

St. Mary's University
School of Graduate Studies

Evaluation of Microenterprise Interventions in Care and Support Programs of NGOs: The case of
Mekdim Ethiopia National Association Addis Ababa Program

By:

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Addis Ababa

EVALUATION OF MICROENTERPRISE INTERVENTIONS IN CARE AND SUPPORT
PROGRAMS OF NGOS: THE CASE OF MEKDIM NATIONAL ASSOCIATION

ADDIS ABABA PROGRAM

A thesis report submitted to the SGS St. Mary's University for the partial fulfillment of the requirements
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Acronyms

AIDS:	Acquired Immuno Deficiency Syndrome
AIMS:	Impact of Microenterprise Services
BDS:	Business Development service
CSSG:	Community Saving and Self-Help Groups
FGD:	Focus Group Discussion
FSD:	Financial Sector Deepening
HHEP:	Household Economic portfolio
HIV:	Human Immuno Deficiency Virus
IGA:	Income Generation Activity
KHANA.	Khmer HIV/AIDS NGO Alliance
ME:	Microenterprise
MENA:	Mekdim Ethiopia National Association
MSED:	Micro and Small Enterprise Development
OSSA:	Organization for Social Services for AIDS
OVC/OVCs :	Orphan and Vulnerable Children
PC3:	Positive Change: Communities, Children
ROSCAs:	Rotating Savings and Credit Associations
SAC:	Saving and Credit Cooperatives
SHG:	Self Help Groups
VSLGs :	Village Saving and Lending Groups

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Abstract

The study set out to assess the effectiveness of MENA CSSG and business skill development interventions in bringing about change in the entrepreneurial skill, change in the income, saving, microenterprise profitability and household decision making power of the beneficiaries. To achieve the set objectives, the study used a sample of 70 CSSG members, 8 people from the program and local administrative bodies. Data collected by use of questionnaire instrument and interviews, observation and focus group discussions. The quantitative data was analyzed using statistical package for social sciences (SPSS) while thematic analysis was used in the qualitative data analysis. The study established that intervention was effective in increasing the entrepreneurial skill of the beneficiaries, access to loan, household decision making power, engagement in ME (creating alternative source of income) and expansion of existing MEs, and saving. On the other hand, the effect of the intervention on ME management in terms of record keeping, profitability and capital was found to be absent. In light of the findings, it would be good if the targeting considers the relative vulnerability of the households and the capital injection done in an incremental manner, and the use of loanable for is emphasized so as to enhance the effectiveness of the intervention.

Definition of Terms

Microenterprise services: It refers to the training, saving and credit groups' promotion and business advise that the group members get.

Capital: Wealth in the form of money or assets, taken as a sign of the financial strength of an individual, organization, or nation, and assumed to be available for development or investment.

Entrepreneurial Skill: The knowledge and skills of the target groups on ME selection, planning and management

Profit: A common measure of a company's success equal to the net revenue that remains once all costs have been deducted.

Saving: The portion of disposable income not spent on consumption of consumer goods but accumulated or invested directly in capital equipment.

Income: This refers to income earned by the member him or herself (money earned through employment and investments).

CHAPTER ONE

1.1 Introduction

Several local and international NGOs operate in Ethiopia to improve the welfare of different sections of the society, usually focusing on the most affected and vulnerable groups of the society. People affected by HIV/AIDS, Orphan and Vulnerable children (OVC) are among members of the society that are targeted by the different emergency and development projects of the NGOs.

The intervention of the NGOs among these groups covers a wide range of activities. The interventions targeted at HIV/AIDS affected people includes HIV/AIDS prevention effort and palliative care: IEC/BCC materials Production and distribution, condom promotion and distribution, awareness creation (coffee ceremony, peer Education, wide event), clinical Palliative care, Medical and Nursing care, Home based care, Nutritional support, VCT service Non clinical palliative care, counseling (at individual, couples, group, and Family level) and economic strengthening. The support for Orphan and vulnerable children on the other hand covers seven service areas: educational support, shelter and care, food and nutrition, legal protection, psychosocial and economic strengthening supports. The economic strengthening intervention in most of the case applies three strategies: saving and credit groups promotion, provision of business skill trainings and follow and on-site technical support for the beneficiaries engaged in microenterprise.

Mekdim Ethiopia National Association (MENA) is one of the indigenous NGOs that are implementing such programs in Ethiopia. MENA was established in 1996 by a group of 3 people living with the virus and 9 Aids orphans. In 1997, MENA obtained a license from Addis Ababa City government to work at regional level. Then, in August 1999, it got NGO license from the ministry of Justice to operate at National level. MENA has renewed its license on November 12th, 2009 as an Ethiopian Residents charity as per the charities and societies proclamation

No.621/2009 and is legally allowed to continue its contribution to the county's development.

Currently, the association has a total of over 7,500 members (26 % AIDS Orphans & 74% people living with HIV/AIDS, and has 145 full time staffs, working in eight branch offices, Oromia Regional State (with offices at Adama, Jimma and Shashemenie), Amhara Regional State (with offices at Bahirdar and Dessie), Afar Regional State (office at Semera), Benishangule Regional State (office at Assossa) and Addis Ababa. MENA targets HIV Positive persons, Orphan and Vulnerable Children (OVC) and Most at Risk Mobile Populations (MARPs).

In Addis Ababa, MENA Operates in all of the 10 sub cities of Addis Ababa city Administration. As part of its economic strengthening intervention MENA works on promoting Community Self Help Saving Groups (CSSGS), Individual and group microenterprise and Vocational Training. Currently, there are more than 50 active CSSGS operating under Mekdim Ethiopia National Association, Addis Ababa branch. In the delivery of the economic strengthening program, beneficiaries are trained on the basics of CSSG; members of the groups are encouraged and supported to be engaged in microenterprises. The number of members in each group is 20-25 initially but the number may reduce after wards due to drop outs and other reasons. Startup capital is also provided for the beneficiaries. The amount of startup capital or seed money given to the groups differ from project to project depending on the requirement of the specific donor but other things are the same. Currently, there are 46 CSSGs with a total of 857 members in Addis Ababa.

1.2 Statement of the Problem

Economic strengthening support is a key component of all the Major HIV/AIDS and OVC care and support programs. It is aimed at enabling HIV

affected people, OVC and their families to meet their basic needs in the long term with minimal or no external support.

MENA economic strengthening basis its intervention models on the experiences and lessons learnt from similar in other countries like India, Bangladesh or other African Country. In the process, there was no much effort to customize the interventions to the local context as reported by the program team. In addition, there was no systematic effort of evaluating the effect of the intervention on the beneficiaries in terms of the desired effects. This put the organization in doubt whether it should continue investing in economic strengthening or not as well as what changes to make in the economic strengthening interventions.

1.3 Research Questions

The thesis is an endeavor to answer two key research questions. The key research questions of the thesis are:

1. Does Community self-help and saving and business development skills interventions bring about change in entrepreneurial skills, the microenterprises profitability and capital?
2. Does the community self-help and saving and business skills development bring about changes in the saving, incomes and household decision making power of the beneficiaries?

1.4 Objectives of The Study

1.4.1 General Objective

The general objective of the study was to assess the effectiveness of MENA CSSG and business skill development interventions in bringing about

change in the entrepreneurial skill, change in the income, saving, microenterprise profitability and household decision making power of the beneficiaries.

1.4.2 Specific Objectives

- Assess the microenterprise intervention process of Mekdim National Association Ethiopia Addis Ababa program
- Assess the effect of participation in microenterprise interventions on microenterprise profitability and capital
- Assess the effect of participation in microenterprise interventions on the income, saving, entrepreneurial skills, capital and household decision making power of the microenterprise operators

1.4.2 .1 Hypotheses

The study population is divided into two groups – matured¹ and non-matured/incoming clients² – based on anticipated level of maturity in terms of saving and loan provision.

- H1: Higher involvement in matured economic strengthening groups of CSSG leads to increased saving, access to loan, income, and household decision making power
- H2: Higher involvement in matured economic strengthening groups of CSSG leads to better entrepreneurial skills of the beneficiaries and profitability of microenterprises?

¹ Those beneficiaries with 24 months and above participation in the ES-intervention

² Those beneficiaries with less than 3 months participation in the ES-intervention

1.5 Significance of the Study

The thesis has both academic and practical significance. Programmatically, it will help programmers and implementers of the program to make programmatic decisions. The evaluation of microenterprise intervention programs in the context of NGOs care and support program will stimulate similar studies in the area, resulting in a better understanding of the program and its effect on the microenterprises.

1.6 Organization of the paper

The paper is organized as follows: section one deals with the introduction part, section two deals with the literature review. Section three deals with the methodology of the study, section four deals with the interpretation and analysis of the data, the final section concludes the study and provides recommendations.

CHAPTER TWO

2.0 Literature Review

2.1 Theoretical Background of Economic Strengthening Intervention Models

2.1.1 A Continuum of Economic Strengthening Activities

Economic strengthening activities include a broad array of approaches: social assistance programs, asset growth and protection, and income growth (James, 2008). Table 1 depicts a continuum of economic strengthening activities by service, focus, and target group. It describes the types of financial assistance provided in each economic strengthening approach, as well as how the different approaches can be tailored to the productive capacity and level of household need (James, 2008).

Notably, social cash and food transfers are considered ‘targeted’ services, since they are appropriate for the most vulnerable groups. As households affected by HIV/AIDS often are extremely vulnerable due to constraints on productive labor capacity, it is often effective to target cash transfer programs toward both households that are both labor constrained and the ultra poor. In regions with high HIV/AIDS prevalence rates, this targeting method has proven to be highly effective in reaching HIV/AIDS affected households and orphans and vulnerable children, without raising concerns of stigma, and without making inclusion dependent on testing services, which may be scarce or inefficient (Arusha, 2002).

Protective services, such as savings and insurance, are important for all families regardless of their degree of vulnerability while asset growth and income growth approaches may be seen as services more appropriate for less vulnerable populations that have productive labor capacity (Donahue as cited in James 2008). Notably, household vulnerability may shift, particularly as the effects of

HIV/AIDS change. Thus, the continuum is not intended to imply a strictly linear movement from social assistance to income growth programs.

Table 1
Continuum of Economic Strengthening Programs

Approach	Social Assistance <i>Supply relief assistance and support</i>	Asset Growth and Protection <i>Restore or maintain economic resources</i>	Income Growth <i>Strengthen or increase economic resources</i>
Services	<ul style="list-style-type: none"> • Asset and cash transfers • Food aid • Social pensions • Public works 	<ul style="list-style-type: none"> • Group and individual savings • Insurance services • Legal services to protect vulnerable groups 	<ul style="list-style-type: none"> • Business loans • Skills training • Income-generating activities • Market linkages
Focus	Most vulnerable* ³	Very vulnerable <i>In transition, needs assistance to achieve a more stable economic positions</i>	Somewhat vulnerable <i>Stable but poor</i>
Illustrative target groups	<ul style="list-style-type: none"> • Elderly caregivers • Poor women or windows • PLWHA of all stages at the symptomatic stages • Child headed households 	<ul style="list-style-type: none"> • All caregivers(women, elderly, and poor households) • Youth • PLWHA 	<ul style="list-style-type: none"> • Caregivers with productive capacity • Youth • PLWHA with productive capacity

Donahue as cited in James (2008)

³ * *Unable to engage in economic activity*

Poverty induced by HIV/AIDS fluctuates over time and is largely defined in terms of the household's or individual's ability to engage in productive work. Household labor constraint is therefore a key indicator of a household's viability and is largely measured by the dependency ratio, or the number of people in a household that need looking after. Since HIV/AIDS often affects productive adults, and induces families to care for the chronically ill, or children orphaned by the disease, the dependency ratio of affected households is often much higher than the national average, thereby generating a good variable for prioritizing destitute households (Miller and Tsoka, 2008).

2.2 Community Saving and Self-Help Groups/Village Saving and Lending Method (CSSG)

The village savings and lending methodology is one of CARE International's premier livelihoods interventions that has the primary aim of bolstering household livelihood security by increasing vulnerable communities' access to financial services. In Ethiopia and the PC3 program it is called Community Savings Self-help Groups (CSSG)(CARE, 2007).

The CSSG methodology promotes local participants' savings and credit groups that build on the traditional Rotating Savings and Credit Associations (ROSCAs) known in Ethiopia as Iqqubs. While Iqqubs are rigid in their structure and provide limited and inflexible access to accumulated savings, CSSG adds innovative twists that make them more flexible and potentially attractive to participants. The periodic contributions to the group are accumulated with an end date in mind for distribution of all or part of the funds to the individual members. This lump sum distribution provides a large amount of money that each member can then apply to his/her own needs. From this perspective it is primarily a savings club (CARE, 2007).

However, the members make use of the funds for short-term credit needs on a continual basis so the funds are constantly working for them, earning interest and not just sitting idle in the group or the bank. These loans allow the members

to meet their small, short-term financial needs for income generating activities, social obligations and emergencies without having to borrow from a money lender, take an expensive supplier advance, or rely on their relatives. This adds a limited credit perspective to the group.

2.3 The Basic Concept and Principles behind the CSSG Methodology

- The basic principle is that members regularly pool their savings and individuals can borrow from these funds, at interest, and, initially for up to two months. In subsequent cycles loan terms may be longer, but this will depend on the group's experience and decision,
- All transactions are carried out in front of the General Assembly,
- All members have passbooks in which their savings are recorded,
- All members are savers and members can choose to contribute 1 to 3 times the base savings amount at every meeting,
- There is a payout after each cycle in which the group's money is equally divided up amongst members, based on the total amount saved by each individual,
- Participation is open to all people in the community, without discrimination with respect to gender, age and health,
- Groups may be mixed or single sex, as the participants prefer, and
- The members are equal in voting power, regardless of savings amounts, and can elect or dismiss their own leaders and officers.

(CARE, 2007).

2.4 Empirical Review

CSSG is primarily being used by non-governmental organizations economic strengthening interventions. As a result evaluations of the interventions usually focus on the socio-economic effects.

In the evaluation of CARE project in Zanzibar, it was found that such groups have positively influenced the engagement of the target groups and households in income generation activities (Hartley & Rijali, 2003). The study further showed that the intervention was effective in enhancing the income of the target households and the financial management of the people concerned through wise investment.

Another study conducted in Uganda, West Nile, showed that the intervention was contributing a lot in overcoming market access problems (Mutesasira & Nthenya as cited in Brett and other, 2010). The study indicated that most savings groups were comprised of very low-income people. In this study, the loans ranged from US\$ 2.50–US\$ 25, while savings ranged from US\$ 0.10–US\$ 0.50 weekly per member. Both the small size of the required savings contributions, and the flexibility in size, were important factors in supporting depth of outreach.

Increased level of business and household assets, increased number of income generation activities and increased deployment of labor in income generation activities was also observed in the evaluation of VSLG in Zimbabwe (Allen & Hobane, 2004). Despite the increase in the number of IGAs, the diversification of the engagements was found to be limited. The evaluation also indicated as loans mainly goes to investment in IGAs while share outs are usually used to finance school fees or acquiring small livestock and similar ‘savings substitutes’ that might be seen by the members as a hedge against inflation - a particularly serious concern in Zimbabwe. The study of west Nile saving groups by Allen(2005) also concluded that members had accumulated useful sums at cash-out and that they used them to invest in agriculture including livestock, business stock and housing improvement.

The findings from Malawi on the study of savings groups confirm the above findings (Aynago and others, 2005). The results showed that the intervention has increased household incomes. And this is indicated to be mainly attributed to member's diversification of their economic activities and expansion of some of their activities. However, they also divested away from certain activities that required larger capital.

The evaluation of microfinance pilot project for HIV affected families in Cambodia showed that such intervention had a positive effect on the saving, entrepreneurial skill and access to loan. (KHANA, 2008). The average size of a loan taken by an individual borrower was USD180 for affected households and USD150 for others. Loans were used for running enterprises on a self-employed basis. On the other hand the study showed as profitability of microenterprises is not found to be influenced by the intervention. Households without microfinance reported monthly median profits of Riel 190, 000 (USD 48) and those accessing microfinance reported median monthly profits of Riel 140,000 (USD 35).

Ashenafi's (2013) study in Bahir Dar established that community saving and self-help groups are effective in terms of bring about positive change in increasing saving amount and practice, enhance access to loan to members, and reduce food shortage among the members. The program has also resulted in increased entrepreneurial skills among the beneficiaries.

The existing literature clearly shows that VSLGs and other 'incubated' savings groups can have an important impact on their members' livelihoods and well-being. Yet, the effect of CSSGs/VSLs on the profitability, entrepreneurial skill, capital of the target groups is not well assessed in the development programs that used the model extensively. This is also true for Ethiopia where there is no documented systematic evaluation of the model (LIFT, 2011).

This study assess the effect of community saving and self-help groups on the target groups in the area of microenterprise engagement, profitability, change in capital, change in saving and access to loan. It also discusses the use of loan for microenterprise activities.

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design and Methodology

The research design was a cross sectional-quasi experimental type involving both qualitative and quantitative methods. There were two groups of study participants from the CSSGs: matured and non-matured CSSGs. The groups were grouped (stratified) as matured and non-matured groups based on their participation in the program. Those groups with a life of 3 months and less were considered as non-matured groups while those with 2 years and above were considered as matured groups. With this design the effect which is the result of the difference between the matured and non-matured groups was compared and contrasted across the two groups.

3.2 Sampling and Sample Size

The members of the CSSGs of MENA Addis Ababa program are the study population. Currently, there are 46 CSSGs operating under MENA Addis Ababa Program. Out of these, 42 are 2 years and half years or more old while the remaining 4 are less than or equal to 3 months old. A total of 77 people are members of the old groups while 789 people are members of the new ones. Social institutions/organizations involved in the program will also be the study subjects as they influence the effectiveness of the approach. Within the chosen partners the list of the CSSGs members were taken as a sampling frame. Based on this, the groups were classified in to two based on their maturity level (matured Vs non-matured) groups. Then, individuals were selected using simple random sampling techniques based on the name list of the group's members stratified based on their maturity level. As the thesis used both qualitative and quantitative data, it took

samples of the program focal persons and representatives of key for the study purpose using purposive sampling.

3.2.1 Sample Size

3.2.1.1 Qualitative

The qualitative data were collected from key project focal persons, stakeholders to understand the program and ME intervention

- 6 semi-structured interviews were conducted with project focal persons responsible for overseeing and facilitating project implementation in the selected partners.
- 6 semi-structured interviews were conducted with facilitators responsible for providing technical support for the economic groups.
- 6 semi-structured interviews were conducted with key informants from stakeholders in the selected assessment areas.

3.2.1.2 Quantitative

A total of 70 people have participated in the quantitative data collection. 35 beneficiaries were taken as a sample from each of the selected groups based on their level of maturity (matured and non-matured). Out of these 35 of the beneficiaries were from those of the matured groups (2 years and above) and the others were from new groups, 3 months and below participation in the economic strengthening interventions. Out of the all the available 46 CSSGs, only four of the groups fulfill the study definition of matured groups. Yet, one of the matured groups was not in a position to participate in the study for programmatic reasons. The size of the sample was determined based on the recommendation of USAID

AIMS Assessment Tools for Microfinance Practitioners (AIMS/USAID SEEP NETWORK, 1999).

3.3 Source and Tools/Instruments of Data Collection

3.3.1 Qualitative Data Sources

The main sources of information for the qualitative aspect of the assessment were the project focal persons, the saving groups members including leaders, micro and small enterprise offices staff in the project area and the business facilities of the beneficiaries(through observation).

3.3.2 Quantitative data sources

The recording books of the groups including the individual saving books, bank/MFI books of the group's members, and the members of the groups were the source of data.

3.4 Data collection Instruments

Qualitative data collection:

- Focus Group Discussion (FGDs) Guide with group members
- In-depth Interview/Semi-structured interview (SSI) guide with selected project focal persons, group leaders, local government structures and MFI staffs

Quantitative data collection

- Structured questionnaire was distributed for randomly selected individuals. The questionnaire was administered among eligible individuals in the selected groups.

Piloting of data collection tool- The data collection tools had been piloted before they were administered for the actual study participants.

3.4.1 Recruitment and Training of Data Collectors

The data collectors for the quantitative method were recruited locally while the data collector for the qualitative methods was covered by the researcher himself, Ashenafi Tesfaye. The data collectors that were recruited locally were oriented and trained on the background of the study and the data collection tools. The criteria for the selection of the quantitative data collectors were:

- High school graduates
- Prior experience in similar undertakings
- Approval by local partners (for their integrity and manner)
- Having good communication and rapport skill

Sex balance was maintained in the recruitment of the data collectors. The training of the data collectors at field level was managed by the researcher.

3.4.2 Data Collection and Supervision

The trained data collectors were assigned for a specific catchment area by the researcher and administered the questionnaire for eligible respondents. In doing so, the researcher was making sure that the data is being collected from the selected households and provide technical support where appropriate. The data collectors edited each of the questionnaires collected on daily basis and submit for the researcher who in turn checked the questionnaires completeness and accuracy.

3.5 Data Analysis

3.5.1 Qualitative data analysis

The qualitative data analysis involved thematic coding of transcribed and translated focus group discussion and semi-structured interview recordings. Data were analyzed and compiled using a thematic approach by conducting an ongoing content analysis of the transcripts. Data analysis based on various strategic options was done. These include categorization via chronology, key events, settings, relationships, people, processes, and issues. Emerging themes were developed and expanded as a result of the interviews.

3.5.2 Quantitative Data Analysis

The quantitative data collected was checked for its completeness, coded, entered in to the database (SPSS version 19 licensed) and cleaned before running the actual analysis. In the cleaning process, the responses were being checked against the number of participants and range of responses. In doing so, in cases where there were missing data or error in the response, the hard copies were reviewed and corrective measures were taken. The corrective measure included making sure the entered data is consistent with the response in the paper or making wrong responses missing. This was assured by checking the accuracy of the data entry. The quantitative data analysis involved the description of the variables (distribution and central tendencies).

Frequency analysis was employed in the analysis of sex, educational level, marital status, household decision making power, access to loan, loan use by type of use, entrepreneurial skill, record keeping, change in saving, income, having personal saving, reason for change in income and saving. Calculation of the means and standard deviations were undertaken in the analysis of saving, profit,

saving amount, income and amount of loan used for microenterprise operation, and profit.

Comparison of independent samples means test was used to test the significance of the difference in the amount of profit, income and saving. Chi square significance test was employed to determine the significance of the changes in the categorical variables of the assessment interest in the case of frequency analysis as the comparison is only between two groups. An alpha level of .05 for all statistical tests is used

3.6 Scope and limitation of the study

The scope of the thesis was limited to MENA Addis Ababa program that works on CSSG and business skill development. The focus of the thesis was the change in the microenterprise operation effectiveness in bringing change on the profit, capital, income and entrepreneurial skill of the program beneficiaries as a measure of the program effectiveness.

One of the key limitations of the study is that it does not consider the dropouts. This has implication on the possibility of considering the non-matured groups as a comparison groups. But given the fact there was no significant dropout; the problem may not be serious. Though a thorough search of evaluations is done among NGOs, it was difficult to access evaluations that might have been done by academic institutions in Ethiopia.

CHAPTER FOUR

4. RESULTS AND DISCUSSIONS

4.1 Socio demographic characteristic

A total of 70 project beneficiaries from Mekdim Ethiopia National Association Addis Ababa office took part in the study: 35 individuals were members of CSSGs with participation period of more than 28 months while the other 35 individuals have less than or equal to 3 months of participation. To make sure that the group's members are comparable, the significance of the two groups difference in age, sex composition, marital status, and year of education is analyzed and presented in this section.

Female respondents constitute 80 percent of the study participants while the male respondents were 20 percent. The sex distribution across the two groups showed that 85.7 percent of the members in the matured groups are female while 74.3 percent of the non-matured group members are female. Test of χ^2 independence showed that the difference was not statistically significant, $\chi^2 (1, N=70) = 1.43, p = 0.232$.

The age distribution of the study participants ranges from 24 to 62, the majority (74%) are in the age group of 24-49. It is helpful that a majority of clients in the project have begun accessing services while they are in the 24 – 49 age groups, which is the most economically productive period of their lives. This is an opportunity for clients to maximize their economic potential at a critical period in their lives. The age of the members of the non-matured groups ($M=38.4, SD=9.7$) was equal to that of the matured group members ($M=34.9, SD=4.9, t(66)=1.867, p=0.066$).

Table 2**Respondents by sex**

	maturity		Total
	incoming/no n-matured	matured	
Male	9 25.7%	5 14.3%	14 20.0%
Female	26 74.3%	30 85.7%	56 80.0%
Total	35 100.0%	35 100.0%	70 100.0%

Table 3**Study participants by maturity level**

	Frequency	Percent
Non-matured	35	50.0
Matured	35	50.0
Total	70	100.0

The marital status of the respondents showed that 57 percent of the study population is married. On the other hand, 20 percent of the respondents are widowed, 13 percent are separated from their marital partner, and 10 percent of the study population is single/never married. According to χ^2 test of independence the difference was not statistically significant, $\chi^2 (1, N=70) = 6.77, p = 0.79$. The See table 4 below.

Table 4
Study participants by marital status

	maturity		Total
	incoming/no n-matured	matured	
Married	17 48.6%	23 65.7%	40 57.1%
Separated	8 22.9%	1 2.9%	9 12.9%
Widowed	6 17.1%	8 22.9%	14 20.0%
Single	4 11.4%	3 8.6%	7 10.0%
Total	35 100.0%	35 100.0%	70 100.0%

The majority of the respondents from all groups have some kind of education. 94 percent of the beneficiaries had attended formal education. On the other hand, the remaining around 6 percent of the study participants had never attended school. The number of years of education of the matured groups ($M = 6.2, SD = 5.7$) was not found to be different from that of the non-matured groups ($M = 6.7, SD = 3.6$), $t(68) = 0.426, p = 0.672$.

Apart from affecting the cash management skill of the beneficiaries this may have some implications in terms of cost and staff time of the implementing partners, as it takes more time and cost to explain the different documents, data recording and agreements to people who can read and write. Lack of schooling hinders/drag their feet from being matured within the predetermined time framework and also affects the overall wellbeing of the CSSGs in terms of future progress after graduation when the local implementing partners limit their technical support as they may still for that kind of support for an extended period in comparison with the groups with a better schooling.

For the individual, education creates choices and opportunities, reduce the burden of poverty, and builds empowerment. At a national level, education or human capital has the following consequences:

- Human capital is recognized as an important means for countries to increase labor productivity, which in turn can attract capital to expand economic growth
- Human Capital can contribute to poverty reduction by substituting for physical capital in countries where physical capital, that is land and wealth, is equally distributed
- The education level of adults is one of the most important determinants of poverty in many countries.

Education, therefore, is a crucial element in poverty alleviation and economic growth on the macro level as well as on the household level.

4.2 Dependency ratio

The dependency ratio is defined as a quotient between the populations assumed to be not economically productive and population assumed to be economically productive. Knowledge of the dependency ratio is very critical in livelihood intervention as the mere statement of the income could not show poverty level of the household. The number of people who are not economically active/not contributing income for the household are one way or another assumed to be a burden for those who are economically active. The dependency ratio for the study population was found to be 1:4, which implies that every economically active people is responsible to take care of him/herself and additional 4 persons; this shows that in the study population there is high dependency ratio compared to the national dependency ratio. High dependency ratio means households are highly vulnerable –are not in a better position to cope up with economic shocks.

4.3 Household decision making

There is widespread evidence that women often control only part of their earned income and even less of the pooled income. But that when women (rather than men) control income, the budget share of alcohol and cigarettes is lower (Hoddinott and Haddad as cited in Cohen, 1996) and, as a result, the effect on child survival probabilities is almost 20 times greater (Thomas as cited in Cohen, 1996). Further, that when women (rather than men) control income, the allocation of resources tends to be more egalitarian (Cohen, 1996).

The findings of the assessment showed that decision making power among most of the target households belongs to the beneficiaries involved in the CSSGs-women (around 82%). This implies that the gains from the intervention most likely benefit the target groups in the household. The intervention by itself focuses on women as the main target which is very important for the above mentioned reasons and it is the women who shoulder more responsibility in raising the children after the loss of the bread winner, the father in most of the cases. This contributes to the empowerment of the women who has been partly forgotten due to cultural biases and lack of opportunities due to the same reasons.

Table 5
Who is the head of your household-principal decision maker

	Frequency	Percent
Self	38	55.1
Male Family Member	13	18.8
Woman Family Member	2	2.9
self and husband/wife	16	23.2
Total	69	100.0

4. 4 Implementation process

4.4.1. Beneficiary selection and group formation

The economic strengthening support is meant to improve the economic well-being of target beneficiaries and their families. This necessitates the need to focus on those people affected by HIVC/AIDS and the respective members of the households that are economically more disadvantageous and vulnerable. Priority is given to PLHIVs, women family heads and child headed families. Women are given priority in case where the supply and demand do not match.

The targeting also takes into consideration the location of the beneficiaries especially for those who want to be in the same group as it has to be feasible and convenient for members for the group to meet regularly without incurring a large amount of cost. High transportation and other transaction costs are believed to negatively affect the motivation and enthusiasm of the beneficiaries to continue in the groups. At the same time such kind of costs reduce the efficiency of CSSGs and value of money as the large sum of their money goes to transportation fee rather than group saving.

Mekdim announce the project package and invite potential beneficiaries to enroll in any kind economic strengthening activities available like Vocational training, group ME, Small business management training, individual ME and community self-help and saving groups. There is a standard format prepared for this purpose and used for need assessment purpose in the case of economic strengthening activities. This is done regularly and the beneficiaries can enroll themselves in the Economic Strengthening activities by approaching their respective are facilitator as there are individual/staff members for the ten sub cities hired by Mekdim for close follow up and to assess the felt needs of the beneficiaries by helping them to know the list of available economic

strengthening interventions regularly and other services and call up on them whenever there is a budget for the same activities so that they can engage in an actual economic activities they have enrolled for.

So the beneficiaries approach the organization and join new CSSG groups under formation from their respective sub city by their choice and the list of the of every group members is submitted to the social department head, a department responsible for this activities and they are appointed for an orientation session in addition to the orientation they have attended at individual level by their respective sub-city representatives.

Every group attends a half day orientation session by project officers or social department heads on the overall CSSG economic strengthening interventions. It is almost similar for those who want to involve in a group or in individual microenterprise development with a very little difference. They are enrolled with their sub-city representatives but it is straight forward as the selection is more of an iteration process, even if they do have a choice to select between available alternatives they still need to fulfill the minimum requirement set for these economic strengthening intervention. This includes being physically ready and able to operate ME either with the group or individually, willingness both to engage in ME and work with the group when it is a group ME, have sufficient time to run to the operate it, willingness to attend small business management training before involving in the ME and being at destitute level across the economic vulnerability ladder at the time of engaging in the ME.

Moreover, they also have to be new to economic strengthening activities or have not been involved with similar intervention at Mekdim or somewhere else and should be able to bring a letter confirming that from their respective Kebeles or Woreda to make sure that duplication of effort is avoided.

For Vocational training, the process is almost the same except that Mekdim give more focus to older OVCs and younger PLHIVs. Mekdim uses two types of vocational training implementation, for some individual it provide revolving fund so that they can start their own individual business while in the other case it only provide training that could help them be competitive in the labor market.

4.4.2 Mentoring (follow up), Synergy and coordination with other stakeholders

The follow up and mentoring of the CSSGs is done by a joint effort of the project staff and MSED office staff. The ME officers and Community based trainers are responsible to provide technical support for the beneficiaries starting from the formation process of the CSSGs. They provide different trainings to the CSSGs in collaboration with MSED office. The trainings include the basics of CSSG, basic business skill trainings, leadership of the management teams, and ME-SPM.

4.4.3 Recording, documenting and use of data for programming

Records on service statistics on membership, savings, credit, and delinquency are held by the program Office. Similarly, the record, minutes and balances of the groups are held by each group. This is handled by the management committees of the groups. Yet, the regular analysis of the data and its use of programmatic intervention are not much observed. The use of data at individual level as well as group level for programming purpose needs urgent attention across all partners.

4.4.4 Participation of the beneficiaries in the economic strengthening activities and services

The major elements in the CSSGs across all two partners were training activities, savings, loans/seed money/revolving fund, mentoring and other business development services. Due to the maturity level of the groups the levels of participation of the beneficiaries in the intervention activities vary from group to group. The level of participation in the different service/activities is discussed below.

All of the beneficiaries have some form of orientation on CSSG. Around 75 percent of project economic strengthening support beneficiaries have got business skill trainings. However, there is a significant difference in getting the trainings between the matured and non-matured groups. Around 100 percent of the matured group members have got business skill training while only 50 percent of the non-matured groups got the same training. Out of those who took the training most of them (98%) think that the trainings were helpful.

Table 6
Study participants by participation in trainings

	Maturity level		Total
	Non-matured	Matured	
Yes	17	35	52
	50.0%	100.0%	75.4%
No	17	0	17
	50.0%	.0%	24.6%

The training the participants received covered a wide range of topics, with the most common topics mentioned as saving and credit (89 percent), Food Preparation (0.7 percent), Financial management (0.7 percent), about sewing(0.7percent), and how to undertake business(7.4 percent). This calls for an introduction of uniformity across training materials used regardless of the model employed by partners. It is critical to agree on key messages of the training packages and major expected outputs.

4. 5. Entrepreneurial skill

The knowledge and skills of the target groups on ME selection, planning and management play a significant role in determining their success. The study participants knowledge and skill of business was assessed by asking them the variables that they took into consideration in choosing the type of income generation activities. This was done with the assumption that entrepreneurial behavior is characterized by considering demand factors such as market demand and likely profit in setting up an enterprise. Pre-entrepreneurial behavior, in contrast, tended to focus more on supply factors, focusing on products or services individual knew how to provide (KHANA, 2008).

Respondents in the two groups reported considering a range of factors in deciding to be engaged in an ME; familiarity of the work (79 %), whether the product/service have demand(84 %), how much working capital is needed (53 %) and whether it could be done alongside other family responsibilities (17 %) are some of the mentioned factors. The knowledge of the business and demand/profit seem very important factors in the selection of income generation activity among the study participants. On the other hand, social factors like being able to take

care of other responsibilities and male influence⁴ seemed to play lesser roles as indicated in the table.

In looking at the responses across the two groups the matured group members seem to better in identifying the different variables that need to be considered in undertaking business. Members of the matured groups seem to be more focused on the presence of demand for the business/product than the non-matured ones. See table 7 below

Participants of the study who are engaged in microenterprise were also asked whether they keep record of their income and expenses. The response shows that only 14.6 percent of the study participants keep financial records. From the matured groups ($n = 35$) only 1percent reported as they keep records while only 46.2 percent of the non-matured/incoming clients ($n =13$) reported as they keep financial records. Test of independence using χ^2 test showed that the difference is statistically significant, $\chi^2 (1, N = 48) = 14.27, p < 0.001$. This might be because of a string follow up and support for the beneficiaries at the early stage of the intervention.

Table 7
Study Participants by entrepreneurial skill

			Total
	non-matured	matured	non-matured
ME I KNOW	11	35	46
	37.9%	100.0%	
	17.2%	54.7%	71.9%
DEMAND	19	35	54
	65.5%	100.0%	
	29.7%	54.7%	84.4%
CAPITAL	21	13	34
	72.4%	37.1%	
	32.8%	20.3%	53.1%
Other responsibilities	11	0	11
	37.9%	.0%	
	17.2%	.0%	17.2%
A place for the ME	1	0	1
	3.4%	.0%	
	1.6%	.0%	1.6%
Who will help me	1	0	1
	3.4%	.0%	
	1.6%	.0%	1.6%
Total	29	35	64
	45.3%	54.7%	100.0%

4.6 Access to loan and seed money

CSSG approach is thought to be effective in creating access to loan for the target groups. 100 percent of the respondents from the matured CSSG participants reported having received loan from their groups while none of the study participants from the non-matured groups reported as they did not received loan.

4.7 Loan and matching fund use

All of the respondents from the matured groups indicated that they have used a portion of their loan for IGA. A mean amount of birr 2485($SD =$ birr 49) has been spent for IGA purpose. Those who responded they had invested the loan/seed money income generation activity indicated petty trade (62.9%), food processing/and sales of traditional alcohol (37.1%) as the major type income generation activities. As the table below shows, the most popular income generation activity in which clients invested their latest loans was petty trade.

4.8 Profit

Most of the study participants were engaged in petty trade and other related income generation activities. The mean amount of monthly profit generated by those beneficiaries involved in income generation activity was birr 198.5($SD =$ birr 193). The monthly reported profit for matured ($M = 171.05$, $SD = 52.9$) is equal to the non-matured groups ($M= 278.57$, $SD= 379.9$), $t(45) = 1.696$, $p = 0.97$.

Table 8
Comparison of mean profit

	N	Mean	Std. Deviation	Std. Error Mean
Non-Matured groups	12	278.5667	371.85911	107.34648
Matured groups	35	171.0571	52.91555	8.94436

The improvement in the economic well-being of the households/beneficiaries is mainly seen as a means to enable them to meet their basic needs in a sustainable manner in the long term. In the short term, the immediate effects might be seen from two angles: development of the income generation capacity and their ability to meet the minimum basic needs.

4.9 Change in capital

All of the matured groups members have got startup capital amounting birr 2500 from Mekdim so as to engaged in microenterprise or expand their microenterprise operation. On the other hand, none of the non-matured groups did get startup capital. The respondents were asked as how much of the startup capital they have used for the intended purpose and if they had added any other capital in starting the business. In connection to this, all of the respondents indicated that they have used a portion of their loan from the CSSG for ME.

Comparison of their initial capital with their current capital shows a significant decline. The amount of capital reported by the participants at startup capital ($M = 2491.28$, $SD = 5.7$) is much higher than the current capital they have

($M= 1288.57$, $SD= 130$), $t(34)= 58.598$, $p < 0.001$. This could be explained by the inflated figure of the startup capital due to the seed money injection and the latter use of available cash for ME and household consumption indiscriminately as reported by the participants in the FDG.

4.10 Changes in Savings

Savings is the key component of the community self-help and saving groups. A total of more than 14, 192 birr was registered as saving. All the study participants have saving accounts at their respective groups. The saving is kept at the treasurer of the CSSGs and managed by a committee.

The mean amount of savings per beneficiary is birr 202 ($SD =$ birr 133) for all participants of the study. The amount of saving for matured ($M=333$, $SD= 26.2$) is higher than the non-matured groups ($M = 72$, $SD = 9.9$), $t(68) = -55.25$, $P = <.001$.

Around 76.8 percent of those participated in the savings indicated that their saving amount has increased; around 20.3 percent reported that their saving has stayed the same while 2.9 percent reported decrease in saving. In comparing the two groups response, it is observed that around 85.7 percent of the respondents from the matured group reported increase in saving while 67.6 percent of the non-matured/incoming clients reported increase in saving within the last 12 months. Test of independence using χ^2 test showed that the difference is statistically insignificant, $\chi^2(2, N = 69) = 3.48$, $p = 0.175$.

Table 9**Study participants by change in their saving**

	Maturity		Total
	incoming/non-matured	matured	
Decreased	1 2.9%	1 2.9%	2 2.9%
It is the same	10 29.4%	4 11.4%	14 20.3%
Increased	23 67.6%	30 85.7%	53 76.8%
Total	34 100.0%	35 100.0%	69 100.0%

The reasons for increase in the amount of the savings were mainly due to improved understanding and knowledge of saving; scale up business activities; consistency in saving practice; involvement in groups based bulk purchases and support from NGOs.

The study participants were also asked if they have personal saving other than the CSSGs. In connection to this, 100 percent of the respondents from the matured groups reported as they have personal saving while around 35 percent of the non-matured/incoming clients reported having personal saving. Test of independence using χ^2 test showed that the difference is statistically significant, $\chi^2 (1, N = 69) = 33.25, p < 0.001$.

Table 10

Study participants by having personal saving other than the CSSG

	Maturity		Total
	Incoming/non-matured	Matured	
Yes	12 35.3%	35 100.0%	47 68.1%
No	22 64.7%	0 .0%	22 31.9%
Total	34 100.0%	35 100.0%	69 100.0%

CHAPTER FIVE

5. CONCLUSION and RECOMMENDATIONS

5.1 Conclusion

The microenterprise intervention of MENA encompasses the provision of CSSG training, provision of startup capital and technical support through close follow up. The trainings include the basics of CSSG, basic business skill trainings, leadership of the management teams, and ME-SPM. Priority is given to PLHIVs, women family heads and child headed families in MENA microenterprise intervention targeting. Women are given priority in case where the supply and demand do not match. The microenterprise intervention is meant to improve the economic well-being of target beneficiaries and their families.

The intervention was effective in increasing the entrepreneurial skill of the beneficiaries, access to loan, household decision making power, engagement in ME (creating alternative source of income) and expansion of existing MEs, and saving. The knowledge of the business and demand/profit was found to be very important factors in the selection of income generation activity among the matured groups than the non-matured groups. On the other hand, the effect of the intervention on ME management in terms of record keeping was temporary as the non-matured groups members were much better in record keeping than the matured group members. In the same way, the change in the capital of the beneficiaries has shown a decline rather than improvement over time. No significant difference was also observed in the profit of the two groups' member in their microenterprise operation, leading to the conclusion that the intervention was not effective in positively influencing the profit of the beneficiaries.

5.2 Recommendations

Targeting

The targeting and beneficiary selection process of the partners is done through the joint effort of the implementing partners, community based organizations, government bodies and volunteers. This is one of the core strengths of the intervention. Nevertheless, the focus needs to be on orphan and vulnerable children targeted by the program. The different stakeholders involved in the selection process of the beneficiaries need to be trained on the targeting and selection of beneficiaries. Additional selection criteria also need to be developed in the determination of the eligibility of the beneficiaries for the specific economic strengthening interventions (E.g. age, household vulnerability and⁵, health status).

Loan service

The saving led intervention is meaningfully developing the culture of saving among the beneficiaries. In lieu of this, given the loan demand of the beneficiaries, a very small amount of the saving is mobilized. Though saving is a merit by itself, the ultimate objective of the saving should be to the benefit the beneficiaries as a source of loan/credit service for income generation purpose or as risk coping mechanism. Hence, there is a need to encourage the CSSG groups to utilize their large amount of savings to meet the loan demand of their members. Moreover, members should have a clear understanding on their bylaws to strengthen their group towards achieving their common vision.

Follow up and Business Development Services

The mentoring services provided by the partners for the beneficiaries require improvement. This depends on the assignment of sufficient human

⁵ Household risk management strategies could be a good indicator for the measurement of household vulnerability.

resource and technical expertise of the service providers on IGA as well as their knowledge of wider practice in this area. This should be an area of immediate intervention in terms of the allocation of adequate human resource and the provision of training on BDS for the service providers. As evidenced in the findings, most of the beneficiaries are in a better position to be supported through income growth oriented interventions; as their level of vulnerability opportunities need to be identified and appropriate interventions pursued.

Linkages/ Capital Injection

The saving activities of the beneficiaries in the hope of improving their lives should not be at the expense of survival and narrowing of their children's future. Though saving led approaches are preferable to bring about the attainment of the objectives that discourages dependency, economic strengthening interventions among people living in abject poverty may need to be done based on sound theories and practical evidences i.e. the livelihood pathway concept need to form the basis for determining the specific types of economic strengthening interventions. Economic strengthening support also needs to be seen as a process along a spectrum. Hence, the ad hoc capital injection as part of the economic strengthening support needs to be systematized and be strategically applied to specify target groups.

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Annex 1: Survey questionnaire

Survey Identification Number [_____]

Survey reviewed by : _ Data entered on computer by : _____

Main Survey

Town: _____ Interviewee ID. _____

Name of interviewer: _____ Date of interview : (mm/dd/yy) ____/____/____/

Beneficiary information only: (Complete from program records, when possible, or by asking beneficiary.)

Frequency of saving per year	
Amount saved per unit period	
Total Amount saved	
Number of years stayed with	

Total HH level amount of current credit taken	
Number of loans taken	
Amount unpaid	
Number of years stayed with	

Introduction and Consent

Greetings.

How do you do?

I am _____ . I am

conducting a survey because I am interested to know the effects of the economic strengthening support provided for MENA beneficiaries. From the beneficiaries, you are selected for this survey randomly. The information you will give us will help those

people who work to improve the lives of beneficiaries in planning and improving their services. The survey will approximately take 30 minutes to complete.

Whatever information you provide will be kept strictly confidential and will not be shown to other people.

Participation in this survey is voluntary. However, I hope that you will participate in this survey because your views are important. Are you willing to be interviewed to share us your view with a maximum of half an hours stay together?

Individual Level: Basic Information

1. How long have you been a member of the MENA supported CSSG group (Write number of information that matches beneficiary status.) Put in year and number of months:

2. Sex of respondent

1 = Male

2 = Female

3. How old are you? _____

Specify number of years

4. Currently, are you ...? (Read answers. Enter only one among the choices.)

1 = Married/free union

2 = Separated/divorced

3 = Widowed

4 = Single/never married

5. How many years of school have you completed?

Specify number of years _____

Household Level: Basic Information

6. How many persons in your household—those who live together and share the same food at least once in a day—are...

Number of persons³

Adults—18 years of age or older

Children—17 years of age or

younger _____

7. How many persons in your household are working—engaged in work that earns income or products?

Number of economically active

7.1. How many persons in your household

have a job that earns them a regular income?

Number of salaried workers

8. Who is the head of your household— the person who is the principal decision-maker?

1 = Self

2 = Male relative (husband, father, brother, uncle, grandfather, father-in-law, brother-in-law)

3 = Female relative (mother, sister, aunt, grandmother, mother-in-law)

Loan Use and Individual Income (only for those who have taken loan..to be referred on the first page)

13. Did you invest any of the last loan you took from your economic group into an income-generating activity?

1=yes

0=No

99 = Don't know

13.1 How much money did you invest in income generation activity/ties out of the total loan? _____

13.2. How did you invest the last loan you took from your economic group? (Do not

read. Multiple answers possible.)

1 = Commerce/ trade /retail (includes petty trade)

2 = Manufacturing(includes food processing, textile production, crafts, leather work)

3 = Service (includes hairdressing, restaurants, food stalls, cleaning services)

4 =Agriculture (includes food or other crop production, animal raising)

98 = Not applicable; did not invest the loan in an income-generating enterprise

13.3. Did you use any portion of your last loan to...? (Read each statement. Fill in appropriate box.)

13.3.1. Buy food for your household

1=yes

0=No

13.3.2. Buy clothes or other household items

1=yes

0=No

13.3.3. Give or loan the money to your spouse or someone else

1=yes

0=No

13.3.4. Keep money on hand in case of an

emergency

1=yes

0=No

4 =Agricultural pro-duction was poor

5 =Lost job

6 =Others (specify)

13.3.5. Keep money to repay a loan

1=yes

0=No

14.3. *(If increased at all) Why did your income increase? (Do not read. Multiple answers possible.)*

14. Over the last 12 months, has your household's overall income...? (Read answers and enter response.)

1 =Decrease greatly

2 =Decreased

2 =Stay the same

3 =Increase

1 =Expanded existing enterprise

2 = Under-took new enterprise

3 =Able to buy inputs at cheaper price

4=Sold in new markets

5 =Got a job

6 =others (specify)

14.1. (if increased since the period when the program started) by how much? _____

14.2 *(If decreased since the period when the program started)* by how much: _____

14.3 if decreased, why did your income decrease? (Do not read. Multiple answers possible)

1 = I or house-hold member has been sick

2 =Poor sales

3 =Unable to get inputs

Enterprise Level: Income, Labor, and Profit (only for those who are engaged in IGA)

15., In the last 4 weeks, did you work for anyone else for pay (in kind or in cash)?

1=yes

0=No

15.1. In the last 4 weeks, did you engage in your own enterprise or income-generating activity than being employed? *(include seasonal or piece work)*

1=yes

16. In the last 4 weeks, which of these enterprise activities earned you the most income?

Activity#1:

16.1. Is this enterprise activity...? (Read answers and enter only one among the choices.)

- 1 = Primarily your own enterprise*
- 2=Primarily a household enterprise*
- 3 = A business partnership with others not in your household*

16.2 What is your product cycle for this enterprise-how long does it take from the time you purchase inputs to the time you sell most of the products? For example, if you sell cooked food in the market once a week and buy your ingredients on a weekly basis, you earn a weekly profit.

- 1. Weekly 2. Every 2 weeks 3. Monthly
- 4. Other(specify)_____

16.3sales: for the same product cycle, what were your total sales(cash and credit)? (enter amount in the appropriate time period

box.)

weekly profit	Profit per 2 weeks	Monthly profit	Profit for other period/specify

16.4 Profit: For your main IGA, after covering your costs—but before you spent your earnings on your family—what was your profit? (Enter amount in the appropriate time period box)

weekly profit	Profit per 2 weeks	Monthly profit	Profit for other period/specify

17. In the last 4 weeks, which enterprise activities earned you the second greatest amount of income? (NOTE: If there is no secondary activity, proceed to question 18.)

Activity #1:

17.1. Is this enterprise activity...? (Read answers and enter only one.)

- 1 = Primarily your own enterprise
- 2 = Primarily a household enterprise

3 = A business partnership with others not in your household

17.2. *16.3sales: for the same product cycle, what were your total sales(cash and credit)? (enter amount in the appropriate time period box.)*

weekly profit	Profit per 2 weeks	Monthly profit	Profit for other period/specify

17.3 Profit: For your secondary IGA, after covering your enterprise costs—but before you spent your earnings on your family—what was your profit? (Enter amount in the appropriate time period box.)

weekly profit	Profit per 2 weeks	Monthly profit	Profit for other period/specify

18. *(If beneficiary answered #16b and 17b) (INTERVIEIR: Rate the beneficiary’s ability to estimate his or her profit, costs, and earnings.*

RECORD YOUR OBSERVATIONS AS AN INTERVIEIR. DO NOT ASK!

1 =Great deal of difficulty

2 = Some difficulty

3 = No difficulty

Enterprise level: income, labor and profit

20. During the last 12 months, did you make any of the following changes to your enterprise activity?(read the list of possible changes. Mark the appropriate box with an X.)	1. Yes	0. No	99. DK
A. Expanded size of enterprise			
B. Added new products			
C. Hired more workers			
D. Improved quality or desirability of product/add value			
E. Reduced costs by buying inputs in greater volume or at wholesale prices			
F. Reduced costs with cheaper source of credit			
G. Developed a new enterprise			
H. Sold in new markets/locations			
21. During the last 12 months, did you purchase or invest in any of the following assets for your enterprise activity? (read list of possible changes. Mark the appropriate box with X)			
A. Purchased small tools/accessories such as cooking utensils, baskets, basins			
B. Purchased major tools such as stoves, equipment, machinery			
C. Purchased own means of transportation such as a bicycle			
D. Invested in a storage structure such as granary, stock room			

E. Made a minor investment in your marketing site by purchasing a chair, table, shed or the like			
F. Invested in structure for your Marketing site(shop, Kiosk)			

Individual Level: Savings and Enterprise Skills

21. *Do you currently have any personal cash savings that you keep in case of emergencies or because you plan to make a major purchase or investment?*

1 = Yes

0 = No (go to #23)

22. *During the last 12 months, has your HH level personal cash savings...? (Read answers and enter response.)*

1 =Decrease greatly

2 =Decreased

2 =Stay the same

4 =Increase

5 =Increase greatly

22.1 (if increased at all) by how much?_____

22.1. if decrease/increase, Why?

.....

.....

.....

23. When you are deciding to undertake an enterprise, what factors do you consider? (Do not read answers. Multiple answers possible. Probe by asking, “And anything else?”)

1 = Work I am familiar with/It is the season/Others are doing it

2 = Whether the product or service is in demand or whether it seems profitable

3 = How much working capital is needed/ Whether I have enough money

4 = Whether I can do it and still take care of my family and other responsibilities

5 = Others (specify)

24. What was the amount of your capital when you start your business? _____

25. What is you're the amount of capital at this time?

26. Name three things you like most about MENA supported livelihood program/your economic group. (Do not read answers.)

1 = Lower interest rate than other informal sources of credit (informal lenders)

2 = Steady source of working capital

3 = Group solidarity and/or group dynamics

4 = Training or technical assistance

5 = Other financial services, such as savings or insurance

6 = Fast service, compared to banks or other sources

7 = Easier guarantees than other loan alternatives

8 = emotional and social support

9 = Others (specify)

99 = Don't know

27. Name three things you dislike most about MENA/ supported livelihood program/your economic group. (Do not read answers.)

1 = High interest rates or commission

2 = Size of initial or subsequent loans too small

3 = Loan cycle too long or too short

4 = Problematic group dynamics (with leaders or at meetings)

5 = Meeting frequency too often or meetings too long

6 = Meeting place/office not convenient

7 = Repayment policies (frequency, amount)

8 = Guarantee policies

9 = Transaction costs for beneficiary (such as slow disbursement)

10 = Dislike behavior/ attitude of loan officer or other program personnel

11 = Lack of grace period

12 = Forced savings or insurance

13 = Others (specify)

14 = Nothing

99 = Don't know

28. If you could change something about MENA/ supported livelihood program/your economic group to make it even better, what would you change?

End of survey—express thanks for their time—answer any questions

Annex 2 Interview and Focus Group Discussion Guide

MENA Economic strengthening support Assessment

Key Informant Interview Guide

- What are the typical economic strengthening strategies being applied? Probe- why was this approach selected? Are the strategies complete in the sense of having all components to bring a real change in the livelihood? If not what are missing in the strategies?
- Do you think the approach is delivering the intended results? Why/why not?
- Does the prevailing socioeconomic situation of the area conducive for the development effort(at macro level) what are the supportive and constraining conditions or factors for the effectiveness of the program?

- Are there other alternatives in the area whereby the beneficiaries could get the same kind of support? If so, what are they? And, as compared with the MENA ones, which ones are better in what respect?
- Is there any gap that MENA economic strengthening support tried to address in this area that the others are not addressing?
- Are beneficiaries interested to participate in the economic strengthening program? If they are not why?
- How are the beneficiaries being selected, organized and engage in saving groups/income generation activities?
- What are the schedules and implementation routines of the livelihood approach?
- What are the schedules and implementation routines of seed money/revolving fund provision?
- Do most of the beneficiaries who participate in the economic groups are engaged in income generating activities?
- Are the type of income generation activities selected based on appropriate market information? If so what is the source of information?
- What does the financial health of the economic groups look like? Do you think they could sustain the activity? Is default a serious problem? If so what are the reasons?
- How is the commitment from the project staffs higher leadership reflected in terms of mobilization and technical/administrative support?
- What does the coordination and linkage with other financial institutions and the governments look like?
- What measures are taken when selected beneficiaries/groups fail to function according to plan?
- Is the MENA project influencing the lives of the beneficiaries? If so how?
- What were the intended targets with the project?
- Do you think that the program contributed in realizing the overall project objectives? why/why not?
- What has been facilitative or hindrances have you observed in the implementation of the MENA/ livelihood component?

- What recommendations do you have for improving the economic strengthening intervention?

MENA

Focus group discussion Guide for Group IGAs

1. How was the groups organized? What are the selection criteria?
2. Have you got trainings on IGA or SPM? If yes, at what stage are the trainings provided? Are the trainings helpful/important? Probe: how?
3. Do you have legal personality? Bylaws? If yes, probe: are the bylaws being applied properly?
4. Do you have management committees? Is there clear labor division among the management committees?
5. Do you have business plans? If yes, how was the business plans developed? Is it documented? Do all members participated in the process?
6. How did you finance your business plans? Probe: Have you ever received financial support/seed money from MENA economic strengthening support? Was the seed money sufficient to start the business?
7. What are the types of business activities the groups are engaged in? How was the business types selected? Probe: what are the key factors that you consider in selecting the business types?
8. How do you run the business activities?
9. Are the business undertakings profitable?
10. How do you manage your financial transactions? Are there financial procedures in place to manage the business activity?
11. How do you divide profits? When do you divide your profits? Do you dedicate some portion of the profit to the business activity? If not, why?
12. If your business gets bankrupt what strategies/support mechanisms do you have to start your business again?
13. Do all members regularly attend meetings?

14. Are there records of group meetings?
15. What kind of support do you get from MENA donor? Probe: are the supports satisfactory? If no, why?
16. How often do the facilitators/officers from MENA donor visit your groups? Do they participate on your weekly/bimonthly meetings/or any other period?
17. What kind of support do they provide on their visit?
18. Are there IGA groups that have become independent? What are the criteria to graduate?
19. What benefit have you got by being member of the IGA group? Probe: Does the livelihood of the household members in general and the OVC in particular is improved as a result of being member of the IGA? If yes, how?
20. Do individual members of the groups have personal savings?
21. What challenges do you have as IGA group?
22. What do you suggest to improve the intervention?

MENA

Focus group discussion Guide for CSSG

1. How are the CSSG organized? What are the selection criteria?
2. Have you got trainings on CSSG and SPM? If yes, at what stage are the trainings provided? are the trainings helpful/important? Probe: how?
3. Do you have constitution? If yes, probe: are the constitutions being applied properly?
4. Do all members know the group's objectives?
5. Do you have management committees? Is there clear labor division among the management committees?
6. How voting power is distributed among members of the CSSG?
7. Do all members regularly attend meetings?
8. Are there records of group meetings?
9. Have CSSG started providing loan to members?
10. Who is eligible for loan? What are the key factors that are considered in loan appraisal?
11. Is the loan amount fixed? If yes, how much? Probe: How is loan ceiling calculated?
12. Are loans purposes specific? If yes, what are the purposes for which they are given?

13. Is repayment period fixed? Are there repayment problems? If there is significant repayment problem, ask the reasons?
14. Do you think that the interest rate is reasonable? If no, why?
15. Are there times where saving is suspended? If yes, what are the reasons? How long it does usually lasts?
16. Do savings continue during times of loan repayment?
17. Does the saving and lending records well recorded and documented? If no, why? How are you manage the money?
18. Does the cash at hand satisfy the loan demand of the group members? If no, what mechanism/loan rotation do they use? Does the CSSGs have surplus money? if yes(surplus), how is the surplus managed?
19. Are most of the CSSGs members engaged in IGA? If so, what are the most common types of IGA members are engaged in? are the business undertakings profitable?
20. What kind of support do you get from MENA donor? Probe: are the supports satisfactory? If no, why? Probe: Have you ever received financial support/seed money from MENA economic strengthening support?
21. How often do the facilitators/officers from MENA donor visit your CSSGs? Do they participate on your weekly/bimonthly meetings?
22. What kind of support do they provide on their visit?
23. Are there CSSGs that have graduated and become independent? What are the criteria to graduate?
24. What benefit have you got by being member of the CSSGs? Probe: Does the livelihood of the household members in general and the OVC in particular improved as a result of being member of the CSSG? If yes, how?
25. What challenges do you have as CSSG?
26. What do you suggest to improve the intervention?