusively breastfeed their infants for the first four to six months, preferably six months, and introduce specially prepared complementary foods no earlier than four and not later than six months of age.
- ◆ Practice contraception to space, time, or limit births.
- ◆ Manage diarrheal episodes with oral rehydration therapy and practice personal and food hygiene to help prevent diarrhea.
- ◆ Seek the full immunization series recommended for infants and women, where these services are locally available.

The basic *Credit with Education* organizational strategy continues to be an integrated model of poverty lending (small-scale productive credit to the very poor) and minimalist education on high-impact health and nutrition messages.

A major objective of this Matching Grant period is to scale up *Credit with Education* programs to near self-financing levels of sustainability and to demonstrate how they can be replicated cost-effectively. Eventually, the entire cost of the education and financial services in each program country will be covered through revenue generated from the loans. Other general objectives include refining the tracking and projection mechanisms for revenues and expenses, further developing and strengthening the education component, and creating an international learning network of partner organizations.

The *Credit with Education* strategy continues to be carried out by local partner organizations in each country, with adaptations to the local context made in conjunction with Freedom from Hunger. As their programs expand, these partners are increasingly in need of financial management information systems which mesh with their overall organizational management systems. Some partners are also becoming responsible for developing and then carrying out their own staff training plans. In short, Freedom from Hunger does not "own" any particular *Credit with Education* program, nor does it encourage partner dependence. Although a great deal of effort and time goes into choosing and training new partners, the aim is that mature partners will become increasingly able to implement and expand *Credit with Education* on their own, as well as share their ideas for improvement and adaptation of the basic model with similar partner organizations, such as credit union networks.

In one important respect, Freedom from Hunger's approach toward partner organizations has evolved in the last two years, shifting away from the original local NGO partner model. We now seek to partner with formal financial institutions in program countries, including credit union networks (as in Africa), or create national-scale financial intermediaries (as is planned for Bolivia). Building on the outreach potential and management capability of such organizations, we plan to demonstrate that the replication of large scale and sustainable service delivery, in a reasonable time frame, is achievable. This will be discussed in more detail under the specific country programs.

### III. MONITORING AND EVALUATION

**Monitoring**—The financial and nonfinancial monitoring systems described in the last report continue to be in use, with relatively minor revisions and simplifications based on partner input. There is now an increased emphasis, however, on ensuring that all reporting forms (both financial and nonfinancial) are received on time and that partners are given timely feedback. As programs expand during the third grant year, we will be considering the possibilities for computerization and

additional refinement of these systems. Increasing efforts will be made to enable our partner organizations to collect and analyze data and to implement decisions based on this information.

The Financial Sustainability Ratio (program revenue over expenses) is the key indicator of progress toward financial self-sufficiency. Individual Local Operations Units (LOUs)<sup>1</sup> continue to make progress toward self-sufficiency in terms of covering all field operating costs (referred to as Direct LOU Costs in Figure 1, p. 4). However, the programs have not yet begun to cover their central office costs (referred to as Technical Support Costs in Figure 1). This is true, in part, because of rapid growth in new areas, a situation which always requires a major up-front investment of financial and human resources at the central office level but brings in only relatively modest revenues from the small initial loans. However, loan growth projections may also have been overly optimistic, particularly in Sahelian African countries, where the limitations of local rural economies result in more modest increases in loan size and subsequent interest payments to the program than originally projected.

The quarterly nonfinancial monitoring system provides a wealth of information on such critical issues as the drop-out rates, the number and type of learning sessions provided during Credit Association meetings, and participants' loan activities. One specific recent example of the management use of this information was the decision to flex the loan terms with regard to the repayment schedule for mature, well-performing Credit Associations. This decision was made, in part, in response to monitoring information that indicated that a major reason for women dropping out of the program is the weekly repayment and meeting requirements. The rationale and conditions for program loan terms adjustments are laid out in detail in Freedom from Hunger's Technical Update No. 8: Program Loan Terms (Attachment 3). This technical update also suggests using the Credit Association rating system, another aspect of the nonfinancial monitoring system, to determine eligibility for loan size increases and modified repayment terms.

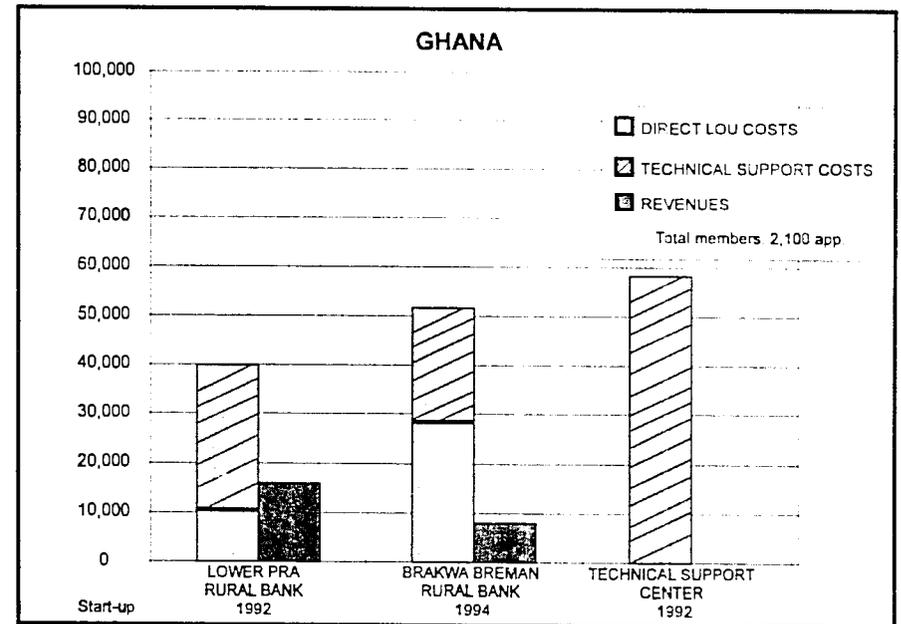
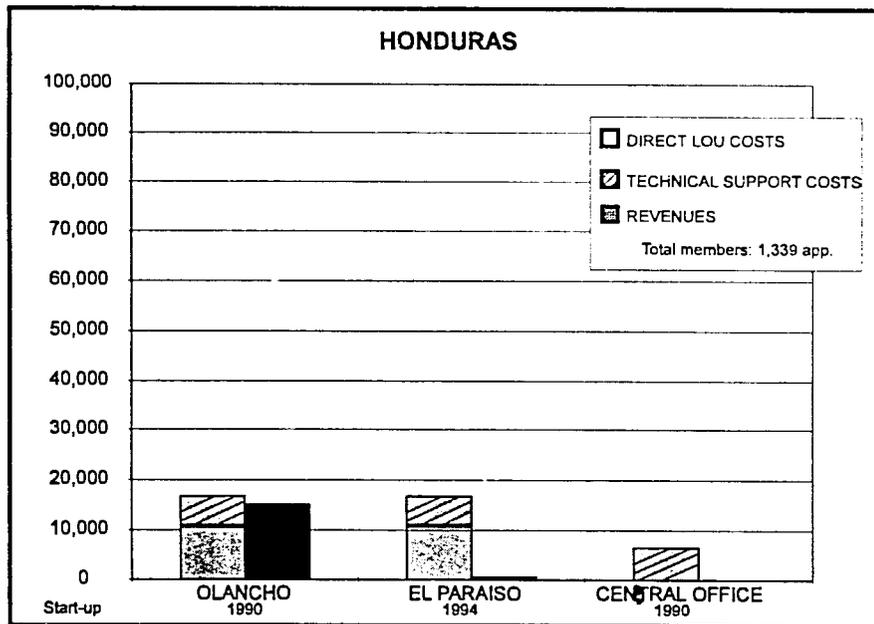
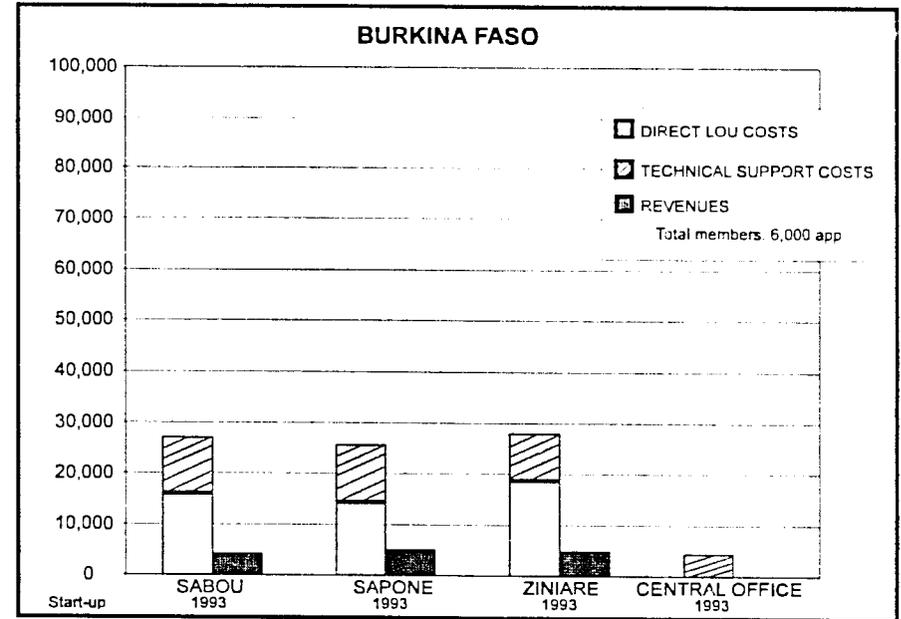
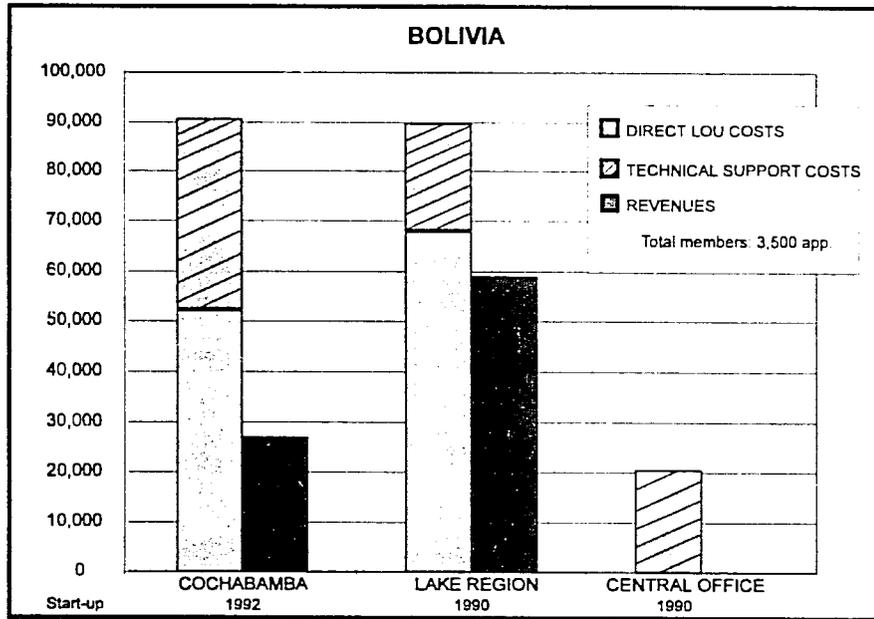
Evaluation—Scheduled evaluations were carried out with partners in Burkina Faso and Mali. The Burkina Faso process evaluation was a joint effort by UNICEF/Burkina Faso, our local partner the RCPBF, and Freedom from Hunger. The evaluation team was specifically charged with the task of developing recommendations to the RCPBF and Freedom from Hunger for organizational and program changes for expansion (see country section for specific recommendations). The CANEF evaluation, which looked at impact as well as organizational capacity and program inputs, was conducted by an external evaluator, with the aid of resource people from CANEF, USAID/Mali, and Freedom from Hunger. This evaluation also focused on the current and future partnership between Freedom from Hunger and CANEF.

Overall, the most significant evaluation study is the three-year impact evaluation being implemented in conjunction with the Program in International Nutrition at the University of California, Davis. During this reporting period, baseline data was collected from over 370 women with a one-year-old child in the Bolivia program area. In addition, the Year Two research objective of assessing the quality of the education component to bring about the intended impact was carried out in Ghana.

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<sup>1</sup>LOUs are discrete administrative units for which revenue and costs can be easily planned, managed, and measured.

**Figure 1. CREDIT WITH EDUCATION PROGRAM SELF-SUFFICIENCY STATUS  
FISCAL YEAR 1995  
(as of 6/30/95)**



Two academic researchers, Michael Kevane, a Harvard fellow, and Nanci Lee, of Guelph University, are examining and documenting various aspects of *Credit with Education* impact in Burkina Faso and Bolivia, respectively. These research projects were just getting underway at the end of this reporting period, and the initial concept papers are included as Attachment 4. Dr. Kevane will be conducting in-depth profiles of program impact in three *Credit with Education* communities in Burkina Faso through interviews with participants and nonparticipants over the course of a week in each community. Ms. Lee will be investigating how participants use the program services to enhance their livelihood strategies and how the *Credit with Education* program is being adapted to better serve these strategies. Freedom from Hunger and World Relief representatives have held planning meetings in Davis, California and Honduras for collaborative impact evaluation research to compare program impact of child survival, village banking, and the *Credit with Education* strategy on maternal and child health behaviors and nutritional status.

Freedom from Hunger, with input from the Office of Private and Voluntary Cooperation, will schedule and implement its Matching Grant midterm evaluation during FY 96.

#### IV. REVIEW AND ANALYSIS OF PROJECT RESULTS BY COUNTRY

##### OVERALL REVIEW

A lengthy and detailed planning process occurred this year. Partners, working closely with Freedom from Hunger staff, were first asked to update their long-term plans and targets for the remaining three years of the Matching Grant period before developing their annual plans and budgets. They were also asked to re-examine assumptions, such as the average number of women per Credit Association, initial loan size, loan growth rate, etc. After annual plans and budgets were negotiated with each partner, Freedom from Hunger staff then developed their own detailed FY 96 plan (see Attachment 5).

The country-specific information that follows highlights principal issues and progress made toward meeting objectives laid out in the Detailed Implementation Plan (DIP). Attachment 6 is a summary table that shows the status of *Credit with Education* programs as of June 1995. Although actual numbers of Credit Associations at the end of June were somewhat lower than expected, updated plans and projections indicate that targets for the end of the grant period will be met or surpassed. Program start-up was delayed in several areas either because of unexpected delays in accessing funds from grants that had been approved or because of changes within prospective partner organizations.

##### BOLIVIA

In August 1994, Freedom from Hunger signed a three-year Cooperative Agreement with Plan International Altiplano (PIA), under which PIA will provide \$100,000 annually for credit and operating funds for use in communities served jointly by the two organizations in the Altiplano region. This collaboration represents an exciting new form of partnership for Freedom from Hunger with another international PVO, where each organization uniquely contributes to strengthening a local NGO to maintain and expand *Credit with Education*. Plan will provide financial support, an introduction to the communities, and delivery of health services. Freedom from Hunger will provide financial support and the *Credit with Education* training and technology. CRECER (the local Freedom from Hunger organization) will provide the human resources to implement and administer the program. Together, we hope to develop local capacity to provide and maintain *Credit with Education* services for a substantial number of new communities on the Bolivian Altiplano.

During the past year, Freedom from Hunger and CRECER negotiated a \$150,000 line of credit from a local commercial bank, the Banco Industrial, S.A. (BISA) to support the growing credit needs of the program. Freedom from Hunger accomplished this task by establishing a guarantee account which used loans from American social investors to leverage a stand-by letter of credit. In the Latin American context, this arrangement was a significant achievement. The ability to obtain new credit funds through the BISA line of credit has removed a major obstacle to program expansion. Efforts continue, however, to find more cost-effective sources of loan capital.

In April 1995, Freedom from Hunger submitted a five-year proposal to the USAID Microenterprise Innovation Project (MIP) for \$2.5 million to fund expansion of the program with the goal of reaching self-financing by the year 2000. The proposal was approved in June for \$2 million. This support will enable CRECER to expand *Credit with Education* services to reach 30,000 poor rural women over the next five years and to increase the loan portfolio from its current level to nearly \$5.5 million by the year 2000.

#### *Specific outputs*

- ◆ 138 Credit Associations are providing loans and education to approximately 3,600 borrowers.
- ◆ The outstanding loan portfolio at the end of June 1995 was approximately \$400,000.
- ◆ A small administrative office was established in La Paz to facilitate expansion in the Altiplano region and coordination with Plan International Altiplano.

#### *Summary of Accomplishments*

In addition to obtaining funding for expansion, Freedom from Hunger has focused its efforts in Bolivia on strengthening the organizational structure and administrative systems in preparation for the dramatic expansion projected for FY 96. A new Chart of Accounts has been developed for the accounting system, and, in the summer of 1995, two key staff were hired: a new executive director with extensive financial experience and a new training coordinator. Several other new staff, including a chief financial officer and an internal auditor, will be hired in FY 96, and the central office and main administrative systems will be relocated to La Paz.

Family planning continues to be an important issue in the Bolivian program. As the government becomes increasingly accepting of modern family planning, thanks in part to the influence of the AID/Bolivia mission, the structure of our program will provide an excellent framework for furnishing family planning services in rural areas. In the last year, discussions were held with local organizations to explore possible collaboration on family planning education and distribution of contraceptives. Although this has not yet resulted in a concrete agreement, negotiations will continue.

#### **BURKINA FASO**

The performance of the Credit Associations and the program as a whole has been outstanding, thanks in large part to the management capabilities of our partner organization, the Réseau des Caisses Populaires du Burkina Faso (RCPBF). By June 1995, two years after start-up, the total number of Credit Associations was 196. The on-time loan repayment rate remains at 100 percent. The RCPBF continues to provide all the loan capital required and will apply interest earned on program loans to program costs. Freedom from Hunger continues to provide funding for program operating expenses not covered through this interest income.

The participating rural credit unions, through whom the program is implemented, are well aware that *Credit with Education* helps them attract members and mobilize savings. According to the coordinator of the RCPBF, the credit unions implementing the program are able to cover their operational costs in a significantly shorter period of time (several years less) than those credit unions operating outside the program areas.

### *Specific Outputs*

- ◆ 196 Credit Associations have been established with over 6,000 members, 82 percent of whom are borrowers (the others are taking advantage of the savings opportunities of the program and participating in the weekly learning sessions).
- ◆ The outstanding loan portfolio at the end of June 1995 was \$148,577.
- ◆ 8 credit unions are now participating in the program, in three different areas.
- ◆ The average loan size has risen to \$31.
- ◆ A process evaluation carried out in December 1994, with very positive findings; staff began to implement its major recommendations almost immediately.
- ◆ The oldest Credit Associations (those participating in at least five loan cycles) have participated in a series of lessons in each of the five priority health/nutrition/family planning topics.

### *Summary of Accomplishments*

The success of *Credit with Education* in Burkina Faso can be measured both quantitatively (number of Credit Associations and participants, loan repayment rate, number of learning sessions, etc.) and qualitatively. Observation of the learning sessions, for example, has repeatedly shown that the women are genuinely eager and involved participants: asking pertinent questions, offering real examples of successes and failures, and having open discussions about important strategies for managing their family responsibilities.

The following is a partial list of evaluation recommendations which have been or are being implemented:

- ◆ Decentralization of program management, in part through the selection and training of three experienced field agents, to the newly-created post of zonal coordinator (one for each region).
- ◆ Adjustment of loan terms to respond better to client needs, in line with the recommendations in Technical Update No. 8 (loan increases no longer tied directly to the amount of savings, and the possibility of a less frequent repayment schedule for mature Credit Associations, etc.).
- ◆ Adoption of more rigorous accounting procedures.
- ◆ Development of a comprehensive financial management information system integrated into the ongoing operations of the RCPBF, with the assistance of Freedom from Hunger's Technical Advisor, Finance and the support of a SEEP planning grant.
- ◆ Strengthening the self-management of the Credit Associations.

The creation of fully self-managed Credit Associations remains a major challenge for this and other *Credit with Education* programs in West Africa, where female literacy rates in rural areas are extremely low. In many Credit Associations in Burkina Faso there are no members sufficiently literate to keep the Credit Associations' books. Although program staff had assumed this role, the Credit Associations will never be completely self-managed in such a situation. Thus, the evaluation

suggested that each Credit Association find and hire literate villagers to do the basic bookkeeping (remunerated from group funds), until literacy training could be made available. In the last part of this reporting period, several Credit Association members were enrolled full time in a 45-day literacy training program available through a local literacy organization, but the all-day classes made it impossible for them to carry out their other responsibilities. Thus, they were frequently absent, leading program staff to negotiate with the National Literacy Institute to arrange classes better adapted to the women's availability. Overcoming illiteracy will certainly take time, but the RCPBF was also encouraged by the evaluation to look at other ways that women can take on more responsibility for their own Credit Associations.

Another challenge faced by program staff was the relatively slow progress toward financial self-sufficiency, both because of the large numbers of participants who did not take loans and the slower-than-expected loan growth. Staff dealt with the first issue by giving priority for membership to women who wanted credit *and* savings over those who wanted to take advantage of the savings opportunity only. By June 1995, the percentage of borrowers rose from 67 percent to about 80 percent of participants. The program also adjusted loan terms, as mentioned above, to encourage larger loans more rapidly; this too has had a noticeable effect, with the average loan size more than doubling during this reporting period.

Overall, the Burkina Faso program remains a "star," with the RCPBF's strong commitment to *Credit with Education* and sustainability, well thought-out and detailed planning, and effective training and personnel administration.

#### GHANA

Freedom from Hunger is poised for rapid expansion in Ghana with receipt of USAID's Anti-Poverty Lending (APPLE) Matching Funds. An advance was made on the *cedi* portion of these funds in December 1994, but the dollar portion became available only at the end of this reporting period. Despite the delay in accessing funds, Freedom from Hunger has conducted lengthy negotiations with two urban-based prospective partners: Women's World Banking Ghana/MASU (WWBG/MASU) and Citi Savings and Loan (CS&L). These negotiations have proved difficult. In the case of WWBG/MASU the difficulty arose because of a change of key management personnel as well as frequent board changes, and in the case of CS&L an unwillingness to provide a significant portion of the loan portfolio, a precondition for solid partnership, created difficulties. Contacts with the third Rural Bank (Nandom, in the far north) proved much more fruitful, however. A program manager and field agents were selected in June 1995. Negotiations are also well underway with a fourth Rural Bank.

The Lower Pra and Brakwa-Breman Rural Banks continue to strongly support *Credit with Education* because it helps them meet their mandates to serve rural clients, and the high loan repayment rate strengthens their overall loan collection rate. Program services have become institutionalized within these banks, and the number of Credit Associations are growing steadily. The demand for program services has led to its virtual self-marketing in current program areas. Freedom from Hunger International Center's Technical Advisor, Finance has been working with both partners, as well as with Nandom, to more precisely define the program's costs (both operational and financial) in order to be able to rigorously monitor the program's financial self-sufficiency as expansion occurs.

*Specific outputs*

- ◆ 76 Credit Associations are providing credit and targeted learning sessions to over 2,200 members.
- ◆ The outstanding loan portfolio at the end of June 1995 was \$93,160.
- ◆ The average loan size was \$53 in Lower Pra and \$42 in Brakwa-Breman.
- ◆ The loan recovery rate was 99.8 percent in Lower Pra and 100 percent in Brakwa-Breman.
- ◆ The Family Planning and Health Project (FPHP) provided training to 24 community-based distributors, who are currently providing both family planning services and information to about 20 communities in the Brakwa-Breman area; FPHP has agreed to support three more such workshops in program areas.

*Summary of Accomplishments*

After a rather cautious start, the program has expanded rapidly in the Lower Pra and Brakwa-Breman areas, and the initial preparatory work of obtaining baseline data on demographics, health, and credit has been completed in Nandom. Staff training continues to be emphasized by the two training coordinators, who have provided extensive individual on-site training to field agents during visits to Credit Association meeting and a workshop for staff on how to strengthen Credit Association self-management capacity. In June, Freedom from Hunger International Center staff worked with the training coordinators on methods of adapting the model lessons plans for Credit Association members to the local context, specifically focusing on learning sessions covering infant feeding and nutrition.

Until now *Credit with Education* has been strictly a rural program, in Ghana as in other program countries. One of the most challenging aspects of the potential new partnerships with WWBG/MASU and Citi Savings and Loan was the opportunity they offered to adapt the basic *Credit with Education* model to urban and peri-urban areas, where local market economies are stronger but group solidarity may be more problematic. Lengthy discussions were held with the director of MASU and a program design document developed, which detailed the organization and management of the program and credit and savings policies. However, toward the end of this reporting period, WWB Ghana initiated a process to restructure the relationship between WWB Ghana and WWBG/MASU with the objective of merging the two organizations. This process has resulted in significant turnover in both the staff and board of MASU, including the departure of the director (our primary contact). These unexpected developments have delayed program start-up. Nevertheless, these early negotiations, even if not immediately resulting in a new program, have served to encourage our consideration of how the *Credit with Education* model can be adapted to the different challenges of urban areas.

As the program expanded, Rural Banks experienced increasing difficulties in funding the growing loan portfolio. Freedom from Hunger has begun discussions with banking institutions in Ghana to expand Rural Banks' access to reasonably priced credit funds, including the Bank of Ghana's Rural Finance Division. The Bank of Ghana could not guarantee the availability of loan funds, but it did indicate several promising possibilities for loan funds to be made available to Rural Banks in the future. However, during this reporting period, liquidity problems at Lower Pra Rural Bank caused temporary interruptions in the flow of credit funds, and the bank took a short-term loan to fulfill these credit needs. The Bank also set up a special "on-call" account that could be used if credit fund needs in a given month outstripped expectations.

The Lower Pra Rural Bank has made plans to restructure its *Credit with Education* program staff, adding an assistant manager/coordinator who will be responsible for monitoring field staff and activities while the manager will more closely manage the financial management and administration of the program. The bank manager is also planning to hire several new field agents to replace those who have proved unwilling or unable to ride motorbikes to the rural Credit Associations. Relying on public transportation or the bank vehicle, they have not always been able to arrive at meetings on time.

One of the primary challenges in the next reporting period will be to establish a comprehensive management information system. As new partners are added, Freedom from Hunger's Technical Support Center staff in Accra will also need to be strengthened in FY 96 by the addition of a senior accountant/business manager.

### HONDURAS

Familia y Medio Ambiente (FAMA), Freedom from Hunger's partner organization in Honduras, continued to make progress as an independent Honduran NGO during the reporting period. This is particularly important because the next year will be a transition period, the last full year of the FAMA/Freedom from Hunger agreement. During the reporting period, FAMA worked to strengthen organizational and managerial capabilities; expand program activities to a new Department, El Paraíso; and further develop, test, and refine the education component of *Credit with Education*. Freedom from Hunger and FAMA continue to seek local connections in Honduras for institutional strengthening.

FAMA's board of directors established bylaws and developed a personnel manual. However, board/staff relations remain a major challenge for this program. At the end of this reporting period, FAMA's board was not meeting regularly, and it is likely that it will be restructured in the coming year.

### *Specific Outputs*

- ◆ A system for selecting and training "natural leaders" was established.
- ◆ 76 Credit Associations are providing loans to 1,118 borrowers.
- ◆ The outstanding loan portfolio at the end of June 1995 was almost \$82,000 with a 100 percent repayment rate.
- ◆ The program expanded into the Department of El Paraíso with the inauguration of 29 Credit Associations.
- ◆ A field office was established in Danli, El Paraíso.

### *Summary of Accomplishments*

One of the unique aspects of the FAMA *Credit with Education* program is the system of "natural leaders." The natural leaders are outstanding Credit Association members chosen to assist the field agent in up to four Credit Associations close to her home. This "indigenous" leadership role is particularly important in Honduras, where the demands on women's time mean that Credit Associations must all meet at the same hour (2:00 p.m.). Thus, the field agent obviously cannot attend all the meetings of "her" Credit Associations. Although the relatively high education level of the Credit Association members assures a basic level of financial self-management, a system of trained "natural leaders" is essential to oversee the books and fully carry out the learning sessions. During

this reporting period a system for selecting and training these natural leaders was established, and the 40 women selected were trained in nonformal participatory education techniques and basic bookkeeping and recordkeeping skills. A system of regular meetings and follow-up has also been established.

FAMA is now directly receiving and managing its two major grants from the W.K. Kellogg Foundation and the Interamerican Foundation. Efforts continue to establish linkages to additional funding sources and to develop a strategy for long-term growth and financial self-sufficiency. Freedom from Hunger remains committed to providing technical assistance in fundraising and strategic planning, as well as in the further development of the education component and administrative and financial management information systems.

### MALI/CANEF

On June 30, 1995, Freedom from Hunger's three-year agreement with our original Malian partner, CANEF, came to an end. In that same month, an external evaluation was carried out on the impact of the program and the capacity of CANEF to provide *Credit with Education* services. It also analyzed the partnership between CANEF and Freedom from Hunger. The report certainly indicates positive impacts on program participants (see Attachment 7 for June 1995 survey results). However, the evaluation also points out substantial institutional and management problems. Unlike financial institutions, it is highly unlikely that CANEF will be capable of financially sustainable, large-scale program development.

Discussions will continue to explore possibilities for the future relationship between Freedom from Hunger and CANEF in FY 96. Although our major efforts in Mali will now be devoted to two new partners (financial institutions Nyèsigiso and Kafo Jiginew), we expect CANEF to remain a part of the *Credit with Education* worldwide network, and hope to provide them with grant writing and grants management assistance, in addition to technical assistance in training and the development of an effective financial MIS system, as requested and as our resources allow. We will also continue to link them, as in the past, with local consultants or organizations providing technical assistance, and will help them seek other financial support mechanisms to maintain the delivery of services and continue their development as an autonomous NGO.

### *Specific outputs*

- ◆ 82 Credit Associations, with over 2,500 members, as of February 1995.
- ◆ CANEF's line of credit with the Banque Nationale pour le Développement Agricole (BNDA) was again doubled to 30 million FCFA (approximately \$60,000).
- ◆ The program received an additional grant from USAID/Mali to promote village-based information on family planning (to men and women) and set up a community-based distribution system of contraceptives, thus complementing the family planning learning sessions of the *Credit with Education* program.
- ◆ CANEF's board of directors was reorganized and revitalized by the addition of several new members; for the first time, they began to hold regular meetings, raising hopes that the board might play a real oversight and policymaking role.

*Summary of Accomplishments*

This year was one of consolidation and continued institutional development. No new Credit Associations were opened, although the groundwork was laid to open a modest number of Credit Associations in FY 96 (about 30) in two additional subdistricts in Bougouni. There was a major emphasis on improving personnel systems, with a substantial restructuring of the staff and the opening of a large field office in Bougouni, the adaptation of the generic Personnel Policies and Procedures Manual to Malian legal codes, and the adoption of a system of regular personnel evaluations. A great deal of work was also accomplished on financial reporting procedures and credit management systems, with the help of a local consulting firm, although the results were still not completely suitable for CANEF's needs.

Freedom from Hunger staff held an in-service training on the microenterprise development lessons of the education component, as well as on the techniques of informal group discussions. CANEF's relationship with other agencies, especially local government and health agencies, became closer. This was due in part to the requirements of the new USAID/Mali family planning grant, managed through a "Pivot Group" of child survival agencies and requiring coordination with local medical services.

CANEF continues to be highly regarded by their main source of loan capital, the BNDA, which has assured them their line of credit can be expanded whenever the need arises.

**MALI/NYÈSIGISO**

Nyèsigiso is the Bambara name of the Malian Credit Union Network, which is supported by the well-known Canadian organization Développement international Desjardins (DID). DID also was the original founder of the Credit Union Network in Burkina Faso, and the RCPBF has proved a powerful and readily accessible model for the integration of *Credit with Education* into credit unions.

The first credit unions were established in the Ségou area in 1989; by FY 95 they were expanding very successfully into the peri-urban areas of Bamako. *Credit with Education* will begin with two credit unions in the original Ségou region, but by the end of the Matching Grant period will also be working with credit unions around Bamako.

During this reporting period, an agreement was signed, a program director hired, and the initial two credit unions selected. A team of eight field agents was chosen in June. They participated in a two-week training facilitated by Freedom from Hunger staff in July. We had hoped to train field agents and begin to open Credit Associations by May, but there were delays in accessing the USAID Anti-Poverty Lending (APPLE) funds which are the program's primary support. However the additional time has allowed the two partners to engage in extensive discussions about their respective roles and expectations, as well as giving our Technical Advisor, Finance the opportunity to thoroughly understand the Network's existing financial management information system and how the *Credit with Education* component can best be integrated into it.

Once funds are flowing, we hope to scale up this program very rapidly, based on the successful experience of Burkina Faso, a program which all key Nyèsigiso staff have visited. Large-scale expansion virtually from the beginning will, of course, require a great deal of assistance from Freedom from Hunger in the next program year. Much of this ongoing assistance will come from the Regional Advisor for Africa, a Freedom from Hunger International Center staff person who is

setting up a Technical Support Center in Bamako to be closer to the two new Mali programs and to Burkina Faso (see p. 18). Successful, rapid expansion in this very young program also depends on the availability of a replication package of *Credit with Education* tools and systems.

### MALI/KAFO JIGINEW

Kafo Jiginew is a large network of financial cooperatives in the cotton-growing area of southern Mali. Like the credit union networks, the Kafo Jiginew staff and board viewed *Credit with Education* as a way to expand services to poorer, more isolated women who were not able to become individual members of a cooperative. The board enthusiastically welcomed the idea of *Credit with Education* when it was presented to them by Freedom from Hunger in September 1994, although the Director had questions about how and by whom the strategy would be implemented. Before these issues could be resolved, there was a major upheaval in the organization. For several months, there was no recognized director, and it was unclear whether the European consortium of NGOs which was the organization's major outside support would continue with its funding. When the dust settled six months later, the former (French) director had officially been replaced by a Malian, two audits had been carried out, and we were able to resume negotiations.

We found the new management team much more receptive to incorporating a *Credit with Education* service directly into their organization. Plans were made to carry out an organizational/financial assessment of Kafo Jiginew in July 1995 and sign an agreement as soon as feasible thereafter.

Special Note: With regard to all the Mali programs, we would like to acknowledge the genuine interest and support we have received from many individuals in USAID Mali. This mission has not only been a major funder, but a genuine partner in development, despite the additional demands of its own "re-engineering" process during this reporting period.

### NEW PROGRAM COUNTRIES

#### TOGO

As stated in the First Annual Report, we delayed a decision to go ahead with program start-up in Togo until February 1995. This was decided to give our proposed partner, the credit union movement FUCEC (Fédération des Unions Cooperatives d'Épargne et de Crédit), time to respond to the unexpected loss of the USAID-funded World Council of Credit Unions (WOCCU) technical and financial support in September 1994.

The decision was made in February to go ahead with a small one-year pilot program in the Maritime Province, working through a single credit union. Twenty Credit Associations will be established during this pilot year. An agreement was signed and recruitment carried out for a program manager toward the end of the reporting period. Unfortunately, no suitable candidate was discovered, and a more extensive recruitment process was planned for September/October.

Throughout this coming year, we will continue to monitor FUCEC's financial health on a regular basis. Although still running at a deficit, the organization is reasonably close to its projections in terms of its current financial picture. The FUCEC director has also established contacts and prepared a concept paper for USAID's regional office in Abidjan for funding the *Credit with Education* program. Meanwhile, FUCEC is also beginning to expand its credit union network in the northern savanna region as part of a major Togolese government/IFAD-integrated development project. If the

pilot *Credit with Education* program is successful and the agreement is renewed next year, FUCEC wants to introduce the program to the savanna region as soon as possible.

## UGANDA

The Uganda program is being implemented through an innovative three-way partnership which includes Freedom from Hunger, the Foundation for Credit and Community Assistance (FOCCAS), and the Uganda Cooperative Savings and Credit Union (UCSCU). FOCCAS was established in 1993 to implement microenterprise development programs in eastern rural Sub-Saharan Africa, beginning in Uganda. UCSCU is a national credit union, divided into 18 zones which coordinate services to a total of 837 primary savings and credit societies throughout Uganda. UCSCU's well-developed rural network provides a cost-effective infrastructure through which the program can be implemented. FOCCAS provides the necessary training, technical assistance, and the operational systems and funds to UCSCU to implement the program. Freedom from Hunger contributes technical assistance and backstopping to FOCCAS.

Development of the Uganda program, thus, occurred on two distinct levels during this reporting period: 1) the development of FOCCAS's institutional capacities (accomplished through meetings of Freedom from Hunger and FOCCAS staff and through joint strategic implementation trips to Uganda) and 2) the establishment within UCSCU of a well-managed *Credit With Education* Technical Unit. With regard to Level 1, FOCCAS staff participated with Freedom from Hunger in the following start-up activities required to implement the program: assessing potential in-country partners and selecting an implementing partner, signing an agreement, selecting a pilot area, and recruiting and hiring a program manager. With regard to Level 2, (developing UCSCU's capability to carry out *Credit with Education* in Uganda), FOCCAS and UCSCU established a *Credit with Education* Program Office within UCSCU's Mbale Zonal Office and established a relationship with a Ugandan commercial lending institution. The Cooperative Bank of Uganda has agreed in principle to provide a line of credit to capitalize the loan portfolio during the first year of program operations, after two four-month loan cycles demonstrate high repayment rates.

Fundraising for operational expenses in Uganda and in the U. S.-based FOCCAS office, however, remains a major challenge. FOCCAS did receive a small start-up grant from UNICEF/Uganda, which it expects will be renewed and increased next year, and is putting major efforts into fundraising both in Uganda and in the U. S.

Training for the Uganda program manager included a five-week apprenticeship in the Ghana program, participation in the *Credit with Education* Partners Meeting and Learning Exchange at Freedom from Hunger's International Center, and detailed planning at the FOCCAS Resource Coordination Office in Reno, Nevada. Training for the first group of field agents is scheduled for January 1996.

## OTHER PROGRAM COUNTRIES

We continue to monitor the situation in Nigeria, but there are no current plans for program start-up there. Three projected visits by Freedom from Hunger staff during the past year had to be cancelled because visas could not be obtained. We have also lost our key contact in the National Board for Community Banks. Chevron has contacted us about establishing *Credit with Education* in their area of operations in the Delta State, but given the current political situation this is unlikely to happen in

the near future. A request was made and granted during this reporting period to substitute Uganda for Nigeria in the Matching Grant.

## V. REVIEW AND ANALYSIS OF INTERNATIONAL CENTER SUPPORT ACTIVITIES

Freedom from Hunger's International Center in Davis, California is the hub of a steadily growing network of *Credit with Education* practitioners. As the number of partners grows, so do the demands of providing adequate and timely guidance and technical assistance. Increasingly, however, these partner organizations will also be able to look to each other for assistance, as they have the opportunity to come together to share experiences, problems, and successes, and on occasion to visit one another's programs. In November 1994, they participated in the SEEP Village Banking Conference in Guatemala and were able to meet together as a group after the conference with several Freedom from Hunger staff. This experience was so successful that it led to ambitious plans for a more elaborate Partners Meeting in Davis, followed by a Learning Exchange, which also included several other practitioners of group-based lending integrated with education. Facilitated by Freedom from Hunger, these meetings took place in August 1995 and represent a watershed in our role as a catalyst for the dissemination of *Credit with Education*.

The five-day Partners Meeting was attended by fourteen representatives of ten partner organizations from six countries. Several of the partners were just starting *Credit with Education* programs, so for them it was a wonderful and empowering opportunity to learn, not just from staff of the International Center but also from representatives of a variety of partner organizations steeped in years of experience with *Credit with Education*. Together, we developed a sense of interdependent solidarity as co-equal partner-practitioners of *Credit with Education*, ready to provide and receive technical assistance and training from each other, according to our relative strengths and weaknesses.

The Partners Meeting was followed by a two-day meeting with several other U.S.-based organizations joining Freedom from Hunger staff and our partners in discussions of our common interest in making education work—cost-effectively—within the context of group-based lending to the poor. We were joined by representatives of Catholic Relief Services, Katalysis, Plan International, Project Hope, and World Relief. At the end of the second day, the sixteen organizations represented decided to form the *Credit with Education* Learning Exchange. Freedom from Hunger's International Center was asked to be the lead agency, given its already deep commitment to this new approach and to the development of communication and learning among *Credit with Education* practitioners. See Attachment 8 for some of the key Learning Exchange documents.

Attending the Guatemala meetings and planning and preparing for the Learning Exchange were major elements of the International Center's work in this reporting period, in addition to assisting the various partners described in Section IV. However the International Center also made progress on the following major objectives.

**1. Staff Restructuring and New Staff**—Staff restructuring took place toward the mid-point of this reporting period to focus the efforts of the three key senior staff members on areas where their skills and strategic vision are most needed. These three strategic focal points are education (Ellen Vor der Bruegge), financial services (Kathleen Stack), and evaluation/learning exchange (Chris Dunford).

It was also decided that an International Center staff person needed to be temporarily stationed in Mali, where two major programs (Nyèsigiso and Kafo Jiginew) are starting up almost simultaneously. Mark Gizzi, the former Senior Africa Regional Specialist, has accepted the new position of Regional Advisor for Africa. Mark will set up a Technical Support Center in Bamako and serve as its director for approximately 18 months. This location also allows much more convenient access to the Burkina Faso program, and Mark will work closely with them as well. Another advantage is the opportunity it provides for us to interact more closely with the USAID mission in Mali, which has long been a strong supporter of *Credit with Education*, as well as with other potential major funders such as UNICEF/Mali and the World Bank.

The West African Regional Office (WARO) will remain in Lomé for the next year, although it is now focused specifically on training. Ayélé Foly, as the Training Coordinator for West Africa, will continue to facilitate training workshops and Knowledge, Attitudes and Practice (KAP) surveys. Informal group discussions will be used to expand and deepen the information gained from the KAP surveys. Ayélé will, thus, spend a great deal of time working in Mali, Burkina Faso, and Ghana, but the location of the WARO office also allows her to work closely with FUCEC to assist in program development with the new pilot program in Togo.

Two new staff members joined Freedom from Hunger's Program Department during this reporting period. They are Robert Ridgley, Regional Specialist, Latin America, and Kiendel Burritt, Regional Specialist, Africa focusing primarily on Ghana and Togo. Robert was a Peace Corps volunteer in Ecuador and has worked with international development and relief organizations in India, Rwanda, and Latin America. Kiendel has worked as an analyst for telecommunications markets in Africa and the Middle East and also carried out research in the Ivory Coast on the social marketing of health care and family planning products. A new position, Director of Program Operations, was created to oversee program activities in both Africa and Latin America; this was filled by Peggy Roark, former Regional Specialist, Africa.

**2. Further Advances in the Education Component**—Substantial progress was made in both the development of educational tools and materials and in partner staff training. The Field Agent Operations Manual was simplified and revised to make it more “user-friendly” for its target group (see Chapter 1, Attachment 9). In July 1995, using the newly-revised manual, Ellen Vor der Bruegge and Ayélé Foly facilitated start-up trainings for groups of field agents in two new program sites in Ghana and Mali. The test results will be incorporated to finalize the document during FY 96. The Coordinator Operations Manual is also being developed to provide a full set of training and management tools to in-country program coordinators who will train field staff and supervise program implementation.

Tools were also developed to assess field agents' facilitation skills and their knowledge of the targeted health and nutrition topics. Where gaps are found in the knowledge base of field agents, training is scheduled to correct these deficiencies.

A full compendium of health/nutrition/family planning model learning sessions has been completed in the five topic areas. In the next year, more work will be done on ascertaining and addressing specific obstacles to women's adoption of the new “ideal behaviors,” and the lessons will be more effectively adapted to the specific context of each program. A draft of the Credit Association Management Committee training materials has been prepared and will be revised and tested during

the next year. In addition, the microenterprise topics and sequence will be revised, and a new series created on self-confidence development and on Credit Association management.

One addition was made to the technical update series. Technical Update No. 8: Program Loan Terms provides guidance for adapting the *Credit with Education* financial services model to fit the organization and economic contexts of each program. This represents our most recent thinking on how the basic model can and cannot be flexed (Attachment 3).

**3. Credit and Financial Management**—As *Credit with Education* expands, the ability to project and to accurately track progress toward sustainability becomes increasingly important, as does the need to access and manage nongrant sources of credit funds.

Our Technical Advisor, Finance, Graham Perrett, visited partners and prospective partners in Mali, Burkina Faso, Ghana, Togo, Uganda, and Bolivia during this reporting period to assess their financial management capacities and systems and to provide assistance in upgrading and/or integrating them into the overall reporting and financial management information system. He is developing a model financial MIS system with the Réseau des Caisses Populaires du Burkina Faso, supported in part by a SEEP planning grant. This model can then be adapted for other partners to assist them one by one in implementing an effective computerized or manual MIS system. The standardized Credit Association bookkeeping system is also being refined.

In addition, Mr. Perrett has been active in finding sources of credit funds to support the growing loan portfolios, especially in Bolivia and Ghana. While our credit union partners (Burkina Faso, Togo, the two new Mali programs) can be expected to supply their own funds, this has not proved true for the Rural Banks in Ghana and certainly not for CRECER in Bolivia. The Credit Union Network in Uganda (UCSCU) will also need to access additional credit sources.

Long-term financial plans were developed with each of our partner organizations. Financial sustainability and other key indicators are being standardized, and systems for reporting and tracking cost-recovery at the LOU level have been established. Much work remains to be done in these areas, however, both at the level of the International Center and in the implementation of these systems by each partner.

**4. Institutional Development and the *Credit with Education* Replication Package**—The Replication Package (still in the process of development) is a collection of generic tools, documents, and manuals which are necessary for the development of a *Credit with Education* program. Although much of the Replication Package concerns training and education, one section focuses on institutional development. Two of its major components completed during this reporting period are individual country marketing brochures and the model partnership agreement.

The marketing brochures for Bolivia, Honduras, Ghana, and Burkina Faso were finalized early in the reporting period and are included as Attachment 10. Each includes general and country-specific information about *Credit with Education* objectives and methodology. They are used primarily in-country for distribution to local funders, potential collaborators, and other interested organizations or individuals.

A model partnership agreement was developed (originally for the Nandom Rural Bank in Ghana), which was much more explicit about the roles and responsibilities of the partner organizations and

for the first time dealt with such issues as the cost of capital. It will serve as the basis of negotiations with all future prospective partners.

**5. Evaluation and Monitoring/Learning Exchange**—As discussed in Section III, it is essential to develop and maintain the capacity for cost-effective monitoring, as well as timely feedback to in-country program managers and International Center strategists. There is also a need for periodic impact evaluations. There has been an increased emphasis in this reporting period on documentation of program process and impact, submission to peer review journals and other publications, and making presentations. Throughout the remainder of the Matching Grant period, we also expect to be involved in additional technical assistance and training relationships, especially within the context of the *Credit with Education* Learning Exchange.

**6. New Funding Opportunities and the Gradual Decentralization of Financial Management**—Partnership with USAID took on new dimensions during this grant period, with the growing interest in microenterprise/microcredit programs. Freedom from Hunger was approved for two new major sources of USAID funds: Anti-Poverty Lending (APPLE) funds for Ghana and Mali and Microenterprise Innovation Project (MIP) funds for Bolivia. In all three countries these funds will support our work for significant scale-up of *Credit with Education*.

Building on its growing reputation in the development community and the prestige of its USAID partnerships, Freedom from Hunger continues to work to develop long-term relationships with large international development agencies. *Credit with Education* is now supported by UNICEF in Ghana, Burkina Faso, and Uganda; key new management staff in UNICEF/Mali have also recently expressed interest. The International Fund for Agricultural Development (IFAD) is providing support for the program in Burkina Faso. Freedom from Hunger staff remained in contact with the World Bank and were involved in a meeting in late June to discuss major new funding which will become available for microcredit programs through CGAP (Consultative Group to Assist the Poorest). Freedom from Hunger expects to apply for these new funds with a consortium of its African credit union or financial cooperative partners, possibly in conjunction with Développement international Desjardins.

Partners are increasingly becoming responsible for managing and reporting on their own grants, with assistance from International Center staff as necessary. During the past year, FAMA in Honduras received direct support and was completely responsible for its two major grants from the W.K. Kellogg Foundation and the Interamerican Foundation. Likewise, CANEF received the majority of its financing directly from the Counterpart Funds (Title III) of USAID/Mali. The Ghana and Burkina Faso programs were solely responsible for the narrative reports for their UNICEF grants. In the next reporting period, we will work to assist partners with detailed allocation planning and management, including the allocation of revenue from interest on loans and grant revenue.

## VI. FINANCIAL REPORT

An updated Project Financial Overview and a PVO Organizational Financial Overview for the reporting period immediately follow the report narrative. During the cumulative budget period reported, the Freedom from Hunger match exceeded projections by 123 percent, while the AID-funded expenditures were 10 percent below projections for the first 21 months of the grant period.

Freedom from Hunger's original conservative revenue and expenditure estimates for program implementation for the period July 1, 1994 to June 30, 1995 have been exceeded by 56 percent due to the ability of the organization to attract outside funding for program expansion. Freedom from Hunger provided a 90 percent match (\$700,000) for the additional expenditures required.

As detailed in USAID Form 1550-11 for each program, revenue patterns have differed from original expectations. Private funding for the program in Honduras released Matching Grant resources for the program in Bolivia, which suffered a decline in private funding for operations. We expect this situation to be resolved in FY 96, when several non-Matching Grant funding mechanisms will be in place to cover operating costs. It is anticipated that over the life of the project, the grant will cover a declining percentage of field operating costs as we continue to increase contributions from individuals, grants from institutions, and program revenue from interest and fees charged on loans to Credit Associations.

At this point in time we do not anticipate any changes in the proposed budget line items.

Freedom from Hunger is currently well ahead of the required 50 percent match for this grant. We do not anticipate any problems with our ability to meet and maintain the cost-sharing requirement for the duration of the grant.

## VII. LESSONS LEARNED AND LONG-TERM PROJECT IMPLICATIONS

- 1. Partner Organization Selection**—We would like to re-emphasize the importance of choosing partner organizations who share our vision of *Credit with Education* and who also have the administrative and financial capacity to implement the program on a large scale. Our experience in the last two years has increasingly led us to look first for solidly established credit union networks or other grassroots financial institutions as partners. When investigating potential partners, it is also advisable to talk to as many key people in the organization as possible at an early stage, including the board of directors. In this way, continuity can be maintained when staff turnover occurs.
- 2. Collaborative Agreements**—It is essential to allow ample time for negotiation and final signing of an agreement. Potential partners may well need repeated detailed explanations and suggest revisions which will take time to discuss. It is important that this process be completed before any program staff are hired or trained.
- 3. Expansion and Sustainability**—One of several lessons in this area is the need to “think big” in terms of staffing, training, and Credit Association start-up. Teams of eight or ten field agents can be hired and together can receive start-up training and regular in-service workshops; they can then each open an average of ten Credit Associations in the first year. This is far more cost-effective than hiring two or three at a time, but it does require a systematic plan, both for training and for scheduling field agents. It is also important for partner organizations to use a Credit Association rating system effectively to plan for the gradual “disengagement” of field agents from weekly attendance at Credit Association meetings.
- 4. Monitoring System**—The monitoring system must walk a fine line between simplicity and comprehensiveness. If it is perceived as too long or too complicated, some partners will be unable or unwilling to make use of it as intended. During the next reporting period, we plan to further

simplifying this system while maintaining the ability to obtain at least most of the necessary information it currently provides.

**5. Adaptation of Loan Terms**—The strict requirements of the early cycles of a Credit Association can be flexed as the Credit Associations mature, assuming they have proved their credit-worthiness (as shown primarily by their loan reimbursement performance). Thus, Technical Update No. 8 discusses the possibility of more rapid loan increases (up to 50% per cycle) and much more flexible repayment schedules, including balloon payments at the end of a cycle. Since there is clearly additional risk involved in such changes, they should probably be considered only when participants themselves express a need for more flexible loan terms and have demonstrated responsible participation in previous loan cycles.

**6. Financial Management Information Systems (FMIS)**—User-friendly systems capable of quickly and accurately providing essential data are crucial for expanding programs. This process does not necessarily involve computerization; the capabilities and in-country resources of each partner must be carefully assessed.

## VIII. RECOMMENDATIONS

We feel that it is still too soon to make specific recommendations, although some of the lessons learned could be re-phrased as such. More generally, at this point in the Matching Grant period we are recommending to ourselves and our partners that program decisions and implementation be characterized by three words: focus, simplicity, and discipline.

- ◆ The International Center and our partners must stay focused, basing our efforts on clearly understood plans with a clear delineation of roles and responsibilities.
- ◆ We must keep the strategy and its implementation simple, so it will be accessible to all and replication will remain feasible.
- ◆ We need to apply discipline to all aspects of the program to keep it focused and simple.

Throughout this report, we have attempted to share the reality of the issues that are part of a growing program and the steps taken to continue progress toward our goal. We have also attempted to share the sense of how energized we are by the advances being made with our partners to provide *Credit with Education* services to an ever-growing number of women and their families throughout the world.

CUMULATIVE FINANCIAL PROFILE OF THE PROJECT  
FOR THE PERIOD SEPTEMBER 20, 1993 - JUNE 30, 1995

A. BUDGETED VERSUS ACTUAL EXPENSES  
(in 000's)

Project Elements	USAID		FREEDOM FROM HUNGER	
	<u>Budget</u>	<u>Expenditures</u>	<u>Budget</u>	<u>Expenditures</u>
Salaries & Benefits	\$876	\$663	\$500	\$1,422
Travel	168	150	120	215
Training	52	39	80	68
Subcontracts	4	27		31
Credit Funds			200	158
Other Direct Costs	240	295	200	554
Indirect Cost	60	85	100	232
<b>TOTAL PROJECT</b>	<u><u>\$1,400</u></u>	<u><u>\$1,259</u></u>	<u><u>\$1,200</u></u>	<u><u>\$2,680</u></u>

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FINANCIAL PROFILE OF THE PROJECT  
 JULY 1, 1994 - JUNE 30, 1995

A. BUDGETED VERSUS ACTUAL EXPENSES  
 (in 000's)

Project Elements	A.I.D.		FFH	
	Budget	Expenditures	Budget	Expenditure
Salaries & Benefits	\$419	\$320	\$250	\$739
Travel	102	100	60	100
Training	25	19	40	19
Subcontracts	2	25	0	25
Credit Funds			100	88
Other Direct Costs	122	206	100	248
Indirect Cost	30	64	50	82
<b>TOTAL PROJECT</b>	<b>\$700</b>	<b>\$734</b>	<b>\$600</b>	<b>\$1,301</b>

B. SOURCES OF PROJECT FUNDS  
 (in 000's)

A.I.D. Matching Grant	\$734
Private: Cash	1,206
Other A.I.D. Grants/Contracts (1)	95
<b>TOTAL</b>	<b>\$2,035</b>

(1) Breakdown of Other A.I.D. Grants/Contracts:

Grant/Contract No.	Amount FY 95	Period Covered	Countries Covered
688-0247-G-000-2157-00	25,000	07/01/93-09/30/94	Mali
641-0000-G-00-4030-00	41,000	12/10/94-12/11/97	Ghana
Accord PL 480/Title III	1,744	04/01/95-04/01/98	Mali
Accord P.L. 480/Title III	27,842	12/10/94-12/11/97	Ghana

*total 24  
 .. 20-95*

PVO FINANCIAL HISTORY AND GRANT PERIOD PROJECTIONS  
(\$s in thousands)

SOURCE OF FUNDS	<i>Financial History</i>			<i>Projections for Remainder of Grant</i>					
	Calendar 1990	Calendar 1991	Stub 1992	FY 1993	FY 1994	FY 1995	1996	1997	1998
A.I.D. Matching Grant	\$457	\$870	\$384	\$740	\$525	\$734	\$600	\$500	\$500
Private: Cash	1,451	1,503	700	2,184	2,204	2,230	2,662	2,791	2,924
In-kind	158	52	8						
Other AID Grants	175	85	26	78	410	95	200	250	300
Other U.S. Gvmt (State)	4	38	21						
Other (PACT)	0								
Program Revenues	80	70	22	31	97	97	422	756	1,235
Other	110	39	29		44	71			
<b>TOTALS</b>	<b>\$2,445</b>	<b>\$2,707</b>	<b>\$1,190</b>	<b>\$3,033</b>	<b>\$3,280</b>	<b>\$3,227</b>	<b>\$3,884</b>	<b>\$4,297</b>	<b>\$4,959</b>

## ATTACHMENT 1

PVO PROJECT REPORTING INFORMATION  
ON AID SUPPORT PVO PROJECTS

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization <b>Freedom from Hunger</b>	Grant/Contract Number FAO-0158-A-00-2044-00
Start Date (m/d/y) 09/30/93	End Date (m/d/y) 09/29/98
AID Project Officer's Name Regina Coleman	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
1994	402	1997	92
1995	268	1998	92
1996	141		
LOP		995	

Activity Description

Freedom from Hunger provides management, technical assistance, resource development, research, and evaluation services to its subsidiary and affiliate programs included in the Matching Grant portfolio. *Credit with Education* is an integrated intervention that provides poor women with both poverty-lending (small-scale productive credit to the very poor) and nonformal adult education (for better maternal/child health and nutrition). It makes economic sense. It is sustainable for the long term. Large-scale implementation of the program is underway.

Status

Freedom from Hunger has made significant progress in developing new partnerships, with four partners preparing for start-up in this reporting period and three more expected next year. Several existing partners also dramatically increased their portfolios. *Credit with Education* is receiving increasing recognition within the development community as a powerful, sustainable strategy to address the causes of chronic hunger and malnutrition. A great deal of progress was made on the Replication Package, a collection of generic tools, documents, and manuals necessary for the development of a *Credit with Education* program. Systems for reporting and tracking cost-recovery at various levels have been established, and we are working with partners to assess and upgrade their financial management capacities and systems.

COUNTRY INFORMATION (SECONDARY)

Country <b>International Center - Program Support and Evaluation</b>	Location in Country (Region, District, Village) P.O. Box 2000 Davis, CA 95617 USA
PVO Representative's Name Ellen Vor der Bruegge	Local Counterpart/Host Country Agency n/a

COUNTRY FUNDING INFORMATION

YEAR	1994	1995	1996	1997	1998
AID \$	521	587			
PVO \$	592	632			
INKIND					
LOCAL					
TOTAL	1,113	1,219			

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FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization Freedom from Hunger	Grant/Contract Number FAO-0158-A-00 2044-00
Start Date (m/d/y) 09/30/93	End Date (m/d/y) 09/29/98
AID Project Officer's Name Regina Coleman	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
1994	0	1997	0
1995	0	1998	0
1996	0		
LOP		0	

Activity Description

The program provides credit to self-managed Credit Associations (CAs) of 15-49 women (16- or 24-week group loan, which can be rolled over and increased). The women take individual loans to carry out familiar income-generating activities of their choice in order to increase personal and family income and savings. The same program staff also provides to CA members information and counseling as they facilitate problem solving which empowers the participants to improve the quality of life for themselves and their children. Weekly meetings of these CAs provide a forum to address CA management, basic microenterprise development problems, and hunger-related issues relevant to the members' daily lives. Learning sessions address five critical issues within the power of the individual to control: 1) Birth spacing; 2) Breastfeeding; 3) Infant and child nutrition; 4) Management and prevention of diarrhea; and 5) Immunizations. High priority will be given to offering family planning information, education, counseling and referral to local providers of family planning service and supplies.

Status

Freedom from Hunger and Plan International Altiplano have signed a three-year Cooperative Agreement to support the expansion of *Credit with Education* to communities in the Lake Titicaca region. This represents an exciting new form of partnership with another international PVO. A \$150,000 line of credit was negotiated with a local commercial bank, providing access to much-needed credit funds. Freedom from Hunger also submitted a successful proposal to the USAID Microenterprise Innovation Project, which will provide \$2 million for expansion. Work continued on strengthening the organizational structure and administrative systems of CRECER in preparation for the dramatic expansion projected for FY 96.

COUNTRY INFORMATION (SECONDARY)

Country Bolivia	Location in Country (Region, District, Village) Provinces of Manco Kapac, Omasuyos, Los Andes, Ingavi, Pacajes, Aroma: Dept. of La Paz Provinces of Mizque, Esteban Arce, Jordán: Department of Cochabamba
PVO Representative's Name María del Carmen Sahonero	Local Counterpart/Host Country Agency Crédito con Educación Rurale (CRECER)

COUNTRY FUNDING INFORMATION

YEAR	1994	1995	1996	1997	1998
AID \$	160	66			
PVO \$	43	67			
INKIND					
LOCAL		185			
TOTAL	203	318			

28

PVO PROJECT REPORTING INFORMATION  
ON AID SUPPORT PVO PROJECTS

FOR OFFICIAL USE ONLY

PVO Type	Project Number
Appropriation	Level
Country Code	Fund Type Technical Code
Project Officer	Key 1 Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization <b>Freedom from Hunger</b>	Grant/Contract Number FAO-0158-A-00-2044-00
Start Date (m/d/y) 09/30/93	End Date (m/d/y) 09/29/98
AID Project Officer's Name Regina Coleman	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
1994	79	1997	80
1995	80	1998	80
1996	80		

LOP

399

Activity Description

The program provides credit to self-managed Credit Associations (CAs) of 15-49 women (16- or 24-week group loan, which can be rolled over and increased). The women take individual loans to carry out familiar income-generating activities of their choice in order to increase personal and family income and savings. The same program staff also provides to CA members information and counseling as they facilitate problem solving which empowers the participants to improve the quality of life for themselves and their children. Weekly meetings of these CAs provide a forum to address CA management, basic microenterprise development problems, and hunger-related issues relevant to the members' daily lives. Learning sessions address five critical issues within the power of the individual to control: 1) Birth spacing; 2) Breastfeeding; 3) Infant and child nutrition; 4) Management and prevention of diarrhea; and 5) Immunizations. High priority will be given to offering family planning information, education, counseling and referral to local providers of family planning service and supplies.

Status

The Réseau des Caisses Populaires de Burkina Faso (RCPBF) continues to have an outstanding *Credit with Education* program, which was serving over 6,000 women in 196 Credit Associations by June 1995. Eight Credit Unons are now participating in the program, in three different areas. Freedom from Hunger, the RCPBF, and UNICEF carried out a process evaluation in December 1995, which made recommendations for decentralization of program management, adjustment of loan terms to better meet client needs, strengthening of Credit Association self-management, and the development of a comprehensive financial management information system integrated into the ongoing operations of the RCPBF. All these recommendations are currently being implemented.

COUNTRY INFORMATION (SECONDARY)

Country <b>Burkina Faso</b>	Location in Country (Region, District, Village) Bazéga, Oubritenga, Boulkiemdé, Sissili, Sanguié provinces
PVO Representative's Name Célestine Toé	Local Counterpart/Host Country Agency Réseau de Caisses Populaires du Burkina Faso (RCPBF)

COUNTRY FUNDING INFORMATION

YEAR	1994	1995	1996	1997	1998
AID \$	0	30			
PVO \$	105	32			
INKIND					
LOCAL		29			
TOTAL	105	91			

PVO PROJECT REPORTING INFORMATION  
 ON AID SUPPORT PVO PROJECTS

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization <b>Freedom from Hunger</b>	Grant/Contract Number FAO-0158-A-00-2044-00
Start Date (m/d/y) 09/30/93	End Date (m/d/y) 09/29/98
AID Project Officer's Name Regina Coleman	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
1994	96	1997	96
1995	96	1998	96
1996	96		

LOP

480

Activity Description

The program provides credit to self-managed Credit Associations (CAs) of 15-49 women (16- or 24-week group loan, which can be rolled over and increased). The women take individual loans to carry out familiar income-generating activities of their choice in order to increase personal and family income and savings. The same program staff also provides to CA members information and counseling as they facilitate problem solving which empowers the participants to improve the quality of life for themselves and their children. Weekly meetings of these CAs provide a forum to address CA management, basic microenterprise development problems, and hunger-related issues relevant to the members' daily lives. Learning sessions address five critical issues within the power of the individual to control: 1) Birth spacing; 2) Breastfeeding; 3) Infant and child nutrition; 4) Management and prevention of diarrhea; and 5) Immunizations. High priority will be given to offering family planning information, education, counseling and referral to local providers of family planning service and supplies.

Status

Freedom from Hunger's Technical Support Center in Accra is now working with a third Rural Bank, Nandom, in the far north. A program manager and field agents were selected in June 1995, and training took place in July. Extensive negotiations were carried out with an urban-based prospective partner, Women's World Banking Ghana/MASU, and an agreement is expected to be finalized in FY 96. A fourth Rural Bank is also expected to start up in FY 96. One of the challenging aspects of the MASU partnership is the opportunity it offers to adapt the basic *Credit with Education* model to urban or peri-urban areas, where group solidarity is more problematic. Family planning continues to be emphasized, with the Family Planning and Health Project providing training to community-based distributors from about 20 communities in the Brakwa-Breman area.

COUNTRY INFORMATION (SECONDARY)

Country <b>Ghana</b>	Location in Country (Region, District, Village) Brakwa-Odaben, Asikuma District, Nandom
PVO Representative's Name Francis Beinpuo	Local Counterpart/Host Country Agency Brakwa-Breman Rural Bank/Lower Pra Rural Bank/Nandom Rural Bank

COUNTRY FUNDING INFORMATION

YEAR	1994	1995	1996	1997	1998
AID \$	12	45			
PVO \$	130	46			
INKIND					
LOCAL		94			
TOTAL	142	185			

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PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization Freedom from Hunger		Grant/Contract Number FAC-0158-A-00-2044-00
Start Date (m/d/y) 09/30/93	End Date (m/d/y) 09/29/98	AID Project Officer's Name Regina Coleman

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
1994	65	1997	65
1995	65	1998	65
1996	65		

LOP

195

Activity Description

The program provides credit to self-managed Credit Associations (CAs) of 15-49 women (16- or 24-week group loan, which can be rolled over and increased). The women take individual loans to carry out familiar income-generating activities of their choice in order to increase personal and family income and savings. The same program staff also provides to CA members information and counseling as they facilitate problem solving which empowers the participants to improve the quality of life for themselves and their children. Weekly meetings of these CAs provide a forum to address CA management, basic microenterprise development problems, and hunger-related issues relevant to the members' daily lives. Learning sessions address five critical issues within the power of the individual to control: 1) Birth spacing; 2) Breastfeeding; 3) Infant and child nutrition; 4) Management and prevention of diarrhea; and 5) Immunizations. High priority will be given to offering family planning information, education, counseling and referral to local providers of family planning service and supplies.

Status

FAMA, Freedom from Hunger's partner organization, continued to make progress as an independent Honduran NGO, by strengthening its organizational and managerial capacities, expanding program activities to a new department, El Paraíso, and further developing and refining the education component. One of the unique aspects of this program is the system of "natural leaders," outstanding Credit Association members chosen to assist the field agent in up to four Credit Associations, both in overseeing recordkeeping and facilitating some of the learning sessions. A system for selecting and training these natural leaders has been set up, and 40 women have been trained. FAMA directly receives and manages its two major grants, from the W. K. Kellogg Foundation and the Interamerican Foundation, and efforts continue to establish linkages to additional funding sources during the last year of the Freedom from Hunger/FAMA agreement.

COUNTRY INFORMATION (SECONDARY)

Country Honduras	Location in Country (Region, District, Village) Depts. of Olancho, El Paraíso
PVO Representative's Name Camila Elvir	Local Counterpart/Host Country Agency Familia y Medio Ambiente (FAMA)

COUNTRY FUNDING INFORMATION

YEAR	1994	1995	1996	1997	1998
AID \$	80	0			
PVO \$	50	3			
INKIND					
LOCAL		123			
TOTAL	130	126			

FOR OFFICIAL USE ONLY

PVO Type	Project Number	
Appropriation	Level	
Country Code	Fund Type	Technical Code
Project Officer	Key 1	Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization <b>Freedom from Hunger</b>	Grant/Contract Number FAO-0158-A-00-2044-00
Start Date (m/d/y) 09/30/93	End Date (m/d/y) 09/29/93
AID Project Officer's Name Regina Coleman	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
1994	0	1996	0
1995	0	1997	0
1996	0	1998	0
LOP		0	

Activity Description

The program provides credit to self-managed Credit Associations (CAs) of 15-49 women (16- or 24-week group loan, which can be rolled over and increased). The women take individual loans to carry out familiar income-generating activities of their choice in order to increase personal and family income and savings. The same program staff also provides to CA members information and counseling as they facilitate problem solving which empowers the participants to improve the quality of life for themselves and their children. Weekly meetings of these CAs provide a forum to address CA management, basic microenterprise development problems, and hunger-related issues relevant to the members' daily lives. Learning sessions address five critical issues within the power of the individual to control: 1) Birth spacing; 2) Breastfeeding; 3) Infant and child nutrition; 4) Management and prevention of diarrhea; and 5) Immunizations. High priority will be given to offering family planning information, education, counseling and referral to local providers of family planning service and supplies.

Status

Our agreement with our original Mali partner, CANEF, ended on June 30, 1995; we are continuing to explore possibilities for a future relationship. CANEF was again able to negotiate a larger line of credit with a local bank to meet its growing credit needs. There was a major emphasis on improving personnel systems and financial reporting procedures, and CANEF's board of directors was restructured and revitalized. Freedom from Hunger has also signed an agreement with a credit union network in the Ségou region, Nyèsigiso, and a program manager was hired. This program will closely follow the very successful Burkina Faso program model. We began negotiations with Kafo Jiginew, a large network of financial cooperatives in the eastern Sikasso region and expect to sign an agreement early in FY 96.

COUNTRY INFORMATION (SECONDARY)

Country <b>Mali</b>	Location in Country (Region, District, Village) Sikasso Region; Ségou Region
PVO Representative's Name Bakary Traore (CANEF); Oumou Sidibé (Nyèsigiso)	Local Counterpart/Host Country Agency CANEF/Nyèsigiso

COUNTRY FUNDING INFORMATION

YEAR	1994	1995	1996	1997	1998
AID \$	118	0			
PVO \$	0	46			
INKIND					
LOCAL					
TOTAL	118				

22

PVO PROJECT REPORTING INFORMATION  
ON AID SUPPORT PVO PROJECTS

FOR OFFICIAL USE ONLY

PVO Type	Project Number
Appropriation	Level
Country Code	Fund Type Technical Code
Project Officer	Key 1 Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization <b>Freedom from Hunger</b>	Grant/Contract Number FAO-0158-A-00-2044-00
Start Date (m/d/y) 09/30/93	End Date (m/d/y) 09/29/98
AID Project Officer's Name Regina Coleman	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
1994	28	1997	83
1995	83	1998	83
1996	83		

LOP

360

Activity Description

The program provides credit to self-managed Credit Associations (CAs) of 15-49 women (16- or 24-week group loan, which can be rolled over and increased). The women take individual loans to carry out familiar income-generating activities of their choice in order to increase personal and family income and savings. The same program staff also provides to CA members information and counseling as they facilitate problem solving which empowers the participants to improve the quality of life for themselves and their children. Weekly meetings of these CAs provide a forum to address CA management, basic microenterprise development problems, and hunger-related issues relevant to the members' daily lives. Learning sessions address five critical issues within the power of the individual to control: 1) Birth spacing; 2) Breastfeeding; 3) Infant and child nutrition; 4) Management and prevention of diarrhea; and 5) Immunizations. High priority will be given to offering family planning information, education, counseling and referral to local providers of family planning service and supplies.

Status

In early 1995, Freedom from Hunger signed an agreement with the Fédération des Unions Cooperatives d'Epargne et de Crédit (FUCEC) for a one-year pilot program, working through a single credit union to establish 20 Credit Associations. Throughout the coming year, we will continue to monitor FUCEC's financial health on a regular basis, as it continues to adjust to the withdrawal of WOCCU's (World Council of Credit Unions) technical and financial support. Although still running at a deficit, the current financial status of the organization is reasonably close to its projections. The FUCEC director has established contacts and prepared a concept paper for USAID's regional office in Abidjan for funding for the program.

COUNTRY INFORMATION (SECONDARY)

Country <b>Togo</b>	Location in Country (Region, District, Village) Aképé in the Maritime Region
PVO Representative's Name Kodjo Akémakou	Local Counterpart/Host Country Agency-- Fédération des Unions Coopératives d'Epargne et de Crédit du Togo (FUCEC-Togo)

COUNTRY FUNDING INFORMATION

YEAR	1994	1995	1996	1997	1998
AID \$	0	6			
PVO \$	0	6			
INKIND					
LOCAL					
TOTAL	0	12			

2/2

PVO PROJECT REPORTING INFORMATION  
 ON AID SUPPORT PVO PROJECTS

FOR OFFICIAL USE ONLY

PVO Type	Project Number
Appropriation	Level
Country Code	Fund Type Technical Code
Project Officer	Key 1 Key 2

PROJECT INFORMATION (PRIMARY)

Name of Organization Freedom from Hunger	Grant/Contract Number FAO-0158-A-00-2044-00
Start Date (m/d/y) 09/30/93	End Date (m/d/y) 09/29/98
AID Project Officer's Name Regina Coleman	

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT
1994	0	1996	0
1995	0	1997	0
1996	0	1998	0
LOP		0	

Activity Description

The program provides credit to self-managed Credit Associations (CAs) of 15-49 women (16- or 24-week group loan, which can be rolled over and increased). The women take individual loans to carry out familiar income-generating activities of their choice in order to increase personal and family income and savings. The same program staff also provides to CA members information and counseling as they facilitate problem solving which empowers the participants to improve the quality of life for themselves and their children. Weekly meetings of these CAs provide a forum to address CA management, basic microenterprise development problems, and hunger-related issues relevant to the members' daily lives. Learning sessions address five critical issues within the power of the individual to control: 1) Birth spacing; 2) Breastfeeding; 3) Infant and child nutrition; 4) Management and prevention of diarrhea; and 5) Immunizations. High priority will be given to offering family planning information, education, counseling and referral to local providers of family planning service and supplies.

Status

The Uganda program is being implemented through an innovative three-way partnership between Freedom from Hunger, the Foundation for Credit and Community Assistance (FOCCAS), and the Uganda Cooperative Savings and Credit Union (UCSCU). UCSCU is a national credit union, with a well-developed rural network offering a cost-effective infrastructure for program implementation. FOCCAS provides training, technical assistance, and operational systems and funds to UCSCU. Freedom from Hunger contributes technical assistance and bookkeeping to FOCCAS. A program manager was hired and an office established within the UCSCU Mbale Zonal Office. The Cooperative Bank of Uganda has agreed in principle to provide a line of credit to capitalize the loan portfolio, once the first loan cycles have demonstrated high repayment rates.

COUNTRY INFORMATION (SECONDARY)

Country Uganda	Location in Country (Region, District, Village) Mbale District in Eastern Uganda
PVO Representative's Name Karen Kinney	Local Counterpart/Host Country Agency: Uganda Cooperative Savings and Credit Union, Ltd. (UCSCU)

COUNTRY FUNDING INFORMATION

YEAR	1994	1995	1996	1997	1998
AID \$					
PVO \$		38			
INKIND					
LOCAL					
TOTAL		38			

**ATTACHMENT 2**

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**Attachment 2**  
**PREVIOUS AND CURRENT USAID-FUNDED PROJECTS**

Grant	Source of Funds	Period	Amount	Description
Specific Support	PVC	12/78 - 11/81	\$1,000,000	General support of headquarters and overseas activities.
Operational Program	AID Mission	2/79 - 12/80	\$250,000	Support of Korean Applied Nutrition Program.
Matching	PVC	2/82 - 2/85	\$1,850,000	General support of headquarters and overseas activities.
Operational Program	AID Mission	1/85 - 12/87	\$250,000	Support of Honduran Applied Nutrition Program.
Matching	PVC	2/85 - 2/88	\$2,840,000	General support of headquarters and overseas activities.
Child Survival	PVC	10/87 - 12/91	\$700,000	Child health-related activities in Bolivia and Nepal.
Partnership	PVC	3/88 - 9/93	\$3,750,000	General support of headquarters and overseas activities.
Operational Program	AID Mission	4/92 - 3/93	\$105,000	Support of <i>Credit with Education</i> in Mali.
Operational Program	AID Mission	3/93 - 9/95	\$200,000	Support of <i>Credit with Education</i> in Mali.
Matching	PVC	10/93 - 9/98	\$3,000,000	General support of International Center and overseas activities.
Operational Program	AID Mission	09/30/94 - 9/30/97	\$637,000	Support of <i>Credit with Education</i> in Ghana.
Operational Program	AID Mission/ PL 480, Title III	10/12/94-10/11/97	\$637,000	Support of <i>Credit with Education</i> in Ghana.
Operational Program	AID Mission	TBA	\$175,000	Support of <i>Credit with Education</i> in Mali.
Operational Program	AID Mission/ PL 480, Title III	02/28/95-02/28/98	\$525,000	Support of <i>Credit with Education</i> in Mali.

**ATTACHMENT 3**

# CREDIT WITH EDUCATION<sup>SM</sup> - TECHNICAL UPDATE No. 8 (July 1995)

## PROGRAM LOAN TERMS

by: Kathleen E. Stack, Barbara MckNelly, and Marcy Eiland  
Freedom from Hunger

### INTRODUCTION

This technical update provides guidance for adapting the financial services model of *Credit with Education*<sup>SM</sup> to best fit the organizational and economic contexts of each program. Financial services should be adapted to maximize the opportunity of the program participants to earn income and save in a secure and accessible place while minimizing risk of financial loss. Adaptations should also ensure that these services are low cost, so the local implementing organization can provide them on a large scale and achieve financial self-sufficiency.

The recommendations of this Technical Update are based on more than five years of experience with poverty lending in six countries in Asia, Africa, and Latin America and the lessons learned from implementing organizations and program participants. It is this experience that gives us the confidence to flex the system to respond to "market demand." It is this same experience that reinforces our belief that certain elements of the model should not be changed. We welcome feedback and the opportunity to discuss adaptations to the original design that will best serve the poor, remain competitive in the market place, and allow the program to achieve and maintain financial self-sufficiency.

### RATIONALE

*Credit with Education*<sup>SM</sup> financial services have evolved away from the original village banking model in the following ways:

- *Credit with Education*<sup>SM</sup> does not encourage its Credit Associations to "graduate" to become autonomous village-based financial service providers. In the original village banking model, members were to increase savings incrementally over a period of three years until their savings were adequate to serve the loan needs of the members. At this point, the village bank would "graduate" from the program and become autonomous from the program. *Credit with Education*<sup>SM</sup> seeks to ensure ongoing access to credit and savings services for its members through partnerships and/or linkages with existing financial institutions, such as credit unions and community banks. Thus, creating autonomous, self-financing "village banks" is not necessary.
- Since Credit Associations are mechanisms for individuals to obtain ongoing access to financial (and educational) services, the accumulation of savings is no longer required to capitalize an independent lending capability. Savings opportunities continue to be an important service and potential source of new loan capital; however, there can be new approaches to savings mobilization and management.
- Without the need to graduate, Credit Associations do not need to build and invest the internal fund for sustainability of the system. Where linkages have been made with formal financial services, Credit Associations have the option to deposit their internal funds rather than reinvest them. Where linkages have not been made, Credit Associations still need to reinvest just to maintain the security and/or value of these funds.

Two Technical Updates provide guidance for addressing the new options described above. This Technical Update, ("Program Loan Terms") is a review of the recommended loan terms and how they can be adjusted over the life of the Credit Association. Technical Update No. 9 ("The Internal Fund") will describe approaches to managing an internal fund comprised of savings, mutual guarantee funds, and funds for internal lending and investment.

#### PROGRAM LOANS

The current Freedom from Hunger *Credit with Education*<sup>™</sup> credit model offers program loans under the following terms and conditions:

##### Loan Amount

Maximum Initial Loan: \$50 US

Maximum Subsequent Loan: Previous loan amount plus amount of savings on deposit up to \$300 US total.

##### Repayment Terms

Loan Term: 16 weeks

Repayment Schedule: Weekly

We recognize that the loan terms and conditions need to be adapted for borrowers under certain conditions. Such adaptations can help *Credit with Education*<sup>™</sup> meet borrowers' growing needs for loans at a reasonable cost to provide adequate and timely working capital that will allow their businesses to earn sufficient profits. Below is a review of the recommended loan terms and how they can be adjusted as the Credit Association matures.

#### A. Loan Amount

*Maximum Initial Loan.* There has been debate regarding whether \$50 is adequate. With the exception of Thailand (initial loan amount of \$60), this maximum initial loan amount has been adequate to meet the basic working capital needs of the poor. After a review of experience with *Credit with Education*<sup>™</sup> in six countries, Freedom from Hunger continues to believe that the \$50 maximum initial loan amount, although somewhat arbitrary, provides a valuable way to minimize risk to both the program and the borrower. Starting with a \$50 maximum winnows out most of the community members who are better off and unwilling to adhere to the rules of the program for such a relatively small sum. In addition, this amount is in line with the needs of the poorest producers to begin expanding their economic activities and with their ability to repay. We have found that the actual initial loan size is much smaller than \$50 in countries of extreme poverty, like Burkina Faso and Mali.

Because of fluctuations in the purchasing power of local currency, initial loan amounts must be adjusted periodically. For example, in June of 1993 the West African CFA franc was valued at FCFA 250 = \$1. Thus a \$50 loan in countries using the CFA franc was valued at FCFA 12,500. In June of 1994, the FCFA had devalued to an exchange rate of FCFA 500 to \$1, thus the same FCFA 12,500 loan was now valued at \$25. In order to compensate for devaluation, the maximum initial loan size was raised to FCFA 25,000. As an alternative to basing the adjusted loan amounts directly on the dollar exchange rate, we recommend adjustments be made according to policy and practice of

local financial institutions. Freedom from Hunger recommends that loan amounts be evaluated quarterly and adjustments made as needed.

*Sizes of Subsequent Loans.* The maximums for second and subsequent loans have been set at \$50 plus the amount of savings that a borrower leaves on deposit with the Credit Association at the end of a loan cycle. The purpose of this provision has been to encourage savings and to provide a gauge for ensuring that subsequent loan amounts are related to a borrower's capacity to manage funds.

Freedom from Hunger continues to encourage savings. However, because Credit Associations are no longer expected to become independent village banks with sufficient capital to respond independently to the loan needs of their members, maintaining large sums of savings on deposit over the long term is no longer a goal. Moreover, in some programs, the savings requirement has limited borrowing. This is because saving has been less than originally projected or because significant amounts of savings are withdrawn before the end of the loan cycle to meet personal obligations or respond to emergencies.\* Thus, Freedom from Hunger recommends flexibility regarding the linkage between savings and maximum size of subsequent loans. Allowing for a more flexible linkage can provide greater benefits to participants and allow loan amounts to grow faster.

However, Freedom from Hunger believes that it is important, for managing risk and targeting the poor, to maintain a cap on subsequent loan sizes. Thus, for each subsequent loan, we suggest that *Credit with Education*<sup>SM</sup> programs allow members to borrow up to 50 percent more than the value of the previous loan. For example, if the initial loan amount is \$50, the maximum new loan amount will be \$50 plus \$25, totaling \$75. The maximum third loan amount would be \$75 plus \$37, totaling \$112 and so on. This permits the program to establish loan ceilings that allow room for reasonable increases in loan amounts while managing risk and maintaining some linkage to the borrower's financial management capacity. It is important that the Credit Associations recognize that it is the responsibility of their members to assess one another's loan proposals based on the needs and capabilities of the borrower and that it may not be appropriate for all members to take the maximum loan amount available. Programs should emphasize, in Credit Association training, that loan amounts should be tailored to the actual working capital needs of the microenterprises that will be funded.

Increases in maximum loan amounts from cycle to cycle should only be implemented for Credit Associations that have a "green" or "yellow" Financial Risk Rating by the end of the cycle. For any Credit Association which has a "red" Financial Risk Rating, the loan amount from the program to the Credit Association should not exceed the previous loan amount. This is because a red rating indicates that the Credit Association is a financial risk. Either the End of Cycle repayment performance, bookkeeping, or ability to conduct program loan feasibility analysis has been very poor. If any or all of these situations exist, there is an indication that the Credit Association may not yet be ready to manage larger loans and that there is greater risk for loans to these Credit Associations.

\* From the borrower's perspective, large mandatory savings requirements ties up their cash and is costly particularly in an inflationary environment.

Freedom from Hunger also recommends that each borrower have 2 to 5 percent of the value of the loan requested on deposit as the member's "share" of the Credit Association capital reserve fund before receiving a new loan. In the case of the first loan cycle for a new Credit Association or a new borrower joining an existing Credit Association, this amount may be a portion of or equal to the minimum savings requirement paid in equal installments over the loan cycle so that the poor are not discouraged from joining. These monies are only to be used to repay the program loan in the event that the Credit Association has repayment problems. These monies may not be used as part of the internal fund for loans or for any other purposes. This member share should be fully paid by the end of the first loan cycle. Each program needs to determine the percent required (2%, 3%, 4% or 5%) based on the repayment history of its borrowers as a whole and on its tolerance for risk. For example, if 3 percent is selected, all borrowers must deposit 3 percent of their initial loans as their shares in the capital reserve fund over the course of the loan cycle. If the Credit Association has a "green" or "yellow" Financial Risk Rating, it is likely that loan sizes will increase in the second loan cycle. Before receiving their second, larger loan, borrowers must increase their contribution to the capital reserve fund so that it equals 3 percent of their new loan amount.

It is important to note that each program can still establish a mandatory savings requirement above the 2-5 percent share. While the 2-5 percent share amount required for a new loan must remain on deposit at the end of the loan cycle, policies regarding additional savings may vary from program to program.\*

The capital reserve fund is the property of the collective Credit Association, although a borrower may withdraw her share if she chooses to leave the program.

*Maximum Subsequent Loan Amount.* There has been a great deal of debate about this issue among microenterprise practitioners. Poverty lending organizations, including Freedom from Hunger, have worked hard to lobby the United States Congress to make funds available for lending to the poor. To ensure that loans are targeted to the poor, poverty lenders have succeeded in convincing Congress to use the number of loans under \$300 as an indicator of credit services reaching the poorest members of the population.

Freedom from Hunger remains committed to the \$300 indicator but believes that loans to some members of Credit Associations may be above \$300. The point is to ensure that the average individual program loan for a country program is \$300 or less in order to maintain the focus on the poorest. Ultimately the maximum loan amounts must be based on such relevant local indicators as:

- daily manual or agricultural wage rates;
- purpose and type of common business activities;
- local economic levels — such as annual average per capita income; and
- borrowers' capacity to repay.

We recommend that Credit Associations be provided with clear guidance regarding approval of individual loans over \$300. This guidance may include ensuring that the borrower has a good record of on-time repayment of regular loan installments, has a viable business plan, and fulfills other requirements that the Credit Association is encouraged to define for approving larger loans.

\* See expanded discussion on savings in Technical Update No. 9.

## B. Repayment Terms

The duration of the loan should be long enough to serve the needs of the poor, yet short enough to minimize risk and encourage investment diversification. Freedom from Hunger suggests retaining a 16-week or at most a 24-week program loan cycle to maintain the focus on investment in economic activities with a steady, frequent return. In rural areas, longer loan cycles open the door to investments in crop and livestock production, which are more risky and, thus, less desirable for a sustainable credit system.

The frequency of loan repayment within the loan cycle has become a major issue for a number of programs. In some countries, weekly repayment of principal, interest, and savings poses a problem for continuing borrower participation in the program. The need to repay loans on a weekly basis impedes borrowers from making the maximum use of their working capital for investment since their principal decreases over the cycle. Surveys and studies from our own programs and reports from other village banking programs show high levels of fluctuation in program participation and drop out rate related to this issue.

Freedom from Hunger recommends that all programs retain the weekly repayment schedule of equal principal, interest, and savings for at least the first three (16-week) loan cycles to correspond with the weekly meetings.\* This is to give time to the Credit Associations to establish themselves as a well-operating group and to establish their creditworthiness through a good track record of on-time weekly repayments. The weekly meeting and repayment schedule imposes discipline on the Credit Association and communicates the importance of regular meeting attendance and loan repayment. Equally important, weekly repayment draws people to the meetings at which learning sessions are held. The more learning sessions held, the greater the likelihood of the health and nutrition impacts we are seeking to promote.

Frequent installment repayments to the Credit Association have also provided a means for the group to earn money through reinvestment of these funds, in addition to investment of their own savings through internal lending to members or nonmembers. Profits from these internal investments help build the group fund through the interest earnings and fees and make it possible for individuals to earn additional income through various systems of profit sharing, such as dividend distribution. However, because *Credit with Education*<sup>™</sup> aims to ensure that participants have sustainable access to credit and savings services, rather than to create autonomous village banks, it is less important to rotate the program loan repayment through internal investments to increase the assets of the group as a whole.

It is also desirable to recognize borrowers' creditworthiness and need for increasing access to working capital to meet growing business demands.

\* *Weekly meetings may not be possible for all three initial cycles in areas where seasonal factors, such as the rainy season, prohibit such frequent meetings. Freedom from Hunger recommends that every effort be made to adhere to a weekly schedule where possible during the first year in order to cover the education topics adequately and establish the discipline of regular meetings.*

**Freedom from Hunger recommends that the repayment schedule be adjusted based on the age and performance of a Credit Association to become more responsive to the borrowers investment needs and to provide additional motivation to borrowers to remain in the Credit Association.**

*Adapting the Repayment Terms.* At the end of three (16-week) loan cycles, the program terms can be adapted to better fit the business and personal needs of the borrowers. Adaptations can only be made if the Credit Association has an "A" or "B" General Rating **and a 100 percent on-time repayment record for the previous two cycles** as demonstrated by the End of Cycle evaluations, indicating that the Credit Association has a record of good repayment, has participated in the target number of learning sessions, and that the Credit Association is well managed, cohesive, and disciplined enough to move to a more flexible schedule.

*Repayment Schedule Options.* The new repayment schedule selected depends on the program context and the maturity and performance of each Credit Association. The following is a discussion of options that can be considered in determining new repayment schedules.

To establish a repayment schedule, the number of regular Credit Association meetings must be considered. The number of regular meetings depends directly on the age and performance of the Credit Association. All Credit Associations meet weekly during their first year of operation in order to participate in the first year education curriculum (see Technical Update No. 3). After the first year, Credit Associations may meet biweekly or monthly depending on their End of Cycle rating.

For all repayment schedules determined, Freedom from Hunger strongly recommends that there be an interest payment and savings deposit at every regular meeting of the Credit Association, whether these meetings are scheduled weekly, biweekly, or monthly. Depending on the age and performance rating of the Credit Association, these regular equal payments of interest and savings deposits will be paid weekly, biweekly, or monthly.

The loan principal could also be repaid in equal weekly, biweekly, or monthly installments. Or principal payments may be scheduled to make a larger amount of working capital available during the first part of the loan cycle. One method for achieving this is the **balloon payment**, which involves small principal payments during the loan period and a large payment at the end. For example, in a 16-week loan cycle the total principal payment can be divided into four monthly payments. The first three payments could each equal 20 percent of the principal amount, and the fourth or End of Cycle payment, the balloon payment, could equal 40 percent of the total principal amount.

The following describes how principal, interest, and savings could be paid over a 16-week cycle for a "B" rated Credit Association using a balloon payment mechanism with monthly repayments for a \$100 loan with a total interest owed of \$10 and required savings of 10 percent (\$10).

REPAYMENT WEEK	PRINCIPAL	INTEREST	SAVINGS	TOTAL
1	NO MEETING			
2		1.25	1.25	2.50
3	NO MEETING			
4	20.00	1.25	1.25	22.50
5	NO MEETING			
6		1.25	1.25	2.50
7	NO MEETING			
8	20.00	1.25	1.25	22.50
9	NO MEETING			
10		1.25	1.25	2.50
11	NO MEETING			
12	20.00	1.25	1.25	22.50
13	NO MEETING			
14		1.25	1.25	2.50
15	NO MEETING			
16	40.00	1.25	1.25	42.50
<b>TOTAL</b>				<b>\$120.00</b>

For programs not wanting to schedule principal payments on a monthly basis, but wanting borrowers to have access to more working capital during the loan cycle, a percentage of the total principal amount due could be spread evenly over the weeks with a balloon payment at the end. For example, for a \$100 loan, \$60 could be repaid in 7 weekly payments, or \$8.57 per week. The remaining \$40 due would be paid in a balloon payment at the end of the cycle (16th week).

With a balloon payment, a variety of formulas could be used. It is important to consider:

- the need to minimize risk of late payment and default by maintaining regular installment payments of principal, interest, and savings during the term of the loan;
- the borrowers' capacity to make larger lump sum payments (the "balloon") either during or at the end of the cycle (i.e., it matches the cash flow of the business of the borrower);
- the working capital needs of the borrowers;
- the capability of Credit Association management; and
- the need for training Credit Association members to promote investment of working capital in productive activities.

Please note that banks recommend that the balloon never be more than 40 percent of the total amount of the loan principal.

A precondition for balloon payments is that the borrowers themselves have to have the management ability to ensure that larger amounts of money are available at the appropriate times for repayment. Otherwise there is a risk that loans might fall into arrears.

Credit Associations will need to realize that less frequent loan repayment will reduce the amount of internal funds available for reinvestment. They will have to balance the advantages to individual members of a more flexible repayment schedule with the advantages to the group as a whole, if their goal is to earn income for the group and individual members through internal loans or other investment strategies.

Only Credit Associations with an "A" or "B" General Rating, a "green" financial rating and 100 percent on-time repayment for the previous two cycles should be allowed to move to a balloon repayment schedule. The other Credit Associations should remain on a schedule of equal principal, savings, and interest payments at each regular meeting of the Credit Association. For example, a Credit Association with a General Rating of "B" at the end of its third cycle and a "green" financial risk rating but which had 100 percent on-time repayment for only one previous loan cycle should pay equal installments on a biweekly basis in the fourth cycle.

It is critical that all programs implementing *Credit with Education*<sup>™</sup> recognize that adapting loan repayment schedules and terms requires intensification of the credit management and microenterprise training provided to the Credit Associations. Good training can increase chances that loan investments and repayments will be carried out appropriately.

*Late Payments.* It is recommended that every program establish a procedure for dealing with late payments. **Payments should be considered late if they are not paid on the day they are due.** We recommend that each program establish late payment fees to become effective from the first day that a loan is overdue. Charges can be minimal during the first week, but they should increase according to the amount of time the loan is overdue.

For example, if only \$750 of a \$1,000 Credit Association loan is repaid to the program on the due date, a late fee of 1 percent (flat) of the unpaid balance for late days 1 through 6 ( $\$250 \times 1\% = \$2.50$ ) would be charged, making a total of \$252.50 due the program. If only \$200 of this amount was paid on day 7, 10 percent on the unpaid balance ( $\$52.50 \times 10\% = \$5.25$ ), would be charged for days 7 through 13, making a total of \$57.75 due the program. If the \$57.75 was paid during the third week, the program would have collected  $\$750 + \$200 + \$57.75 = \$1,007.75$  (the original \$1,000 in principal plus  $\$2.50 + \$5.25 = \$7.75$  in late fees).

In addition, the program may delay delivery of a new loan by the amount of time that the loan repayment is late. For example, if a loan repayment is two weeks late, a new loan would not be accorded until two weeks after the final payment of the previous loan is received.

Most important, program managers should respond immediately when there is a late payment. Managers must understand the cause of the repayment problem and be prepared to withhold future loans until the causes of the problems are fully resolved.

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## APPENDIX 1

### RECOMMENDED EXTERNAL PROGRAM LOANS AND SAVINGS POLICIES

	STANDARD POLICIES	NEW RECOMMENDATIONS	RATIONALE FOR RECOMMENDATIONS
Initial Loan	◆ \$50 maximum initial	◆ \$50 maximum initial	◆ Lower risk, targeting the poor
Maximum Loan	◆ \$300	◆ Individuals may borrow up to \$500; however, there is a limit of \$300 average per program.	◆ Economic context; longer term creditworthy clients
Determining Subsequent Loan Amounts	◆ Amount of external loan and savings on deposit = loan amount eligibility	<ul style="list-style-type: none"> <li>◆ If Credit Association has "green" or "yellow" Financial Risk Rating, program loan can increase by 50% of previous loan amount per borrower.</li> <li>◆ Mandatory savings amount on deposit (with restricted access) prior to loan disbursement determined by implementing agency (at least 2-5% of loan principal).</li> </ul>	<ul style="list-style-type: none"> <li>◆ Graduation not an aim; therefore, borrowers may choose not to retain large amounts of savings on deposit.</li> <li>◆ Accessibility to savings reduces amount on deposit.</li> <li>◆ Provides cap to manage risk.</li> <li>◆ Provides Credit Association loan loss reserve</li> </ul>
Interest	◆ Covers operating costs	◆ Covers operating and financial costs	◆ Allows for self-financing service
Loan Cycle	◆ 4 months	◆ 16-week, 24-week	◆ 24-week to respond to client demand in rural economies (Mali) and to agricultural activities (Thailand).
Repayment Schedule	◆ Equal weekly installment of principal and interest; weekly savings deposits	<ul style="list-style-type: none"> <li>◆ Weekly payments after first year may be replaced with biweekly payments or payments every four weeks</li> <li>◆ Partial interest and savings payment at every meeting</li> <li>◆ Principal may be paid less frequently and in balloon payments</li> </ul>	<ul style="list-style-type: none"> <li>◆ Increase availability of working capital to creditworthy clients</li> <li>◆ Accommodate business cycle of mature clients</li> </ul>
Savings	<ul style="list-style-type: none"> <li>◆ Mandatory weekly savings</li> <li>◆ Restricted access</li> </ul>	<ul style="list-style-type: none"> <li>◆ Voluntary savings actively promoted; minimum mandatory savings deposit required at each meeting.</li> <li>◆ Withdrawal policies established</li> <li>◆ Subsequent loan amount not tied to total savings</li> </ul>	<ul style="list-style-type: none"> <li>◆ Capitalization</li> <li>◆ Accessibility</li> <li>◆ Credit Associations remain clients of the program</li> </ul>

\* Recommendations should be studied carefully by every partner/program and actual policies determined according to local economic contexts and principles and standards of village banking.

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## APPENDIX 2

### CREDIT ASSOCIATION RATINGS AND THE NEW PROGRAM LOAN TERM RECOMMENDATIONS

CREDIT ASSOCIATION RATINGS FROM THE QUARTERLY CREDIT ASSOCIATION MONITORING SYSTEM	CURRENT SUGGESTED USE	NEW RECOMMENDATIONS FOR ADDITIONAL USES
<p><b>CA FINANCIAL RISK RATING -</b></p> <p>Based upon:</p> <ol style="list-style-type: none"> <li>1) % program loan repaid on time</li> <li>2) quality of book keeping</li> <li>3) quality of loan feasibility analysis</li> </ol> <p>“Red” - high risk,  “Yellow” - medium risk,  “Green” - low risk.</p>	<p><u>Maximum Amount of Internal Loans Outstanding -</u></p> <p>“Red” - 25% of Total Internal Fund at end of previous cycle  “Yellow” - 50% of Total Internal Fund  “Green” - no maximum</p>	<p><u>Size of Program Loan -</u>  If Credit Association has “green” or “yellow” Financial Risk Rating, program loan can increase by 50% of previous loan amount per borrower.</p>
		<p>Balloon Payments of Principal (see below)</p>
<p><b>CA GENERAL RATING -</b></p> <p>Based upon:</p> <ol style="list-style-type: none"> <li>1) % program loan repaid on time</li> <li>2) % growth in internal fund</li> <li>3) N° health/nutrition learning sessions facilitated</li> <li>4) % Borrowers report loan activity was profitable</li> <li>5) CA Solidarity Score</li> <li>6) CA Self Management Score</li> </ol> <p>“A” - very good,  “B” - good/fair,  “C” - poor</p>	<p><u>Target Number of Meetings to be Attended by Field Agent -</u></p> <p>After 3 cycles:  “ A ” - monthly (5) meetings  “ B ” - biweekly (9) meetings  “ C ” - weekly (17) meetings</p>	<p><u>Weekly, Biweekly, or Monthly Repayment -</u>  After the first three loan cycles, loan principal can be repaid biweekly or monthly, if CA has an “A” or “B” rating <u>and</u> 100% on-time program loan repayment for previous 2 cycles.</p>
	<p><u>Minimum Number of Health/Nutrition Learning Sessions per Loan Cycle -</u></p> <p>After 3 cycles:  “ A ” - 2 sessions  “ B ” - 3 sessions  “ C ” - 7 sessions</p>	<p><u>Balloon Payment of Principal -</u>  After the first three loan cycles, final loan principal installment can be a balloon payment, if CA has an “A” or “B” rating, 100% on-time program loan repayment for previous 2 cycles, <u>and</u> a “Green” Financial Risk Rating.</p>

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## ATTACHMENT 4

## Mini-Study to Assess the Impact of the *Credit and Savings with Education* Program in Burkina Faso through In-Depth Profiles of Three Program Communities

The *Credit and Savings with Education* program in Burkina Faso is just ending its second year of implementation. In December 1994, an evaluation of the program was conducted by a team drawn from Freedom from Hunger, UNICEF/Burkina Faso, and the Réseau des Caisses Populaires du Burkina Faso (RCPBF). The emphasis was on program activities and the establishment of systems for training, implementation, and program expansion rather than impact. Program monitoring, anecdotal information, and interviews with participants indicate that the intended benefits are being achieved. However, more in-depth study is required to better understand and document the improvements for participants and program communities.

The objective of this mini-study is to better document program impact in three program communities, each with relatively mature Credit Associations. In-depth community profiles will investigate program impact at the individual, group, and community levels. The qualitative nature of the investigation will also help clarify how the program causes change and what potential obstacles exist to achieving the intended benefits. In-depth qualitative study will help program staff adjust policy and methods and provide important insight to guide future, more quantitative impact evaluations.

The study will focus on three critical aspects of the program:

- First, participants and nonparticipants will be asked questions to assess the mechanisms through which the program has affected income and especially how those mechanisms change over time with sustained participation.
- Second, participants and nonparticipants will be asked questions to assess how the financial and educational components have reinforcing and positive effects on child care and family welfare.
- Third, the study will characterize the effects of participation in a collective organization—the Credit Associations.

Income, financial savings, productive assets, working capital, leisure time, portfolio of income-generating activities, and work burden are all variables that would be expected to change with program participation. The study will encourage participants to delineate the process over time through which these indicators are changed.

**Profitability and credit requirements for a range of activities undertaken by participants and nonparticipants.** The study will try to isolate important influences on three possible time paths taken by program participants:

- (1) gradually moving into higher return activities;
- (2) increasingly diversifying sources of income, especially through seasonal participation;

- (3) remaining at a stable level of higher earnings without significant reinvestment or expansion.

Participants will be asked about the variance of profits from these activities. The structure of loan repayments (weekly payment of principal and interest) presumably generates strong incentives for safer income streams. The study also will identify constraints to profitable use of loans by investigating ease of entry into new activities and the reasons why many Credit Association members elect to save rather than borrow.

**The mechanisms through which the loan and education program has affected health, nutrition, and education indicators.** Health and nutrition outcomes will be assessed by asking how participants are using their increased earnings and changed knowledge to alter their behavior along the following dimensions:

- (1) expenditures on changed quantity, quality (e.g., more meat and vegetables) or convenience of foods;
- (2) experiences of periodic or chronic hunger (e.g., skipping meals, eating less variety, or eating less food than desirable, reducing consumption during the pre-harvest hungry season);
- (3) health practices relating to diarrhea treatment and prevention, breastfeeding, child feeding;
- (4) use of health services such as immunizations and contraceptives.

The study will examine how women reinforce learning from the educational sessions through discussions with the other members and nonparticipants.

Participants and nonparticipants (and their husbands and other family members) will be asked questions to assess the extent to which program participation increases women's ability to bargain for resources within their households (labor time, allocation of and control over income and savings). The study will also engage participants in a discussion of the possibility that the greater access to low-cost capital leads some women to undertake activities that negatively affect the quality of child care.

**Improved sense of group trust and solidarity (social capital) that helps group members and the community overcome and resolve community problems (like regulating land use or undertaking collective projects).** This solidarity outside of Credit Association business may take the form of greater reciprocity, joint ventures, sharing of information, and risk-sharing. Expectations regarding allocating group funds (interest on program loans paid to the Credit Associations) may also be expressions of this solidarity. The solidarity among Credit Association members must be suitably viewed in the light of the selection and formation process of the Credit Association:

- Has the program negatively impacted traditional women's groups?
- Were certain categories of women (the poorest of the poor) excluded from participation?

These questions may raise the issue that solidarity is generated and strengthened for some women, but not for others.

Three relatively mature, two years or older, Credit Associations will be selected for the mini-study. The communities will be selected to provide a sample of the range from larger, more commercially active to smaller relatively remote program communities. Program monitoring information, primarily from the Quarterly Credit Association Monitoring System, will be reviewed to provide a summary of the program services (education topics covered, loan amounts, total savings) and performance of the profiled Credit Associations.

The primary method for this mini-study is in-depth interviews with participants, nonparticipants, and local leaders. Interviews will take place both in the rainy and dry season to provide a seasonal contrast of program implementation and impact. The evaluator and translator will attend Credit Association meetings and stay for a total of approximately seven days in each profiled community (three days in the rainy season and four days in the dry season). Through introductions made by the field agent, the evaluation team will be able to arrange to meet with participants and various other local informants to ask the questions outlined above. The management committee and several participants, both borrowers and savers, will be selected within each Credit Association. Individual participants should be selected to provide insight into the most common loan activities and to document a range of experience. Women who are identified as having had successful and unsuccessful experiences with the program should be interviewed. Examples of older as well as younger women should also be selected.

The impact evaluation will take approximately 40 days. The work will begin in the rainy season probably early July. The evaluator will meet with program representatives for approximately three days during this period. The evaluator and translator will be introduced to the community by the appropriate field agent and stay for approximately three days in each of the communities (nine days total). Two additional days are added for transportation between the communities and four days for write-up of interview notes. Again, approximately in November, the evaluation team will revisit the same three communities and again conduct interviews for approximately four days in each community (12 days total). Two days would be needed for travel between communities, six days for write-up, and two days to debrief the program and RCPBF representatives.

**Implications of Livelihood Activities for Credit Programming:  
A Soft Systems Analysis with Rural Bolivian Microentrepreneurs**

**EXECUTIVE SUMMARY**

There is no longer debate about the important role that financial intermediaries play in extending alternative forms of financial assistance to rural microentrepreneurs. Indeed, small enterprises within the informal economy comprise an increasingly needed supplementary income for rural households and rural development. Financial intermediaries have been crucial providers of assistance to these enterprises in a form that is considerably more flexible and appropriate than the formal financial sector can offer (Farman, 1981; Berger and Buvinic, 1989; Otero & Rhyne, 1994). What remains to be investigated is how different forms of financial intermediaries meet the diversity of livelihood needs for a variety of clients through their credit programming.

Two quite distinct approaches are underway in Bolivia. The purpose of this study is to comparatively explore how microentrepreneurs are using these two forms of credit programming, including analyses of impact, decision-making and resource management. This would provide a more detailed understanding of the rural Bolivian microentrepreneurs as financial managers within a range of livelihood activities in order to appropriately inform credit programming.

One approach led by PRODEM, formerly a non-governmental organization, is a movement toward market-oriented credit extension programs. PRODEM primarily focusing on Solidarity Group lending has recently formed BancoSol, a bank for the informal sector which will be moving more toward emphasis on banking principles and economic viability. In this respect, BancoSol will move away from specific targeting of women or smaller-scale enterprises to target enterprises with some growth potential. While this may have implications for some of the smaller-scale enterprises and poverty alleviation for the poorer clients, other financial intermediaries may well be filling this niche.

Village Banking Technology is another approach being used in Bolivia by an NGO called Freedom from Hunger which operates a mandate primarily focused on improving the nutritional levels and social conditions for microentrepreneurs. Therefore, their credit programming is largely a means of achieving other social objectives. Implications for this focus include the difficulties of balancing their educational activities with financially viable credit assistance.

Rather than determine which approach is more effective, this study will attempt to examine conditions under which each approach may or not be effective as well as some of the opportunity costs of programming decisions. Conditions for success, concerns and factors affecting the decisions of the microentrepreneurs are best examined with the microentrepreneurs according to their felt needs. As well, it is important to understand their financial management and decision-making within a tightly knit web of integrated livelihood activities such as agriculture, domestic duties and resource management. Many factors which affect financial decisions quite often lie outside of the economic sphere. Therefore, this study will undertake a soft-systems participatory methodology in order to analyze the interfacing of credit systems and human systems. This information would provide important insights into the dynamics and trade-offs of credit interventions rather than simply listing factors which affect enterprise management. Case-studies will be the unit of focus in order to address these central research questions: Under what community conditions are the needs of the microentrepreneurs met by these two distinct credit extension programs? How do these two sets of conditions compare?

## **PROGRAM OBJECTIVES AND SUBQUESTIONS**

**1.0 To identify and compare characteristics of the microentrepreneurs and the small-scale microenterprises (SSE) that are involved with the two programs**

- 1.1 What is the nature of the microenterprises (sectors)?
- 1.2 At what point in the life-cycle of the enterprise is credit being offered?
- 1.3 What is the average size of the loans extended?
- 1.4 How much income is gained from SSE activity?
- 1.5 What is the income used for?
- 1.6 What is the gender division of microentrepreneurs?
- 1.7 What is the repayment rate for the microentrepreneurs in this region?
- 1.8 What is the interest rate?
- 1.9 What additional assistance is provided with credit?

**2.0 To compare the rationale of the two credit programs in terms of their mission/goals**

- 2.1 What are the goals of each program, with particular reference to the distinction between social and economic objectives? i.e. what is the nature of their support for microentrepreneurs?

**3.0 To compare the methods of the two credit programs in meeting their goals**

- 3.1 To what extent are the development objectives (such as improved nutritional levels) being met through, or in combination with, the credit program?
- 3.2 To what extent are the economic objectives such as viability and growth being met? What are the advantages that PRODEM has with being linked to the financial sector through BancoSol? *Disadvantages*
- 3.3 Do social objectives enhance or inhibit economic objectives?
- 3.4 Do economic objectives enhance or inhibit social objectives?
- 3.5 Is there differing perceptions related to goal achievement between microentrepreneurs and credit extension officers?
- 3.6 Are information systems appropriate and effective to achieving these goals?
- 3.7 Is there an appropriate amount of training/education/technical assistance?
- 3.8 How do the forms organization, either through village banks or solidarity groups, differ in their ability to achieve program goals?

**✓ 4.0 To examine the microentrepreneur's management of their livelihood space, toward understanding client's needs as well as opportunities and constraints for financial management**

- 4.1 Do the microentrepreneurs feel that they have sufficient skills to manage the enterprise?
- 4.2 Does involvement in group management/training such as solidarity groups/local organizations/village banks improve capacity?
- 4.3 What is their attitude toward entrepreneurship or the importance of increased productivity? i.e. relative importance of microenterprise in livelihood strategies
- 4.4 What are the relationships between SSE management and other activities? (health care, natural resource management, agricultural activities, domestic activities, community involvement)
- 4.5 How does their SSE management affect, positively or negatively, other areas of their life? e.g. bargaining power with husband, time for family, nutritional levels

✓ 5.0 To identify perceptions and opinions of microentrepreneurs regarding current patterns of access, control and decision-making of their SSE, credit and other resources within their livelihood strategies.

5.1 Why do they choose one form of financial assistance over another?

5.2 Why is income being used in one area as opposed to another?

5.3 What relative importance does the income provided by the SSE play in the household?

5.4 How do gender divisions affect control over financial resources relative to other resources? How do gender factors affect management decisions between spouses?

6.0 To work with microentrepreneurs in order to consider strategies for enhancing or optimizing their capacity to manage the SSE and/or ability to take advantage of the credit programs.

6.1 What are the factors/conditions which inhibit or enhance their ability to take advantage of credit programs?

6.2 What are the factors/conditions which inhibit or enhance their ability to manage their SSE?

6.3 Are there strategies which can be pursued toward enhanced ability to take advantage of these programs?

## METHODOLOGY

Most impact studies for credit programs have focused largely on the effects of credit on specific areas such as income levels or the financing of education. Few studies involve a microlevel analysis of financial management within the entire life-space and time-management of activities. A systems approach would focus more on linkages than factors and could therefore better examine varying conditions for appropriate intervention strategies. Systems analysis operates under the assumptions that:

- a) non-economic activities affect and are affected by financial management
- b) cause and effect analysis is too simplified to understand a life-space which involves complex, integrated activities
- c) cultural, religious, gender factors will affect and be affected by financial management

Specifically, a soft-systems methodology is appropriate because it attempts to understand the interventions of an organization on a human system by mapping linkages and perceptions in a participatory fashion (Checkland, 1985). It is important to identify how differing perceptions and assumptions interact because these issues play a large role in the effectiveness of programs. By examining not only decision-making, but also the factors which affect those decisions, intervention strategies could be more appropriately designed in light of context-specific considerations.

The following lists present methodological techniques as they relate specifically to the above-mentioned objectives:

1.0 To identify and compare characteristics of the microentrepreneurs and the microenterprises that are involved with the two programs.

•initial household surveys-to provide a profile of clients and enterprises as well as select appropriate case-studies for further analysis

2.0 To examine comparative rationales of the two credit programs in terms of their mission/goals.

•document review and interviews

3.0 To examine comparative methods and effectiveness of the two credit programs in meeting their goals.

•interviews with microentrepreneurs and credit extension officers

•institutional perceptions- a diagram drawn by microentrepreneurs in focus groups to indicate how they prioritize various

organizations present in the community

•direct observation-of repayment meetings, savings group organization

4.0 To examine the microentrepreneur's management of their livelihood space, toward understanding client's needs as well as opportunities and constraints for financial management

•disaggregated seasonal activities calendar- to generate information on gender-based division of labour and responsibilities in livelihood systems and resource management

•gender resource mapping- to present the rural landscape in terms of complementary/conflicting relationships between men and women with respect to natural and financial resources

•gender analysis matrix- to determine the impact of credit programs for women, men, household and community with respect to time, resources and cultural variables

•enterprise management mapping- to map involvement with credit programs and financial management

5.0 To identify perceptions and opinions of microentrepreneurs regarding current patterns of access, control and decision-making of their SSE, credit and other resources within their livelihood strategies.

•benefits analysis flow chart- to determine who has access the the products of household labour (including income) and who decides how those products are used

•decision tree-modelling and in-depth interviews- to map and discuss decision-making of microentrepreneurs regarding financial management

6.0 To work with microentrepreneurs in order to consider strategies for enhancing or optimizing their capacity to manage the SSE and/or ability to take advantage of the credit programs.

•focus group exercises- to highlight issues, concerns and needs of microentrepreneurs in terms of credit programming services and SSE management

•focus group exercises- to prioritize concerns and action with women and credit extension officers in terms of desirability and feasibility

**Participatory Rural Appraisal (PRA) techniques** are important because they allow the community to become involved in mapping their financial management and analyzing their resource use. An important part of capacity development for microentrepreneurs is their ability to participate in financial analysis which is so often carried out on their behalf rather than with them. PRA provides them with an opportunity to participate in financial mapping in order to better understand their opportunities and ability to use assistance effectively.

PRA has largely focused on natural resource management, gender-disaggregated resource control and use.

This study would attempt to expand the concepts and methodologies of PRA in order to:

- a) work toward developing PRA tools for better understanding linkages between financial and management in other areas such as domestic or natural resources
- b) work toward developing PRA tools for analyzing community participation in financial assistance programs

**Decision-tree modelling** will be the technique used in order to understand under what conditions certain decisions are made. This method is particularly useful in outlining factors which led to one decision within a range of alternatives. After decision-tree modelling has been carried out with several case-studies, an aggregate model of decision-making for the microentrepreneur could be designed. This technique could answer important questions such as: why this credit program? why at this stage of the microenterprise life-cycle? why do clients attend meetings regularly/irregularly? what causes them to leave credit programs? what services attract them to participate?

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### **FEASIBILITY AND IMPACT OF THE PROGRAM**

*The results of the program will be a detailed set of case-studies which will provide valuable information about the microentrepreneurs, their microenterprises, and their financial decision-making within a range of activities under two different credit programs. Bolivia provides an appropriate context for this investigation because the presence of the two programs allow an examination of two methodologies. Credit programming is expanding to rural areas but is finding adaptation from other models difficult due to rural Bolivia's low population density and lack of critical mass. This study would aid both organizations in establishing their clientele base by providing an in-depth analysis of the different needs and conditions of the clients. Both PRODEM and Freedom from Hunger would find this useful because they are planning to diversify and expand their clientele base. Therefore, this study would provide the basis for more informed credit programming. Most importantly, this study would allow me to critically analyze the trade-offs between the two credit extension approaches with respect to community needs. This would be useful toward clarifying my career plans in community economic development. Aside from the utility of this information for the support organizations, which has already been outlined, this study can contribute to existing international development and planning theory. Because it is a comparison between two distinct methods of intervention, it provides data for comparing differing approaches to development. Although not clearly defined dichotomies, several issues of trade-off would be presented for consideration: social welfare objectives vs. economic objectives, bottom-up planning vs. support from more centralized institution, community ownership vs. individual targeting. Information with respect to conditions and trade-offs related to these issues may be useful for effective planning strategies, in areas of development beyond credit.*

*Limitations of the study have to do with choices of scale. The decision to conduct case-studies is based on the need to look more intensively at resource use and management. While this would not be possible for every credit impact study, it provides valuable information about factors and considerations which may be useful for future studies. The people of the region or country will also be actively engaged in analyzing and mapping their own financial management. While there is always the danger of raising expectations in participatory research, the community members being interviewed are already tied to and receiving the benefits of credit programs. Explaining that the study is an attempt to better meet their needs and understand their situation should alleviate the problem of expectations-raising. Other considerations/limitations with respect to this study is the delicacy of issues such as gender/resource control and also potentially touching on illegal activities such as coca growing in the informal economy. Care must be taken not to embark on analysis which could even potentially harm or offend either the researchers or community members involved. An awareness of the implications of certain analyses will be taken into account continually.*

**DOCUMENTING THE HEALTH AND NUTRITION BENEFITS  
OF COMMUNITY BANKING AND CHILD SURVIVAL SERVICES  
DELIVERED TOGETHER IN THE SAME INTEGRATED PROGRAM**

World Relief Corporation and Freedom from Hunger share a common interest in developing and testing new ways to integrate community banking and child survival programming.

The two agencies assert that women in poverty need both more income and savings and better health and nutrition information and services to improve the health and nutrition of their families, especially the younger children for whom mothers bear the major responsibility. They also assert that it is far more cost-effective to deliver financial and health/nutrition services through the same program, rather than through two distinct programs serving the same population.

There is the added prospect that the interest revenues generated by loans to women can fully cover the costs of financial service delivery and even contribute significantly to covering the costs of non-financial service delivery. This prospect is enhanced when group-based lending to the poor, like community banking, cost-effectively uses the regular group meetings for educational as well as financial purposes.

It was the Grameen Bank which invented this new type of integrated development "intervention." Just as FINCA has developed village (community) banking as a modified, more generic version of Grameen's approach to poverty lending, Freedom from Hunger has developed and modified Grameen's early concept of linkage to non-formal adult education into a more generic version, called *Credit with Education*<sup>™</sup>, which World Relief has successfully adapted for implementation in Cambodia and elsewhere. Both Freedom from Hunger and World Relief use the educational opportunity provided by group-based lending to promote better child survival through greater food security, improved child care practices, and use of available health services.

In brief, the health and nutrition impact of a poverty-lending program is likely to be greatly amplified and broadened by an education component. It is even likely that the program's financial performance and long-term success will be enhanced by a healthier, better nourished, and more informed and productive clientele. On the other hand, the health and nutrition impact of a child survival promotion program is likely to be greatly amplified and broadened when community banking services are provided to the same women, preferably in tight integration with the child survival education and promotion activities.

These conclusions may seem obvious, but there is very little objective evidence to support them. The formal evaluation work has not been done, and the skeptics in both the poverty lending and child survival communities are numerous and influential. Their concerns focus on one general and valid question. **Is the extra effort and expense of integrating two very different types of programming justified by the lower cost and/or additional impact gained from integration?** The practical importance of answering this question is that funding for innovative integrated programming depends on the answer.

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## A Joint Research Project

World Relief and Freedom from Hunger have agreed in principle to undertake a joint research project to compare the health, nutrition, and other impacts in communities with different combinations of services to very poor women. There are six possible combinations that a community can have:

1. Community has community banking but no child survival program.
  - a. no health/nutrition education is offered during the community bank meetings.
  - b. child survival promoting education is offered during the community bank meetings.
2. Community has child survival education and services but no community banking.
3. Community has both child survival and community banking services, and some mothers participate in both.
  - a. there is no child survival promoting education during the community bank meetings.
  - b. child survival promoting education takes place during the community bank meetings.
4. Community has neither a community banking nor a child survival program.

The comparison of impact of these six combinations would be in terms of the variables normally measured by Child Survival programs to evaluate impact (health, nutrition, and family planning knowledge and practice, immunization coverage, etc.) The survey instruments would be slightly amplified versions of those mandated by USAID. Height and weight measurements of mothers and their young children would also be collected. The impact evaluation would be performed in two steps. The first would be a baseline measurement of the variables in the comparison communities. The second would be a follow-up measurement of the variables after 12 to 24 months of operation by the particular combination of services in the communities to be compared.

A joint research project would mean shared responsibility but a division of labor between Freedom from Hunger and World Relief, as follows:

- research design—Freedom from Hunger would lead with World Relief input and agreement.
- research sites—Some World Relief programs provide or will provide opportunities for making some or all of the comparisons among the combinations listed above (Freedom from Hunger programs provide only the 1b combination).
- data collection—World Relief staff or temporary help would do this, with some training and troubleshooting by Freedom from Hunger staff, as needed.

- data analysis—Freedom from Hunger staff would do this, with review and input by World Relief staff.
- research report writing—Freedom from Hunger staff would do this, with review and input by World Relief staff.
- report dissemination—Freedom from Hunger would take responsibility for seeking peer review journal publication and other forms of publication. The most involved World Relief staff would be listed as individual authors along with the most involved Freedom from Hunger staff, and the organizations would have joint copyright for reproduction, publication, and distribution.
- resource mobilization—Each agency would be responsible for funding the activities of its own staff.

Having agreed to this joint research concept with Freedom from Hunger, World Relief has identified Burkina Faso, Cambodia, Haiti, Honduras, Liberia, and Mozambique as countries where World Relief either currently has or soon will have some combination of community banking and child survival promoting education. The conversation has since focused on the two countries where Freedom from Hunger also works—Burkina Faso and Honduras. Honduras holds particular promise for implementing the joint research concept, because World Relief has already established community banking there, and USAID has recently approved World Relief's proposal to initiate a new child survival program in the departments of Francisco Morazan and El Paraiso, to start in September 1995.

### **Joint Research in Honduras**

If the Honduran staff and partners of World Relief agree that there are potential benefits of the research results for their own operations, there may be an opportunity in Honduras to create some, perhaps even all, of the six combinations of programming listed above. It is premature to establish a detailed research design until there can be in-depth consultation with the local programmers; the research design must take into account the nature of the communities in the program areas and must be closely coordinated with the program implementation plans already established. In addition, the following assumptions must hold true:

- World Relief/Honduras already has established community banks in communities of El Paraiso and/or Francisco Morazan and plans to open new community banks in more communities there in the near future.
- The new USAID-funded child survival program can be introduced into some of the same communities, but not all, during the first two years of the grant period.
- The timing for opening new banks and introducing the child survival program to communities can be flexed to accommodate a to-be-negotiated research design.

If these assumptions are valid, the next step would be for Freedom from Hunger staff to meet in Honduras for in-depth consultation with World Relief staff, perhaps in September 1995.

## ATTACHMENT 5

Employee Program Department

Position Title

Supervisor Ellen Vor der Bruegge

Position Title Vice President for Programs

Appraisal by  Employee or  Supervisor.

Period from 1 July 95 to 30 June 96

Appraisal is  annual

interim

probation

**A. Major Continuing Program Responsibilities**

**RATING**

5 4 3 2 1

1. Develop, analyze, and refine the general strategy of Credit with Education.
2. Implement *Credit with Education* strategies through technical support and guidelines with field programs and partners.
3. Supervise the management and administration of programs.
4. Manage the annual planning and budgeting process with program staff and partners.
5. Solicit institutional partner support to reach annual Program Department revenue goals.
6. Monitor and evaluate program performance in relation to annual plans, overall program design, and intended impact.
7. Provide information on programs and institutional funding to the President, the BOT and other interested parties.
8. Manage the growth of the program portfolio and partnerships as scheduled in the five year plan.
9. Carry out special assignments as requested by the President

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**B. Major Objectives for this Performance Period Continued**

**STATUS**

**RATING**

5 4 3 2 1

1. Expand *Credit with Education* programs in Bolivia (CRECER), Burkina Faso (Reseau des Caisses Populaires), and Ghana (Lower Pra, Brakwa Breaman, and initiate programs in Nandom and with MASU and/or another Rural Bank).
2. Develop *Credit with Education* programs in Mali (Nyésigiso and Kafo Jiginew) and Togo (FUCEC-Togo).
3. Develop and implement transition plans for CANEF and FAMA.
4. Establish a Technical Support Center in Mali to provide technical support in the West Africa Region, primarily to Mali and Burkina Faso.
5. Provide technical support and programmatic resources to affiliates in Thailand (FIAM) and Uganda (FOCCAS).
6. Strengthen financial management, delivery of financial services, and financial performance of field projects.
7. Further develop management information systems to strengthen International Center tracking of revenues and expenditures by partner, by country.
8. Secure institutional funding through development/production of proposals, reports, and other information for institutional donors. Cultivate new donors and identify new contacts.
9. Strengthen capacity of partners to obtain/manage funding relationships with institutional donors, and to identify and cultivate new donors.
10. Provide *Credit with Education* start-up and in-service training to partners.
11. Further develop training and education support systems and materials for credit management and microenterprise development.

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B. Major Objectives for this Performance Period Continued	STATUS	RATING					
		5	4	3	2	1	
12. Further develop health, nutrition, and family planning training and education support materials.							12
13. Revise Field Agent Operations Manual and develop Coordinator Manual.							13
14. Document program impact and performance through monitoring systems and evaluation studies.							14
15. Assist CHAN to become a self-financing program which is technically and financially supporting expanding Community Health Advisors programs.							15
16. Develop and implement a consortium of Africa credit union networks implementing <i>Credit with Education</i> with Developpement Internationale Desjardins and Freedom from Hunger technical assistance and support.							16
17. Maintain relations with appropriate professional organizations and colleagues through presentations and participation in professional meetings or interorganizational working groups.							17
18. Develop, implement, and maintain administrative support systems to facilitate accomplishment of Program Department objectives.							18

Individual Travel Schedules -- Program Department Staff  
FY 96

Ellen Vor der Bruegge

July - W. Africa (June 23-Aug 3)  
August - D.C. (29-31)  
September - Bolivia (9/1-9/13)/  
Alabama/D.C (9/22-10/1).  
October-November- San Diego (10/30-11/3)  
November - Bolivia  
December - Burkina (?)  
January - Uganda/Ghana  
February - Mali  
March - Bolivia

Kathleen Stack:

July - Canada  
Sept/Oct - D.C.  
October - Burkina Faso, Ghana, Togo, Mali, D.C  
December - D.C. - SEEP Board Mtg.  
March/April - Bolivia  
January - Burkina Faso (?)

Peggy Roark

November - Bolivia  
January - Honduras  
February - Mali, Ghana  
May/June - Ghana, Togo, Burkina Faso

Robert Ridgley

July - Bolivia  
November - Bolivia  
January - Honduras  
March/April - Bolivia  
May - Honduras  
June - Bolivia

Mark Gizzi

July - Burkina Faso, Mali, Ghana  
Sept/Oct - Mali  
Oct/Nov - Burkina Faso  
Dec/Jan - Mali, U.S.  
February - Burkina Faso, Mali  
April - Burkina, U.S.  
May - Mali  
May/June - Burkina Faso

Graham Perrett

July - Ghana, Mali, Burkina Faso  
September - D.C. - SEEP (9/9-11)  
October - SEEP - D.C. (10/22-27)  
Nov-Dec - Burkina Faso, Ghana  
February - Mali  
March-April - Bolivia  
May-June- Ghana, Togo, Mali (?)

Kiendel Burritt

Sept/Oct - Ghana, Mali  
Jan/Feby - Ghana, Togo  
April/May/June - Togo, Ghana

Barbara MKNelly

October - Ghana & Honduras  
November - Bolivia  
December - D.C.  
January & February - Honduras  
March - Ghana (3/4-3/8 approx)  
April - Arkansas  
May - Burkina Faso (?)  
June - East coast

Jan Kinsbury

November - Bolivia

Joan Dickey

October - Mississippi (CHAN)

Maureen Plas & Judy Vulliet

March (MAP)- Bolivia  
March/April -Bolivia

Chris Dunford

Sept-Oct - Ghana/Togo  
Oct - Honduras  
Nov-Dec - Bolivia  
March - Bolivia

## DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES

**OBJECTIVE #1:** Expand *Credit with Education*<sup>SM</sup> programs in Bolivia (CRECER), Burkina Faso (Reseau de Caisses Populaires) and Ghana (Lower Pra, Brakwa Bremen, and initiate programs in Nandom and with MASU and/or another Rural Bank).

### BOLIVIA

Activities - Brief Description	Responsible	1	2	3	4
<b>Expansion/LOU Plans</b>					
<ul style="list-style-type: none"> <li>■ Increase number of Credit Associations in both program areas:               <ul style="list-style-type: none"> <li>□ 45 new Credit Associations in Tiquina</li> <li>□ 45 new Credit Associations in Viacha</li> <li>□ 23 new Credit Associations in Tarata</li> <li>□ 23 new Credit Associations in Cliza</li> </ul> </li> <li>■ Conduct expansion study in Cochabamba</li> <li>■ Redefine LOU configuration in Cochabamba</li> </ul>	Exec Dir/RR  Reg. Dir./RR RR/PR	X X X X X	X X X X X	X X X X 	X X X X 
<b>Training/Education</b>					
<ul style="list-style-type: none"> <li>■ Recruit and train 8 new Field Agents</li> <li>■ In-service training for current staff</li> <li>■ In-service training for staff contracted this FY</li> <li>■ Training for New Educational Specialist (including trip to Davis)</li> <li>■ Initiate training on family planning</li> <li>■ Test and use Field Agent Operations Manual and Coordinator Manual</li> <li>■ Adapt lesson plans to be appropriate for local context</li> </ul>	RR/PR/EVB RR/PR/EVB RR RR/EVB/MAP RR/EVB/PR RR/PR MAP/IR	X  X X X X X	X X X X X X	X   X X X X	X   X X X X
<b>Administration/Staffing/Finances</b>					
<ul style="list-style-type: none"> <li>■ Develop allocation plan of planned income and expenses</li> <li>■ Monitor achievement of annual objectives and update as necessary</li> <li>■ Complete installation of MIS/accounting systems to strengthen capacity to track progress towards financial sustainability</li> <li>■ Establish Central Office and staff in La Paz</li> <li>■ Investigate the advisability of developing a framework to implement incentive systems for Field Agents.</li> <li>■ Prepare for USAID Institutional Review Visit</li> <li>■ Form advisory committee for CRECER</li> <li>■ Develop/revise personnel and administrative procedures manual</li> <li>■ Finalize renewed agreement with the Government of Bolivia</li> <li>■ Host Board of Trustees Meeting in Bolivia</li> <li>■ Train new Executive Director, including orientation visit to Davis</li> </ul>	RR/JK RR/PR  RR/GP RR/PR  RR RR/PR/GP RR RR/CS' RR RR/IV/JN/MAP/KES/E VB EVB/RR/PR	X X  X X X X X X X X X X	X X X X X X X X X X X X	X   X X X X X X X X X X X	X   X X X X X X X X X X X
<b>Funder Relations</b>					
<ul style="list-style-type: none"> <li>■ Cultivate and maintain relationships with U.S. based donors (USAID/MIF/PHP/UMCOR)</li> <li>■ Identify/cultivate/maintain in-country donor support (PNP, FUNDAPRO, CRS, PROCOSI, Plan International, PL480, MIF, BISA, CARE)</li> <li>■ Train Bolivia staff to report to manage in country and donor relations</li> </ul>	JK/RR RR/JK/ED RR/JK	X X X	X X X	X X X	X X X
<b>Monitoring and Evaluation</b>					
<ul style="list-style-type: none"> <li>■ Ensure inputs for adequate outcomes for impact study</li> <li>■ Identify indicators of empowerment for impact study</li> <li>■ Coordinate with U. Of Guelph on comparative impact study</li> <li>■ Complete data collection for baseline study.</li> <li>■ Participate in PROCOSI impact evaluation of education</li> <li>■ Monitor and provide feedback on all monthly and quarterly reports.</li> </ul>	BMK/RR BMK/RR BMK/RR BMK/RR/ME BMK RR/BMK/JD	X  X X X X X	X X X X X X	X  X X X X X	X  X X X X X

Objective #1 continued

<b>Technical Institutions/Support Linkages</b> ■ Establish collaboration with CIES or other family planning provider.	EVB/RR	X	X		
<b>Technical Assistance Trips:</b> ■ July 1995—Management, recruitment of new personnel ■ September 1995 - orientation of new personnel, management ■ October - Executive Director to Davis for Orientation ■ November - Management, Training ■ November - Baseline Data Collection for impact evaluation ■ February - Ed Specialist to Davis for Training ■ March/April -- Board of Trustees Meeting ■ April -Financial Management ■ June —Management	RR EVB CS/RR/PR RR/PR/JK/EVB CD/BMK RR/MAP/EVB KES/EVB/RR/JV/MAP /GP JV/KES/GP RR	X X	X X X X	X X X	X
Documents: PROCOSI Extension and Family Planning Proposals, Funding proposals - various donors, BISA - renewed agreement; Bolivia Baseline Summary Report, FAOM and Coordinator's Manual, Replication package, BOT meeting materials, MIF proposal in Spanish Microenterprise lessons and sequence in Spanish.					

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Objective #1 continued

BURKINA FASO

Activities - Brief Description	Responsible	1	2	3	4
<b>Expansion/LOU Plans</b> <ul style="list-style-type: none"> <li>■ Establish fourth LOU in Koudougou</li> <li>■ Train and inaugurate 100 Credit Associations</li> </ul>	MG MG	X	X	X	X
<b>Training/Education</b> <ul style="list-style-type: none"> <li>■ Recruit and train 3-8 new field agents</li> <li>■ Provide in-service training to existing field staff</li> <li>■ Design and provide training for Credit Association Education Officers</li> <li>■ Ensure availability of literacy training for CA members</li> <li>■ Test and use Field Agent Operations Manual and Coordinator Manual</li> <li>■ Adapt lesson plans to be appropriate for local context</li> </ul>	MG/AF CT AF/MG MG MG MAP/CT	X	X	X	X
<b>Administration/Staffing/Finances</b> <ul style="list-style-type: none"> <li>■ Develop allocation plan of planned income and expenses</li> <li>■ Monitor achievement of annual objectives, and update as necessary</li> <li>■ Complete Procedures Manual for MIS System</li> <li>■ Revise Accounting Procedures &amp; Policies Manual</li> <li>■ Strengthen capacity to track financial sustainability</li> <li>■ Resolve issue of incentive system for program staff</li> </ul>	MG/JK MG/PR MG/GP/KES GP MG/GP MG	X	X	X	X
<b>Funder relations</b> <ul style="list-style-type: none"> <li>■ Cultivate and maintain relations with IFAD</li> <li>■ Revise/extend UNICEF agreement</li> <li>■ Develop concept paper for C-GAP</li> <li>■ Provide plan and financial information for C-GAP</li> </ul>	MG/JK MG/KES MG/AO MG/AO	X	X	X	X
<b>Monitoring and Evaluation</b> <ul style="list-style-type: none"> <li>■ Finalize longitudinal case study questions</li> <li>■ Coordinate community profile impact mini-study</li> <li>■ Monitor and provide feedback on all monthly and quarterly reports</li> </ul>	MG/BMK MG/BMK MG/BMK/ME	X	X	X	X
<b>Technical Assistance Trips</b> <ul style="list-style-type: none"> <li>■ July - Administration/Financial Management</li> <li>■ Quarterly -Management-Training</li> <li>■ October--Funding/financial management</li> <li>■ December - Training</li> <li>■ January- Financial systems management</li> <li>■ February - Management</li> <li>■ May - Community Impact Study (?)</li> <li>■ June--Training</li> </ul>	MG/GP MG KES MG/KES/AF GP/MG MG/AF BMK (?) MG/AF	X	X	X	X
<b>Documents</b> <ul style="list-style-type: none"> <li>■ MIS Manual; Outline of Procedures for Establishment of MIS; new Accounting Procedures &amp; Policies Manual; Longitudinal Case Study; UNICEF, FICAH, and IFAD reports.</li> </ul>					

10/12/95

## Objective #1 continued

## GHANA

Activities - Brief Description	Responsible	1	2	3	4
<b>Expansion/LOU Plans</b>					
■ Add 30 Credit Associations in Lower Pra	KB/FB	X	X	X	X
■ Add 30 Credit Associations in Brakwa Breman	KB/FB	X	X	X	X
■ Add 20 Credit Associations in Nandom	KB/FB	X	X	X	X
■ Develop partnership with MASU as possible/feasible- Inaugurate 90 new Credit Associations	KB,FB	X	X	X	X
■ Work with Francis on selection/collaboration with new Rural Bank - ◦ 10 new Credit Associations	KB/FB			X	
■ Continue study of partnership possibilities with Citi Savings & Loan	KB/FB			X	
<b>Training/Education</b>					
■ Recruit and train Field Agents for MASU and/or fourth RB	AF/EVB/KB			X	
■ Credit Association Management training in Brakwa Breman	AF/KB			X	X
■ In-service training to existing field staff in Nandom	AF/KB			X	
■ In-service training for all field agents, all partners.	AF/KB/EVB			X	
■ Test/use Field Agent Operations Manual & Coordinator Manual	AF/KB/EVB	X		X	X
■ Adapt Lesson Plans to make them appropriate to local context	MAP/FB	X	X	X	X
<b>Administration/Staffing/Finances</b>					
■ Develop allocation plan of planned income and expenses	KB/JK	X	X	X	X
■ Monitor achievement of annual objectives & update as necessary	KB/PR/FB	X	X	X	X
■ Improve and upgrade financial management systems	FB/KB/GP/JD	X	X		
■ Determine cost recovery strategy for TSC	KB/GP/KES/PR	X			
■ Standardize partner MOU	GP/KES		X		
■ Strengthen capacity to track financial self-sufficiency	KB/GP		X		
■ Review and address staffing needs at TSC	KB/FB/KES		X		
■ Reorganize staffing at Lower Pra	FB/KB		X		
<b>Funder Relations (includes credit)</b>					
■ Cultivation of relationships with USAID and UNICEF	FB/KB/JK	X	X	X	X
■ Seek approval for use of APPLE funds for Lower Pra & Brakwa Breman	FB/KB/KES	X	X	X	
■ Work to secure additional capital funds for program scale-up	FB/KB/GP	X	X	X	X
■ MASU Concept paper for C-Gap (?)	KB/FB/JK/Dir	X			
■ Provision of plan and financial information for C-GAP (?)	KB/FB/JK/Dir		X	X	
<b>Monitoring and Evaluation</b>					
■ Ensure inputs for adequate outcomes in Lower Pra	KB/BMK/FB	X	X	X	X
■ Identify indicators of empowerment for impact study	BMK			X	
■ Monitor and provide feedback on all monthly & quarterly reports	KB/BMK/JD	X	X	X	X
<b>Technical Institutions/Support Linkages</b>					
■ Ensure support linkages with appropriate agencies (PPAG & FPH)	KB/FB	X	X	X	X
<b>Technical Assistance Trips</b>					
■ September - Management/Partners/Funding	KB/CD	X			
■ October - Management/Partners Funding	KES		X		
■ November- Financial Management	GP		X		
■ January - Start-up Training for MASU or other	KB/EVB			X	
■ March - Impact Study (possible)	BMK			X	
■ June - Management/Financial	PR/GP/KB				
■ Possible Monitoring/Evaluation visit	BMK				X
<b>Documents</b>					
■ New MOUs w/Lower Pra, Brakwa Breman, possibly Nandom & MASU; impact study report on empowerment; CA mgmt. training materials for Brakwa; reports to funders - Outreach, FICAH, UNICEF, USAID					

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## DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES

### MALI-Nyésigiso and Kafo Jiginew

Objective 2: Develop *Credit with Education*™ programs in Mali (Nyésigiso and Kafo Jiginew) and Togo (FUCEC-Togo).

#### NYESIGISO

Activities - Brief Description	Responsible	1	2	3	4
<b>Start-up Activities - Nyésigiso</b> <ul style="list-style-type: none"> <li>■ Finalize agreements between Credit Unions and Nyésigiso</li> <li>■ Conduct Credit/Demographic/Health and Nutrition Assessment</li> <li>■ Train and inaugurate 90 Credit Associations</li> </ul>	MG/GP MG MG	X	X		
<b>Training- Nyésigiso</b> <ul style="list-style-type: none"> <li>■ Start-up training for 10 field agents (to hire 8)</li> <li>■ In-service training</li> <li>■ Provide continuing training to Program Manager</li> <li>■ Conduct KAP Survey</li> <li>■ Adapt Lesson Plans to be appropriate to local context</li> </ul>	EVB/AF EVB/AF/MG/PR . MG AF/MG OS/MAP/EVB/AF	X		X	X
<b>Administration/Staffing/Finances</b> <ul style="list-style-type: none"> <li>■ Develop allocation plan of planned income and expenses, and develop capability to track them</li> <li>■ Adapt and integrate MIS system</li> <li>■ Track progress towards financial sustainability</li> <li>■ Monitor progress towards annual objectives, and make adjustments as necessary.</li> </ul>	MG/JK  MG/GP MG/GP MG	X	X	X	X
<b>Funder Relations</b> <ul style="list-style-type: none"> <li>■ Adhere to USAID/Mali reporting requirements</li> <li>■ Cultivate/maintain relationship with UNICEF</li> <li>■ Complete C-GAP concept paper</li> <li>■ Provide program and financial information for C-GAP</li> </ul>	MG MG/KES OS/MG OS/MG	X	X	X	X
<b>Monitoring and Evaluation</b> <ul style="list-style-type: none"> <li>■ Monitor/respond to all monthly &amp; quarterly reports</li> </ul>	MG/BMK/ME	X	X	X	X
<b>Technical Institution Support/Linkages</b> <ul style="list-style-type: none"> <li>■ Survey and examine institutions and develop relationships as appropriate</li> </ul>	MG				X
<b>Technical Assistance Trips</b> <ul style="list-style-type: none"> <li>■ October - KAP study</li> <li>■ February - In-service training, management/support</li> <li>■ February/June - Management support/MIS systems</li> </ul>	AF/MG EVB/AF/MG/PR GP/MG		X	X	X
<b>Documents</b> <ul style="list-style-type: none"> <li>■ Credit/Health/Demographic Assessment Results; agreements with Credit Unions; KAP study report; USAID reports.</li> </ul>					

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**Objective 2, continued – Kafo Jiginew**

Activities - Brief Description	Responsible	1	2	3	4
<b>Start-up Activities - Kafo Jiginew</b>					
■ Negotiate/sign MOU with Kafo Jiginew	GP/MG	X	X		
■ Revise concept paper to create program design document	MG	X	X		
■ Complete planning/budgeting process	MG	X	X		
■ Recruit and hire Program Manager and Field Agents	MG		X		
■ Conduct Credit/Demo/Health and Nutrition Assessment	MG		X		
■ Identify initial program sites	MG		X		
■ Train and inaugurate 50-60 Credit Associations	MG/Prog.Mgr.			X	X
<b>Training/Education - Kafo Jiginew</b>					
■ Train Program Manager	MG		X	X	X
■ Start-up training for program staff	MG/AF/EVB			X	
■ Conduct KAP Survey	MG/BMK/AF			X	
■ Provide in-service training to field agents	AF/MG				X
■ Adapt Lesson Plans to be appropriate to local context	MAP/AF/EVB			X	X
<b>Administration/Staffing/Finances</b>					
■ Develop allocation plan of planned income and expenses, and develop capability to track them	MG/JK	X	X		
■ Integrate information required for management of CwE into existing MIS system	GP/MG			X	
■ Develop long-term financial plan	MG/GP			X	
■ Strengthen capacity to track financial sustainability	MG/GP				X
■ Monitor progress towards annual objectives, and make adjustments as necessary.	MG/PR		X	X	X
<b>Funder Relations</b>					
■ Adhere to USAID/Mali reporting requirements	MG		X	X	X
■ Complete C-GAP concept paper	Program Dir/MG	X			
■ Provide program and financial information for C-GAP	Program Dir/MG	X	X	X	
<b>Monitoring and Evaluation</b>					
■ Monitor/respond to all monthly & quarterly reports	MG/BMK/ME	X	X	X	X
<b>Technical Institution Support/Linkages</b>					
■ Investigate institutions/develop relationships as appropriate	MG		X	X	X
<b>Technical Assistance Trips</b>					
■ October - Start-up Training	MG/AF			X	
■ February - Management support	GP/MG/PR			X	
■ May - In-service Training	AF/MG				X
<b>Documents</b> MOU with Kafo Jiginew; Design Document; Credit/Demo/H&N Assessment; KAP Study summary; USAID reports.					

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Objective 2, continued – FUCEC-Togo

Activities - Brief Description	Responsible	1	2	3	4
<b>Start-up Activities</b>					
■ Complete planning/budgeting process	KB		X		
■ Conduct Credit/Demo/Health and Nutrition Assessment	KB/AF		X		
■ Revise Design Document	KB/AF		X		
■ Train and inaugurate 20 Credit Associations	Program Mngr./AF			X	X
<b>Training/Education</b>					
■ Train Program Manager	K/G/AF		X	X	X
■ Start-up training for 2 field agents	AF			X	
■ Conduct KAP Survey	AF			X	
■ Provide in-service training to field agents in Credit Association Management	AF				X
■ Adapt Lesson Plans to be appropriate to local context	MAP/EVB/AF			X	X
<b>Administration/Staffing/Finances</b>					
■ Ensure strength of collaborative relationship	CD		X		
■ Hire and train Program Manager	CD/KB/KES		X		
■ Integrate information required for management of CwE into existing MIS system	GP/KB			X	
■ Develop allocation plan of planned income and expenses, and develop capability to track them	KB/K			X	X
■ Strengthen capacity to track financial sustainability	KB/GP		X	X	X
■ Monitor progress towards annual objectives, and make adjustments as necessary.	KB/PR	X	X	X	X
■ Develop three year financial plan	KB				X
<b>Funder Relations</b>					
■ Identify sources of funding for operational and credit needs	KB/K	X	X	X	X
<b>Monitoring and Evaluation</b>					
■ Monitor/respond to all monthly & quarterly reports	KB/BMK/JD			X	X
<b>Technical Institution Support/Linkages</b>					
■ Investigate other institutions and develop relationships as appropriate	KB		X	X	X
<b>Technical Assistance Trips</b>					
■ Sept Oct - Resolve partnership issues, contract Program Manager	CD/KB/KES		X		
■ November - Start-up training	AF		X		
■ January - Management	KB			X	
■ April-May - Management	KB			X	X
■ June - Financial systems & Management	GP/PR/KB				X
<b>Documents</b>					
Design Document; Credit/Demographic/H&N Assessment; KAP Study summary; various funding proposals					

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## DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES

Objective 3: Develop and implement transition plans for FAMA/Honduras and CANEF/Mali

### CANEF/MALI

Activities - Brief Description	Responsible	1	2	3	4
<b>Transition:</b> <ul style="list-style-type: none"> <li>■ Develop and sign an MOU for transition</li> <li>■ Adhere to technical assistance requests, as scheduled in agreement:                             <ul style="list-style-type: none"> <li>□ MIS systems &amp; accounting</li> <li>□ Fund raising capabilities</li> <li>□ Training of Program staff</li> </ul> </li> <li>■ Inaugurate 30 new Credit Associations in Bougouni</li> </ul>	MG/PR MG/GP  MG	X  X	X X X	X X X	X X X
<b>Funder Relations</b> <ul style="list-style-type: none"> <li>■ Help CANEF develop/maintain positive relationships with key funders (Plan International and/or USAID/PVO co-financing)</li> <li>■ Assist CANEF to develop a long-term funding plan and capabilities</li> </ul>	JK/MG  JK/MG	X  X	X X X	X X X	X X X
<b>Technical Assistance Trips</b> <ul style="list-style-type: none"> <li>■ As requested, to provide technical assistance</li> <li>■ TBA, MIS systems and accounting</li> </ul>					

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FAMA/Honduras

Activities - Brief Description	Responsible	1	2	3	4
<b>Expansion/LOU Plans</b> <ul style="list-style-type: none"> <li>■ Expand Number of Credit Associations:               <ul style="list-style-type: none"> <li>▫ 15 new Credit Associations - Olancho</li> <li>▫ 30 new Credit Associations - El Paraíso</li> <li>▫ 15 new Credit Associations - Francisco Morazán</li> </ul> </li> </ul>					
<b>Training/Education</b> <ul style="list-style-type: none"> <li>■ Train four new Field Agents</li> <li>■ In-service for six Field Agents</li> <li>■ Adapt all lessons plans to be appropriate for local context</li> <li>■ Test and use Field agent Operations and Coordinators Manual</li> <li>■ Ed. Specialist to Davis for development of training materials</li> </ul>	RR/PR RR/PR MAP/MTH/EVB RR MAP/MTH/EVB	X	X	X X X X	X X
<b>Administration/Staffing/Finances</b> <ul style="list-style-type: none"> <li>■ Develop allocation plan of planned income and expenses and help develop institutional capability to track them</li> <li>■ Strengthen FAMA Board of Directors</li> <li>■ Improve MIS systems</li> <li>■ Strengthen capacity to track towards financial sustainability</li> <li>■ Assist FAMA to develop business plan for TC revenues &amp; costs</li> </ul>	RR/JK CD/RR RR/GP RR RR	X	X X X	X X X X	X X
<b>Funder Relations</b> <ul style="list-style-type: none"> <li>■ Cultivate/maintain relations w/U.S. based funders (FICAH, SOS, PHP)</li> <li>■ Help FAMA to identify, obtain and maintain financial support (Kellogg, IAF, Fundación Vida, ANDI-PYME, PROCATMER, etc)</li> <li>■ Secure source of credit funds for expansion of program</li> </ul>	RR/JK JK/RR RR	X	X X X	X X X	X X X
<b>Monitoring and Evaluation</b> <ul style="list-style-type: none"> <li>■ Monitor/ provide feedback on all monthly &amp; quarterly reports</li> <li>■ Investigate possibility of impact study with World Relief in El Paraíso</li> </ul>	RR/BMK/JD BMK/CD	X	X X	X X	X X
<b>Technical Institutions/Support Linkages</b> <ul style="list-style-type: none"> <li>■ Assistance in securing MOU with PROCATMER or ANDI-PYME</li> <li>■ Formalize relationship between FAMA and ODEF/Katalysis</li> </ul>	RR RR/CD		X		
<b>Technical Assistance Trips</b> <ul style="list-style-type: none"> <li>■ October - FAMA admin issues, meet concerning possible study with World Relief</li> <li>■ January - Management/BOD relations/determine credit funds course</li> <li>■ February - Maria Teresa to Davis to finalize Ed. Materials</li> <li>■ May - Finalize transition with FAMA - funding/MIS systems</li> </ul>	CD RR/PR MTH RR		X	X X	X
<b>Documents</b> <ul style="list-style-type: none"> <li>■ PROCATMER or ANDI-PYME MOU, baseline study summary, possible MOU with ODEF/Katalysis, post-transition MOU with FAMA, reports to Kellogg, IAS, SOS, PHP, FICAH</li> </ul>					

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## DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES

**Objective 4:** Establish a Technical Support Center in Mali to provide technical support in the West Africa region, primarily to Mali partners and Burkina Faso.

Activities - Brief Description	Responsible	1	2	3	4
Establish Bamako Office					
■ Install computer and MIS system	MG	X	X		
■ Recruit/hire Accountant & Program Director	MG/GP		X	X	
■ Train Program Director	MG		X	X	X
■ Liaison with funding partners and USAID	MG		X	X	X
■ Liaison with Freedom from Hunger partners	MG	X	X	X	X
■ Provide technical assistance to Mali and Burkina Faso partners	MG/PR	X	X	X	X
Trips to Davis					
December-Jan -- Consultation/debriefing	MG - 2nd quarter				
April - Consultation/debriefing	MG - 4th quarter				

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Objective 5: Provide technical support and programmatic resources to affiliates in Uganda (FOCCAS) and Thailand (FIAM).

FOCCAS/Uganda

Activities - Brief Description	Responsible	1	2	3	4
<b>Technical Assistance/Support</b> ■ Train Field Agents ■ Share/discuss materials/systems/tools with FOCCAS as appropriate ■ Provide technical assistance & support letters for fundraising ■ Assist in installation of start-up MIS system in Reno and Kampala	EVB PR/MAP JK GP			X	X
<b>Technical Assistance Trips</b> ■ January - Training/Management	EVB			X	

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FIAM - Thailand

Activities - Brief Description	Responsible	1	2	3	4
<b>Technical Assistance/Support</b> ■ Facilitate provision of in-country financial/activity reports to in-country donors. ■ Monitor creation of three year plan for financial sustainability ■ Verify loan repayment of CA's to Bangkok Bank/Chumpuang ■ Monitor progress of APEX's legal recognition & FIAM/ Chumpuang's membership ■ Secure approval from CRS and finalize arrangements for FFH loan to be managed by APEX for provision of credit funds to CA's in Chumpuang	EVB/JV EVB/CD EVB/JV EVB/JV EVB/CD	X	X		
<b>Funder Relations</b> ■ Provide letters of support to Cargill and Chase Manhattan	JK/CD/EVB	X	X	X	
<b>Monitoring &amp; Evaluation</b> ■ Define FFH monitoring needs and requirements with FIAM ■ Monitor/provide feedback on all monthly reports.	BMK/JV/EVB BMK/JV		X	X	X
<b>Technical Institution Support Linkages</b> ■ Facilitate/monitor FIAM's association with APEX	EVB	X	X	X	X
<b>Technical Assistance</b> ■ Technical assistance to APEX members as requested and appropriate.	EVB				

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## DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES

**OBJECTIVE #6:** Strengthen financial management, delivery of financial services, and financial performance of field programs.

Activities - Brief Description	Responsible	1	2	3	4
<b>Overall Goals-</b>					
■ Ensure development of realistic annual budget & long-term business plan, for income and expenses by partner.	GP/KES/Regional Team	X	X	X	X
■ Formulate benchmarks for operational and financial sustainability.	GP/KES		X	X	
■ Develop guidelines to train IC and field staff to do financial planning and analysis.	GP/KES	X	X	X	X
■ Train staff to do simple financial projections.	GP/KES		X	X	
■ Continue development and implementation of plans to strengthen financial management and performance of programs	GP/KES		X	X	
○ train partner staff at central and field levels	GP/KES		X	X	
○ Finalize Accounting Procedures & Policies Manual	GP/KES		X	X	
■ Produce MIS system development, implementation and management guidelines.					
○ establish guidelines to define and implement MIS systems.	GP/MG			X	
○ develop procedures for MIS internal control and management, based on Burkina Faso model -- at Central office and CA levels.	GP/KES			X	
■ Complete standardized MOU model agreement.	GP/KES	X	X		
<b>Partner-Specific Goals-</b>					
■ Complete installation of accounting system in Bolivia	GP			X	
■ Improve/upgrade financial management capabilities in Ghana	GP		X	X	X
■ Establish effective accounting systems for Bamako Technical Support Center and Uganda.	GP	X	X		
■ Integrate MIS systems in Mali, Togo and Burkina Faso.	GP		X	X	X
■ Assist CANEF and FAMA to upgrade their financial management systems.	GP		X	X	X
<b>Technical Assistance Trips</b>					
■ December - Burkina Faso -- finalize installation/implementation of MIS system.	GP		X		
■ July - Burkina, Mali & Ghana -- negotiations w/Partners, financial management.	GP/MG	X			
■ November - Ghana -- upgrade financial systems/capabilities, negotiate new MOUs.	FP GP/KES		X	X	
■ Jan (tentative) - Burkina Faso -- MIS system.					
■ February - to Mali to work on MIS systems with Nyésigiso, Kafo Jiginew, and CANEF.	GP			X	
■ March-April - Bolivia -- MIS/Accounting system installation/ implementation follow-up.	GP/KES			X	X
■ May-June - Ghana & Togo -- MIS financial systems (improve in Ghana, incorporate Credit with Education requirements into MIS system in Togo).	GP/PR				X

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## DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES

**OBJECTIVE 7:** Further develop management information systems to strengthen International Center tracking of revenues and expenditures by partner, by country.

Activities - Brief Description	Responsible	1	2	3	4
<b>Overall Goals—</b>					
<ul style="list-style-type: none"> <li>■ Develop allocation plan of anticipated revenues and expenses for each partner.</li> </ul>	JK/Reg. Team			X	X
<ul style="list-style-type: none"> <li>■ Consolidate revenue tracking systems in Administration Department, including tracking payments on grants, program income, etc.</li> </ul>	ID/Acct/JK/BR			X	X
<ul style="list-style-type: none"> <li>■ Design, develop, and implement internal reporting mechanism to ensure timely recognition of grant payments received timely notification of delinquent payments</li> </ul>	ID/Acct/JK/PR/KB/MG/RR	X	X	X	X
<ul style="list-style-type: none"> <li>■ Develop revenue/expense allocation plan for each partner and update on a quarterly basis.</li> </ul>	JK/ID/PR/RR/KB/MG		X	X	X
<ul style="list-style-type: none"> <li>■ Assist with the development of budget expenditure versus revenue tracking system and follow-up on production of regular reports.</li> </ul>	KES/PR/JK	X	X	X	X

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## DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES

**OBJECTIVE 8**    Secure institutional funding through the development/production of proposals, reports, and other information for institutional donors. Cultivate new donors and identify new contacts.

Activities - Brief Description	Responsible	1	2	3	4
<b>Overall Goals</b>					
<ul style="list-style-type: none"> <li>■ Define/update funding strategy for each partner to achieve the five year plan.                             <ul style="list-style-type: none"> <li>- Develop/update expense/interest revenue projections for each partner.</li> <li>- Establish/update targets for grant funding for each partner.</li> </ul> </li> <li>■ Coordinate the development, production, internal review, and submission of proposals, reports, and other information for institutional donors.</li> <li>■ Coordinate the preparation/submission of the USAID Matching Grant Annual Report and multi-year grants to technical donors.</li> <li>■ Identify and cultivate at least 2-3 new major, technical, multi-year, institutional funders.</li> <li>■ Support development of finance-led grants management systems.</li> <li>■ Organize and manage regular meetings of "donor management teams" to assess status and manage actions for soliciting/ managing grant and interest revenues.</li> </ul>	<p>PR/RR/KB/MG</p> <p>JK</p> <p>JK</p> <p>JK/PR</p> <p>CR/CT/JK/DJ</p> <p>JK</p> <p>JK/PR/RR/KB/JD</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>			
<b>Partner Specific Goals</b>					
<ul style="list-style-type: none"> <li>■ Establish/update grant funding targets for FY 96 (Field Budget does not include grant-source credit funds nor cost of funds) and who is responsible for what portion of the total:                             <ul style="list-style-type: none"> <li>- Bolivia:</li> <li>- Burkina:</li> <li>- Brakwa:</li> <li>- Lower Pra:</li> <li>- Ghana Apple part:</li> <li>- Ghana TSC:</li> <li>- Honduras:</li> <li>- CANEF:</li> <li>- Nyésigiso:</li> <li>- Kafo:</li> <li>- Mali TSC:</li> <li>- Togo:</li> <li>- Uganda:</li> <li>- CHAN:</li> </ul> </li> </ul>	<p>RR/JK</p> <p>MG/JK</p> <p>KB/JK</p> <p>KB/JK</p> <p>KB/JK</p> <p>KB/JK</p> <p>RR/JK</p> <p>MG/JK</p> <p>MG/JK</p> <p>MG/JK</p> <p>MG/JK</p> <p>MG/JK</p> <p>KB/JK</p> <p>PR/JK</p> <p>JV/CHAN</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>

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## DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES

**OBJECTIVE 9:** Strengthen capacity of partners to obtain/manage funding relationships with institutional donors, and to identify and cultivate new donors.

Activities - Brief Description	Responsible	1	2	3	4
<b>Overall Goals</b>					
<ul style="list-style-type: none"> <li>■ Develop brief, consolidated guidelines for donor cultivation and proposal writing for use at field level.</li> </ul>	JK/DJ		X	X	X
<ul style="list-style-type: none"> <li>■ Accompany program directors to visit in-country donors. Provide constructive guidelines for establishing objectives before each donor visit and for reviewing outcomes of meetings. (Contact sheets, follow-up, etc.)</li> </ul>	RR/PR/KB/MG	X	X	X	X
<ul style="list-style-type: none"> <li>■ Work with partners to ensure that adequate donor management systems are in place, such as filing systems, calendars, allocations plans, and financial management systems.</li> </ul>	PR/RR/KB/MG/ JK/GP/JD	X	X	X	X
<b>Technical Assistance Trips</b>					
<ul style="list-style-type: none"> <li>■ November - Bolivia –technical assistance/photos</li> </ul>	JK/RR		X		

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## DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES

OBJECTIVE #10: Provide Credit with Education start-up and in-service training to partners.

Activities - Brief Description	Responsible	1	2	3	4
<b>Bolivia - Training/Education</b> <ul style="list-style-type: none"> <li>■ Recruit and train eight new Field Agents.</li> <li>■ In-service training for current staff.</li> <li>■ In-service training for staff contracted this FY</li> <li>■ Training for New Educational Specialist (including trip to Davis)</li> <li>■ Initiate training on family planning.</li> <li>■ Test/use Field Agent Operations Manual &amp; Coordinator Manual.</li> </ul>	RR/EVB/PR RR/EVB/PR RR EVB/RR/MAP RR/EVB RR/EVB	X	X X X X	X	X
<b>Burkina Faso - Training/Education</b> <ul style="list-style-type: none"> <li>■ Recruit and train 3-8 new Field Agents.</li> <li>■ Provide in-service training to existing field staff.</li> <li>■ Provide training for Education Officers.</li> <li>■ Ensure availability of literacy training for CA members.</li> <li>■ Test/use Field Agent Operations Manual &amp; Coordinator Manual.</li> </ul>	MG/KES CT AF/MG MG MG	X	X X X	X X X	X X
<b>Ghana - Training/Education</b> <ul style="list-style-type: none"> <li>■ Recruit and train Field Agents for MASU &amp; fourth RB.</li> <li>■ Credit Association Management training in Brakwa Breman.</li> <li>■ In-service training to existing field staff in Nandom.</li> <li>■ In-service training for all field agents all partners.</li> <li>■ Test/use Field Agent Operations Manual &amp; Coordinator Manual.</li> </ul>	AF/EVB/KB AF/KB AF/KB AF/KB AF/KB			X X X X	X
<b>Honduras - Training/Education</b> <ul style="list-style-type: none"> <li>■ Start-up training for four Field Agents</li> <li>■ In-service training for six Field Agents</li> <li>■ Test and use Field agent Operations and Coordinators Manual.</li> </ul>	RR/PR RR/PR RR/PR			X X X	
<b>Mali - Nyésigiso - Training/Education</b> <ul style="list-style-type: none"> <li>■ Start-up training for ten Field Agents (hire 8)</li> <li>■ Provide continuing training to Program Manager.</li> </ul>	EVB/AF EVB/PR/MG/AF	X X	X	X	X
<b>Mali - Kalo Jiginew - Training/Education</b> <ul style="list-style-type: none"> <li>■ Train Program Manager</li> <li>■ Start-up training for program staff</li> <li>■ Provide in-service training to field agents</li> </ul>	MG MG/AF/EVB MG/AF		X	X X	X X
<b>Togo - Training/Education - FUCEC - Togo</b> <ul style="list-style-type: none"> <li>■ Train Program Manager</li> <li>■ Start-up training for two Field Agents</li> <li>■ Provide in-service training to Field Agents in CA management.</li> </ul>	KB/AF AF/KB AF		X	X X	X X
<b>Uganda - Training/Education</b> <ul style="list-style-type: none"> <li>■ Train Field Agents</li> </ul>	EVB			X	

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**DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES**  
**FY 96**

**OBJECTIVE #11:** Further develop training and education support systems and materials for Credit Association Management and microenterprise development

Activities - Brief Description	Responsible	1	2	3	4
■ Produce a Technical Update # 9 on management of internal funds/savings	KES		X	X	
■ Finalize development of feasibility profiles of most common major microenterprise activities in each program	KES/ Reg. Team		X		
■ Review and revise microenterprise topics and sequence ■ Develop model series of lesson plans for two topics	KES/MAP KES/MAP			X	X
■ Develop and implement discussion group sessions with participants on knowledge and practices in microenterprise in Mali, Burkina Faso, and Bolivia.	KES/BMK/RR	X	X	X	X
■ Develop CA management objectives, training program, guidelines and two series of lesson plans on Credit Association Management.	EVB/AF			X	
■ Produce hand-out for field agents to assist Credit Associations with loan feasibility analysis.	MAP/KES/GP	X	X	X	X
<b>Documents</b> ■ Technical Update; Feasibility Profile; Lesson Plans; guidelines for CA management; guidelines for informal discussion groups; other materials.					

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**DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES**  
**FY 96**

**OBJECTIVE #12:** Further develop health, nutrition, and family planning training and education support materials.

Activities - Brief Description	Responsible	1	2	3	4
■ Complete model series on Immunization.	MAP/EVB	X			
■ Revise diarrhea series.	MAP	X			
■ Add four more lessons to family planning series	MAP			X	
■ Produce a technical update on ORT	EVB		X		
■ Produce a technical update on adaptation of educational materials.	MAP/EVB	X	X		
■ Design/produce/refine illustration for all health, nutrition, and family planning lessons	MAP/CB/EVB	X	X	X	X
■ Collect feedback and adaptations on all health, nutrition, and family planning series materials (including illustrations) from partners and provide them feedback on their adaptations.	MAP/AF/EVB	X	X	X	X
■ Develop guidelines for informal discussion groups for all health, nutrition, and family planning themes.	MAP/BMK/EVB	X	X	X	
■ Develop guidelines and lesson plans for review sessions of health, nutrition, and family planning curriculum.	MAP/EVB			X	
<b>Documents</b>					
■ Technical Update on Adaptation; Lesson Plans; illustrations and other educational materials, guidelines for informal discussion groups; guidelines for reviews, sessions					

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**DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES**  
**FY 96**

**OBJECTIVE #13:** Revise Field Agent Operations Manual and develop Coordinators Manual and *Credit with Education™* replication package.

Activities - Brief Description	Responsible	1	2	3	4
■ Test draft version of FAOM in Ghana and Mali	AF/EVB	X			
■ Revise completed sections of FAOM based on field tests: ° Revise CA start-up training manual (chapter in FAOM) ° Add illustrations to FAOM	EVB/DPT		X		
	EVB/CB		X		
■ Produce final/reviewed version of FAOM in all languages	EVB/DPT	X	X		
■ Test revised FAOM in Bolivia, Kafo Jiginew, Ghana, and Burkina Faso	EVB/MG/KB/RR			X	
■ Produce a draft version of Coordinators' Manual ° Revise field agent start-up training curriculum ° Revise field agent facilitation technique guidelines ° Adapt Education Officer training curriculum developed for Honduras for other programs	EVB/MAP	X	X		
	EVB/MAP	X	X		
	EVB	X	X		
	MAP/EVB			X	
■ Produce Spanish and French versions of Coordinators' Manual.	EVB/MAP/DPT		X	X	
■ Test Coordinators' Manual in Bolivia, Kafo Jiginew, MASU, and Burkina Faso.	AF/EVB/RR		X	X	
■ Revise Coordinators' Manual based on test results.	EVB/MAP	X	X	X	
■ Produce replication package for all CA related documentation	EVB/JV	X	X	X	

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DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES

FY 96

OBJECTIVE #14: Document program impact & performance through monitoring system and evaluation studies.

Activities - Brief Description	Responsible	1	2	3	4
■ Revise quarterly CA monitoring system, with input from partners	BMK		X	X	
■ Provide feedback on Quarterly CA Monitoring reports	BMK/Reg Team/Eric	X	X	X	X
■ Computerize sections of CA Monitoring Reports	Eric/BMK	X	X		
■ Develop Technical Update on "Assessment and Analysis of Monitoring Information for Action"	BMK			X	
■ Revise/implement protocol for longitudinal case study following sample participants for multiple loan cycles in Burkina Faso	BMK/MG		X	X	X
■ Participate in PROCOSI final evaluation/Bolivia	BMK/RR			X	
■ USAID interim evaluation for matching grant	BMK/Ext. Eval.				X
■ Conduct and summarize KAP baseline surveys for Kafo Jiginew, Nyésigiso and MASU, Ltd.	BMK/AF/MG/KB		X	X	
■ Conduct Year 3 impact evaluation: GHANA □ Ensure adequate implementation to test impact of CwE □ Identify indicators of empowerment BOLIVIA □ Collect additional baseline data □ Ensure adequate implementation to test impact of CwE □ Identify indicators of empowerment	BMK BMK/AF  BMK BMK BMK	X  X	X X X	X X X	X  X
■ Coordinate mini-study in Burkina Faso w/Michael Kevane	BMK		X		
■ Coordinate U. Of Guelph study in Bolivia on modification of credit component to meet client needs	BMK	X	X		
■ Establish UCD Research Grant/contribute to research design	CD/BMK		X	X	X
■ Develop other mini-studies as needed	BMK		X	X	X
■ Collaborate with SEEP efforts to document impact in collaboration with USAID/MED office.	BMK	X	X	X	X
Technical Assistance Trips					
■ November - Bolivia	BMK		X		
■ December - SEEP - east coast	BMK		X		
■ February - east coast	BMK			X	
■ March - Ghana	BMK			X	
■ April - Heifer conf. - Arkansas	BMK				X
■ May - possible trip to Burkina Faso	BMK				X
■ June -east coast	BMK				X
Documents					
■ Technical Update; update protocol of Longitudinal Case Studies; KAP Summaries; Summary of Bolivia mini-study; Baseline summary, Bolivia; Baseline summary, Honduras; USAID interim evaluation; Empowerment reports.					

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**DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES**  
**FY 96**

**OBJECTIVE #15:** Assist CHAN to become a self-financing program which is technically and financially supporting the expanding Community Health Advisors programs.

Activities - Brief Description	Responsible	1	2	3	4
■ Provide consultation and advice on financial management and fundraising issues.	EVB/IV/JK	X	X	X	X
■ Assist in the development/implementation of a computerized accounting system compatible to Freedom from Hunger's needs.	JD	X	X	X	
■ Participate in CHAN's Unity Conference/Funders Summit	EVB	X			
■ Provide assistance in the preparation Robert Wood Johnson quarterly financial reports and other financial reports to donors, as requested and appropriate.	JD	X	X	X	X
■ Provide guidance on development/renewal of MOUs with participating state agencies	EVB/JD/IV		X		
■ Provide technical assistance to CHAN's Development Coordinator on identification/solicitation/maintenance of funders, as requested and appropriate.	JK	X	X	X	X
■ Participate on the Advisory Committee of CHAN, and attend meetings.	EVB/CD	X		X	
■ Maintain communication links with CHAN program staff, provide administrative support/guidance as needed and appropriate	EVB/IV	X	X	X	X
<b>Trips</b>					
■ September - Unity Conference, Birmingham AL	EVB	X			
■ October - Accounting system development	JD		X		

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## DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES

**OBJECTIVE 16:** Develop and implement a consortium of Africa credit unions networks implementing *Credit with Education with Developpment Internationale Desjardins (DID)* and Freedom from Hunger technical assistance and support.

Activities - Brief Description	Responsible	1	2	3	4
<b>Overall Goals</b>					
■ Identify partners; define roles and responsibilities.	KES	X			
■ Concept papers developed by partners and synthesized by Freedom from Hunger.	JK/KES/PR		X		
■ Establish framework for collaboration with DID.	KES/CD/JK	X	X		
■ Maintain contacts with CGAP secretariat and Policy Advisory Group.	JK/KES	X	X	X	X
■ Obtain sponsorship from USAID.	JK/KES		X		
■ Partners prepare detailed business plans.	GP/KES/JK/PR/Fin. Dept.			X	
■ DID and Freedom from Hunger develop and finalize proposal to CGAP.	JK/KES/et al.		X	X	
■ Develop consortium and steering committee staffed by DID and Freedom from Hunger.	KES/PR/DID		X	X	
■ Implement programs.	Partners/FFH				X

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## DESCRIPTION OF OBJECTIVE AND CORRESPONDING ACTIVITIES

FY 96

**OBJECTIVE #17:** Maintain relations with appropriate professional organizations, agencies, and colleagues through presentations and participation in professional meetings or interorganizational working groups.

Activities - Brief Description	Responsible	1	2	3	4
<ul style="list-style-type: none"> <li>■ Participate in activities and working groups sponsored by SEEP:                             <ul style="list-style-type: none"> <li>◦ Poverty Lenders' Working Group</li> <li>◦ SEEP Board</li> <li>◦ Evaluation Working Group</li> <li>◦ Financial Services Working Group</li> </ul> </li> </ul>	KES KES BMK GP	X	X	X	X
<ul style="list-style-type: none"> <li>■ Participate in advocacy activities of Microenterprise Coalition, as requested and appropriate.</li> </ul>	KES	X	X	X	X
<ul style="list-style-type: none"> <li>■ Present Credit with Education™ related studies to APHA, LASA, CHAN's Unity Conference, and other organizations/agencies as requested and appropriate.</li> </ul>	EVB/others		X		
<ul style="list-style-type: none"> <li>■ Prepare papers for publication in various professional journals and other publications.</li> </ul>	CD/BMK/MAP/ KES/EVB	X	X	X	X
<ul style="list-style-type: none"> <li>■ Participate in World Bank's CGAP advisory panel, as requested and appropriate.</li> </ul>	EVB/KES	X	X	X	X
<ul style="list-style-type: none"> <li>■ Provide assistance to the President, as requested, on the development/maintenance and communications related to the Credit with Education Learning Exchange network.</li> </ul>	KES/EVB	X	X	X	X
<ul style="list-style-type: none"> <li>■ Participate in SEEP conducted impact study sponsored by MED office, as requested and appropriate.</li> </ul>	BMK	X	X	X	X
<ul style="list-style-type: none"> <li>■ Further develop and implement USAID contract for Sustainable Development Service.</li> </ul>	EVB/CD/KES	X	X	X	X
<b>Trips</b> <ul style="list-style-type: none"> <li>■ September - SEEP, Washington</li> <li>■ September - LASA presentation &amp; SDS, Washington</li> <li>■ September - USAID/MED office consultation</li> <li>■ October, SEEP Annual Meeting - Washington</li> <li>■ October-November--AAPHA conference, San Diego</li> <li>■ November - SEEP - B.F. MIS grant, Washington</li> <li>■ November - SEEP Board Meeting</li> <li>■ December - east coast</li> <li>■ February - SEEP - east coast</li> <li>■ February - SEEP - B.F. MIS grant, Washington</li> <li>■ April - Heifer Conf. - Arkansas, east coast</li> <li>■ various other working group meetings, steering committee meetings, general conferences</li> </ul>	KES EVB KES KES/GP/CD EVB GP KES BMK BMK GP BMK KES/BMK/EVB/GP	X X X	X X X	X X X	X

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**FREEDOM FROM HUNGER PROGRAM DEPARTMENT  
FY 96**

**Objective 18:** Develop, implement, and maintain administrative support systems to facilitate the accomplishment of Program Department Objectives

Quarter

Activity - Brief Description	Responsible	1	2	3	4
1. Manage field/International Center communications logistics.	PR/KB/RR/JN	X	X	X	X
2. Manage annual planning and budgeting process by field/International Center staff.					
a. revised guidelines to field (2/28/96)	JV/KES/PR			X	
b. field plans and budgets due (4/15/96)					X
c. Program Dept plans and budgets due (5/15/96)					X
3. Coordinate/schedule document preparation. Manage/maintain DPT, to edit, format, create graphics, and produce all documents created by Program staff, in English, Spanish and French.	JK/DJ	X	X	X	X
4. Identify and address information technology needs and potential for International Center and field programs.	PR	X	X	X	X
• Interoffice computer bulletin boards	JV/JN				
• E-mail connections for appropriate partners					
5. Prepare for and attend Board of Trustee meetings, including BOT meeting in Bolivia in March; prepare program updates for President's report.	KES/EVB/PR JV/RR/JN/MAP JN	X	X	X	X
6. Manage Recruitment of interns/volunteers to assist with program operations.	JN/CT	X	X	X	X
7. Create/update/maintain program filing system, original files, resource information, and others as appropriate.	JN/PR/CKT	X	X	X	X
8. Manage and track credit and operational financial reporting, quarterly reports, and funds transfers.	PR/RR/KB/ JD/JV	X	X	X	X
9. Maintain/update Country Agreements, Contracts, and Memorandums of Understanding.	JV/JN/PR	X	X	X	X
10. Maintain system for managing travel arrangements, schedules, visas, and accommodations for all traveling Program staff.	JN	X	X	X	X
11. Hold Program Department Retreat on key programmatic issues.	KES/EVB				X

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## ATTACHMENT 6

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*Credit with Education*  
Credit Association Status Report  
6/30/95

	PARTNER NAME							Total
	Bolivia <sup>2</sup>	Burkina Faso	Ghana		Honduras	Mali	Thailand <sup>5</sup>	
	CRECER	RCPBF	Lower Pra	Brakwa Breman	FAMA	CANEF <sup>4</sup>	FIAM	
Year of First Loan	1990	1993	1992	1994	1990	1989	1989	
Number of Credit Associations	138	196	40	36	76	82	33	601
Number of Members	3,593	6,009	1,103	1,108	1,118	2,522	1,062	16,515
Number of Borrowers	3,593	4,758	890	1,102	1,118	2,414	748	14,623
Average # of Borrowers per CA	26	24	22	31	15	29	23	24
# of Individual Loans-Project to Date	17,644	12,127	3,005	2,237	6,113	17,963	4,869	63,958
Amount Lent -- Project-to-Date	\$1,564,230	\$343,418	\$204,756	\$103,433	\$1,643	\$531,750	\$494,552	\$3,683,782
Amount of Outstanding Loans	\$394,543	\$148,577	\$47,260	\$45,900	\$87,912	\$93,862	\$103,264	\$915,319
Amount of Savings <sup>1</sup>	\$163,637	\$23,653	\$6,966	\$14,620	\$54,730	\$26,118	N/A	\$289,724
Average Loan Size per Borrower	\$110	\$31	\$53	\$42	\$73	\$39	\$138	\$69
Quarterly Repayment Rate	97.9%	100.0%	99.8%	100.0%	100.0%	100.0%	100.0%	99.1%
Quarterly Delinquency Rate <sup>3</sup>	0.0%	0.0%	8.3%	0.0%	0.0%	0.0%	0.0%	0.4%

<sup>1</sup> Based on per association or per cycle averages of a subsample of Credit Associations

<sup>2</sup> Estimated based upon partial data

<sup>3</sup> Collectible loans overdue/collectible loans outstanding

<sup>4</sup> As of 2/28/95

<sup>5</sup> Thailand is part of Freedom from Hunger's total portfolio of program activities, but it is not covered by Matching Grant funds.

**ATTACHMENT 7**

**Attachment 7**  
**Impact Survey Results (6/95)**  
**CANEF Credit with Education<sup>SM</sup> Program**

As part of the evaluation exercise, an impact survey was undertaken to more systematically investigate program impact. Similar structured interviews were conducted both in participating and nonparticipating communities in the CANEF *Credit with Education<sup>SM</sup>* program. Information was collected on women's income-generating activities, their profits, savings and access to credit, their health/nutrition knowledge and practice, and their general standard of living.

The survey instrument was developed by Freedom from Hunger's Technical Advisor, Evaluation with input from the external evaluator and CANEF staff. Ayélé Foly, Freedom from Hunger's Regional Training Coordinator, Africa, managed the field work which was carried out the first week of June, 1995. Ayélé conducted a two-day training (including a pretest of the survey) for eight CANEF coordinators and field agents. CANEF field staff interviewed both participants and nonparticipants, although field agents did not conduct interviews among Credit Association members with whom they worked directly.

**I. Survey Methodology**

The interviews were conducted in four program and two nonprogram communities in Bougouni circle in either the Koumantou or Keleya Districts. Fifteen women were interviewed in the two nonprogram communities for a total of 30 nonparticipant respondents. These women were randomly selected by counting off and visiting each fifth or sixth house in the community. Care was taken to include all sections of a community and make repeated follow-ups if a woman was not at home. Fifteen women were also interviewed in each of the four program communities for a total participant sample of 60. Each of the program communities included in the survey had at least one Credit Association in its third four-month loan cycle. Interviews were conducted with participants of eight different Credit Associations. Respondents for the participant sample were randomly selected from the Credit Associations' list of members. Ultimately, three of the 60 participant interviewees were excluded because the women had only completed one loan cycle.

Table 1 summarizes the communities and number of women interviewed for the impact survey. An effort was made to include both large and small communities, as well as communities located on and off main roads in both the participant and nonparticipant samples.

Table 1. Name and Location of Community	Credit Association	Number of Women Interviewed
Koualé, Koumantou District (small community, on main road)	Sabougnouma - 4th loan cycle Faso Kanu - 4th loan cycle	7 randomly selected participants 7 randomly selected participants
Kola, Koumantou District (large community, off main road)	Djekabaara - 3rd loan cycle Fayiola - 3rd loan cycle	7 randomly selected participants 5 randomly selected participants
Keleya, Keleya District (large community, on main road)	Benkadi - 8th loan cycle Miryagnouma Siramana - 7th Miryagnouma Massalu - 7th	5 randomly selected participants 6 randomly selected participants 7 randomly selected participants
Symbougou Keleya District (small community, off main road)	Dialaba	14 randomly selected participants
Famana, Keleya District (small community, on main road)	No Credit Association	15 randomly selected nonparticipants

Table 1. Name and Location of Community	Credit Association	Number of Women Interviewed
Kologo, Koumantou District (big community, off main road)	No Credit Association	15 randomly selected nonparticipants

## II. General Information

The same general information was collected from the women participating and not participating in the CANEF *Credit with Education*<sup>SM</sup> program. Table 2 summarizes the general demographic questions and responses from the two groups. On average, the program participants were older and had more children than the nonparticipants, although fewer of the participants had young children under five years of age. The overwhelming majority (90% or greater) of the women in both groups were married and had no formal education. Only four (7%) of the 57 participants and 1 (3%) of the 30 nonparticipants had any formal education. Only three of the participants and none of the nonparticipants thought that they could read a letter sent to them. It would seem that even in this more commercially developed program area (as compared to the Dogo District) the high rate of illiteracy will be a major challenge for the self-management of the Credit Associations.

Table 2. General Information	Participants N = 57	Nonparticipants N = 30
How old are you?	range from 19 to 65 years old mean 42 years old	range from 18 to 47 years old mean 30 years old
What is your family status?	53 (93%) married 4 (7%) widowed	27 (90%) married 1 (3%) single 2 (7%) widowed
How many living children do you have?	range from 0 to 9 children (1 woman had no children) mean 5.6 children	range from 0 to 11 children (2 women had no children) mean 4.3 children
How many of them are under 5 years old?	26 (46%) 0 child < 5 years old 13 (23%) 1 child 11 (19%) 2 children 7 (12%) 3 children mean .98 children	5 (17%) no child < 5 years old 1 (33%) 1 child 12 (40%) 2 children 3 (10%) 3 children mean 1.4 children
How many years have you spent in school?	range from 0 to 8 years 53 (93%) had 0 year of formal education (1 literate) 3 (5%) had 6 years or less 1 (2%) 8 years	range from 0 to 4 years 29 (97%) had 0 year of formal education 1 (3%) had 4 years of formal education
If someone sent you a letter, either in French or in Bambara, could you read it?	3 (6%) yes 49 (94%) no	0 yes 24 (92%) no 2 (8%) 2 (7%) don't know

## III. Women's Income-Generating Activities

Not surprisingly, the women in the participant sample were more likely to be involved in income-generating activities than the nonparticipants. Still, the great majority of nonparticipants (87%) had engaged in a nonfarm income-generating activity in the last 12 months although, only 53 percent of the nonparticipants had done so in the month before the interview. Several of the nonparticipants explained that they currently lacked the working capital to engage in an income-

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generating activity and that they planned to sell some of their harvest (typically groundnut) to undertake a nonfarm activity in the dry season.

Table 3. Women's Income-Generating Activities	Participants N=57	Nonparticipants N=30
In the last 12 months, did you engage in an income-generating activity other than farming? (question for nonparticipants only)	100% had at least one income generating activity	26 (87%) = yes 4 (13%) = no
In the last month, did you engage in a nonfarm income-generating activity? (question for nonparticipants only)	100% had at least one income generating activity	16 (53%) yes 14 (47%) no

Table 4 summarizes the access and use of credit for the two survey sample groups. On average, the women in the participant sample had participated in CANEF's *Credit with Education*<sup>SM</sup> program for 4.8 loan cycles or approximately a year and a half. In the most recent loan cycle, participants had on average borrowed just over 35,000 CFA from the program. The range in the loan sizes was quite large (from 25,000 to 125,000 CFA), in part because some of the respondents had participated in as many as eight loan cycles. Just over 20 percent of the nonparticipants had taken a loan in the 12 months preceding the survey either from friends or family although for much smaller amounts (on average 3,750 CFA). In only two of the six cases interest was charged on these informal loans, either 2 percent or 4.5 percent per month.

Table 4. Access to Credit	Participants N=57	Nonparticipants N=30
For how many loan cycles have you participated to the program?	4.8 mean number of loan cycles range 3 to 8 cycles	----
How much did you borrow from the program for this loan cycle?	35,088 CFA mean loan range 25,000 to 125,000 CFA	----
For the last 12 months, did you take a loan to undertake this activity? (Question for nonparticipants only)	—	6 (21%) = yes 23 (79%) = no 1,000 to 11,000 mean 3,750 amount in C.F.A. 4 there is no loan interest (1 from my husband, 1 from a friend, 1 from my father 1 from my big brother) 1 women borrowed 2,500 from uncle pay 250 (5 months) 1 women borrowed 11,000 from big brother pay 1500 (3 months)

Table 5 summarizes the types of income-generating activities undertaken by the two survey sample groups. The activities specified for nonparticipants represent income-generating activities respondents had undertaken in the 12 months before the survey. For participants, the list is of loan activities occurring at the time of the interview.

Table 5. Activity	Participants N=57	Nonparticipants N=30
Buy and sell cereals	48 (84%) rice (38), millet (26), fonio (5), sorghum (4), flour (1), dali seeds (2)	10 (33%) millet (3), rice (2), fonio (1)
Buy and sell vegetables	24 (42%) groundnut (22) beans (8)	1 (3%) groundnut (1)

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Buy and sell prepared foods	14 (25%) donuts (5), couscous (3), groundnut paste (2), bread (1), rice (1), pakotille (1), pastry (1)	8 (27%) donut (3), couscous (2)
Buy and sell condiments	22 (38%) salt (10), soumballa (9), maggi (4), datou (4), karité butter (3), hot peppers (2) nére seeds (2), baobab powder (1)	8 (27%) salt (2), soumballa (1), datou (2), karite butter (2)
Buy and sell fish	4 (7%)	
Nonfood and nonfarming business	16 (28%) plastic cups (4), cola (4), sell clothes (3), sells soap (2), material (2), shoes (2), cocoa (1)	4 (13%) sells wood (2)
Small commerce or stallkeeping	4 (7%)	
Sell drinks	6 (11%) milk (4), coffee with milk (1), djimdjimber (1)	lemon juice (1), djimdjimber drink (1)
Miscellaneous	dialy (1), potatoes (1), fruits (1), sugar (1), goat livestock(1), work as a farm worker(1), buying of groundnut to sow (2), and rice to sow (1)	

Program participants were more likely than nonparticipants to engage in commerce, either of cereals, legumes, or nonfood items. The most common loan activities for participants were buying and selling rice, millet, and groundnut. The predominate income-generating activity for nonparticipants was also trading cereals although there were also proportionately more nonparticipants than participants involved in selling cooked food.

Table 6 summarizes the factors women consider in deciding what income-generating activity to undertake. Program participants were somewhat more likely than nonparticipants to consider whether an activity was profitable and in good demand before undertaking the activity. These type of considerations are encouraged as part of the credit management and microenterprise development education promoted by the program. However, somewhat surprisingly, participants were much more likely than nonparticipants to be influenced by their familiarity with an activity. This may reflect the greater microenterprise experience of the participant sample or their concern with ensuring program loan repayment.

Table 6. What factors have you considered in choosing an income generating activity to increase your income?	Participants (N=57)	Nonparticipants N=25
whether the activity will be profitable	41 (72%)	16 (64%)
whether there is a good demand for the products	31 (54%)	11 (44%)
my familiarity with the activity	31 (54%)	7 (28%)
whether I have enough money for that activity	16 (28%)	7 (28%)
whether I have access to the necessary inputs	8 (14%)	5 (20%)
Miscellaneous	6 (10%)	5 (20%)

Table 7 summarizes responses to a variety of questions about changes that might have occurred in women's income-generating activities. Program participants were much more likely to have undertaken a new income-generating activity, sell new products, and increase their sales than nonparticipants. All of the program participants reported that they had been able to increase their nonfarm incomes and improve the quality of what they sold since joining the CANEF *Credit with Education*<sup>™</sup> program. However, participants' income-generating activities were primarily self or family-run enterprises with only 18 percent of the participants reporting that they had hired others, even on a temporary basis, since joining the program. Children of program participants seem to play a direct role in conducting loan activities. Even when the analysis is limited to the responses of women less than 35 years of age who are more likely to have young children, 63 percent of the respondents said that their children assisted them with their loan activity.

Table 7. During the last 12 months... (nonparticipants N = 26)	Participants N = 57 YES	Nonparticipants N = 26 YES
did you engage in new income-generating activities that you had not done before?	48 (84%)	12 (46%)
were you able to find new products to sell?	47 (82%)	10 (38%)
were you able to increase your sales?	56 (98%)	17 (54%)
were you able to improve the quality of what you sell?	57 (100%)	17 (65%)
were you able to earn more nonfarming income?	57 (100%)	22 (85%)
were you able to earn more income in the dry season?	54 (96%)	17 (65%)
do you hire individuals to help you with your loan activities even on a part-time or occasional basis?	10 (18%)	
do your children help you with your loan activities?	45 (80%) (women < 35 years 10 (63%))	

Table 8 allows for a comparison of the profits earned by the two survey groups. Program participants reported much higher profits in the month preceding the survey than did nonparticipants. The majority of nonparticipants had earned no nonfarm income as compared to all of the participants. The range in participant profits is quite large from 1,000 to 40,000 CFA, with a mean of just under 11,000 CFA. Even for those 23 nonparticipants who had earned income, the average was much smaller—only 1,265 CFA. It is possible that the women who chose to participate in the *Credit with Education*<sup>™</sup> program were more economically active even before the program than those in the randomly selected nonparticipant sample. Still, the participant sample reported on average that their profits had increased by approximately 250 percent since joining the program. A quarter of the participants had no microenterprise income before joining the CANEF *Credit with Education*<sup>™</sup> program.

Table 8. Profit	Participants N= 57	Nonparticipants N= 30
For the last month, can you estimate how much profit you made from your loan activity(ies) after you had covered all your costs?	range 1,000 to 40,000 mean 10,950 9(16%) don't know  1,000-3,000 12 (25%) 3,350-7500 13(26%) 8,000-15,000 12 (25%) 15,200-40,000 11 (23%)	For all 30 nonparticipants range was 0 to 3,000 CFA mean 567 amount in C.F.A. 16 (53%) had 0 profit for the 23 with some profit range 200 to 3,000 CFA mean 1,265 amount in CFA
Can you estimate how much profit you made in a month for the same time of year before you joined the program? (question for participants only)	range 0 to 27,500 11 (26%) 0 CFA 14 (25%) don't know mean 4110	----

Table 9 summarizes how participants have used their increased incomes. The two most common uses were to purchase clothing and food. More than a quarter of the participants also reported using their income to buy cooking utensils or cups, to cover medical costs, to increase their savings, and to reinvest in their loan activities. It was somewhat surprising that less than 50 percent of the respondents reported using their income to purchase food. It is possible that this area was under-reported if respondents tended to focus on the more costly purchases their increased income made possible rather than the daily expenses. However, it is also true that husbands have responsibility for the family's basic needs, such as food, while women have a particular obligation to provide for children's clothing, cooking utensils, and marriage trousseau.

Table 9. How do you use the extra income you earn from your loan activity? (Question for participants only) N= 57			
buy clothing	38 (67%)	reinvest in my loan activity	14 (25%)
buy food	29 (43%)	school expenses	4 (7%)
buy cups or kitchen utensils	17 (30%)(for my daughter 3)	buy my wedding trousseau or for ... my daughters' weddings	4 (7%)
medicine or health costs	13 (28%)	loan repayment	2 (4%)
savings	13 (28%)	miscellaneous buys cart buys sheet metal	2 (4%)
buy cattle (goats, sheep, cows)	12 (21%)		

In addition to access to working capital, another important economic benefit of the program is the opportunity for saving. Only 10 percent of the nonparticipants had any savings when the interviews were conducted as compared to 100 percent of the participants. On average the participant group had just over 7,000 CFA in savings either at the end of the previous loan cycle or at the time of the interview as compared to only 130 CFA for the nonparticipants. Participants had on average more than doubled their personal savings since joining the *Credit with Education*<sup>SM</sup> program.

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Table 10. Savings	Participants N = 57	Nonparticipants N = 30
Do you have any personal savings at this time? (question for nonparticipants only)	100% all participants had savings on deposit with their Credit Association	3 (10%) yes 27 (90%)no
(For nonparticipants) How much savings do you currently have? (For participants) How much savings do you have at the end of the last loan cycle or on deposit with your CA?	Range 840 to 21,110 mean amount of savings 7,320 CFA	range 0 to 2,000 mean for all 30 women = 130 CFA mean for 3 women with savings = 1,300 CFA
Can you estimate how much savings you had before joining the program? (question for participants only) N = 57	Range from 0 to 50,000 CFA 39 (69%) 0 savings 4 (7%) don't know for whole group mean savings 3,368 CFA	

However, participant responses to this section of the questionnaire revealed a problem with the current passbooks and repayment system used by CANEF. Many participants were unable to say how much personal savings they have during the loan cycle since this amount is made clear to them only at the end of the loan cycle. First, it is essential that members savings passbooks be updated each meeting rather than at the end of the loan cycle as is currently CANEF's practice. Second, CANEF field agents need to make more clear to women at the beginning of the loan cycle the amount of mandatory weekly savings their Credit Association requires that they deposit. Currently, field agents typically provide Credit Association members with a lump sum amount that they need to pay to their Credit Association on a weekly basis. This lump sum includes weekly installments of loan principal and interest together with the amount of weekly mandatory savings, so it is not clear to members how much of what they are repaying is their own savings and how much goes to the program. (Members may and often do save more than the mandatory amount.) The program principles of transparency and empowerment are undermined when women are not fully informed of the transactions they are making.

The survey responses also revealed the variety of uses women have for their accumulated savings.

What do you plan to do with your savings? (Question for participants only) N=57

Number and Percent

- 22 (38%) - invest it in my business
- 17 (28%) - keep it for a family emergency -
- 16 (28%) - use it for wedding, funeral or another type of major event
- 13 (23%) - save for my children's education
- 13 (23%) - buy animals (cattle, goat, sheep, chicken) to keep
- 7 (12%) - buy loincloths, clothes for myself and my children, shoes for the children
- 7 (12%) - buy food to eat or condiments so that the family can eat better, or buy food for her children
- 7 (12%) - buy weed-killer or fertilizer for my fields; insecticides or pay people to cultivate my rice
- 7 (12%) - buy millet to keep until the hungry season or stock rice
- 3 (5%) - buy kitchen utensils or cups for my daughters

- 3 (5%) - Miscellaneous (my daughter's wedding 1, search for a house 1, she can do business the day CANEF is no longer here.

Participants value the savings services offered by the program since it allows them to further expand their loan activities as well as accumulate capital for other income-earning enterprises, such as farming and animal raising, or for use in the event of a family emergency.

The survey also included questions to explore other benefits of participating in the Credit Associations.

Table 11. Does your Credit Association..... (For participants only)	1 Frequently	2 Sometimes	3 Never	99 Don't know
a. discuss problems the members are having and possible solutions to these problems?	27 (49%)	24 (44%)	3 (6%)	1 (2%)
b. help a member who is having a family emergency?	14 (26%)	36 (67%)	4 (7%)	
c. discuss community problems and possible solutions?	17 (30%)	32 (56%)	8 (14%)	
d. help the poorest women in the community?	11 (19%)	35 (61%)	11 (19%)	
e. share information that helps with loan activities?	53 (93%)	4 (7%)		
f. share information about good health and nutrition practices?	53 (93%)	4 (7%)		

Many of the participant respondents elaborated on each of these areas. Most commonly, the types of problems women said their Credit Association addressed were related to repayment. Many women mentioned the need for the Credit Association to discuss and resolve problems as they occur so that the group will not have additional problems in the future. Women specified that they provided financial assistance to one another in a variety of situations, e.g., during marriages, deaths or baptisms, when a member is sick or has a sick child or when any member is having difficulties repaying. The great majority of participants (93%) also reported that they often give each other advice about markets and good investment strategies and shared ideas about how to best invest the loan money. Participants explained that these types of discussions occur outside the meeting, even in the market.

In terms of community issues addressed by the Credit Associations, participants mentioned instances when the members discussed problems of the health center or general health problems in the community. Several women mentioned an instance when the community pump broke down and they took up a collection to have it fixed. In terms of assisting poor women in the community, participants reported examples when they had given poor women food and loans without interest. However, the most common response was that these women should join the program to better their situation. The great majority of participants (93%) said that they frequently shared information about good health and nutrition practices. According to one respondent, "Not only in the village but also in the villages far away." Many participants specified examples of health advice they had given: give children nutritious foods (enriched porridge, vegetables, beans, fish sauce), feed children three or four times a day in addition to breastmilk, give children with diarrhea keneyaji, etc. One participant explained that the



education officer “watches each morning the breastfeeding women feed their children and gives them advice on how to prepare nutritious foods.”

#### **IV. Health and Nutrition**

The survey also included a number of questions meant to investigate program impact on participants’ health and nutrition knowledge and behavior. Participants and nonparticipants were asked the same questions regarding breastfeeding, diarrhea prevention and treatment, child feeding practices, immunizations, and family planning. In each of these areas, participants demonstrated a better appreciation of the actions they could take for improved maternal and child health.

Table 12 provides information on nonparticipants’ exposure to health/nutrition information during the last year. Just over half of the nonparticipants reported hearing or learning about good practices, primarily from the health center but also from community health workers, the radio, and friends. The most common topic was practices related to child feeding. However, of the 28 different practices in this area, 7 of these specified foods that are not particularly nutritious (porridge or plain porridge 4, soup 1, potatoes 1, rice 1). Of the 14 practices related to diarrhea, only half of these related to the need to rehydrate children, and only three women specifically mentioned hearing about keneyaji.

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Table 12. Exposure to Health/Nutrition Information	Nonparticipants N = 30
In the last 12 months, do you remember hearing or learning about any good health and/or nutrition practices? (Nonparticipants only)	16 (53%) 13 (43%) no 1 (3%) don't know
What specific health or nutrition practices do you remember hearing or learning about?	Practices related to nutrition for children 28 Practices related to diarrhea treatment or prevention 14 General Comments to take good care of children 5 Practices related to Breastfeeding 3 Family Planning 3 AIDS and other sexually transmittable diseases 2 Immunization 2
From where did you hear or learn about these health/nutrition practices?	9 (30%) from the health center 5 (17%) from a health worker in my community 3 (10%) from a friend, neighbor or family member 2 (7%) from the radio 2 (7%) mobile health campaigns 1 (3%) health teams who often come to the village to chat 1 (3%) people came here to show slides

Since the participants included in the impact survey had completed a range of loan cycles, it was also necessary to determine which topic areas had been addressed by their Credit Association. If the topic had not been covered, it would not be reasonable to expect to see changes in their health/nutrition knowledge and practices.

Table 13. Participants Exposure to Health/Nutrition Education	Participants only N=57
Have you participated in education sessions with your Credit Association about diarrhea?	Yes 56 (98%) No 1 (2%)
Have you participated in education sessions with your Credit Association about infant and children feeding?	Yes 56 (98%) No 1 (2%)
Have you participated in education sessions with your Credit Association about breastfeeding?	Yes 20 (36%) No 27 (48%) said "yes" but not formally 8 (14%) don't know 1
Have you participated in education sessions with your Credit Association about birth timing?	Yes 44 (79%) No 11 (20%) said "yes" but not formally 1 (2%)
Have you participated in education sessions with your Credit Association about immunizations?	Yes 26 (48%) No 24 (44%) said "yes" but not formally 1 (2%)

Virtually all of the participant respondents reported that they had participated in education sessions on diarrhea and infant feeding; a majority had participated in sessions on birth spacing; and just under half, sessions on immunizations. However, it was somewhat surprising that a relatively small proportion of the participants, only 36 percent, had participated in learning sessions about breastfeeding, particularly since this topic area is generally treated by other *Credit with Education*<sup>™</sup> programs in the Credit Associations' first year and before the topic of child feeding. Interestingly, 14 percent of the respondents said that they had participated in breastfeeding education even though the field agents' notes indicated that this topic was not

formally addressed at education sessions. The results summarized below pertaining to each of these topic areas are restricted to those respondents who reported that they had participated in education in that topic area.

Table 14 demonstrates that participants were much more knowledgeable than nonparticipants of the most appropriate first steps to take when a child has diarrhea. Participants were much more likely to respond that a child should be given keneyaji (SRO packet or sugar/salt solution) than nonparticipants. However, nonparticipants were more likely than were participants to respond that children should be given medicine. Virtually all of the participants (98%) also knew the correct proportion of water to mix with keneyaji while only 47 percent of the nonparticipants knew this, and 30 percent said they did not know (see Table 13). Participants also knew more personal and food hygiene practices to avoid diarrhea than did the nonparticipant sample. Thirteen percent of the nonparticipants said they knew of no way to prevent diarrhea and one responded “we usually cure diarrhea but we do not avoid it” (see Table 14.)

Table 14. What is the first and most important act one should do when a child has diarrhea?		
	Participants N=56	Nonparticipants N=27
Give liquids	keneyaji/SRO 50 (89%), herb tea or traditional medicine 11 (20%), additional liquids 5, water 4, pump water 5,	Herb tea 11 (41%) keneyaji/ORS 7 (26%) water 1, pump water 1, lemon juice 1
Give medicine	3 (5%) medicine (ganida, pills)	Give medicine 7 (26%) (antibiotics 3, nivaquine 1, aspirin 1, gomida 2)
Take to the Hospital or Health Center	hospital 5	hospital 2
Give food	Give soup 1 porridge/thick porridge 3	Give porridge 2
Miscellaneous	wash the child 1	

Table 15. Can you tell me how much water to mix with a packet of ORS/keneyaji?		
	Participants N=56	Nonparticipants N=30
one liter or specific measure promoted in Mali	55 (98%)	14 (47%)
other	1 (2%)	1 (3%)
don't know		15 (30%)

Table 16. What steps do you take to prevent diarrhea?		
	Participants N=56	Nonparticipants N=30
cover food	53 (93%)	18 (60%)

keep food clean	55 (57%)	17 (57%)
wash hands	37 (65%)	4 (13%)
do not keep food long before serving it	37 (65%)	7 (23%)
breastfeed children	9 (16%)	2 (7%)
immunize against measles	16 (28%)	3 (10%)
do not use bottles	11 (19%)	2 (7%)
clean well the house		8 (27%)
clean water or drinkable water or prevent backwater	21 (37%)	3 (10%)
Food and Personal Hygiene		keep clean utensils 1 use latrines 1 wash fruits before eating them 1 filter water with a clean handkerchief 1
General hygiene	always stay clean 4	always stay clean 2 avoid dirt 1 keep child clean 1 protect child against dirty objects (dust) 1
Miscellaneous		avoid eating too much oil 1 unspecified pills 1 leaves' tea 1 give antibiotic 1 all depends on God 3 (10%)
don't know		4 (13%)
		we usually cure diarrhea but we do not avoid it 1

### Infant and Child Feeding

A greater percentage of participants (72%) than nonparticipants (30%) identified the correct age for introducing foods in addition to breastmilk. Thirty-three percent of the nonparticipants responded nine months or older (as compared to 6% of participants), a results which reflects the traditional practice in Mali of withholding foods beyond the ideal age. The participant results do, however, indicate a need for continued reinforcement of this message and the rationale behind it since 28 percent of the participants did give answers other than the ideal age.

Table 17. At what age do infants need food in addition of breastmilk to grow well?	Participants N = 54	Nonparticipants N = 30
0 to 3 months old (0-11 weeks)	1 (2%)	1 (3%)
4 to 5 months old (12-23 weeks)	5 (9%)	3 (10%)
6 months or about 6 months old (24-27 weeks)	39 (72%)	9 (30%)
7 to 8 months old (28-35 weeks)	6 (11%)	6 (20%)
9 months old or more (36+ weeks)	3 (6%)	10 (33%)
don't know		1 (3 %)

### Breastfeeding

As mentioned above, only 20 of the participants had participated in education on breastfeeding. However, those 20 did demonstrate good learning, particularly relative to the nonparticipant responses. A greater proportion of participants 85 percent responded that newborns should be put to the breast as soon as possible while only 36 percent of nonparticipants gave this response. Twenty-six percent of the nonparticipants advised waiting for one to three days, which would certainly make it unlikely that the baby would receive the benefit of the antibody-rich "first milk," colostrum. Several nonparticipants mentioned that a baby should be given hot water during these first days rather than breastmilk.

However, 20 percent of the participants as compared to only 3 percent of the nonparticipants said that they had used a bottle since participating in the learning sessions (or in the last 12 months). This is a serious concern given the association between bottle use and diarrhea in children. Perhaps women participating in the program feel a greater need to use bottles if they are busy with their loan activities and they have surrogate caregivers feeding their children. This possibility should be explored and the dangers of bottle use reemphasized in Credit Association learning sessions.

Table 18. After giving birth, when should a woman put her newborn baby to her breast to suck?	Participants N = 20	Nonparticipants N = 30
immediately, or as soon as possible or after cleaning up and resting	17 (85%)	11 (36%)
one or two hours after giving birth	1 (5%)	1 (3%)
after 6-8 hours	1 (5%)	3 (10%)
several hours or first day	1 (5%)	4 (13%)
1 or 2 days after giving birth	1 (5%)	4 (13%)
3 days after giving birth or when there is milk in the breasts		4 (13%)
Miscellaneous		as soon as the child cries 1

Table 19. In the last 12 months, did you use a bottle to feed your baby?	Participants	Nonparticipants N = 30
yes	4 (20%)	1 (3%)
no	16 (80%)	27 (93%)
I don't have and/or didn't care for a baby in the last 12 months		
don't know		1 (3%)

Table 20. One should advise mothers to breastfeed their child until what age?	
Participants N = 20 2 = don't know	Range from 12 to 36 months of age mean age 24 months
Nonparticipants N = 30 1 = don't know	Range between 12 and 48 months mean age 28 months

The responses of both the participant and nonparticipant sample indicated an appreciation for the benefit of continuing to breastfeed babies throughout their second year of life. However, two (11%) of the participants did not know how long to advise mothers to breastfeed again, indicating a need to conduct further education on this topic area.

### Birth Spacing

There was good appreciation of the importance of birth spacing to the health of the mother and child among both the participant and nonparticipant respondents. It is interesting to note, however, that participants were more likely than nonparticipants to refer to the economic and longer term benefits of birth spacing in terms of family expenses, educating children, and the mother's time to engage in other activities. As women contribute more to the household income, there is a greater perceived benefit to reducing the number of children so that women can continue engaging in income-earning activities.

Table 21. Can you tell me any advantages for spacing births by at least 2 years?	Participants N = 44	Nonparticipants N = 27
The child grows fast; he'll be less sick; allows the child to fight against some diseases (diarrhea, paludism) or reduces infant death	43 (97%)	27 (90%)
The mother will rest better et will be in better health or rest of the uterus (Wolonoukou)	40 (91%)	25 (93%)
The parents can take good care of the children; diminishes the taking care costs and the effort to provide so that the child can thrive, less family problems, getting along at home	18 (41%)	2 (7%)

Table 21. Can you tell me any advantages for spacing births by at least 2 years?	Participants N=44	Nonparticipants N=27
More time to take care of the activities; the mother can work (farming and business jobs)	13 (30%)	2 (7%)
better education for the child	4 (9%)	
father's health or the father will not have to always buy medicine	3( 7%)	
Miscellaneous	2	getting along at home 1 the woman has time to take care of her child 1 Birth spacing of two years rests the mother 1

Table 22. What methods do you know to space your pregnancies?	Participants	Nonparticipants N=30
pills	38 (86%)	14 (47%)
condom	24 (55%)	6 (20%)
IUD (Intra-uterine device)		2 (7%)
vaginal suppositories (spermicide)	2 (4%)	
vasectomy (sterilization)	1 (2%)	1 (3%)
injection (Depo-provera)	7 (16%)	3 (10%)
Tubal ligation	1 (2%)	

Table 23. Are you currently using modern family planning methods to space or prevent pregnancies?	Participants N=55	Nonparticipants N=26
yes	5 (11%) pill 3, pro-dovera 1, spermicide 1	1 (4%) condom 1
no	25 (57%)	22 (85%)
I am not of child-bearing age	11 (25%)	1 (4%)
I am pregnant now	2 (4%)	2 (8%)
don't know		

Still, despite their greater knowledge of modern contraceptive methods, very few of the participants (11%) reported that they were using modern family planning practices. However, 25 percent of the respondents were actually beyond the reproductive age, which reduces the possibility for applying what is being learned at the learning sessions.

## Immunization

Only 26 of the 57 participants reported that they had participated in learning sessions at their Credit Association addressing the topic of immunizations. All but one of these participants knew that immunization was a method for preventing childhood illnesses. There was also good appreciation for immunizations among nonparticipants although 20 percent said they did not know how to prevent these illnesses. Table 25 indicates that immunizations, at least as periodic mobile campaigns, were available in the survey communities. Very few of the participants with young children reported that they had not completely immunized their child.

Table 24. Can you tell me a way to prevent children from getting diseases like measles, polio, and whooping cough?	Participants N = 26	Nonparticipants N = 29
Immunizations	25 (96%)	23 (80%)
Other	1 traditional medicine	herb teas 1 for whooping cough, we search for snails to give their meat to the children 1
don't know	1 (4%)	6 (20%)

Table 25. Are immunizations available in this area or has a mobile vaccination campaign been organized?	Participants N = 26	Nonparticipants N = 30
oui	25 (96%)	29 (97%)
specify campaign mobile	9 (45%)	20 (67%)
non	--	1 (3%)
don't know	1 (4%)	

Table 26. Have your children received the complete immunization series?	Participants N = 26	Nonparticipants N = 30
yes	19 (73%)	20 (67%)
no	4 (15%)	8 (27%)
no children	3 (12%)	2 (7%)
don't know		

Table 27. If "no, why not?	
Participants N = 4	is not 1 year old; not old enough or the delay has not come up yet 2 the health worker is not available 1 because the first daughter did not spend her childhood at home 1
Nonparticipants N = 8 1 = don't know	because the agent's visit is not frequent 4 she is not 1 year old; not old enough or the delay has not come up yet 2 because the information does not pass well for immunization 1 because there was no one to do the immunization 1 the vaccinations are not available 1

## V. Impact

The survey also included questions asking women to report on changes in their general standard of living. Nonparticipants were asked to consider changes over the past 12 months, but participants were asked to consider changes that occurred since they had joined the program. In general, nonparticipants as well as participants reported improvement in their families' diet and especially in women's solidarity in the last year. Several of the participants explained that their whole family eats better now and that they have been able to increase the number of meals. However, participants were much more likely to report that the quality of the food their family ate had improved since joining the program, a fact which could be due both to their increased economic capacity as well as the influence of the learning sessions. Many women explained that they now are able to put fish in the sauce, buy better condiments, buy meat (chicken was mentioned most often) and milk. Participants were also much more likely to respond that there had been improvement in their families' clothing and house since joining the program. Several women specified that they had been able to buy clothes for themselves and their children during the Ramadan and Tabaski festival. One women said, "Before the program I didn't have enough clothes, now thank God!"

Women also mentioned the specific ways that their homes had improved. Women had bought beds, mattresses, couches, bedsheets, and embellishments for the rooms (primarily decorative cups). In addition, the great majority of participants felt that their own influence in the family had increased since they joined CANEF's *Credit with Education*<sup>™</sup> program. Women explained that they are now better able to help their husbands and everyone else in their family with their expenses. One women explained that "with the money I give them, there was no more disagreement." Another said, "All the members of the family respect me now because of what I earn." In terms of solidarity, women explained that they spent more time with each other as a result of the program which has increased their understanding. One woman said, "Thanks to CANEF, the solidarity really has its place in the village; CANEF has totally united the women and has created solidarity among them."

Table 28. 4.1 In the last 12 months, would you say the following has Improved, Stayed the same, or Worsened? (nonparticipants) Since joining the program, would you say the following has Improved, Stayed the same, or Worsened?(participants)		1 Improved	2 Stayed the same	3 Worsened
a. the amount of food your family eats.	Part.	48 (86%)	8 (14%)	
	Nonpart	12 (40%)	17 (57%)	1(3%)
b. the type of food your family eats.	Part.	54 (96%)	2 (4%)	
	Nonpart	10 (33%)	20 (67%)	
c. the clothing your family wears.	Part.	50 (91%)	5 (9%)	
	Nonpart.	13 (43%)	12 (40%)	5 (17%)
d. the house where you live.	Part.	44 (79%)	12 (21%)	
	Nonpart.	6 (21%)	21 (75%)	1(4%)
e. the amount of time you have to care for your youngest child. N=24 with children under 5 years of age	Part.	38 (68%)	17 (30%)	
	Nonpart.	11 (46%)	12 (50%)	1 (4%)

Table 28 4.1 In the last 12 months, would you say the following has Improved, Stayed the same, or Worsened? (nonparticipants) Since joining the program, would you say the following has Improved, Stayed the same, or Worsened?(participants)		1 Improved	2 Stayed the same	3 Worsened
f. your influence within your family. N= 30	Part	52 (94%)	3 (6%)	
	Nonpart	11 (37%)	18 (60%)	1 (3%)
g. your solidarity with other women in your community. N= 30	Part.	54 (96%)	2 (4%)	
	Nonpart.	22 (73%)	8 (27%)	

In terms of how the program might improve, the most common response among participants was to increase the size of the loan (50%). CANEF should more systematically explore what is keeping participants from taking the loan size that they desire since it would be in the interest of the program, as well as the participants, if loan sizes increased. Just under 20 percent of the participants also reported that they would like the education sessions to be continued or further developed. Several of the responses to this question should be reviewed and seriously considered by CANEF. Nine percent of the respondents said that the loans should be delivered on time. It is very important that loan disbursement be timely and that women do not have to operate their activities without access to working capital. The current system should be reviewed to identify and redress the obstacles to timely loan disbursement

(Question for Participants only) Complete the sentence: "If I could change something about the Credit with Education program so that it could better help me and my family, I would change..."

Number and Percent

- 28 (50%) - increase the loan amount
- 15 (26%) - I would not change anything, the system works well for me;
- 10 (18%) - in addition of chats about health / nutrition to continue, to develop the health and nutrition chats for the children,
- 5 (9%) - she wants that the loans come on time, not late so that people do not get discouraged
- 3 (5%) - I would like for CANEF to give the asked amounts
- 5 (9%) - give other things (bring medicine for the children, give mills in credit, if possible material, insecticides for the fields, give a mill or a pump
- 2 (4%) - change the meeting date or have the meeting once a month
- 2 (4%) - have a one year cycle instead of 6 months and reimburse every two weeks or change the cycle from 6 to 4 months
- 2 (4%) - miscellaneous

**ATTACHMENT 8**

To: Participants  
From: Chris Dunford   
Date: September 15, 1995  
Re: Notes from the first annual *Credit with Education*  
Learning Exchange

I apologize for the long delay in transmitting these notes to you. At first, to speed them on their way to you, we intended to present them only in the original language of the presenters and discussants in the various sessions. Then, upon further thought, it was obvious that their value would be enhanced tremendously by translation to full English, French, and Spanish versions. They are still rough notes, but they will remind you of the rich content, insight, and variety of the presentations and discussions we had. These notes cover both the Partners Meeting, August 7-11, and the Learning Exchange, August 14-15. For simplicity, I am referring to the whole event as the Learning Exchange.

I want to draw your attention in particular to some important outputs of the meetings:

First, the chart developed on Wednesday, August 9, represents a flow chart of the "Generic Components of Training and Education" for *Credit with Education*.

Second, the list of "Expectations" we developed on Friday, August 11, shows the "lead" partner indicated by a circle around the partner's "x".

Third, "Our Vision for 1998" developed on Friday, August 11, is in the language more or less as it was hastily developed in English, French, and Spanish, so it isn't pretty!

Fourth, the chart we developed on Tuesday, August 15, shows the partners' responses to "What do I need? What can I give/offer?"

Fifth, our "Vision of Learning Exchange, August 1996 and Beyond" is the final output from Tuesday, August 15.

I have placed these five items at the front of the notes, right behind this cover memo, for your convenience in locating them. The remaining notes follow in chronological order.

This was a terrific meeting, a true watershed event in the development of *Credit with Education*. For those participants from the Freedom from Hunger International Center, it was a pleasure to host our visitors from so many countries and organizations. It was a watershed event for the staff of the International Center, truly bringing home to us the meaning of partnership and learning exchange.

I will follow up this memo, and the attached notes of the Learning Exchange, with another communication in October to outline suggested next steps in the formation of the Learning Exchange, based on our vision for 1996 and beyond, and to solicit your input and help.

I look forward to working with you all to make the Learning Exchange a reality and a truly valuable aide to all of us.

*Credit with Education™ Learning Exchange*  
August 11, 1995

	Expectations Attentes Expectativas	Freedom from Hunger Davis/ Accra/ Lomé	Partner Partenaire Socio	Other Partners Autres Parte. Otros Socios
1	Develop computerized accounting system Développer un système de comptabilité par ordinateur Desarrollar un sistema computerizado de contabilidad	X	(X)	X
2	Guidelines for program evaluation Lignes directrices pour une évaluation du programme Pautas para la evaluación del programa	(X)	X	
3	Evaluation study of impact Etude d'évaluation de l'impact Estudio evaluativo de impacto	(X)	X	X
4	Cost analysis at program level: Rev/Costs Analyse du coût au niveau du programme: revenu/coûts Análisis de los costos al nivel programática: Ingresos/Gastos	X	(X)	
5	Develop fundraising strategy & contacts with donors Développer une stratégie de collecte de fonds & des contacts avec les donateurs Desarrollar una estrategia para la búsqueda y adquisición de fondos y como hacer contactos con donantes	(X)	X	X
6	Completion of education component Compléter le volet éducation Finalizar el componente de educación	(X)	X	X
7	Facilitate inter-partner sharing/learning Faciliter le partage/l'apprentissage entre les partenaires Facilitar el compartimiento/aprendizaje entre los socios	(X)	X	X
8	Enable partners to visit each other Permettre aux partenaires de se rendre visite Facilitar visitas entre los socios	(X)	(X)	X
9	Personnel recruitment Recrutement du personnel Reclutar personal	X	(X)	
10	Training of personnel (field & management) Formation du personnel (sur le terrain et administratif) Capacitar el personal (del campo y administraciòn)	(X)	X	X
11	Develop educational/training materials Développer du matériel de formation/éducatif Desarrollar materiales educativos y de capacitaciòn	(X)	X	X
12	Provide/secure loanable funds Fournir/assurer des fonds pour les prêts Proveer/asegurar fondos para préstamos	(X)	X	
13	Day-to-day program management Gestion du programme au jour le jour Manejo cotidiano del programa	X	(X)	

Expectations Attentes Expectativas		Freedom from Hunger Davis/ Accra/ Lomé	Partner Partenaire Socio	Other Partners Autres Parte. Otros Socios
14	Pay for pre-start up program costs Payer pour les coûts de pré-démarrage du programme Pagar los costos pre-iniciales del programa	(X)	X	
15	Develop memo of understanding/specific generic Développer un accord de compréhension/spécifique générique Desarrollar un convenio de colaboración/específico genérico	(X)	(X)	
16	Capacity building for CA management committees Capacité d'édification pour les comités de gestion de l'AC Fortalecimiento de los comités de manejo de los bancos comunales	X	(X)	
17	Technical training for CA members Formation technique pour les membres de l'AC Capacitación técnica para los miembros de BC	X	(X)	
18	Technical training/capacity building for L.O.U. formation technique/capacité d'édification pour U.O.L. Adiestramiento técnica y capacitación para las U.L.O.		(X)	X
19	Management of program assets Gestion des actifs du programme Manejo de los activos del programa	X	(X)	
20	Assessment/periodic review of program Évaluation/passage en revue périodique du programme Anàlisis/evaluación periòdica del programa	X	(X)	X
21	FFH senior management/board visit the program Direction de FFH/réunion visitent le programme Visita de la junta directiva de FFH a un programa	X	(X)	
22	Provision of equipment & logistics support provision de l'équipement & soutien logistique Provisión de equipo y apoyo logístico	(X)	X	
23	Back-up support of ops. expenses Soutien de réserve des frais opérationnels Apoyo de respaldo de costos operacionales	(X)		
24	Develop budget for program Développer un budget pour le programme Desarrollar un presupuesto para el programa	X	(X)	
25	Development of program plan Développement d'un plan de programme Desarrollar un plan para el programa	X	(X)	
26	Seek financing for program start up Rechercher le financement pour le démarrage du programme Buscar financimientto para iniciar el programa	(X)	X	
27	Good organization; attain objectives & results Bonne organisation; obtenir des objectifs & des résultats Buena organización; alcanzar objetivos y resultados	X	(X)	

	Expectations Attentes Expectativas	Freedom from Hunger Davis/ Accra/ Lomé	Partner Partenaire Socio	Other Partners Autres Parte. Otros Socios
28	Develop M.I.S. guidelines-accounting Développer des lignes de conduites et une comptabilité pour le S.I.G. Desarrollar las pautas y el sistema de contabilidad para el S.M.I.	(X)	X	
29	Develop and test tools for # 28 Développer et tester des outils pour No. 28 Desarrollar y probar herramientas para No. 28	X	(X)	
30	Ensure program expansion Assurer l'expansion du programme Asegurar la extensión del programa	X	(X)	
31	Technical assistance for special studies/analysis Assistance technique pour des études/analyses spéciales Asistencia técnica para estudios/análisis especiales	(X)	X	X
32	Inform partners about FFH schedule of visits Informer les partenaires sur le programme des visites de FFH Prover horario de visitas del personal de FFH a los socios	(X)	X	
33	Assure financing mechanisms before start-up Assurer des mécanismes de financement avant le démarrage du programme Asegurar mecanismos financieros antes de iniciar el programa	(X)	(X)	
34	Support for projection of self-finance Soutien pour une projection de l'auto-finance Apoyar la proyección de auto-financiamiento	(X)	X	
35	Negotiate credit policies Négocier des politiques de crédit Negociar las políticas de crédito	X	(X)	
36	Marketing program to International, National and Local partners - funders Programme de commercialisation des partenaires-bailleurs de fonds internationaux, nationaux et locaux Programa de promoción para los socios - donantes internacionales, nacionales/locales	(X)	X	X
37	Adapt educational materials Adapter le matériel éducatif Adaptar los materiales educativos	X	(X)	X
38	Develop/maintain effective communication system développer/maintenir un système efficace de communication Desarrollar/mantener un sistema efectivo de comunicación	(X)	X	X
39	Develop/maintain effective communication system within FFH (i.e: partner) Développer/maintenir un système efficace de communication à l'intérieur de FFH (au sujet du partenaire) Desarrollar/mantener un sistema efectivo de comunicación dentro de FFH (referente actividades de los socios)	(X)	X	X
40	Provide accurate/timely reporting Fournir un rapport précis/à temps Proveer reportes precisos a tiempo oportuno	X	(X)	

Expectations Attentes Expectativas		Freedom from Hunger Davis/ Accra/ Lomé	Partner Partenaire Socio	Other Partners Autres Parte. Otros Socios
41	Provide accurate/timely feedback Fournir un feed-back précis/à temps Proveer retroalimentación precisa a tiempo oportuno	(X)	X	
42	Workshop to further develop tools for education Atelier pour développer davantage des outils pour l'éducation Taller para seguir desarrollando las herramientas para la educación	(X)	X	X
43	Document/guidelines for program start/replic. Documenter/lignes directrices pour le démarrage/duplication du programme Documentar/pautas para el inicio/replicación del programa	(X)	X	X
44	Assist Ghana Technical Support Center to become NGO Assister le Centre de Soutien Technique Ghana pour devenir une ONG Apoyar al Centro de Apoyo Técnico de Ghana formar una ONG	(X)	X	
45	Identify national - scope partner in Ghana Identifier un partenaire d'envergure nationale au Ghana Identificar un socio con alcance nacional en Ghana	(X)		
46	Champion Cw/E as distinct strategy Défendre le CEE comme une stratégie distincte Promocionar el C con E como una estrategia distinta	(X)	(X)	(X)
47	Joint consultation on strategy changes Consultation jointe sur les changements de stratégie Consultar en conjunto sobre los cambios de estrategia	(X)	(X)	X
48	Clear/feasible objectives to be negotiated Objectifs clairs/faisables devant être négociés Objetivos claros/factibles para ser negociados	X	(X)	
49	Develop min. standards for admin. systems Développer des standards minimums pour des systèmes administratifs Establecer normas mínimas para el sistema administrativa	(X)	X	X
50	Document "best practices"/publish/dissem. Documenter "les meilleures pratiques"/publier/disséminer Documentar las "mejoras prácticas"/publicarlas/diseminarlas	(X)	X	X
51	Fund ops expenses for expansion Financer les coûts opérationnels pour une expansion Financiar los costos operacionales para la expansión	X	(X)	
52	Recognize importance and participate in spec. studies Reconnaitre l'importance des études spéciales et y participer Reconocer la importancia de los estudios especiales y participar en ellos	X	(X)	X
53	Increasing partner autonomy within network. Augmenter l'autonomie des partenaires à l'intérieur du réseau Incrementar la autonomía de los socios dentro de la red	X	(X)	X

**CREDIT WITH EDUCATION™ PARTNERS' MEETING**  
**OUR VISION FOR 1998**  
**FRIDAY, AUGUST 11, 1995**

**Beneficiaries**

A large and growing number of families are increasing incomes and improving health and nutrition status; in solidarity groups, self-sufficiency, self-confidence and self-management are attained. There is now hope for a better world.

**Institution**

Autonomous, self-managing institutions produce and use materials for effective training of the poor, especially women. Cost-effectively, a greater number of partners offer a greater number of savings, credit, and education services to a dramatically and measurably increasing number of Credit Associations.

**Movement**

*Credit with Education™* is a vast movement of joint ventures in service to the poor of the world. Thanks to the power of partnership, the worldwide network of *Credit with Education™* leads the poorest to a better life free of hunger through their own efforts.

*CREDIT WITH EDUCATION*<sup>SM</sup> LEARNING EXCHANGE  
DAY TWO - TUESDAY, AUGUST 15, 1995

	What do I need? (to do better <i>Credit with Education</i> <sup>SM</sup> )	What can I give/offer? (to the <i>Credit with Education</i> <sup>SM</sup> Learning Exchange)
World Relief	<ul style="list-style-type: none"> <li>- Examples of generic health education curriculum.</li> <li>- Examples of generic curriculum for building self esteem/empowerment.</li> <li>- Examples of instruments evaluating commercial. development.</li> <li>- Examples of simple monitoring system for health ed.</li> </ul>	<ul style="list-style-type: none"> <li>- Assessment instrument for group participation</li> <li>- Checklist for group meetings</li> <li>- Expertise in responding to high inflation levels</li> <li>- What not to do</li> </ul>
FAMA	<ul style="list-style-type: none"> <li>- Credit funds</li> <li>- Training in education service delivery</li> <li>- Education materials</li> <li>- Personnel for expansion</li> </ul>	<ul style="list-style-type: none"> <li>- Sharing of education material</li> <li>- Sharing of methodological expertise</li> </ul>
FOCCAS	<ul style="list-style-type: none"> <li>- Funds</li> <li>- Access to information (old and new) re <i>Credit with Education</i><sup>SM</sup></li> <li>- Technical assistance               <ul style="list-style-type: none"> <li>- Training</li> <li>- Education methodology and content</li> <li>- MIS</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Ideas/action plan/experiences on               <ul style="list-style-type: none"> <li>- Increasing impact at community level</li> <li>- Involvement of men</li> <li>- Mobilizing community resources</li> <li>- new NGO development skills/experience</li> </ul> </li> </ul>
Brakwa Breman Rural Bank	<ul style="list-style-type: none"> <li>- How to assess program impact on beneficiaries (impact assessment tools).</li> </ul>	<ul style="list-style-type: none"> <li>- Share experience of our program with other partners.</li> </ul>
Freedom from Hunger	<ul style="list-style-type: none"> <li>- Willing and sound partners</li> <li>- Compatible MIS systems</li> <li>- Cross-org. documentation of impact</li> <li>- Learning Exchange</li> </ul>	<ul style="list-style-type: none"> <li>- Replication package</li> <li>- Logistic support for Learning Exchange</li> <li>- Evaluation techniques and results</li> <li>- Diversity of institutional models</li> </ul>
Kafo Jiginew	<ul style="list-style-type: none"> <li>- Start-up grant</li> </ul>	<ul style="list-style-type: none"> <li>- Savings and credit experiences in rural life</li> </ul>
CANEF	<ul style="list-style-type: none"> <li>- Participants' training</li> <li>- Staff training</li> <li>- Financial systems development</li> </ul>	<ul style="list-style-type: none"> <li>- How to implement the program in new areas?</li> </ul>
RCPBF	<ul style="list-style-type: none"> <li>- tools</li> <li>- expansion grants</li> <li>- training (staff)</li> </ul>	<ul style="list-style-type: none"> <li>- skills</li> </ul>

	What do I need? (to do better <i>Credit with Education</i> <sup>SM</sup> )	What can I give/offer? (to the <i>Credit with Education</i> <sup>SM</sup> Learning Exchange)
CRS	<ul style="list-style-type: none"> <li>- Vision <ul style="list-style-type: none"> <li>- Integrating conceptual framework</li> <li>- Collaboration on food security</li> </ul> </li> <li>- Capacity <ul style="list-style-type: none"> <li>- Technical assessments and evaluation</li> <li>- Information systems</li> <li>- Training packages (food security/C.S./etc.)</li> </ul> </li> <li>- Resources <ul style="list-style-type: none"> <li>- Donors interested in integrated programs (resources &amp; services)</li> <li>- Policy support</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Vision <ul style="list-style-type: none"> <li>- Defined vision for poverty lending and child survival (&amp; strategy).</li> </ul> </li> <li>- Capacity <ul style="list-style-type: none"> <li><u>Staff</u> technical experts in P.L., C.S., &amp; F.S.</li> <li><u>Methods</u> child survival; poverty lending, institutional development</li> <li><u>Systems</u> village banking</li> <li><u>Global infrastructure</u> overseas staff &amp; offices</li> </ul> </li> <li>- Resources <ul style="list-style-type: none"> <li>- Donor constituency for child survival &amp; P.L. (food &amp; cash)</li> <li>- Practitioner network in P.L. &amp; C.S.</li> <li>- Projects (health only/credit only/H &amp; C)</li> </ul> </li> </ul>
Project Hope	<ul style="list-style-type: none"> <li>- Impact measures</li> </ul>	<ul style="list-style-type: none"> <li>- Experience using health officers for education.</li> <li>- training packages</li> </ul>
CRECER	<ul style="list-style-type: none"> <li>- Financing</li> <li>- Development of education materials</li> <li>- Systemization of accounting information</li> </ul>	<ul style="list-style-type: none"> <li>- Five years experience</li> <li>- Possibility of studying "mature" and new banks</li> <li>- Different social contexts</li> </ul>
Nyèsigiso	<ul style="list-style-type: none"> <li>- Support for start-up of unions</li> <li>- Field agents' training</li> <li>- Support for financial projection</li> <li>- Education <ul style="list-style-type: none"> <li>- Experience exchange</li> <li>- Education tools</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Experience on savings and credit unions</li> <li>- Experience on women's access to financial services</li> </ul>
Katalysis	<ul style="list-style-type: none"> <li>- Micro-enterprise training methods for clients</li> </ul>	<ul style="list-style-type: none"> <li>- Methods for partnership building</li> </ul>
Plan International	<ul style="list-style-type: none"> <li>- Strategies for sustainability</li> <li>- Models for integration of credit/education</li> <li>- Methodologies for measuring impact</li> <li>- Training materials</li> <li>- MIS</li> </ul>	<ul style="list-style-type: none"> <li>- Community networks, established clientele, programs world wide</li> <li>- Experience in community development</li> <li>- Potential for partnerships</li> </ul>

**CREDIT WITH EDUCATION LEARNING EXCHANGE  
VISION OF LEARNING EXCHANGE, AUGUST 1996 AND BEYOND  
DAY TWO - CONCLUSIONS**

- ◆ 1. Hooked up on E-Mail/Internet
- ◇ 2. Inter-organizational document for strategy/description
- ◆ 3. Another larger L.E. (more organizations)
- ◆ 4. A data base of technical assistance available
- ◇ 5. Good job of educating donors = increased funds.
- 6. Specific plans for impact studies and indicators and joint evaluations (documentation)
- 7. Increased number of banks using CEE/Credit with Education (Need a base line study)
- ◆ 8. Register of practitioners and what they have to offer.
- 9. Regional training on financial management and micro-enterprise development for personnel
- X 10. Specific task forces to probe certain issues in greater depth.
- ◇ 11. Enough credit
- ◆ 12. Newsletter
- 13. Replication package
- 14. Standards and indicators for measuring sustainability and impact.
- 15. Increased savings
- 16. Establish standards and compile materials for education

◆ = Communications                      X = Conference                      ◇ = Advocacy  
○ = Training                                ● = Evaluation

**Who does what, how, when, where, with what**

- Freedom from Hunger takes on a leadership role forming the Learning Exchange:
  - partners on a global, equal basis
  - willing to provide resources, time, staff
  - approach SEEP secretariat to define roles, relationships
  - will form manageable working groups
  - link partners with SEEP

**Commitment for Task Forces**

**Communications**

Plan? World Relief

**Evaluation**

FAMA	CANEF	Plan	Project Hope
World Relief	CRS	Kafo	

**Advocacy**

CRS

Plan?

**Training**

Katalysis

Brakwa-Breman Rural Bank

**Conference**

Project Hope facility

**List of Participants**  
***Credit with Education Learning Exchange***  
**August 14-15, 1995**

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**August 7-15, 1995**

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**Lower Pra Rural Bank**

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**List of Attendants**  
**from the Freedom from Hunger Davis office**  
***Credit with Education* Partners Meeting and Learning Exchange**  
**August 7-15, 1995**

Chris Dunford, President  
Ellen Vor der Bruegge, Vice President for Programs  
Kathleen E. Stack, Associate Vice President for Programs  
Barbara MckNelly, Technical Advisor, Evaluation  
Peggy Roark, Director, Program Operations  
Graham Perrett, Technical Advisor, Finance  
Mark Gizzi, Regional Advisor, Africa  
Maureen Plas, Technical Advisor, Education  
Robert Ridgely, Regional Specialist, Latin America  
Judy Vulliet, Special Assistant, Programs  
Jan Kingsbury, Director, Partner Support  
Joan Dickey, Director, Administration  
Joyce Nichols, Programs Assistant  
Christine Dodson, Special Assistant to the President and Board of Trustees  
Claire Thomas, Director, Resource Development  
Christine Rominger, Manager, Donor Communications

## The Vision for *Credit with Education*

It is a real pleasure to welcome you all to the second meeting of the practitioners of *Credit with Education*<sup>™</sup>. The first meeting was in Antigua, Guatemala last November, right after the Village Banking Conference. There was so much enthusiasm for the first meeting that those who participated called for more meetings to discuss our common interests.

We are calling it the Partners Meeting, because the organizations represented by the people in this room are already or about to become partners with Freedom from Hunger. We are or will soon be partners in a joint venture, to use a business term, for the purpose of demonstrating that *Credit with Education*<sup>™</sup> can work cost-effectively in each of your countries.

In a joint venture, each party brings something of great value to the enterprise. The joint contributions allow the enterprise, like a plant, to germinate, take root, grow to maturity, and reproduce and spread to new areas. This is the way it is with *Credit with Education*<sup>™</sup>.

Freedom from Hunger brought to Mali and Thailand in 1989, and to Bolivia, Ghana, and Honduras in 1990, an idea for delivering integrated financial and educational services, the ones that could make the most difference for the least cost, we believed. And we brought financing provided by donor organizations and individuals in the United States.

Our original partners were our own staff, who were nationals of the countries, except for Mali, where our partner was a national organization, now called CANEF. What they brought to the joint venture was an enthusiasm for the *Credit with Education*<sup>™</sup> idea, local knowledge of the country and people, and project management skills and experience. Soon they also contributed their direct hands-on knowledge of how to make *Credit with Education*<sup>™</sup> work in their country.

Then in 1992, Freedom from Hunger entered new joint ventures in Ghana with the Lower Pra Rural Bank and later the Brakwa Breman Rural Bank and in Burkina Faso with the Réseau des Caisses Populaires. This time we brought more than a good idea and some operating capital. We could also offer the varied and rich experience of each of our earlier partners, the accumulated learning from these first joint ventures. And these new partners brought something extra, too: their own funds to invest in loans to Credit Associations.

At the same time, our earlier partners were evolving. Our program in Thailand was absorbed by FIAM, a Thai organization affiliated with Catholic Relief Services. Our Honduran staff formed a new Honduran organization of their own, called FAMA. And our program in Bolivia is on its way to forming a new Bolivian organization, called CRECER. What were once Freedom from Hunger programs have become, or will soon become, independent partners like those in Africa.

Now new joint ventures are forming with new partners: Nyèsigiso and Kafo Jiginew in Mali, Nandom Rural Bank and MASU in Ghana, FUCEC in Togo, and FOCCAS in Uganda. All will benefit from the experience of the already well-developed joint ventures between Freedom from Hunger and its earlier partners. All bring new, special skills, experience, and resources, not just to a joint venture with Freedom from Hunger, but to all the earlier joint ventures. It no longer makes sense to think of *Credit with Education*<sup>™</sup> as just a collection of independent joint ventures between Freedom from Hunger and each of its individual partners. Each of us is part of a dynamic, growing, interdependent, worldwide *Credit with Education*<sup>™</sup> movement.

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This is a movement committed to the idea that the hungry poor need to help themselves. And that credit and savings services, more information about basic family survival (health, nutrition, family planning, basic rules of enterprise and money management), and more self-confidence are what the hungry poor, especially women, need to help themselves and their families move beyond the daily struggle to just survive. And that these key ingredients can be delivered so cost-effectively that all the costs of the service can be paid for by the poor themselves through their payments of interest on their loans; that the poor can become paying clients rather than simply beneficiaries of our charity. And that self-financing programs can reach out to whole populations, whole nations. And that other organizations will find our example so convincing that they will want to support us and imitate us in other countries and even in our own countries. We believe that this *Credit with Education*<sup>™</sup> movement can and will become a self-propelling force for worldwide social change. And we will all be entitled to be very proud of what we have started together, learning from each other, each contributing from our unique experience with *Credit with Education*<sup>™</sup>.

We of the Freedom from Hunger International Center here in Davis, California welcome you and hope you will find us gracious hosts. But you will not find all the answers within our International Center. Freedom from Hunger does not know how to create a learning network amongst all of us, how to transcend this partnership we have with each of you to mobilize a worldwide movement. We have to discover the path together. And this meeting this week is another step we have to take together toward that path.

Our modest goal for this meeting should be to explore how we can improve our partnerships and extend them so that we are all partners with each other. We hope to lay the foundation for a *Credit with Education*<sup>™</sup> Learning Exchange to serve as the mechanism to support our learning together. Early next week we will be joined by some other American-based organizations that are not our partners, but from whom we could learn even more and who are anxious to learn from us. Perhaps we can reach out and embrace them in a common commitment to making education work in the context of group-based lending to the poor.

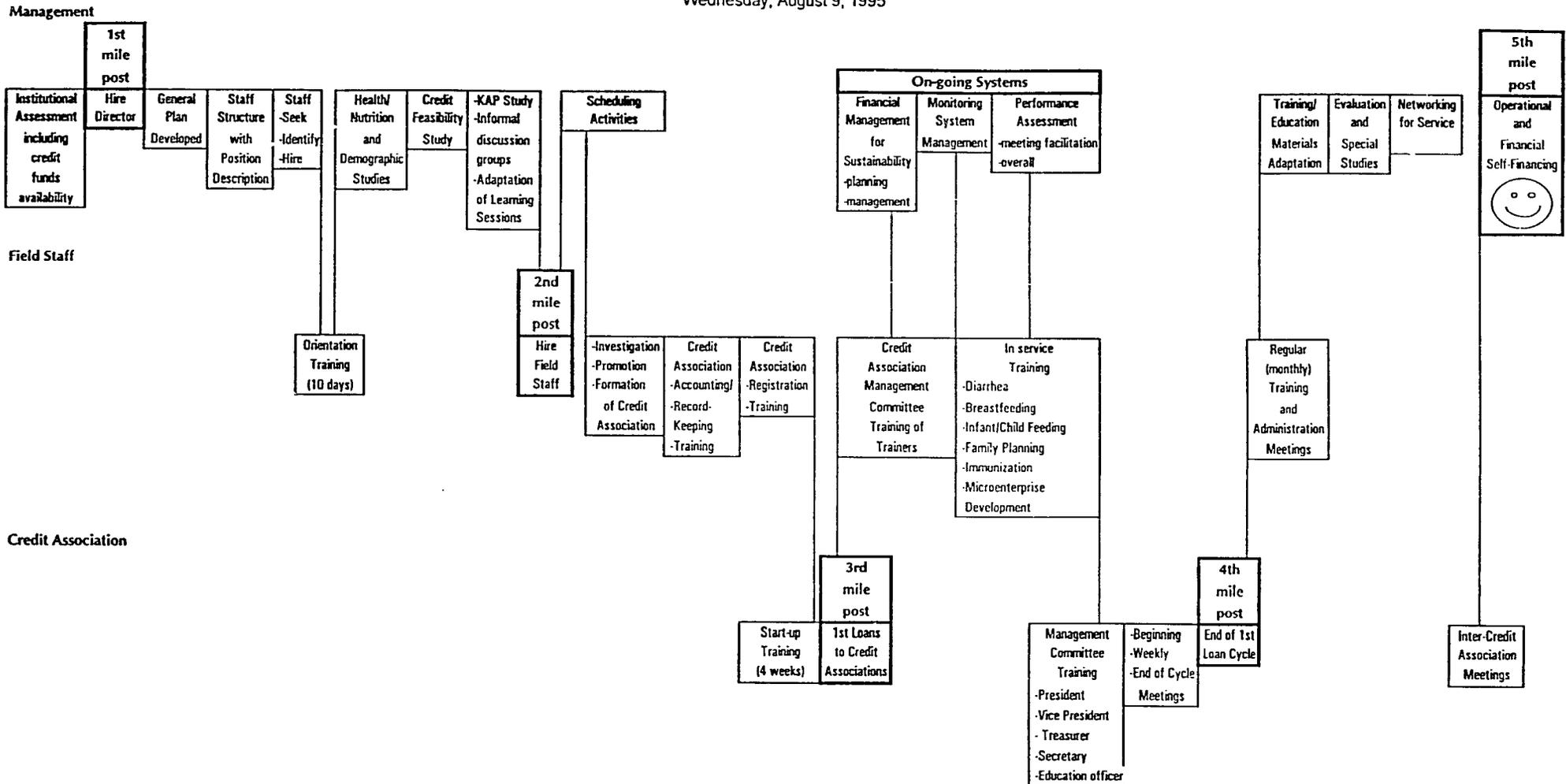
Despite the differences between us, in language, culture, world view, knowledge base, and access to resources, we meet as co-equals in the pursuit of a solution that works for the hungry poor. *Credit with Education*<sup>™</sup> seems like a very promising candidate to become that solution, but it is only by working together as true partners in a common cause that the promise of *Credit with Education*<sup>™</sup> can become reality for the millions of families that need this service to help themselves do more than just barely survive.

This is a very important meeting. It can bring us together. And together, we can make a very big difference. In the words of Margaret Meade, "Never doubt that a small group of concerned people can change the world; indeed, it is the only thing that ever has." So let's be patient with each other; let's honor each other's contributions; and let's learn and grow together. Let's have a terrific meeting!

Christopher Dunford  
6 August 1995

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Credit with Education<sup>sm</sup>  
 Generic Components of Training and Education  
 Wednesday, August 9, 1995

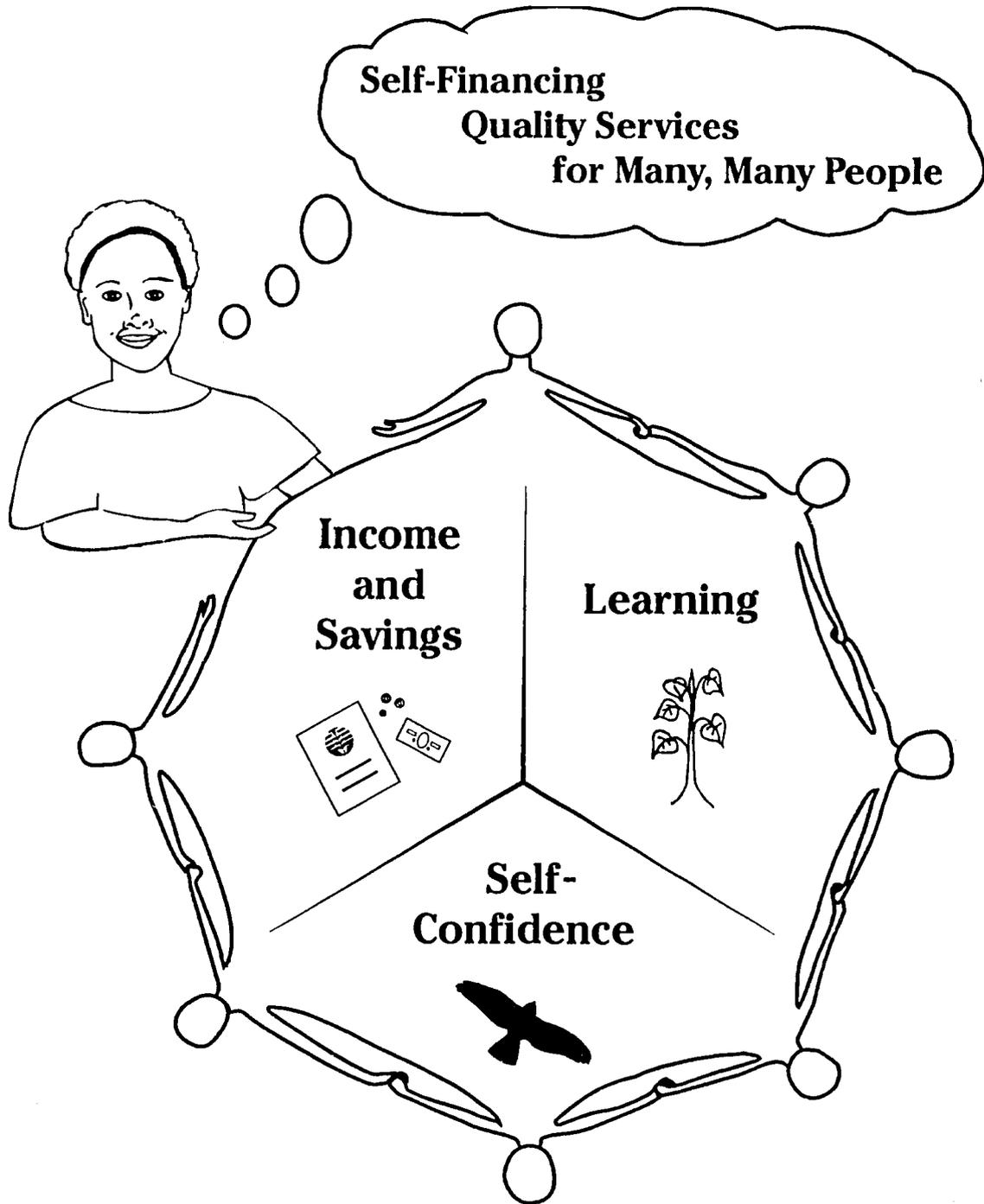


**ATTACHMENT 9**

Chapter 1

# The Goal of *Credit with Education*<sup>SM</sup>

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## CHAPTER 1: THE GOAL OF *CREDIT WITH EDUCATION*<sup>SM</sup>

### The Problem of Chronic Hunger and Malnutrition

#### *What Is the Problem?*

- Hunger is a very big worldwide problem. There are approximately 1,000,000,000 (one billion) people who suffer from chronic hunger. That is about one in every six people on earth today.
- Those most affected are the many infants and children who suffer and die from chronic hunger and malnutrition. Approximately 35,000 children die every day from malnutrition and diseases that are preventable.
- Generally, the mother has responsibility for the health and nutrition of her family. Hundreds of millions of poor women in rural areas of the world lack the information and resources to take proper care of their families.

#### *What Causes Hunger?*

There are several causes of chronic hunger and malnutrition. Here are three causes for which *Credit with Education*<sup>SM</sup> services provide solutions:

- The first cause is not enough food available to feed the family or enough money to buy food that is needed.
- The second cause is poor knowledge of good nutrition or of how to make sure that every member of the family eats a healthy diet. This is especially a problem for infants, children, and pregnant and breastfeeding women who have special nutrition needs.
- The third cause is not knowing about or not using the available health services and technologies, such as family planning, immunization, and diarrhea prevention and management practices.

Chronic hunger and malnutrition in your area may be due to one, two, or all three of the causes mentioned above. *Credit with Education*<sup>SM</sup> is designed to help members better manage these causes and meet their responsibilities to maintain the good health and nutrition of their families.



## The Goal of *Credit with Education*<sup>SM</sup>

The goal of *Credit with Education*<sup>SM</sup> is for every person to have adequate nutrition to enjoy the full quality of life. We can do this if we improve household food security and the health and nutrition status of all household members. *Credit with Education*<sup>SM</sup> does this by:



➤ Providing credit and savings services to Credit Associations so that members can increase their incomes and savings.



➤ Providing education to members in health, nutrition, and family planning to strengthen family survival skills.



➤ Improving members' self-confidence and decisionmaking skills, through the combined effects of increased incomes, education, and experience in managing their own Credit Association and operating their own businesses.

Reaching the goal depends on developing a high performance organization that sustains the delivery of credit, savings, education, and self-confidence building services to the members of the Credit Associations. The services can be sustained for many, many years if:

- A strong local partner organization is willing to fully integrate *Credit with Education*<sup>SM</sup> services into its operations.
- Costs are kept as low as possible while maintaining quality service delivery to achieve significant impacts.
- All costs are recovered through interest and fee earnings on the loans.
- The services reach large numbers of people throughout the region or country.

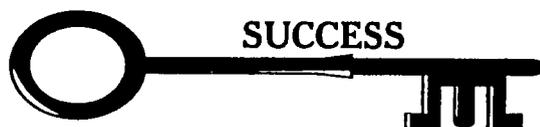
The success of *Credit with Education*<sup>SM</sup> to eliminate chronic hunger and malnutrition depends on maintaining quality service delivery to the members of the Credit Associations and building the organizational capability to manage and expand the services to reach large numbers of people.

## The *Credit with Education*<sup>SM</sup> Field Agent

**You are the key to the success of *Credit with Education*<sup>SM</sup>!** You are the one who works directly with members of Credit Associations on a day-to-day basis. You are a credit officer, a health educator, and a motivator. You offer participants knowledge and skills that will help them improve the quality of their lives, even save lives!

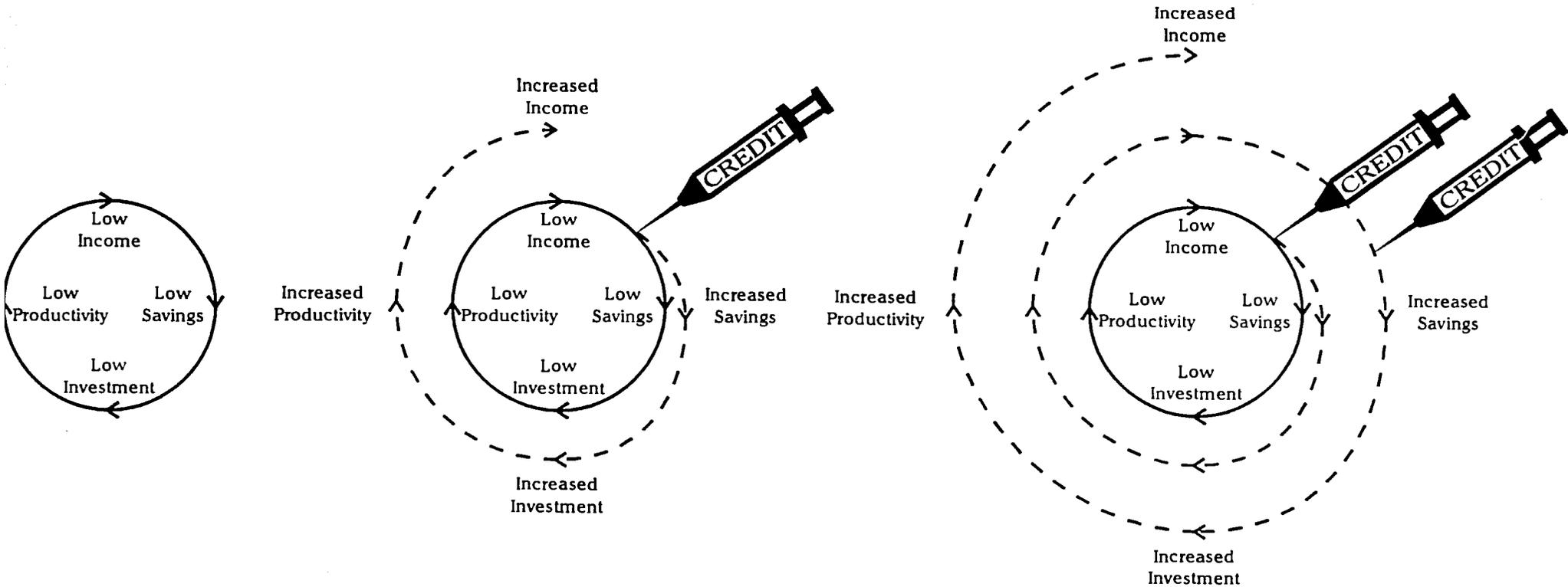
Yours is a challenging but very rewarding job. As you commit yourself to your work, remember these words:

*Never doubt that a small group of concerned people can change the world; indeed, it's the only thing that ever has. —Margaret Mead*



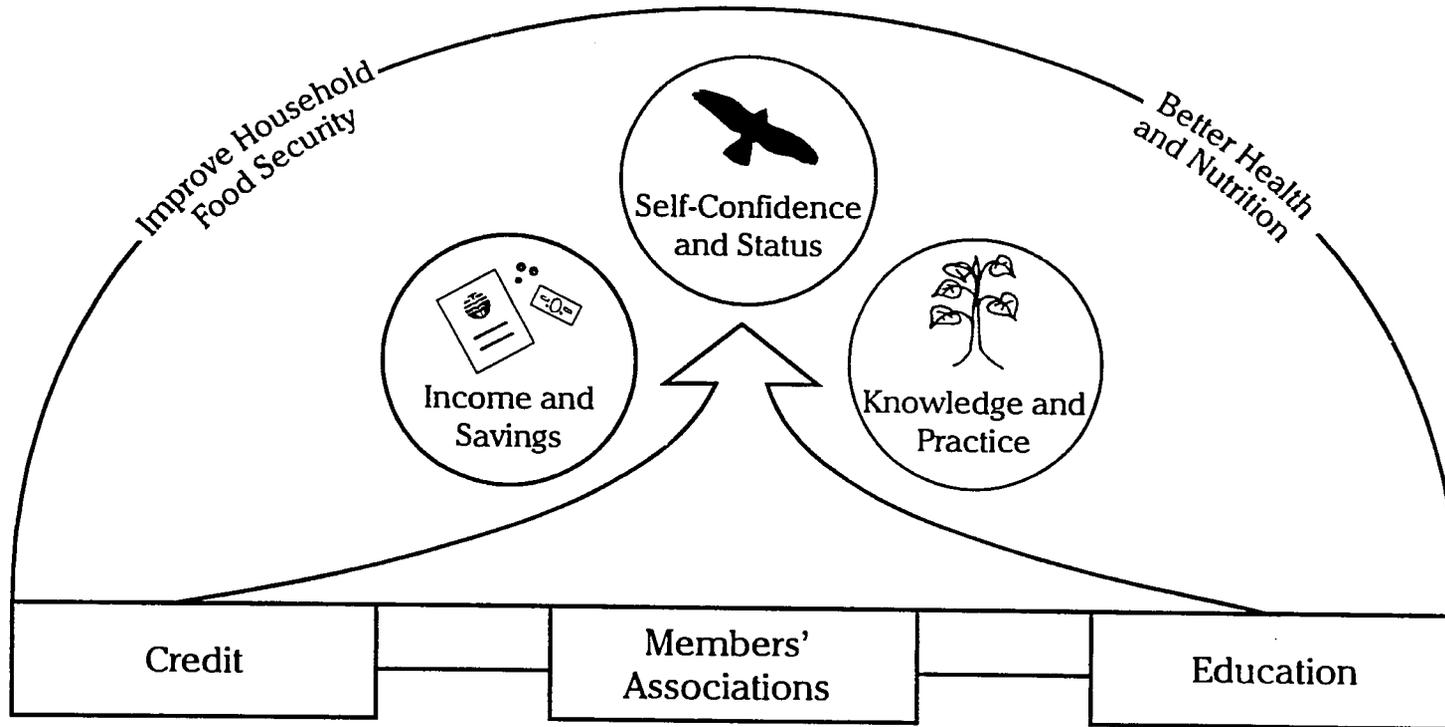
# Attachment 1.1

## Cycle of Poverty Broken by Credit



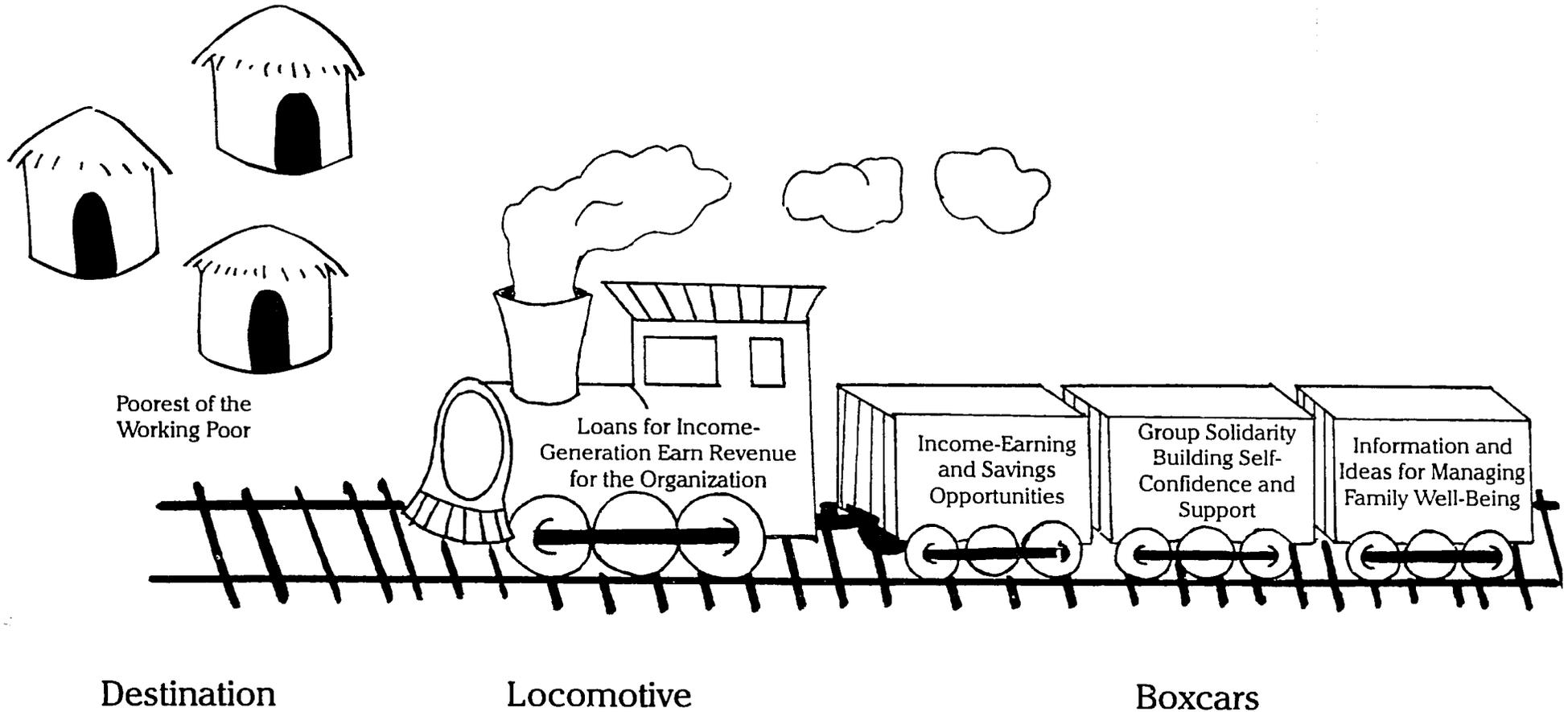
# Attachment 1.2

## Successful Services Provide Benefits to Participants



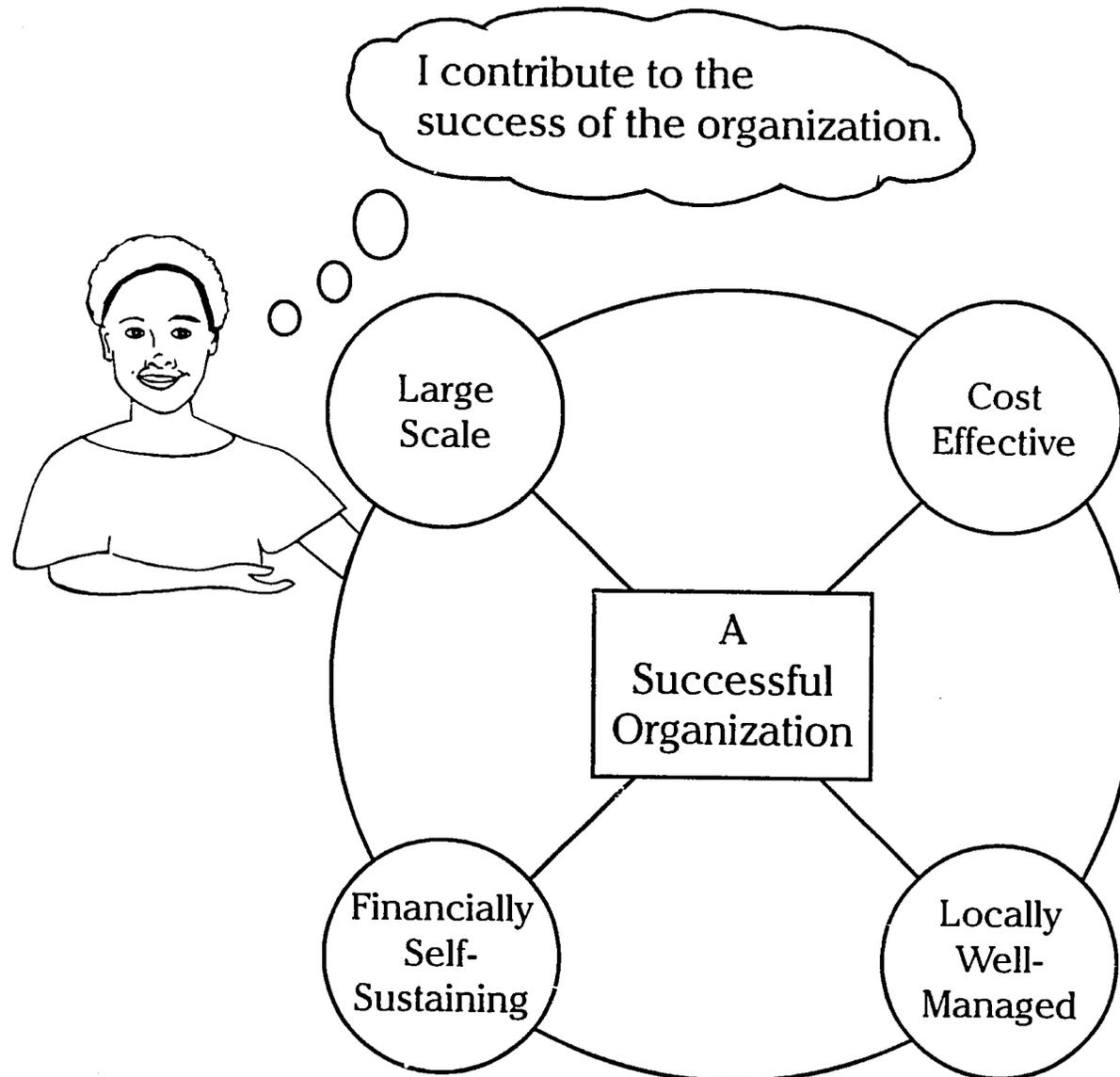
# Attachment 1.3

## Credit Can Be a Vehicle for Change



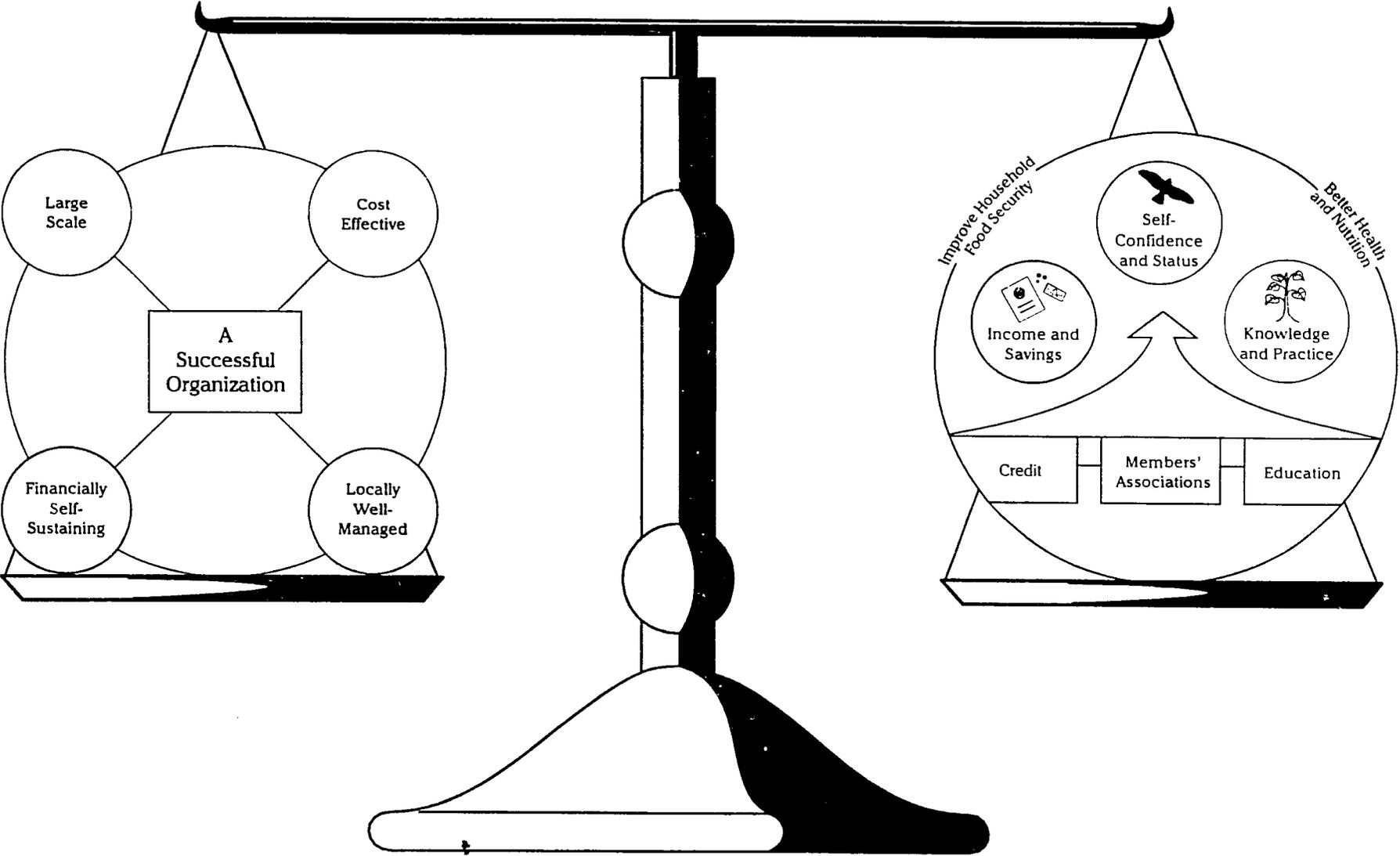
# Attachment 1.4

## A Successful Organization is Self-Reliant



# Attachment 1.5

## Balancing Organizational Success and Benefits to Participants



**ATTACHMENT 10**



# Crédito con Educación

*crecer*



Creando  
el futuro  
de hoy



Freedom  
from  
Hunger

CEH. E. B. I. T. O. C. C. O. N. E. D. U. C. A. C. I. O. N. R. U. R. A. L. • C. R. E. C. E. R.

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## ¿Qué es Crédito con Educación?

*Crédito con Educación* es un método innovativo de gran efecto multiplicador, creado con el propósito de eliminar el hambre crónica en Bolivia. *Crédito con Educación* ofrece tres servicios claves a mujeres de zonas rurales con altos índices de pobreza: servicios financieros, educación no formal participativa y un foro de grandes expectativas.

*Crédito* otorgado para su utilización en forma abierta por los grupos solidarios de mujeres, fomenta la formación de ahorros y genera ingresos extras para los hogares de las beneficiarias. Esta oferta de crédito en efectivo posee las características de atraer a las mas pobres negociantes del área rural, su utilización exitosa aumenta la auto-confianza y auto-estima abriendo la mentalidad de las mujeres para cambiar el rumbo de sus vidas.



*Educación*, participativa y entregada no formalmente, estimula cambios de comportamiento que mejoran la salud, nutrición, y la práctica de planificación familiar de mujeres y sus familias. Las mujeres también aprenden técnicas importantes para mejorar sus habilidades comerciales.

*Grupos de Apoyo Mutuo*, foro para el intercambio de conocimientos y unido a la creación de un sentimiento de apoyo grupal, lo cual ayuda a construir las habilidades de liderazgo de las mujeres y la auto-confianza para tomar decisiones que afectan la salud y el bienestar de sus familias.

## ¿Porqué Mujeres?

Como mujeres recae en ellas no solo el trabajo doméstico, sino también la búsqueda incesante de mayores ingresos que beneficien a su hogar. A través del programa obtienen estos ingresos que benefician a sus familias mediante la compra de más y mejores alimentos, recibiendo al mismo tiempo información en salud y nutrición, factores todos que determinan la auto-confianza, único elemento que repercutirá en un cambio efectivo en sus vidas. *Crédito con Educación* está dirigido a las mujeres rurales empobrecidas, tradicionalmente el grupo mas difícil de involucrar en esfuerzos de desarrollo, pero también mas susceptible al hambre y la desnutrición.



## Nuestros Objetivos

- Mejorar la seguridad alimenticia del hogar
- Mejorar el estado de salud y nutrición, especialmente para niños menores de 5 años
- Aumentar las capacidades de liderazgo y auto-ayuda de las mujeres rurales empobrecidas
- Desarrollar un programa auto-financiado para entregar eficiente y efectivamente servicios de crédito y educación a miles de mujeres pobres en Bolivia

## ¿Cuáles son los beneficios?

- Acceso al crédito
- Aumento en ingresos
- Oportunidad de ahorrar
- Mejores prácticas de alimentación de niños
- Mejor manejo y prevención de episodios de diarrea
- Más mujeres y niños vacunados (donde los servicios están disponibles)
- Nacimientos a tiempo oportuno y espaciados apropiadamente
- Aumento en auto-confianza y auto-estima

## ¿Cómo trabaja?

- 15 a 30 mujeres forman un Banco Comunal un grupo auto-manejado que aprueba, rastrea, y colecta préstamos a miembros individuales
- Los Bancos Comunales se reúnen semanalmente para pagar los préstamos, depositar ahorros, y participar en educación sobre salud, nutrición y manejo de la microempresa
- Las mujeres invierten préstamos en sus propias actividades económicas para incrementar sus ingresos para sus familias
- Ellas reciben información y motivación que les permite tomar decisiones y hacer cambios a fin de mejorar la calidad de vida de sus familias



*Credit  
with  
Education*



Freedom from Hunger

F R E E D O M F R O M H U N G E R • C R E D I T W I T H E D U C A T I O N

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## What is *Credit with Education*?

*Credit with Education* is a powerful new technology introduced in 1992 by Freedom from Hunger for the purpose of eliminating chronic hunger in Ghana. *Credit with Education* offers three key services to poor women in rural areas: community-based financial services that provide borrowing and saving opportunities, nonformal education that offers guidance in family survival skills, and a forum for peer group support.

*Credit* is a multiple-use, recyclable resource for generating extra household income. The offer of cash credit attracts even the poorest of entrepreneurs. Successful use



of credit to generate extra income builds self-confidence and opens women's minds to believe they can change their lives.

*Education*, delivered nonformally, stimulates behavior changes that improve the health, nutrition, and family planning of women and their families. The women also learn important techniques to improve their entrepreneurial skills.

*Support Groups* build women's leadership skills and self-confidence to make decisions that affect their families' health and well-being.

## Why Women?

*Credit with Education* is targeted to poor, rural women, traditionally the most difficult group to engage in development efforts, but among those most prone to hunger and malnutrition. As family caretakers, women share the benefits of increased income by purchasing household necessities such as more and better food. They also benefit their families by adopting the important, lifesaving health practices learned through the program.



## Our Objectives:

- Improve household food security
- Improve nutrition and health status, especially for children under 5 years
- Enhance the leadership and self-help capacities of poor, rural women
- Develop a self-financing program to efficiently and effectively deliver credit and education services to thousands of poor women in Ghana

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## What are the benefits?

- Increased income
- Access to credit
- Opportunity to save
- Improved child feeding practices
- Improved management and prevention of diarrhea episodes
- More women and children immunized (where services are available)
- Appropriately timed and spaced births
- Increased self-confidence

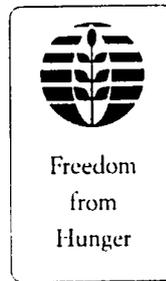
## How does it work?

- 20 to 30 women form a “Credit Association,” a self-managed group that approves, tracks, and collects loans to individual members
- Credit Associations meet weekly to receive and repay loans, deposit savings, and participate in health and nutrition education
- Women invest loans in their own entrepreneurial activities to earn extra income for their families
- Women practice specific “take home” messages to improve their families’ health

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Crédit/  
Epargne  
avec  
Education



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R C P B F : F R E E D O M F R O M H U N G E R • R C P B F

## Qu'est-ce que Crédit/Epargne avec Education?

*Crédit Epargne avec Education* est une innovation introduite depuis 1993 par le Réseau des Caisses Populaires du Burkina Faso et Freedom from Hunger. Son but est de contribuer à l'élimination de la faim chronique au Burkina Faso.

Crédit/Epargne avec Education offre trois services clés aux femmes pauvres du milieu rural:

- Un service financier de crédit et d'épargne qui permet de générer des revenus.
- Un service d'éducation informelle qui offre un savoir-faire et des techniques pour l'amélioration de la vie familiale.
- Un service de solidarité qui garantit la cohésion et la crédibilité du groupe.



*Le crédit* permet de générer des ressources supplémentaires pour la famille. Il s'adresse aux entrepreneurs les plus pauvres. L'utilisation judicieuse du crédit fait croître la confiance en soi et l'ouverture d'esprit des femmes.

*L'éducation* nonformelle encourage les changements de comportements dans le sens de l'amélioration de la santé de la nutrition et du planning familial des familles, elle dispense également des techniques susceptibles de renforcer les compétences d'entrepreneuses des femmes.

*Les groupes de solidarité aident à* développer chez les femmes un savoir-faire, une confiance en soi et des réflexes positifs vis-à-vis de la santé et du bien-être familial.

## Pourquoi les Femmes?

Crédit/Epargne avec Education s'adresse aux femmes rurales démunies, groupe traditionnellement mis à l'écart dans les efforts de développement et donc, le plus exposé à la faim et à la malnutrition.

S'occupant d'avantage de la famille, les femmes utilisent une partie de leurs bénéfices à la satisfaction des besoins du foyer, notamment les besoins sanitaires et nutritionnels.

Elles font profiter également à leurs familles des pratiques sanitaires positives acquises grâce au programme.



## Les Objectifs:

- Améliorer la sécurité alimentaire des familles
- Améliorer la situation sanitaire et nutritionnelle des enfants âgés de moins de cinq ans
- Développer les capacités, les connaissances, et le savoir-faire des femmes en vue d'une autonomie future
- Développer un programme rentable de Crédit/Epargne avec Education pour les femmes pauvres

## Quelles Sont les Bénéfices?

- L'accès au crédit
- L'augmentation des revenus
- La possibilité d'épargner son argent
- Les pratiques améliorées de la prévention et du traitement de la diarrhée
- La vaccination de plus de femmes et d'enfants (là où de tels services sont disponibles)
- La planification et l'espacement des naissances
- L'augmentation de la confiance en soi

## Comment Fonctionne Crédit/ Epargne avec Education?

- 20 à 30 femmes créent une "Caisse Villageoise," un groupe autogéré qui accepte, suit, et recouvre les prêts des membres
- La Caisse Villageoise se réunit chaque semaine afin de rembourser les prêts, déposer de l'épargne, et participer à l'éducation sanitaire et nutritionnelle
- Les femmes investissent leurs prêts dans leurs activités pour générer des revenus
- Les femmes acquièrent des connaissances et des pratiques pour améliorer la santé de leurs familles et l'exercice de leurs activités

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# Crédito con Educación



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FAMILIA Y MEDIO AMBIENTE • CRÉDITO CON EDUCACIÓN

## ¿Qué es Crédito con Educación?

*Crédito con Educación* es un método innovativo de gran efecto multiplicador, introducido en 1990 por Familia y Medio Ambiente (FAMA) y Freedom from Hunger creado con el propósito de eliminar el hambre crónica en Honduras. *Crédito con Educación* ofrece tres servicios claves a mujeres de zonas rurales con altos índices de pobreza: servicios financieros, educación no formal participativa y un foro de grandes expectativas.

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