

**Impact Evaluation of Kupfuma Ishungu, February
2004**



**Hugh Allen
Pauline Hobane
Private Consultants to CARE
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Table of Contents

1. Introduction and Background.....	3
2. Activities Carried Out in the Field.....	3
3. Summary of Conclusions	4
4. Impact Findings	6
5. Annex A: Individual Household Questionnaire.....	36
Annex B: Focus Group Discussion Questionnaire.....	45
Annex C: MIS Forms.....	52

1. Introduction and Background

Kupfuma Ishungu has been running in Midlands for the past 4 years. It has grown from an experimental programme to test the Village Savings and Loan Methodology into a rapidly growing network involving the participation of over 35,000 clients.

There is little doubt in the minds of the programme managers and staff that it is a highly effective programme in terms of increasing household livelihood security, but no formal study has been undertaken to date to test the proposition. Studies done elsewhere (notably Niger) have been mainly a compendium of impressions and, at most, have used limited focus group discussions to reach conclusions. To CARE's knowledge, this is the first time that a full-scale household-level survey has been used.

2. Activities Carried Out in the Field

2.1 Objective of the Evaluation

The objective of the evaluation was, in general, to focus on the question of impact, with some consideration given to the effectiveness with which the programme delivered its services. There were, then, elements of a programme evaluation involved, but these were to receive lesser emphasis. After discussions with the project staff, the following approach was agreed.

Impact

Household

- Stability of individual income, largely derived from project activities and manifest in:
 - Assets levels (shelter, tools, durables, livestock, savings)
 - Welfare: consumption of goods and services considered basic to livelihoods (housing, education, food, health)
- Changing allocation of labour to IGAs (household and paid)
- Improved stability of enterprises
- Improved ability of households to mitigate the effects of HIV/AIDS

Individuals

- Levels of self-esteem and social capital
- Levels of control of resources by women
- Degree of participation in social fora

Community

- Establishment/revival of social networks
- Individual reciprocity
- Group efforts (i.e. ploughing for HIV affected families, support for orphans)

It was also agreed to attempt to look at the effect of the SPM (Selection, Planning and Management of IGAs) training modules that have been delivered to approximately half of the target group.

Programme

Effectiveness: Are the services provided:

- Those that clients believe to be the most important
- Operating at significant scale across the designated project zone
- Addressing major livelihood and economic security problems

Effectiveness:

- What is the relative effectiveness and value of S&C to SPM

Effectiveness: is the project's information:

- Relevant
- Sufficient
- Accurate Moderately, but time lag from data entry to output renders monthly reports erratic in their accuracy. Need to consider quarterly reports and cluster data sets into those that relate approximately to SEEP MFI ratio analysis

Efficiency

- Cost per client
- Field officer caseload
- Return on savings investment
- Field staff to total staff
- Length of supervision period
- Drop-out rate

Service Delivery Sustainability;

- CARE

It will be appreciated that we have attempted to carry out the evaluation on the basis of the household livelihood security framework.

No effort was made to measure enterprise income, owing to the fungibility of household enterprise cash movement. Instead, we focussed on impact at the household, individual and community levels.

2.2 Methodology Employed and Logical Framework

A field survey was conducted that consisted of 272 individual household surveys, with a further 8 focus-group discussions conducted in the same area. The focus groups were to consist of some 15 individuals, made up of representatives of different clusters. By selecting members who did not know each other very well, the evaluators believed this would lead to better reliability in the responses and was planned to act as a cross-reference to the individual household surveys to ensure data reliability.

2.3 Scope, Timing and Resources

The fieldwork was carried out partly in Masvingo and partly in Zvishivane in the following Districts:

- Chivi
- Zaka
- Mberengwa
- Zvishivane

This was done to see if there were any significant differences in response relative to geography. There was some expectation that the relatively more remote districts of Zvishivane and Mberengwa might perform differently to those of Chivi and Zaka.

The fieldwork was carried out over 4 days, between 4th-10 February. Both the household and Focus Group Discussion questionnaires were field tested first and revised. Each interview at the household level took approximately 1 ½ hours, while focus group discussions ranged in length from 1 ¼ hours up to a maximum of 3 hours. After the revision, the work was carried out between 6th and 10th February.

2.4 Analysis

Data from the 272 household questionnaires was entered and analysed over the subsequent 10 days on SPSS. The result of this analysis is summarised on the accompanying Excel spreadsheet

3. Summary of Conclusions

- Kupfuma Ishungu is a highly successful programme. This is measured in terms of outreach and efficiency, which is the best of all MMD -style programmes in Africa
- In terms of impact the following effects are noted:
 - a. Household productive asset levels have increased amongst the great majority of KI members. These have been mostly in areas that represent semi-liquid stores of wealth controlled mainly by women, such as small livestock and hoes.
 - b. Household non-productive asset levels have increased very substantially, especially in semi-liquid stores of wealth controlled by women, such as utensils.
 - c. There has been a significant reduction in the use of formal sector **and** traditional savings instruments, in favour of KI group membership. This is particularly marked by steep reduction in Post Office savings schemes.
 - d. There has been a smaller but substantial improvement in housing quality. This shows itself most noticeably in the construction of new houses from brick (as opposed to mud and wattle) and the widespread use of cement plaster.
 - e. 2/3 of respondents have improved access to health services usually as a result of being able to afford the costs from IGAs and being able to get credit to pay for the service when it is needed. Only 11% noted a reduction in access.
 - f. Although only applying to a relatively small number there has been a sharp reduction in the number of children unable to attend school through lack of fees. The investment in school fees is the single most important service provided to KI members through the savings scheme and is made feasible through the use of credit as well as from savings.
 - g. All categories of the major food groups were consumed in greater amounts by between 45 and 85% of respondents. Reduced food consumption was noted across all food groups by between 0.7 and 22% of respondents.
 - h. The number of income generating activities per household increased by 45%
 - i. 46% of IGAs were more stable than before, while only 6% were less stable
 - j. Household labour allocated to IGAs increased by 48%
 - k. 81% of respondents felt that their status in the community had improved, directly as a result of their association with KI
 - l. Member participation in other social groups increased by 83% and accession to leadership or committee membership in these groups increased by 77%
 - m. At the family level there was increased co-operation felt between husband and wife and increased control over IGA income by women
 - n. Loan funds tended to be used for both consumption and productive activities, with a bias towards production. Shared out funds tended to be used to meet basic needs
 - o. SPM training does not appear to make a significant contribution towards more diverse IGAs nor to increasing the number of IGAs per household relative to groups that have received no SPM training. Conclusions here are tentative because the survey instrument was not adequately structured to explore the issue in detail.
- KI collects a lot of information but needs to be more discriminating in determining the purpose of this exercise, especially in terms of analysis and making effective use of the information in management decision making. It needs to revamp its MIS to be less burdensome on Field Staff and to start using sample techniques. Specialised TA would be useful to bring this about.

4. Impact Findings

4.1 Population Sample Biodata

Total numbers interviewed	272		
Gender composition	36 Male		13.24%
	236 Female		86.76%
Age Range	<20	4	1.47%
	20 to 30	31	11.40%
	31 to 40	60	22.06%
	41 to 50	84	30.88%
	>50	93	34.19%
Marital Status	Single	6	2.21%
	Married	204	75.00%
	Divorced	55	20.22%
	Widowed	7	2.57%
SPM/Non-SPM Trained	Trained	148	54.41%
	Not trained	124	45.59%
Number of Districts	4		
Number of Clusters	48		
Number of Years Members of KI	<1 year	13	4.78%
	1 to 2 years	136	50.00%
	2 to 3 years	85	31.25%
	3 to 4 years	38	13.97%

Fieldwork was carried out in 4 Districts: 2 in Masvingo and 2 in Zvishivane. The sample represents about 1% of the total membership, but may be considered statistically reliable owing to its comparatively large size. The findings across the 4 Districts were approximately similar, although some differences emerged in Mberengwa owing, we speculate, to the fact that it is the most rural of the 4 Districts studied.

4.2 Household

4.2.1 Physical Assets

Productive Assets. Number Change

Productive Asset	Number Owned Before KI	Number Owned Now	No. Change	% Change
Indigenous Chickens	1,863	3,070	1,207	64.79%
Hoes	1,193	1,679	486	40.74%
Goats	744	1,036	292	39.25%
Carpentry hand tools	385	515	130	33.77%
Cattle	1,034	1,155	121	11.70%
Yoke	484	603	119	24.59%
Shovels	333	443	110	33.03%
Metalwork hand tools	306	400	94	30.72%
Block-making Machine	166	206	40	24.10%
Wheelbarrow	200	240	40	20.00%
Sewing Machine	67	91	24	35.82%
Donkeys	247	271	24	9.72%
Spray Pack	42	60	18	42.86%
Animal drawn cultivator	60	73	13	21.67%
Animal drawn harrow	47	54	7	14.89%
Animal drawn cart	132	139	7	5.30%
Peanut Butter Mill	3	6	3	100.00%
Manual Oil Press	4	6	2	50.00%
Knitting Machine	8	4	-4	-50.00%
Pickup/car	8	4	-4	-50.00%
Sheep	106	95	-11	-10.38%
Animal drawn plough	262	236	-26	-9.92%

The picture that emerges is quite clear. Most small productive assets such as chickens, goats and hoes have increased significantly, while there have been smaller increases in terms of larger assets such as cattle, wheelbarrows, shovels and yokes. The largest increase in asset values (in terms of percentages) have been in traditionally female-controlled forms of wealth, such as chickens and goats. This tends to indicate that increased wealth within the family is probably arising from increased income from female-managed IGAs. This finding is confirmed by both individual and focus group discussion interviews.

The table on the following page shows what this means on a per household basis, with an average increase of about 5 chickens, half of one cow and slightly more than one goat. This finding is even more clear in the case of non-productive assets, shown in the table that follows. The most dramatic increases have been in terms of plates (15 per household), cups/glasses (13 per household), pots (2 per household) and water buckets (1 ½ per household). Again, these are typically owned and controlled by women. They form an important part of household security because they offer the opportunity for women to participate in social events and offer reciprocity. They are also semi-liquid and are, in effect, savings reserves.

Productive Assets. Household Number Change

Productive Asset	Number per Household Before KI	Number per Household Owned Now
Indigenous Chickens	6.85	11.29
Hoes	4.39	6.17
Cattle	3.80	4.25
Goats	2.74	3.81
Yoke	1.78	2.22
Carpentry hand tools	1.42	1.89
Shovels	1.22	1.63
Metalwork hand tools	1.13	1.47
Donkeys	0.91	1.00
Wheelbarrow	0.74	0.88
Animal drawn plough	0.96	0.87
Block-making Machine	0.61	0.76
Animal drawn cart	0.49	0.51
Sheep	0.39	0.35
Sewing Machine	0.25	0.33
Animal drawn cultivator	0.22	0.27
Spray Pack	0.15	0.22
Animal drawn harrow	0.17	0.20
Peanut Butter Mill	0.01	0.02
Manual Oil Press	0.01	0.02
Knitting Machine	0.03	0.01
Pickup/car	0.03	0.01

Non-Productive Assets

Non-Productive	Number Now	Number per Household Now	Number Before KI	Number per Household Before KI	Number Change	% Change
Plates	9,648	35.47	5,474	20.13	4,174	76%
Cups/glasses	7,907	29.07	4,528	16.65	3,379	75%
Pots	1,574	5.79	1,027	3.78	547	53%
Car Tyre Pump	114	0.42	75	0.28	39	52%
Water buckets	1,117	4.11	744	2.74	373	50%
Piped Water	26	0.10	20	0.07	6	30%
Electricity	23	0.08	18	0.07	5	28%
TV	74	0.27	59	0.22	15	25%
Kitchen units/display	186	0.68	152	0.56	34	22%
Bicycle	104	0.38	85	0.31	19	22%
Wardrobe	220	0.81	191	0.70	29	15%
Beds (any type)	485	1.78	426	1.57	59	14%
Radio	175	0.64	161	0.59	14	9%
Kitchen Table & Chairs	192	0.71	177	0.65	15	8%
Sofa set	110	0.40	103	0.38	7	7%
Motor Cycle	3	0.01	3	0.01	0	0%

Bearing in mind that the Zimbabwean economy is in turmoil, these are positive findings. Household productive and non-productive assets have tended to increase with the biggest increases registered in semi-liquid current assets mainly controlled by women. Clearly, household economic security appears to have increased if asset acquisition is taken as a proxy for increased income.

These findings were largely confirmed by discussions held with the 135 participants involved in the 8 focus groups discussions

Productive Assets	No. now	Pre KI	Per HH Increase	% Change
Chickens	1,699	900	5.92	88.78%
Hoes	992	663	2.44	49.62%
Goats	629	462	1.24	36.15%
Cattle	656	533	0.91	23.08%
Block-making machines	166	100	0.49	66.00%
Donkeys	144	114	0.22	26.32%
Wheelbarrow	102	82	0.15	24.39%
Plough	108	92	0.12	17.39%
Sewing machine	43	34	0.07	26.47%
Cultivator	23	17	0.04	35.29%
Cart	46	40	0.04	15.00%
Sheep	63	58	0.04	8.62%
Spray pack	15	13	0.01	15.38%
Knitting machine	1	0	0.01	

Non Productive	No. now	Pre KI	Per HH Increase	% Change
Cups/Glasses	4,293	2,317	14.64	85.28%
Plates	4,494	2,580	14.18	74.19%
Blankets	1,337	978	2.66	36.71%
Pots	977	744	1.73	31.32%
Bed	279	142	1.01	96.48%
Table and Chair set	97	78	0.14	24.36%
Car Tyre Pump	64	46	0.13	39.13%
Bicycle	59	42	0.13	40.48%
Radio	112	95	0.13	17.89%
Sofa	69	54	0.11	27.78%
Wardrobe	138	124	0.10	11.29%
Protected well	19	6	0.10	216.67%
TV	36	25	0.08	44.00%
Solar panels	28	18	0.07	55.56%

These results broadly confirm the findings for the individual household interviews, although showing a higher increase in large animals such as cattle (0.91 per household increase compared to 0.45) compared to those counted in individual households

4.2.2 Savings

The findings here were entirely unexpected. In both the individual household and focus-group discussion interviews there was a dramatic reduction in the use of all competing financial services.

Financial Service Use Rate

	Number Active Now	Number Active Pre KI	Number Change	% Change
Member of 'Round'	65	74	-9	-12.16%
Bank account	52	81	-29	-35.80%
Post Office Savings Bank	31	52	-21	-40.38%
'Piggy-Bank'	32	53	-21	-39.62%

In other countries the use of traditional financial services (ROSCA) is usually maintained, but in Zimbabwe's current economic crisis the failure of ROSCAs to provide a return that compensates for the rate of inflation (estimated at about 350% year on year) is a serious drawback, especially for anyone receiving the 'pot' more than a month or two into the cycle. The reasons for the other types of financial services being abandoned were as follows:

- Rounds:
 - No interest return on the investment
 - Amounts too small to be useful
- Bank account:
 - Bank interest rates are ridiculously low on savings and ridiculously high on loans – for which most clients don't qualify Banks are too far distant and the costs of getting to the bank is not worth the effort
 - Travelling to town increases the risk of theft
 - Banks have minimum deposit requirements that are too high
 - Bank charges exceed interest earnings
 - Bank accounts are kept open mainly to facilitate money transfers
 - Transactions are complex
 - Banks tend to look down on the poorer customers
- Post Office Savings Bank
 - Very low rate of interest paid on savings
 - Not computerised so transactions take a long time and often require reference to Harare, which can take weeks
 - Limits on withdrawals are restrictive
- 'Piggy Bank'
 - No interest earned
 - Savings insecure and subject to being called on by the family – but readily accessible

The overall consensus was the KI offers a far more appropriate financial service for the following reasons:

- High interest paid on investment – all profits yielded by the system are the property of the members and revert to the members
- Accessible in the community
- Culturally appropriate
- Transparent
- Source of emergency support/insurance

The focus group discussion results were somewhat similar, but indicated a greater abandonment of the POSB. ROSCAs remained popular but still suffered a much reduced utilisation rate.

Financial Service Use Rate (FGD Findings)

Method of Savings	No. now	Pre KI	Per HH Change	% Change
ROSCA	64	93	-0.21	-31.18%
Bank Account	22	46	-0.18	-52.17%
POSB	17	53	-0.27	-67.92%

The differences between the FGD findings and those of the household survey are roughly similar but show different levels of effect on ROSCA participation. Both surveys indicate, however, that participation in both formal and informal financial systems has diminished between 1/3 and 1/2. The reasons for this are not, we believe, that any of these systems had suddenly become any less suitable than they were before KI, but mainly that KI offered a much more useful and appropriate service. Some reduction in use rates of all non-KI systems might, however, have been expected owing to inflation and low interest rates affecting the value of savings and a resulting tendency to store wealth in real property. The factor that indicates this change in behaviour may reflect a permanent shift is the fact that in most cases accounts were actually closed – reflecting the feeling that even under improved economic circumstances KI would continue to offer a more useful service for the majority than the formal and informal alternatives.

In conclusion, then, savings rates in non KI instruments have dropped, but in total terms (including KI) and in terms of regular savings behaviour, appear to have increased. The research instrument did not seek to measure historical rates of savings deposits in any of the instruments listed and it is, then, unclear if total savings rates have increased or decreased. Further research is needed to clarify this point. Anecdotally, most respondents indicated that they were now savings more than before, but this information must be accepted with caution .

4.1.3 Welfare: Housing

Taken in general, housing quality has improved, although it must be noted that the percentage increases are small. 10% of respondents had built houses from brick and fewer lived in traditional structures. The most common improvements were:

Housing Improvements

Improvement	No. before KI	No. Now	No. Imprvd.	% change
Cement Plastering	437	543	106	24.26%
New housing built of brick	736	812	76	10.33%
Cement Floor	514	587	73	14.20%
Installation of glass windows	289	335	46	15.92%
Construction of granaries	207	240	33	15.94%
Installation of asbestos sheets	233	263	30	12.88%
Installation of VIP toilet	170	186	16	9.41%
Installation of well	33	47	14	42.42%

It needs to be noted that the total number of improvements is frequently in excess of the total number of respondents, because, for example, many compounds have multiple houses.

The number of houses built in traditional style had decreased by 37%, but started from a low base of only 41 units.

It can be stated that the general quality of housing had improved slightly, but one must be careful about ascribing this to KI. This is because housing improvement is a long-term capital expense of high magnitude and, in general, requires large sums of money that are beyond the normal amplitude of income changes directly brought about by improvements in IGA income. It is useful to note, however,

that the trend was positive and investment in housing indicates a degree of disposable income that in itself implies a reasonable level of household livelihood security.

4.1.4 Welfare: Education

The questions on education were badly formulated, which the research team realised about half way through the field work. Since the average age of the population studied was about 44 years of age, many heads of household were reporting on a declining population of school-age children. A decline in the number of children attending school thus would not necessarily reflect a decline in the capacity of households to pay school fees. The team working on the focus group discussions made the change, asking instead how many children were unable to attend school owing to lack of school fees prior to KI and at the present. The total sample size was 82 households.

While the sample is small, the finding is dramatic. Zimbabweans place a very high value on education and it is clear that this is a priority for them after basic needs are satisfied. KI clients (see later section on Social Capital and Status in the Community) define their status in the community more highly in terms of their ability to pay for their children's' education than by any other measure and often refer to KI membership as being part of the group that can afford to send their children to school

Education

Item	No. before KI	No. Now
No. Unable to attend School Owing to lack of fees	24	2

4.1.5 Welfare: Food and Nutrition

The findings on food consumption and the variety of food consumed are unequivocal, in both the individual interviews and the household level survey, showing an increased consumption across all categories of food types, with a smaller increase registered in those food types that have to be bought

Nutrition: Variety and Quantity of Food

Food Consumption	% More	% No Change	% Less
Vegetables	85.3	14	0.7
Sugar	84.9	11	4
Sadza	83.1	11	5.9
Fruit	76.8	18	5.1
Meat	66.9	18	15.1
Cooking oil	63.2	23.5	13.2
Milk	62.5	24.3	13.2
Fish	57.7	28.7	13.6
Beans	57.7	30.9	11.4
Peanut butter	47.4	33.8	18.8
Rice	45.6	31.3	23.2

in the marketplace, such as rice, peanut butterfish etc. In general, the picture is one of much improved food security. This is a remarkable finding at a time that Zimbabwe is suffering from severe food shortages, especially maize meal. Security, here, may simply refer to the ability of the population to obtain access to food, regardless of whether or not it is bought, grown or supplied as part of international relief efforts,

but, all things taken into account this does not paint a picture of a population whose food security is under threat. Reasons given for increased consumption of food and increased variety were:

- Higher income allows for purchase of sufficient food in greater variety
- Many IGAs relate to food-based activities, such as horticulture or broiler production. Consumption off take from these activities also contributes to higher and better levels of food consumption.

In the focus-group discussion, the question was put more baldly, and asked only if the respondents eat more, less or the same as the previous year. The responses were as follows:

Nutrition

Response	No. of responses	% of Total
Eat more than last year	129	94.85%
Eat the same as last year	4	2.94%
Eat less than last year	3	2.21%

The weighting of the responses was more emphatically positive in the focus groups. This may be because individuals are reluctant in public to admit to reduced food consumption or to having no improvement. The consensus view in the focus groups was, however, much the

same. Increased and more varied food consumption was usually the case owing to increased income and to investment in food-based IGAs. It can, we believe, confidently be stated that the impact of KI on nutritional status has probably been positive.

4.1.6 Welfare Health

The results of the focus group discussion were also unreliable concerning health status for probably much the same reason as for nutrition: there was a reluctance to admit to a declining or static capacity to access health services when the question was asked in a public place. All respondents in focus groups reported only an improvement in access. The table below, taken from the household interviews, paints a more complex picture. This shows that nearly 2/3 report an improvement in their access to health services, with 25% reporting no change. Only 11% report a decline.

Health: Consumption of Services

Use Rate	Number	% of Total
More	174	64
No Change	68	25
Less	30	11

The reasons given for improved access to – and use of – health care facilities is mainly put down to having extra money from IGAs available to purchase medical service as needed. An additional factor of similar importance was the

existence of emergency loan facilities offered by savings and credit groups, enabling money for medical services to be made available at any time the emergency might arise. 8% of respondents who were asked to what uses loans were put noted medical services. It seems that people are not making significantly increased use of medical services, but their consciousness of improved access as a result of KI membership was strong.

4.1.7 IGA Growth

The total growth in the number of IGAs was 587 enterprises, rising from 1,310 to 1,897 enterprises, representing an increase of more than 2 IGA's per household, from 4.82 to 6.97. The biggest gains were in market gardening and small-scale trade – more than 3 times greater in number than the next most popular set of artisan activities. These increases were in activities that were the most popular pre-KI. Insufficient data were collected to indicate the effectiveness of SPM in terms of increasing the number of IGAs. Where SPM was **not** introduced, the increase in the number of IGAs (Focus Group Discussions) was as follows:

Non-SPM participant Sub-Group

Response	Pre KI	Present	% Increase
No of Enterprises	56	124	121.43%

The total sample size was 53 households. The sample is too small to be statistically

significant, yet it tends to indicate that non-SPM-trained households also increased the number of IGAs at a high rate as compared to those that went through the training, but tended to operate fewer IGAs per household. Tentatively it appears that there is no significant difference between SPM and non-SPM groups in terms of either the propensity to increase the number of household IGAs and in terms of the overall variety. Further research might profitably be conducted to determine if there are other important differences that emerge between SPM and non-SPM trained groups. Thus far, the evidence is not persuasive, except that it should be noted that participants are emphatic about the perceived value of the training. Similarly, inconclusive results were generated in terms of asset

accumulation, with only a slight improvement in the case of SPM-trained participants. This is more fully analysed later.

Income Generating Activities

Type of IGA operated by Family member	Number Existing pre KI	Number Existing Now	Number Increase	% Change
Market Gardening	477	644	167	35%
Local Small-Scale trade	152	290	138	91%
Mat making	60	97	37	62%
Garment making	39	73	34	87%
Beer Brewing	64	92	28	44%
Brick making	22	45	23	105%
Basket making	11	29	18	164%
Gold panning	12	29	17	142%
Peanut Butter Making	43	58	15	35%
Soap Making	50	64	14	28%
Charcoal	12	24	12	100%
Freezits, Maputi, Sweets	29	39	10	34%
Carpentry	12	21	9	75%
Egg production	2	11	9	450%
Knitting	29	38	9	31%
Milk production	31	40	9	29%
Crochet	30	38	8	27%
Second-hand clothes	21	29	8	38%
Other	47	53	6	13%
Fishing	16	21	5	31%
Mason/builder	7	12	5	71%
Pottery	26	31	5	19%
Radio & TV Repair	1	5	4	400%
Blacksmiths	3	5	2	67%
General cross-border trade	25	27	2	8%
Bicycle repair	3	4	1	33%
Wood Carving	9	10	1	11%
Metalwork	3	3	0	0%
Plumber	2	2	0	0%
Shoe repair	10	10	0	0%
Thatching	13	12	-1	-8%
Vehicle maintenance	1	0	-1	-100%
Oil production	12	10	-2	-17%
Broiler production	36	31	-5	-14%
Totals	1,310	1,897	587	45%
Average Enterprises per Household	4.82	6.97	2.16	45%

4.1.8 IGA Stability

Stability of IGA 1

Stability	Number	% of Total
More stable	125	46.13%
No change	130	47.97%
Less stable	16	5.90%

Stability of IGA 2

Stability	Number	% of Total
More stable	106	39.11%
No change	110	40.59%
Less stable	10	3.69%

The survey looked at the two most important IGAs in the family and found that for just under half (46%) of the most important IGAs there was an improvement in stability. Only in 6% of cases, had there been a deterioration in the stability of these principal enterprises. The situation with respect to the least important of the top two enterprises was somewhat different, with 39% reporting improved stability and 41% reporting no change. It seems that the family prefers to ensure the stability of the principal enterprise, which is entirely unsurprising. Many enterprises are, however, inherently seasonal (such as trading in vegetables) and are not susceptible to changes in their operating cycle. Taken in general most respondents in focus groups reported similar findings, but were more emphatic that their IGAs were more stable than before.

4.1.9 IGA Employment Creation

IGA Employment

Total pre-KI	Total Now	Number Change	% Change
1,310	1,897	587	44.81%

Formal Employment

Total pre-KI	Total Now	Number Change	% Change
158	193	35	22.15%

The rise in IGA employment is 44.81%. The rise in the number of IGAs is 45%, indicating that most IGAs maintain roughly the same employment capacity (probably single proprietor). This indicates 6.97 jobs per household. This figure is improbably high and probably indicates that many of the jobs are part time or seasonal and some double counting is certainly taking place. The questionnaire did not sufficiently allow for counting jobs as fractions of full-time work.

An unexpected finding was that the number of people in formal employment rose from 158 to 193 – or approximately 0.7 formal sector workers per household, up from 0.58. The reasons given for this increase in focus groups was, principally, that families had an improved ability to finance job seeking and the travel and accommodation costs involved.

Clearly, however, the increase in the number of IGAs and the employment time allocated to them is an effective proxy for returns to labour being highest in the IGA sector. Most respondents indicated that KI was the principal driver of their willingness to expand the number of IGAs, regardless of whether or not SPM training was provided: the culture of the programme is such that seeking new enterprise opportunities is *de rigueur*. Frequently the comment was made in the focus groups that KI forces people to think and act like entrepreneurs and to assume a greater burden of work because there is no other means by which maintenance of their membership in KI is possible. This could have a negative interpretation in the sense that KI dynamics and mandatory cash-flows are such that people are forced to work harder than they absolutely require, but the general response was that KI's collateral social and long-term economic benefits are such that working to maintain them is a price worth paying, contributing as it does to present economic security and long-term acquisition of social capital.

4.2 Individual

4.2.1 Level of Self-Esteem and Social Capital

The greatest difficulty in measuring the impact of KI is that no baseline exists to measure change, either at the level of the household or with respect to the individual and the community. While it was determined in this study that across most HLS indicators there have been important gains, it is necessary to measure these with respect to non-KI members. Time and resources did not permit the use of a control group, which in any case would have needed a baseline. It was decided, then, to make use of a technique recommended by Ohio State University (Adams, Dale et al) using recall and what might be termed subjective social comparison. This technique requires the respondent to consider other members of the community or other families to whom the respondents approximately compared themselves at the time the programme started. The criteria are:

- Economic status and level of economic activity
- Ability to maintain a given standard of health, nutrition and education
- Social participation and status within the community

Two sets of questions were asked. The first asked respondents to consider in what ways they would consider their status to have changed in the community. The results were as follows:

Status Change in Community

Top 8 Status Changes in Community	No of Responses	% of Total Responses
1. Respected more, asked for advice	81	29.8
2. Afford to provide for children's education	70	25.7
3. More food, varied diet	60	22.1
4. More and regular income	54	19.9
5. More independent and self-sufficient	41	15.1
6. Afford household assets	41	15.1
7. Asked for financial and material assistance by other community members	39	14.3
8. Improved social status	23	8.5

This confirms earlier observations that KI members are often identified as people who are able to send their children to school. It is interesting that status in the community is principally defined as being more frequently consulted for advice.

A more frequent response in the focus group discussions was that people from whom members had previously borrowed now came to the respondents for assistance.

With specific reference to other community members with whom respondents compared themselves the following findings emerged:

Status Change Relative to Families of Similar Standing Pre-KI

Top 8 Status Changes Relative to Similar Families at Inception	No of Responses	% of Total Responses
1. Can provide for children's education	75	27.6
2. Can afford more assets (household and farm) than them	68	25
3. More and regular income	64	23.5
4. Can give loans	57	21
5. More food, varied diet	37	13.6
6. More self-sufficient ("Do not ask for things")	35	12.9
7. Respected more, asked for opinion and advice	34	12.5
8. Afford more and better clothes	22	8.1

Many of these responses are, unsurprisingly, the same as for the measures of status change. They are, however, persuasive that real change has taken place relative to members of the community of previously similar status, disaggregating for any exogenous economic change.

4.2.2 Level of Participation in Social For a

A secondary indicator that significant changes in status have taken place is the change in the number and percentage of KI members who now hold elective office in public and private community-based organisations.

Position in Community Groups or Associations

Position	Number pre KI	Number Now	Number Change	% Change
Association Member	82	146	64	78%
Association Treasurer	28	54	26	93%
Association Secretary	24	51	27	113%
Association Chairperson	30	44	14	47%
Committee Member	21	36	15	71%
Other	16	23	7	44%
Association Security	7	15	8	114%
Village Health Worker	4	7	3	75%
Orphan Care Giver	3	4	1	33%
Totals	215	380	165	77%

Overall there was a 77% increase in the number of officeholders amongst the population interviewed, with an average 'offices-per-household' of 1.39, up from 0.79 pre-KI: an average increase per household of 0.61. This is an important finding because it

cross-validates the subjective assessments of improved social status made by participants. Because these positions are elective, accession to one or more such roles can only be achieved through increased peer recognition and respect.

Membership in Community Groups or Associations

Position	Number pre KI	Number Now	Number Change	% Change
Microfinance: ROSCAs	37	79	42	114%
Burial Societies	47	76	29	62%
Church	28	52	24	86%
Garden Cooperatives	33	49	16	48%
Other	25	46	21	84%
Clubs	19	28	9	47%
Farmers' Groups	10	20	10	100%
HIV/AIDS Awareness	2	16	14	700%
Political Parties	5	8	3	60%
Natural Resources Management	2	8	6	300%
Microfinance: other	3	5	2	67%
Totals	127	232	105	83%

The total increase in simple membership of community groups and associations has increased by a dramatic 88%. This is partly to be ascribed to the fact that membership is now affordable; that participants are more likely to be invited to become members and that they feel the personal self-confidence to seek

membership. One of these findings is anomalous. Taken in general, interviewees reported reduced ROSCA participation: these responses indicate increased participation. This may be due to different definitions of ROSCA, but is an inconsistent finding.

4.2.3 Controlled of Resources in the Household

The control of resources in the household displays the following changes since membership of KI.

Household Resource Control

Who	Number Pre-KI	Number Now	Number	% Change
Respondent (KI Member)	122	128	6	5%
My spouse	49	21	-28	-57%
Both of us	89	106	17	19%
Parents	1	1	0	0%
Parent and children	6	10	4	67%
All members of the family	4	5	1	25%
Totals	271	271		

Both before and after most responses indicate that resource control in about 40% of cases lies with the respondent. There is, nevertheless, a shift away from

spousal control towards cooperative control of resources in the household. Focus group discussions consistently indicated improvements in the quality of spousal relationships. The following are a sample of typical comments:

- Because I don't have to ask my husband for money and can pay for things myself, he is more willing to hand over the money that he has to the household
- These days we make budgets together. Before there wasn't any point because there wasn't any money to plan
- Because I can buy better food my husband doesn't go to the bar as much as he used to
- My husband is much less stingy
- Husbands of women who belong to KI have dropped their girlfriends because the home has much more to offer, such as better food
- Husbands are more willing to contribute their money to buy assets
- Children are more willing to assist in the house because they can go to school

Across the board, there was consensus that membership of KI had made the wife a more equal partner and because she was able to contribute economically to the household, there was a far better level of affection and harmony.

Who Decides on Uses of Profits from IGA

Who	Number Pre-KI	Number Now	Number Change	% Change
Respondent (KI Member)	116	118	2	2%
My spouse	44	19	-25	-57%
Both of us	101	121	20	20%
Parents	1	1	0	0%
Parent and children	5	6	1	20%
All members of the family	4	6	2	50%

The table speaks for itself, indicating that spouses are far less likely unilaterally to decide on the use of IGA profits. This authority had not passed

decisively into the hands of women, but had become much more a mutual responsibility. Whereas pre KI mutual responsibility was noted by 37%, this has now risen to 45%. Unilateral spousal control dropped to as little as 7% (although, in fairness, it should be noted that pre KI it was only 16%)

It appears also that there is some positive spillover into deciding on the uses of non KI member IGA derived income. Where income came from other sources there was increased control by the KI member. Much the same picture of cooperative decision-making emerges, with a slightly increased willingness on the part of the spouse to permit the KI member to be solely in charge of this decision.

Who Decides on Use of Other Income

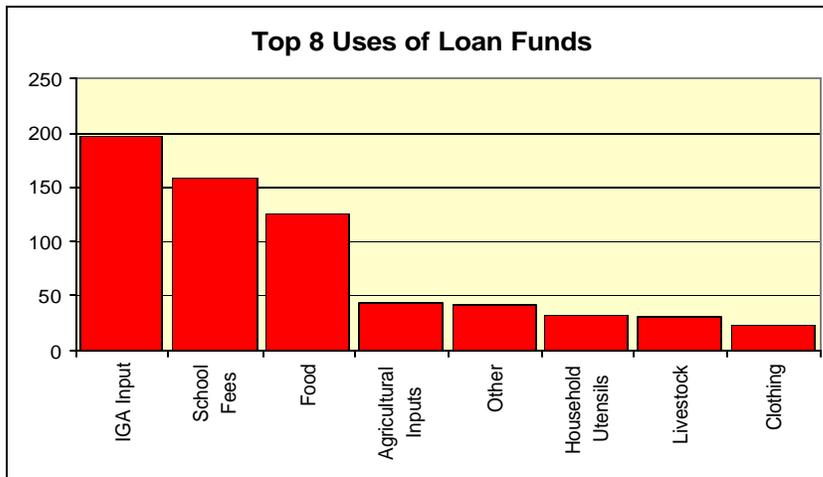
Who Decides	Number Pre-KI	Number Now	Number Change	% Change
Respondent (KI Member)	97	102	5	5%
My spouse	54	23	-31	-57%
Both of us	108	132	24	22%
Parents	1	0	-1	-100%
Parent and children	4	5	1	25%
All members of the family	7	9	2	29%

In summary, KI membership appears to confer on the family an increased willingness to plan and budget together and to share responsibility for economic decision-making.

4.3 Uses of Loan Funds and Share-Out

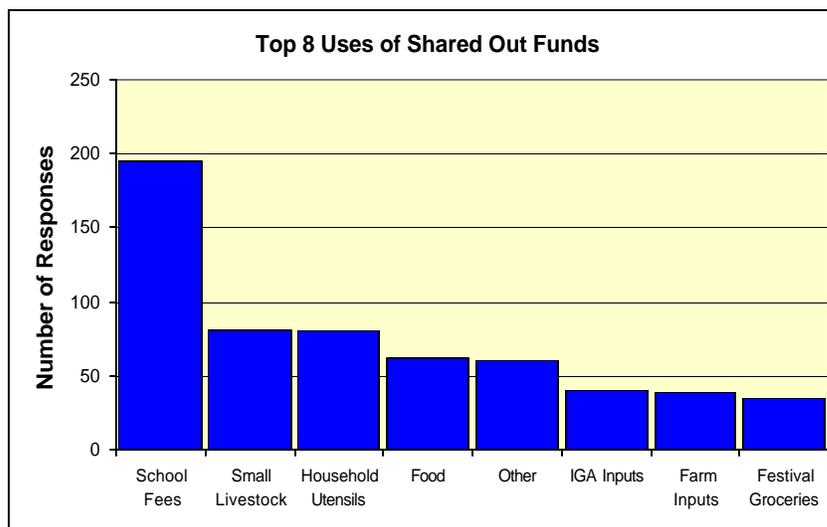
4.3.1 Uses of Loan Funds

The findings of this chart are instructive. Although most microfinance programmes continue to stress the importance and value of making productive economic investments, only 39% of reported investments are in the productive sectors: the balance in non-productive sectors. This does not



measure the amount of money allocated to each sector, only the number of responses, but nevertheless it shows that to participants non-productive investments in school fees, food, utensils and clothing are more important than so-called productive investments. At the same time, it is clear that for the great majority of participants their household

livelihood security post KI has improved a great deal. The message here is that participants have probably got a much better idea of what represents a wise investment rather than being bound by a narrow definition of productive investment.

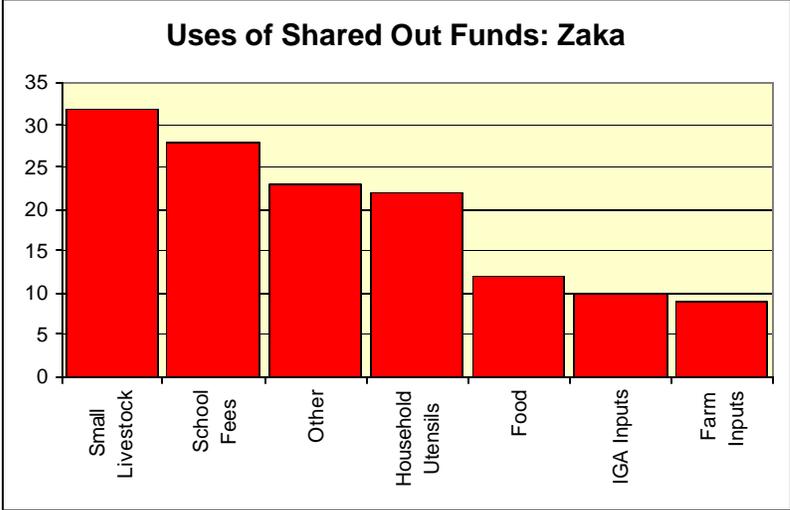


When it comes to the use of shared out funds the pattern is emphatically different. School fees have risen to the top of the pile (reflecting the fact that in most cases pay outs are timed to coincide with the time of the year that fees fall due). Interestingly enough, most other investments are neither for consumption nor production but are invested into stores of non-financial savings

instruments: notably small livestock and household utensils. Under less pressure to show that cash realised from KI membership is used productively, the pre-disposition is to store the wealth realized in alternative forms of savings that are not affected by inflation.

These findings are typical of other countries in which KI-style programmes have been implemented. The general disposition is to invest loans rather more into productive activities and share-outs into stores of savings, having first met basic household livelihood security needs.

The only major exception to the shared-out fund allocation tendency indicated above was in Zaka, where investment in IGAs took back seat to meeting basic livelihood security needs and to paying school fees. This may indicate that Zaka, being more remote, is less suitable as a home for productive



investment and that livelihood security needs are more pressing. All of these data, however, bear out clearly that the most important priority for most poor households, regardless of whether or not the client is making use of loans or shared out funds, is the payment of school fees, followed closely by storage of wealth in semi-liquid real property, most commonly controlled by women.

4.4 HIV/AIDS

Most of the remarks that follow were drawn from focus group work. It needs to be noted that the influence of KI on the whole issue of HIV/AIDS is in its infancy and appears not to have been a central preoccupation of project management. There are good reasons for this. KI's manager believes that KI has a generally positive influence on HIV/AIDS affected families and communities but that it is no part of the project's work to develop a discreet component to deal with the issue. The problem becomes, of course, that in the absence of a clear policy towards HIV/AIDS the project will depend solely on ASOs and the like to play this role, without considering the degree to which it will, *ipso facto* be affected by the issue.

There are two main areas where this needs to be taken into account:

- In formulating training modules that allow KI groups under training to take HIV/AIDS into account in terms of groups' constitutions. Groups will have HIV/AIDS affected family members amongst their number and they need to take HIV/AIDS into account in a number of areas which, *inter alia* might be:
 - What to do in the case of the inability of an AIDS affected member to repay, owing to illness
 - What provisions will be made in the social fund for HIV affected members
 - What 'succession' rights will apply to other members of a family of a deceased member
- Longer-term, what specific efforts will be made to link KI groups to ASOs working in the local area, especially in terms of promoting sexual health and HIV/AIDS awareness

It was very noticeable that when it came to HIV/AIDS KI members are quite open about the subject but do not have a consistent or coherent approach to dealing with the pandemic. Most initiatives mentioned appeared either to be expressions of personal initiative and in most cases seemed mainly to be put forward as propositions and ideas rather than things that were actually going on. Clearly there is considerable scope for the project to address this issue, first of all in terms of its own group-formation training and secondly in terms of facilitating and coordinating input from other agencies who specialise in this area.

4.4.1 Differences between KI and Non-KI Families Affected by HIV/AIDS

The main differences that were noted between KI and non KI families dealing with HIV aids were:

- KI members are able to buy adequate and varied food for HIV/AIDS infected members, leading to lower rates of illness and longer lives
- KI members are able to afford basic medication and hygiene products
- KI members can send infected members to hospital more readily
- Orphans are less dependent on outside assistance if they are from extended families who have KI membership. They are more likely to attend school
- KI members have income from IG As and are therefore less likely to be driven into prostitution in order to survive.

4.4.2 Services That KI Groups Have Created in and Attempt to Support HIV/AIDS Affected Families and Orphans

Most commonly mentioned were:

- Payment of orphan school fees and books
- Ploughing the fields of orphans
- Weeding orphans' fields
- Collecting firewood for orphans
- Building houses for orphans
- Setting up a burial fund
- Providing moral support to HIV/AIDS affected families
- 'Succession' of eldest child of deceased to group membership

- Donation of clothes
- Supply of groceries to orphans
- Formation of orphans savings and credit groups, sometimes with contributions supplied by relatives

The most promising of these appears to be the establishment of KI groups for orphans, some of whom take out loans to start school-based IGAs (such as sweetmaking). KI might begin to look into establishing more formal mechanisms that allow (for example) federation committees to allocate loan funds as seed capital for orphan groups and for clusters to set up funds specifically for the formation of orphan groups to be supervised (if not managed) by the cluster as a whole.

Having said this, most of these suggestions appeared not so much to be actual as having some potential and the project might take a closer look at what initiatives started by KI groups are working best, so as to identify and promote the more useful and promising activities.

4.4.3 Further Ideas Relative to HIV/AIDS

These were:

- Sponsoring orphans' school fees
- Buying blankets for orphans
- Building toilets for orphans
- Ploughing for affected families
- Informing children of the dangers of HIV/AIDS
- Open discussion of HIV/AIDS in meetings so as to develop a more coherent policy
- Helping girls with loans so as to avoid prostitution

Clearly there are an abundance of ideas concerning HIV/AIDS and how best to fight it and mitigate the effects. There seems, however, to be no real structure within a discussion or debate can be framed, policies developed and linkages made to organizations that have the specialized competence to work with KI groups. More attention should be given to this.

4.5 Programme

4.5.1 Effectiveness

The evaluators asked four basic questions relative to effectiveness. These were: Are the services provided:

- Those that clients believe to be the most important?
- Operating at significant scale across the designated project zone?
- Addressing major livelihood and economic security problems?
- What is the relative effectiveness and value of S&C to SPM

4.5.1.1 Effectiveness: Importance of the Services

KI confers benefits that go far beyond the provision of financial services. The principal benefits of this type of programming have most commonly been recognised as primarily social, conferring confidence and respect on members from society at large. This study is the first of its type that has actually measured economic impact in terms of jobs, increase in assets, increase in the number of IGAs and improved access to basic HLS services such as education, health, improved shelter and nutrition. The effect of KI is disproportionate to its cost if the testimonials of participants are to be believed, backed up by the very concrete achievements of the membership in terms of improved livelihoods. It is clear that social capital is, at bottom, something that does not have an independent life apart from material change and material achievement and KI has demonstrated not only that its services have enabled people to mitigate the effects of economic disintegration, but indeed to prosper in extreme conditions. If the 'MMD' model was ever put to a severe test it was done in Zimbabwe and has demonstrated the extraordinary adaptability of the model and its capacity to empower: not in the hackneyed sense of simple self-belief, but self-belief based on actual achievement.

4.5.1.2 Effectiveness: Operating at Significant Scale Across the Designated Project Zone.

KI's growth is very rapid. If all related initiatives (such as KI work done in the Small Dams Project) are taken into account, the total number of participants, past and present, is more than 35,000 – up about 19,000 in less than 2 years. It could hardly have expanded farther and has a cost-per-participant of \$23, which is at the lower end of the scale (\$18-50) is the current range in CARE projects worldwide).

It was, however, noticeable that CARE Zimbabwe persists in seeing KI as a project that's structured to achieve maximum coverage in a 'target' zone and discussions with the CO revealed that its ambitions were restricted to maximum coverage in the central regions of the country. CARE's HLS framework leads planners inexorably towards limited visions because it insists on identifying discrete populations that have specific 'distress' characteristics that qualify them for support. What this approach cannot accommodate, in general, is the concept of market development based not on deservedness but demand, which, by its nature, will tend to move geographically and at a speed that cannot easily be predicted.

It is clear that there is potential for KI throughout Zimbabwe, not just in Midlands and it is time that the CO recognised that KI is amongst the most powerful tools at its disposal for attacking poverty and creating a force in civil society that politicians and planners can scarcely ignore. This requires in Zimbabwe that, having demonstrated KI's potential for tackling poverty and operating cost-effectively at a large scale, CO programme planners begin to consider expansion that is national in scope. While this can be done through partnership and through technology transfer facilities offered (preferably for a fee) to other large NGOs, CARE's capacity to do it better should not be disregarded and might potentially be favoured, given the ability to attract resources. CARE does KI better than anyone else (and not only in Zimbabwe) and it should recognise that it has a competitive advantage which it should exploit and perhaps be rather less ready to hand over to the competition. Indulging in specialisation in order to paint on the biggest possible canvas is no sort of sin and it is a legitimate strategic choice, which the evaluators support, to start working towards a national-scale expansion of KI delivered as much as possible through itself. It is not clear that this opinion will be much supported, bearing in mind the received belief that partnership is inherently good. CARE needs, perhaps to discriminate between

partnership with indigenous organisations on a local scale and handing away the store to INGO competitors.

4.5.1.3 Effectiveness: Addressing Significant Livelihood and Economic Security Problems

Most preceding sections have dealt with this issue. In the absence of a control group, this question cannot be answered with complete confidence, but the bulk of the evidence favours such a conclusion. This is especially true bearing in mind two key factors:

- The solidly positive asset, service use and social capital indicators. These have been achieved in an economic environment that has been sharply negative and deeply challenging for the last two years or more.
- The indicators dealing with self-evaluation vis-à-vis others of previously similar social and economic standing.

It is safe to conclude that KI members are far better able to deal with the challenges posed by the local economic situation and have posted real gains in terms of property, service benefits and social capital

4.5.1.4 Effectiveness: The Relative Value of Savings and Credit Services Compared to Training in IGA Selection, Planning and Management.

There is overwhelming evidence that KI financial and insurance services are useful to clients. This has been amply documented throughout this report. There is also evidence that SPM has contributed to improved non-productive asset acquisition, particularly those that represent a store of female wealth. The difference between SPM and non SPM households is, however, quite small.

Non-Productive Assets SPM/Non-SPM

Non-Productive	% Change SPM	% Change Non-SPM	% Difference
Plates	51%	37%	14%
Cups/glasses	44%	40%	4%
Piped Water	41%	7%	34%
Pots	40%	29%	11%
Water buckets	34%	33%	1%
Car Tyre Pump	32%	36%	-4%
Kitchen units/display	23%	13%	10%
Electricity	22%	21%	1%
TV	19%	21%	-2%
Bicycle	16%	22%	-6%
Wardrobe	15%	11%	4%
Radio	9%	7%	2%
Kitchen Table & Chairs	8%	8%	0%
Sofa set	7%	6%	1%
Beds (any type)	13%	5%	8%

Plates, pots, cups/glasses and water buckets and kitchen units (the most important stores of wealth) are all in larger number in SPM trained households, but the picture was less clear across other types of assets. When we looked at productive assets, the picture was even less clear, or, indeed, making the opposite case.

Productive Assets SPM/Non-SPM

Productive Asset	% Change SPM	% Non-SPM	% Difference
Indigenous Chickens	57%	94%	-37%
Metalwork hand tools	44%	3%	41%
Carpentry hand tools	33%	19%	14%
Spray Pack	32%	28%	4%
Goats	32%	28%	4%
Sewing Machine	30%	23%	7%
Animal drawn cultivator	27%	40%	-13%
Block-making Machine	25%	15%	10%
Showels	24%	26%	-2%
Yoke	22%	15%	7%
Manual Oil Press	20%	100%	-80%
Wheelbarrow	19%	14%	5%
Cattle	14%	0%	14%
Animal drawn plough	10%	10%	0%
Hoes	10%	30%	-20%
Animal drawn cart	6%	41%	-35%
Donkeys	2%	15%	-13%
Animal drawn harrow	0	0.27	-27%
Sheep	-23%	-58%	35%
Knitting Machine	-50%	-150%	100%
Pickup/car	-100%	-100%	0%

Throughout the survey, chickens typically represented the most important store of female managed wealth, along with goats and hoes. In the case of chickens, the numbers are clearly in favour of the non-SPM group; there is hardly any difference in the case of goats and a strong difference in favour of the non-SPM group with respect to hoes. The non-SPM group appears to have done better with respect to large assets such as carts, donkeys and harrows, but worse in the case of cattle, wheelbarrows and block-making machines. In other words, these results are inconclusive in terms of productive assets but somewhat favourable to the SPM-trained participants in the case of non-productive assets – at least those that represent a store of female-controlled wealth. In both cases, however, the results were strongly positive and may principally be attributed to membership in a KI group.

The project needs to take this finding seriously. It is expensive to implement SPM – as expensive during the training phase as setting up KI groups. If the results in terms of increased economic security are inconclusive, or if the difference between SPM and non-SPM trained participants is negligible over time, there is a strong case for eliminating the training.

It is particularly to be noted that there seems to be virtually no increase in IGA diversity. SPM is predicated on a process in which a broad variety of IGAs are evaluated, mainly because new economic initiatives are believed to offer competitive advantage: the rationale of SPM is that clients ought to be looking at non-traditional IGAs so as to avoid the trap of selecting an economic sector which is too competitive and therefore unprofitable. There is no evidence at all from this survey that this diversification is taking place. Section 3.1.7, which looks at IGA diversity and growth shows strong IGA growth in terms of numbers, but exactly proportionate in type to IGAs that pre-existed SPM training. Pre SPM/KI the top five categories of enterprise (market gardening, petty trade, beer brewing, soap making and mat making) accounted for 61% of IGAs. After SPM/KI training they account for 63%, indicating, if anything, a slightly increased pre-disposition to enter already crowded economic sub-sectors. Two activities, horticulture and petty trade account for 49% of total IGAs at this time. SPM has, then, had absolutely no effect on IGA diversity and its value should be called into question – or at least much more critically examined.

4.5.1.5 Effectiveness: Information Systems - Background

The project has far more comprehensive records than any other MMD -style programme of which the evaluation team was aware. Close examination of the system revealed, however, the following limitations:

- The rationale for the choice of data to be analysed was unclear and rather indiscriminate
- The presentation of results was mainly in the form of raw data that provides little qualitative information on financial performance and efficiency, focussing more on data relating mainly to scale
- The data was impaired in its reliability because it is collected too often and the results are only partial. When partial results are analysed as programme wide results the output is erratic and inconsistent.

KI is different to other MMD -style programmes in that it collects a wealth of data but it does so without appearing to sufficiently consider why the information is collected, who should make use of it and in what form it should be presented to users.

Before getting in to these issues, it is important first of all to consider KIs capacity to gather and analyse data.

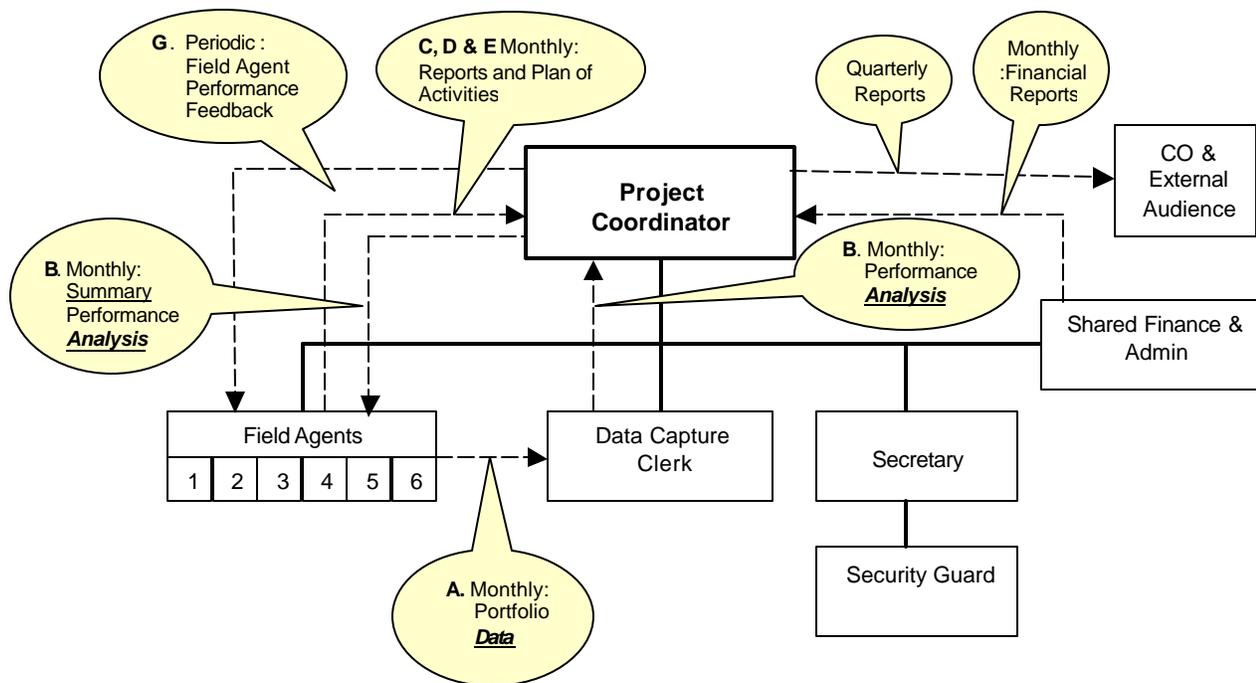
As time has gone on KI continues to gather data on all groups, both those whom it currently supervises and groups that have graduated. Because KI tends to hang on to groups far longer than is necessary it has a burden of supervision that will, in the end, overwhelm it. It needs to develop a policy towards data collection and the following is proposed:

1. Reduce the time during which groups are directly supervised by CARE. This should certainly not be longer than a year and 9 -10 months should be a target. Groups in Niger that stay supervised by CARE for this length of time exhibit few deficiencies in terms of survival or service quality. Dropping or severely limiting SPM to those groups that are ready to pay for the training should reduce the number of groups that call for extended supervision.
2. Maintain routine portfolio gathering information **only for those groups that remain supervised by CARE, or until the share-out, whichever comes later.** This means that CARE can routinely collect and analyse data that relates to group fund performance in the first cycle, which is by far the most important cycle in terms of learning.
3. Follow up a sub-set of graduated groups. As time goes on this number will become unmanageable unless the project follows up only a sample of the groups that graduate. It is suggested that meaningful information can be gathered from 50 groups per year. After 5 years groups could be dropped such that a constant load of 250 groups could routinely be followed, using the same data gathering format as for groups still being supervised by KI, with extrapolations across the entire population being used to measure aggregate impact. This time-series data would give KI some sense of the life-cycle of groups and would enable it to learn when groups reach some sort of steady state and what the warning signs of decline might be. Right now just gathering information on the entire population with desegregation of performance by time provides little by way of useful information.

4.5.1.6 Effectiveness: Information Systems – Rationale, structure and Systems

The following schematic is an attempt to define, describe and supply tools for an MIS system for MMD-style programmes in Mozambique and, more recently, Kenya.

KI needs an organisational structure and information flow system that looks approximately as follows:



In this generic organigram (which excludes supervisory personnel) lines of reporting are shown solid, while information and data flow is shown as dotted arrows. The callout boxes (text balloons) list the relevant forms (a,b,c,d,e,g) used for each type of report. They also indicate from whom it originates and to whom it flows. There are four principal points at which information or data is needed. These are:

- **The donor** who needs information on:
 - Portfolio performance
 - Impact
 - Expenditure against budget

These are received as narrative and financial reports, prepared as needed by the Project Coordinator.

- **The Project Coordinator/Field Supervisor**, who needs information on:
 - Field agent efficiency, portfolio quality and growth, the Data Capture Clerk routinely prepares and forwards to him, in the form of the spreadsheet **Consolidated Group Performance Analysis by Zone**. This needs to be prepared on a monthly basis for each zone by the Data Capture Clerk. The Project Coordinator can analyse this information, choosing rank-ordered data fields as he pleases, to choose aspects of the portfolio quality and growth that he wishes to emphasise. Once having reviewed this information, the Project Coordinator passes it on to the relevant Field Agents and may choose also to post them in a public place, such as the notice board, so that each Field Officer can compare their performance.

- Group preparedness for changes of phase and problems that may arise in the field. He will get this from the **C. Monthly Report by Group** form and the **D. Monthly Report by Zone**. These forms will be prepared by Field Agents who will file them in the Zonal Files. These will contain separate files for each group, numbered by the time of induction. The Monthly Report by Group will be filed in the respective group file, while the Monthly Report by Zone will be filed in its own file at the front of the Zonal file cabinet. These files will not be sent to the Project Coordinator except at his request. All forms must be entered into the files chronologically.
- Field Agents' plan of activities, recorded in the **E. Monthly Plan of Activities** form at the end of every month. This form goes to the Field Agent's file, but is first forwarded to the Project Coordinator, so that he is in a position to scrutinise work plans before they are implemented
- Receive/prepare, as needed and in conjunction with the Field Agents, the **F. Group Health Diagnosis and Change of Phase Form**
- Monthly financial status reports from Finance
- **The Data Capture Clerk** who needs raw data from the Field Agents, so that (s)he can produce the Consolidated Group Analysis. This requires:
 - The Field Agents to prepare the **A. Portfolio Analysis Data Collection Form** every month at the same time that the monthly reports are prepared
- **The Field Agents** receive information in the form of:
 - **B. Consolidated Group Performance Analysis by Zone** from the Project Coordinator
 - **G. Staff Supervision Form**, which is filled out by their supervisor, the Project Coordinator and passed on to the Field Agent when his/her performance review falls due.

The relevant forms listed above are reproduced as an annex to this report.

The point here is not to simply suggest that KI adopts exactly this system, but a system that regularly produces useful information for donors, senior managers, supervisors and field staff. It needs to focus **only** on data collection and analysis that serves this purpose.

To try and keep it simple, we have developed a 9 point data collection format that Field Staff should easily be able routinely to collect from active groups. It is reproduced below.

Portfolio Analysis Data Collection Form

Name of Field Agent: _____

Name of the community: _____

Name of the group: _____

Date of Creation of the group: _____

Number of Members at Creation:

Date of Visit: _____

Item	Quantity
1. Number of Months Since Start of Cycle	
2. Number of Members at Time of Visit	
3. Current value of group savings (from saving ledger)	
4. Number of active loans	
5. Face value of active loans (From Client Loan Transaction Records)	
6. Current value of Active Loans (from Client Loan Transaction Records, at end of meeting)	
7. Cash on hand in cash box at end of meeting	
8. Cash in Social Fund at end of meeting	
9. Cash cost of goods in storage	
10. Group net worth (6+7+8+9)	

**Distribution: Data Capture Clerk
Group File**

This data collection form is used to collect data that can be entered by a Data Entry Clerk in an excel worksheet that be structured by Field Agent, by Zone or by any other criteria that the project wishes to select. It is reproduced on the next page and a soft copy appended as an annex to this report.

There was vigorous debate concerning this approach. The evaluation team strongly recommended a balance-sheet based approach, which simply seeks to measure changes in group net worth, through a sum of cash, receivables and real property values, while the project manager was strongly in favour of recording savings values. It was agreed that this could easily be included in the spreadsheet calculations, without affecting the balance-sheet basis for measurement of group networth. The reason for the focus on net worth is that it does not require transaction records and measures the only really important output: the return on cash invested by participants in their KI groups.

CARE Kenya: Consolidated Group Performance by Zone

Field Officer		Zone:		As of	February 20, 2004
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Name of Group	No.	Date of Creation as S& L Group	Date of Visit	Number of Months Since Start of Current Cycle	Number of Members at Creation	Number of Members at Time of Visit	Current Value of Group Savings	Number of Active Loans	Face Value of Active Loans	Current Value of Active Loans	Cash on Hand	Cash in Social Funds	Cash Cost of Goods in Storage	Group Net Worth to Date	Average Loan Size	Increase in Value of Group Savings	Total Revenue / Savings	Net Profit per Member to Date	Annualised Return on Savings (%)	Annualised Net Profit per Member
Group 1	1	4-Jan-02	4-Aug-02	8	6	8	5,500	4	6,400	6,400	1,200	500	0	8,100	1,600	2,600	47%	325	71%	488
Group 2	2	5-Jan-02	5-Aug-02	4	7	8	5,500	3	7,100	7,100	200	750	0	8,050	2,367	2,550	46%	319	139%	956
Group 3	3	5-Jan-02	1-Sep-02	6	9	12	9,250	9	11,000	10,000	850	380	1,800	13,030	1,222	3,780	41%	315	82%	630
	4													0	0	0	0%	0	0%	0
	5													0	0	0	0%	0	0%	0
	6													0	0	0	0%	0	0%	0
	7													0	0	0	0%	0	0%	0
	8													0	0	0	0%	0	0%	0
	9													0	0	0	0%	0	0%	0
	10													0	0	0	0%	0	0%	0
	11													0	0	0	0%	0	0%	0
	12													0	0	0	0%	0	0%	0
	13													0	0	0	0%	0	0%	0
	14													0	0	0	0%	0	0%	0
	15													0	0	0	0%	0	0%	0
	16													0	0	0	0%	0	0%	0
	17													0	0	0	0%	0	0%	0
	18													0	0	0	0%	0	0%	0
	19													0	0	0	0%	0	0%	0
	20													0	0	0	0%	0	0%	0
	21													0	0	0	0%	0	0%	0
Totals				n/a	22	28	20,250	16	24,500	23,500	2,250	1,630	1,800	29,180		8,930		8,930		
Average				6.00	7.33	9.33	6,750	5	8,167	7,833	750	543	600	9,727	1,730	2,977	44%	319	176%	691

n.b. Column 'W' is hidden and contains formulae that must not be eliminated. There are 250 rows in this template, but only 25 displayed here. Please note that without changes to the spreadsheet, no additional rows can be inserted and none can be removed. If more than 250 are needed, create a new page, copied from this template. Rows may be hidden if not required. For the sake of security, the spreadsheet should be protected during use to prevent over-

If this system is used, the following outputs are proposed, grouped as measures of scale, financial performance, efficiency and personnel.

Overall Programme Analysis		
Scale		
Total number of clients	33,193	
Total number of men	4,796	14%
Total number of women	28,397	86%
Total number of groups	4,908	
Average group size	6.8	
Financial Performance		
Savings		
Average savings per group (Cumulative)	ZWD 61,744	
Average savings per member (Cumulative)	ZWD 9,130	
Average savings per group (Current)	ZWD 43,777	
Average savings per member (Current)	ZWD 6,473	
Total savings this quarter		
Loans		
Average loan size	ZWD 15,183	
Average loans per member	3.4	
Total loans to date	112,718	
Number of active loans this quarter	14,151	
Number of loans disbursed this quarter	14,151	
Interest % on actual savings	71%	
Interest % on cumulative savigs	51%	
Yield		
Yield on savings (unadjusted)	103%	
Yield on total assets	n/a	
Portfolio Quality		
Number of deferred payments this quarter	n/a	
Efficiency		
Ratio Field Staff to Total Staff	77%	
Caseload: Groups per FO and CB Trainer	114	
Caseload: Individuals per FO and CB Trainer	772	
Total US\$ expenditure to date	USD 772,094	
Cost per graduated client (\$US)	\$23	
Total Z\$ Expenditure to date	ZWD 764,428,594	
Cost per Z\$ lent	ZWD 1.48	
Personnel Profile		
Programme Staff		
Programme Manager (PM)	1	
Assistant Project Manager (APM)	4	
Senior Field Officer (SFO)	7	
Field Officer (FO)	37	
SPM Specialist	1	
<i>Total Direct Staff</i>	50	88%
Support Staff		
Drivers	4	
Data Capture Clerks	3	
<i>Total Support Staff</i>	7	12%

The results shown here provide useful information to donors and senior managers, particularly with respect to scale and efficiency. The Efficiency measures are particularly impressive with extremely high caseload figures (350 clients per Field Officer is considered good for this methodology – KI has achieved double that) and a very favourable ratio of Direct Staff to Total Staff (anything above 70% is normally considered good).

The Cost per client served is towards the bottom end of the normal range (\$18-50 per client) and is set to go lower. The only disappointing figure is the cost per dollar lent, which at 1.48 is on the high side. The problem with this measure is that extreme inflation of more than 700% renders this virtually meaningless and for the moment should be ignored.

What is not shown in this table is the number of groups still under KI's supervision. If there is one criticism of KI it is that the programme tends to hold on to its clients longer than necessary and there is a disproportionate number of clients remaining in the programme. Since there is no clear evidence that SPM makes much of a difference, and since the groups are functioning well and successfully at an early stage, project management should make more determined efforts to 'liberate groups' in less than a year. There has been no loss of effectiveness in Niger where

groups are liberated usually after 9 months. 12 months should be the longest time that groups remain directly supervised by KI. Letting go is hard to do, but it will significantly increase KI cost-effectiveness

and have no real bearing on the chances of a group surviving on its own – especially as KI can easily put in place a hot-line for groups who encounter difficulties.

4.5.1.7 Service Delivery Sustainability

By hanging on to its groups as long as it has, KI has not yet structured any sort of secondary market for training services through the use of private village agents, as has become the standard method in Niger. Haste to move in this direction for reasons of political correctness are dangerous, as CARE Uganda has amply demonstrated in West Nile, but spontaneous replication is already taking place and KI needs to look to the time that its Field Agents are involved more in the selection, training and supervision of local agents whose services are marketed to prospective groups for a fee. Niger has demonstrated that this can work and all of its groups are now trained through this mechanism. It would be a good idea if CARE Zimbabwe considered funding a cross-visit to Niger to assess the effectiveness of this approach and what its drawbacks might be.