

# Economic Projects Trust Fund



## **FINAL EVALUATION REPORT OF “LAYING THE FOUNDATION FOR MICRO-ENTERPRISE DEVELOPMENT IN SOUTHERN SUDAN”**

Pilot Programme Implemented by Integra Foundation, EPTF, World Concern & World Relief  
Supported by SlovakAid & STROMME Foundation

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Ahsante

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## ACRONYMS

AE	Adult Education
CPA	Comprehensive Peace Agreement
BDS	Business Development Services
EPTF	Economic Projects Trust Fund
FAO	Food and Agriculture Organization
FSA	Financial Services Association
IT	Information Technology
MED	Micro-enterprise Development
PLA	Participatory Learning Approach
SPLM/A	Sudan People Liberation Movement/Army
TOTs	Training of Trainers

## EXECUTIVE SUMMARY

### Overview and Highlights

The “Laying the Foundation for Micro-enterprise Development in Southern Sudan”, brought together 6 Partner organizations into a partnership to implement a pilot programme of perhaps the very first MED programme in the whole of the Southern Sudan. Two partners SlovakAid and STROMME Foundation were providing financial support while two other organizations Integra, Economic Projects Trust Fund took programme management roles while World Concern and World relief shared in the implementation and logistical support respectively.

The programme was implemented in Lietnhom, is a small rural community centre serving approximately 25,000 to 30,000 people in spread out villages in Gogrial East. In the Centre are about 5,000 to 7,000 persons. In the past, Gogrial as a whole was negatively affected by the scorched earth approach used in the Sudan conflict in the 1990s. Many communities were displaced, villages razed and destruction of infrastructure disruption of all social services ensued and economic activities stalled.

After the ceasefire achieved in 2002, communities began to settle back in Gogrial. Local hostilities ceased for most of 2003 and 2004. During that time World Relief and STROMME foundation conducted a baseline survey on the potential for MFI interventions. It was found that there was potential and that communities had an interests to undertake such activities. Some of the key needs identified were access to credit, sources of goods, infrastructure, organization and skills training were identified among others.

The implementation of the programme started in Sept 2005. The role of the civil society in the form of the Faith based agencies such as the church, World Relief, World Concern, and ALARM, a para-church peace building and reconciliation agency working in Gogrial anther parts of Eastern Africa in the community cannot be overstated. The MED programme directly targets 200 beneficiaries in Lietnhom, majority of them engaged in small trade businesses. Currently the project has disbursed a total of SDr. 2,400,000. Of this the total amount of loans fully paid stands at SDr. 1,360,000.

The loan advances are at the equivalent of about SDr. 15,000 (US\$ 75) per loan. The loan is at a simple interest of 5% with a grace period of one month. The repayment is made in three equal instalments. The programme has a two-month loan cycle. 40 persons are given loans in each one cycle thus out of fie members it would take 10 months to issue a loan to the last person before any repeat loans are given. This was reported to be along period of waiting by some respondents and it needs to be addressed.

The majority of beneficiaries did not keep adequate written records for their businesses. They, however, stated that they keep record mentally and that they do not loose money or stock. But it was noted that the size and types of businesses was small and as they grow in size and levels of activity, the keeping of mental records would be challenged. Adult Education could be accelerated to address this growing need. The Accelerated Learning and Alternative Education programmes of the Ministry of Education Science and Technology would be helpful in providing inputs on this direction. Sharing experience with other agencies such as ACROSS could also benefit the Adult Education intervention in the Lietnhom.

The programme engaged the community adequately and by doing so elicited and obtained support from the local authorities and civil society. The beneficiaries demonstrated a strong sense of cohesiveness as groups and in the market place. Moreover, the community addressed was small and harmonious for the time being. The local civil administration supports the programme and is interested to see it grow to meet wider needs than it addresses for the tie being. It could safely be stated that the programme addresses need, in a relevant and appropriate way.

The current partnership continues to be committed to working together on a scale-up of the project. The total cost of the programme was documented at \$250 000 obtained from SlovakAid and STROMME Foundation. A large part of the money was invested in the set up and also in creating the loan funds hence this is a longer term investment per beneficiary and in the larger community. The total amount spent per beneficiary during the pilot has not been calculated. The managing and implementing agencies are keen to continue with the programme and see it grow into a much larger scale addressing even bigger sizes of business in this locality in an efficient and effective manner.

The fact that there are no savings is a risk to the programme as the businesses are not able to capitalize as they grow, nor is the MED Programme. The lack of banking services, the quality of structures and the lack of insurance are also presenting risk. During scaling up a strategy to address this would be needed.

In addition, there local hostilities in the locality did present some challenges in the area of safety and security. This is especially important as most of the money is kept in cash. There is no banking system and no safes. Most trades kept their money in small metal boxes. The need to address the banking need with a physical structure is legitimate and would need to be addressed appropriately with sensitivity to the internal politics in the locality.

Approaches, methods and techniques used in the programme have proven to be efficient, effective and productive. These are also adaptable for the context in which they are used. The programme continues to hold potential for further learning and based on the experiences it had provided a basis for a phased scaling up. More work on various aspects of the model is needed but that would not inhibit the continuation or scaling up phase. In the scaling up phase issues of geographic and demographic coverage should remain in focus so as not to overstretch resources applied and available in the project to levels of inefficiency.

### **Programme Achievements and the Future**

The MED Programme in Lietnhom could be said to have made some positive impact in raising awareness vide the churches whose role was significant in pointing its members to the opportunities in micro-enterprise in Lietnhom. The MED programme has enhanced the volume of money in circulation, creating new businesses, developing skills and sharing information for local businesses, catalyzing adult learning and galvanizing community together to address disadvantage in an economically viable way. The inbuilt factors of sustainability would need to be profiled much more to make them part of programme planning, implementation and monitoring. This way they will not be assumed but rather be brought on board embracing the livelihoods approach.

It was noted that the church was pivotal in forestalling direction at the community level especially when the local hostilities heightened. Its role also brought about the value adding effect of demonstrating unity even though the two main churches (Catholic and Episcopal) are different but have worked side by side. The message of hope and reconciliation as well as peace conveyed by the church had a significant social value contributed into the group cohesion process. It could be stated (argued) that the MED programme presented a new dimension and opportunity to expose communities to principles and values that foment a new lifestyle of peace, unity and oneness were indirectly possible vide this project.

To many respondents they stated that, "the programme had brought a new opportunity of hope". The church leaders applauded the role played by the programme in mobilizing community members for a project like this. They felt that they co-owned the process of "bringing diverse people who had not sat together before", to begin working together to improve their livelihoods in brotherhood and make the message of peace with one another relevant. This could be enhanced through the concept and principles of transformational development<sup>1</sup>. It could be said that working through churches and para-church agencies was an added value in this location. It was observed that this augmented and practically demonstrated professed faith with practical work in a holistic manner.

The programme management structure and human resource in place are adequate, but there would be need for the function of records separate from the responsibilities of the MED trainers to be reviewed. The Office space might have to be increased by not less than 50% to create better working space given the constant flow of beneficiaries to the office. Some other arrangement of meeting beneficiaries at the trading area might be useful but it should not include exchange, issuing or collection of cash.

The MED programme has identified a number of opportunities for larger businesses but requires sharper skills for the business development intervention. The project has realized good result as a pilot and could be scaled up. In this regard, a phased approach would be regarded prudent. During the first part of the scale up, existing staff would need orientation on the approaches, methodology and techniques so as to cause them to operate with commonness of purpose.

The establishment of a full scale business development services would be of great help to the programme. Such an intervention would facilitate deeper analysis of business viability, sharper economic analysis and provide needed inputs in that scale to the programme

At the scale up phase, the savings intervention would need to be re-introduced and invigorated. This could be interfaced with the recruitment of some new additional staff with specific preference for women staff to compliment the existing team. The systems, records and procedures would then corn the next phase and the development of the scaling up implementation plan.

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<sup>1</sup> Dr Roger Sharland: *Transformational Development, REAP, 2000*

The report of findings is presented and the recommendations emanating thereof are share as follows:

### **Recommendation 1: Promoting Savings in Savings Groups**

It was found that the level of savings the MED Programme did not take the pre-determined cause and that there was very limited savings. The concept and approach to savings as part of the Programme needed to be clarified to beneficiaries and the community. In addition the need for a physical bank and concomitant issues related to that aspect acted as a barrier to the process.

*It is recommended that the intervention of savings in savings groups be invigorated and promoted to make the programme sustainable. A mechanism to make this community owned process it would be suggested that a Savings and Investment sub-committee be created to works at the awareness and mobilization level for savings and identification of business opportunities for members.*

### **Recommendation 2: Working with Faith-based Agencies to add value**

The place and role of the faith-based agencies in promoting harmonious community life, mobilizing and harnessing group cohesiveness and broadly participating in the improvement of livelihoods and peace was noted to be significant opportunity that adds value to this project.

*It is recommended that the role of the faith-based agencies, be harnessed for value adding elements that impact the worldview and values of the community and enlightening them not only on spirituality but also on elements of peace and transformational development.*

### **Recommendation 3: Credit Management Committee**

The Credit Management Committee created at the beginning of the programme was a measure that could have enhanced the level of beneficiary ownership of the process in place so far. This was inadvertently discontinued.

*It is recommended that this entity be reinstated and be strengthened to have capacity to run independently but as part of the disbursement, collection and recovery of loans with a function linking programme management to the groups.*

### **Recommendation 4: Shorten Loan Cycles and Increase Loan Amounts**

The evaluation that under the current regime, beneficiaries wait for as long as ten months to get a loan or repeat loans. This is a long waiting period given the amount of loans available.

*It is recommended that the loan cycles be shortened and a consideration be made to increase the loan amounts.*

### **Recommendation 5: Business Development Services**

The programme has a profile of potential opportunities for larger business venture in Lietnhom, however it was noted that the business analysis that goes with feasibility and viability was lacking in the programme. Time was also not sufficient for the management to adequately deal with this proposition.

*It is recommended that a slightly separated function be instigated to address this factor in the programme buy setting up business development services to augment the ongoing MED Programme initiatives.*

### **Recommendation 6: Records and Support Software**

The programme records are kept well and safely given the context and circumstances. It was found that whereas the beneficiaries did not keep written records themselves, the project needed to improve on record keeping beyond the hand written paper records. A software programme appropriate for this could be identified.

*It is recommended that appropriate software be identified or be purpose built with the future in mind for the programme records related to the loan, encompassing the monitoring f the portfolio needs in a comprehensive manner.*

### **Recommendation 7: Programme Model and Role Models**

The programme model is still evolving and it would be useful to sensitively look at what works given the unique context and significant needs to be addressed. Moreover the evaluation found that women were in the back side of business in that they tended not to have any of the main business lines, and that in addition majority had their business premises in the back side of the trading area.

*It is recommended that the programme model be developed with sensitivities on the factors unique in the context and strengthened to meet the needs with long-term sense of change and development in mind. It would be suggested that the programme seeks out some women role models and support them operate businesses in the main trading lines and location.*

### **Recommendation 8: Orientation and Strengthening Staff Capacities**

This is a unique type of project especially local staff majority of whom have worked in relief context. The need to understand the concept, model and principles in MED programming is crucial to the approaches, methods and techniques staff use at work. Capacity gaps in terms of information, skills, knowledge and other elements were identified and are presented in this report.

*It is recommended that a strategy to orientate staff and strengthen their capacities be devised and implemented alongside the programme interventions.*

### **Recommendation 9: Improving Adult Education**

Credit and Adult Education is central concept of this programme. It was noted that the Adult Animators (teachers/trainers) had limited education themselves. In addition, they had no prior exposure or training on how adults learn. Moreover, that at the field level there was inadequate information on what the policy for adult education, Alternative learning and Accelerated Learning programmes of the Ministry of Education and Science and Technology had in terms of syllabus, curriculum teaching and learning material.

*It is recommended that to improve Adult education these aspects be addressed and that Adult Education Teachers be oriented on the MED Module and its key approaches.*

### **Recommendation 10: Monitoring and Reporting**

Monitoring and reporting at the MED Programme was adequate. However, the majority of the narrative reports tended to be very brief and activity oriented. The review meeting reports, however, were objective and output oriented. This variance would need harmonizing.

*It is recommended that a monitoring and reporting guide and format be devised that would promote objective and output based reporting format.*

Below is the main report of the evaluation.



## EVALUATION OF THE MICRO ENTERPRISE PROJECT IN LIETNHOM, SOUTHERN SUDAN

### 1.0 BACKGROUND

#### 1.1 Introduction of Study Sites

The Micro Enterprise Evaluation of, "Laying the Foundation for Micro-enterprise Development in Southern Sudan", project used critical elements of review. These included: available data, information, plans, reports and statistics on credit, physical review and appraisal of business activities to project clients and their counterparts in Lietnhom Market, aspects of savings, economic empowerment for local traders and their market context, and interventions targeting women and youth including other activities the target clients have in business, farming, and livestock keeping as well as cooperative interventions.

Lietnhom is a small rural community centre serving approximately 25,000 to 30,000 people in spread out villages in Gogrial East. In the Centre are about 5,000 to 7,000 persons. In the past, Gogrial as a whole was negatively affected by the scorched earth approach used in the war of liberation. The perpetrators of the war campaigns caused massive displacement and loss of personal, family and community assets, including social capital and cultural heritage too.

The aftermath of the signed Comprehensive Peace Agreement has led to communities re-settling in their communal lands, with almost nothing at hand. Tools for basic livelihood needs were lacking but in the last three years, humanitarian agencies like World Relief, FAO and now World Concern intervened and there is a thriving cooperative of blacksmiths who fabricate needed tools at Lietnhom.

The local authority in Lietnhom has also intervened to re-settle returnees and ensure that there is security. Often there are local hostilities and these are handled locally. At the time of the Evaluation for instance, Lietnhom was emerging from local skirmishes and insecurity incidences. The Governor in the state made a visit to encourage and promote peace and give guidance towards reconciliation. He also affirmed the need to establish the rule of law while at the same time enforcing access to justice.

#### 1.2 Catchment Area

For the time being the project under review focused Lietnhom as its catchment area. Lietnhom has access to other larger centres like Luanyeker, Wau, and some local trade routes connecting to Khartoum as well. These centres are important sources of goods traded in the Lietnhom market. During the dry weather, traders are able to reach Wau and Khartoum for goods. The commonest means of travel is the occasional truck or recently, bicycles. In 2006 use of motorcycles has been introduced but these are not many. The use of bicycles is preferred even though they cannot carry many goods.

In Lietnhom centre, there are over 150 "*shopettes*" each measuring approximately 10<sup>2</sup> meters. Some traders especially women have their living quarters attached to the trading area. The structures are built from wood and roofed with grass or reed. Few have a mud wall that is not more than a meter high. The mud is reinforced with wooden frame. All the structures are not more than 3 metres high.

The centre has a plan of four rows with the front ones separated by an access "road or space" approximately 7 meters wide. The second row on each side, behind the front row is no more than 3 meters away on the back of them. Where the space might be wider, other smaller businesses, mainly tea sellers, are operated.

It is important to understand both the structures and the plan as it influences a number of business factors and options as well. It was noted that the front rows tended to have much larger businesses than the back rows. Moreover, more of the "*beginners*" and business women were found operating businesses in the back rows. Many businesses in the back rows tended to be related to food, tea or local brewing. There was a livestock business and due to its nature, it was on the sides.

Although agriculture was said to be thriving, only a limited number of cereals, simsim and groundnuts were on sale at the time of the evaluation. This could be attributed to the fact that the harvest season had not yet began. In the market, goods on sale included a variety of consumer goods, but clothing for all ages but more for youth was predominant. Among the foodstuffs, sorghum was on high demand partly because it is both the staple food and also a cereal of choice for brewers. A range of medicine vials and tablets were found in nearly all *shopettes*. Traders pointed out that; sugar, salt and soap were in high demand in Lietnhom. In the words of Chol Bar, one of the traders, "I brought one bag of sugar on my bicycle yesterday and it is already finished".

Asked why he could not get another bag of sugar to take advantage of the demand, Chol went on to state that, "I am tired I have to rest before I go for another one. In the rain season, cycling is more difficult, and vehicles get stuck often on the way" he concluded.

### **1.3 Approach and Methodology of the Evaluation**

Participatory approaches, methods and techniques drawn from Appreciative Inquiry and PLA informed by qualitative evaluation techniques were used for this evaluation. Interactive procedures were conducted at the project office level, individual client (including non-clients) level, market context level, and the level of other entities providing credit in Liethom and at the head office level, to gather adequate and relevant information and data including validating findings.

#### **1.3.1 Sampling**

The fieldwork was conducted at Liethom at the office level, at the community level and at the trading centre level. Approximately 25 interactive evaluation sessions were held with a sample of 60 respondents participating in the evaluation. These comprised key areas of inquiry, thus, project approaches and methodology, savings and loans, operating business in Liethom, adult education, group membership, leadership, and priorities; organizational and programme capacities, project and business records,.

Random sampling procedure was applied giving all the project aspects at the field opportunity for enquiry. At the field, project staff provided back up support with interpretation from one language to another. For most part, Dinka and English were the two main languages in use. Focus group interviews, one-on-one interviews, visits, talk and observe the market at work, data collection, checking of systems and records, review of documents and reports were conducted.

### **1.4 Data, Analysis and Report Writing**

Data was collected using qualitative social research methods. Analysis procedures of description, qualitative inquiry and interpretation (Walcot 1994) were applied. Qualitative data from literature review (*see bibliography*) was merged with outputs from field data. Analyses was conducted vide, key informant interviews, on-the-spot analyses, credibility testing technique, as well as qualitative analyses using a defined analysis procedure viz. comparative study on experiences attained in other but similar projects relevant to the project and context.

Documentation and report comprising an executive summary with recommendations and a main report with findings and observations of the evaluator and a conclusion was the final element in the evaluation process.

### **1.5 Purpose**

To evaluate and identify the successes, gaps, positive and negative effects of the project and provide reasoned advice on the feasibility of subsequent MED program by the project implementers.

### **1.6 Objectives**

1. To review project baseline, project plan and funding documentation, term reports (narrative and financial), and any other key documentary sources
2. To assess the components of the project to ascertain their relevance, potential for replication and sustainability.
3. To interview project beneficiaries, community members and stakeholders to elicit empirical evidence on the efficacy and effectiveness of implementation processes.
4. To assess the results and impact of interventions on the local community in line with planned outputs.
5. To present findings and recommendations to the project implementation team and all relevant partners.

### **1.7 Outputs**

- ✓ Profile of priority needs underpinning the project design in relation to target beneficiaries
- ✓ Profile of selected interventions and intended approaches, methods and techniques used for implementation
- ✓ Profile of local stakeholders and other actors actively involved in the sector within the localities where the project is implemented.
- ✓ Empirical evidence of relevance, potential for replication and sustainability of interventions and components
- ✓ Empirical evidence of the project results and impact on target beneficiaries
- ✓ Profile of recommendations

The report presents the findings of the project evaluation process and recommendations. During the evaluation process, reference was made to secondary sources of information and experiences of other projects from different, but relevant experiences to add value to this process.

## **2.0 KEY FINDINGS**

### **2.1 Engaging the Community to Address Needs**

The “Laying the Foundation for Micro-enterprise Development in Southern Sudan”, project engaged the community adequately. This enabled the evaluator to elicit and obtain support from the local authorities and civil society. The community, local authority and civil society expressed satisfaction that the programme is meeting needs. Listed below are some of the primary needs cited during the evaluation:

- ☐ Lack of sources for credit and banking facilities
- ☐ Lack of skills, information and knowledge for business
- ☐ Inadequate access to infrastructure due to poor roads
- ☐ Inadequate means of transport to sources of goods

Other needs included poor and inadequate business approach, practices and organization, negative competition among traders, exploitation of small traders by the bigger ones, heavy taxation and levies by local authority when traders are on transit from sources of goods. Other needs were documented on the baseline and the project plan documents. The evaluation found that the programme addressed real needs in an appropriate size of a community for the pilot stage.

### **2.2 Engaging Faith-Based Agencies to Implement holistic programme Interventions**

The evaluation observed that the MED programme brought together a body of faith-based agencies (World Concern, World Relief, the Navigators, ALARM etc.) and the church namely, Episcopal Church, Catholic Church, and apparently the Presbyterian and Pentecostal Churches were also interested and motivated to engage. The involvement of the churches greatly influenced the formation of community groups at the community level.

The role of faith-based entities brought value added effects in practically demonstrating and elaborating the practical side of faith. The two main churches in Liethom (Catholic and Episcopal) are different but have worked side by side. Some of the church leaders have also participated in the initial Credit management Committee. This gave legitimacy to the programme despite the shortcomings emanating from the need for a physical bank.

The message of hope and reconciliation as well as peace conveyed by the church added significant spiritual and social value. This informed the group cohesion process. It therefore appeared that the MED programme presented a new dimension and opportunity to expose communities to principles and values towards a lifestyle of peace, unity and oneness.

Respondents asked what they felt was important in the programme stated that, “the programme had brought a new opportunity of hope for unity”. The church leaders applauded the role played by the programme in mobilizing community members for a project like this. They felt that they co-owned the process of “bringing diverse people who had not sat together before”, to begin working together to improve their livelihoods in brotherhood and make the message of peace with one another relevant.

This proposition could be enhanced through the concept and principles of transformational development<sup>2</sup>. It could be said that working through churches and para-church agencies was an added value in this location. It was observed that this augmented and practically demonstrated professed faith with practical work in a holistic manner.

The practical demonstration of faith contributes to changed worldviews and in a context as the one in which the MED programme is implemented, it contributes to peace building, reconciliation and transformation from a culture of violence to a culture of peace, unity, harmony and living in diversity<sup>3</sup>.

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<sup>2</sup> Dr Roger Sharland: *Transformational Development, REAP, 2000*

<sup>3</sup> BYDA Report: *Peace Building Committee Workshop, Yirol, 2002*

## 2.3 Evolution of Micro Finance and Micro Enterprise in a Post-Conflict Economy

*Evolution* is a necessary paradigm to use in this report as it denotes the dynamic and continuing shift of context, strategies and practices in use. In the case of Southern Sudan, the banking infrastructure had been beaten down and non-existent in virtually all localities<sup>4</sup> under SPLM-SPLA control. As a result, to think or imagine that micro-enterprise was an option was irrelevant in many agencies especially in 1999 when World Vision International's Sudan Programme mooted the idea for Yambio (a locality in Western Equatoria State in Southern Sudan) only a year after the locality had been "liberated" by the SPLA.

When in November 2004 World Relief and STROMME Foundation partnered to conduct an assessment with the hope of establishing some micro enterprise interventions in marginalized localities in Southern Sudan, the idea was received with particular reservations for most part except perhaps to the core team conducting the baseline focusing and interacting with the communities and the communities themselves. This notwithstanding and bearing on the experience of World Relief elsewhere including findings of the programme of World Vision in Yambio, the results of the baseline assessment showed that a microfinance and enterprise development programme would be viable in the localities assessed, Liethom being one of them.

As noted by Fion de Vletter in "*The Evolution of Micro Finance in a Transition Economy*" (1999), micro finance and micro enterprise in a post-conflict economy would be expected to undergo two phases, the *consolidation stage*, which comes immediately after conflict, followed by the *recovery stage*. The stages are not distinctly divided as they are interlocking in phases and stages at different levels in programme implementation. The consolidation stage could last up to a year to a year and a half from the time peace process begins. There after the recovery stage takes over and evolves on till normality in context is attained.

In the case of Southern Sudan, this paradigm would seem to be true although to some degree, the consolidation stage might take longer due to a number of factors. It would be noted that demobilization of soldiers, the return of internally displaced persons and return of refugees has taken longer that was otherwise expected. Moreover the implementation of the CPA is hampered, in part, by factors of physical and fiscal access. First, one would appreciate that, in the context of a lack of infrastructure to support commerce, trading, finance and banking, transportation, communication, production and manufacturing has a great bearing on trade, especially in the rural areas.

Second, the rural areas of Southern Sudan (most of which are not directly linked to main centers by any regularly pliable routes, thus inaccessible for most of the year) must be some of the most under-developed and least accessible anywhere in Africa. This notwithstanding, the communities have demonstrated resilience, ability to adapt to new situations quickly, mobility over large distances on foot and recently on bicycles.

It is the later point of resilience and ease of adaptability that would hold the key to the MED "*Laying the Foundation for Micro-enterprise Development in Southern Sudan*" project. The evaluation will not attempt to compare Southern Sudan with other localities, however it would make observations of experiences encountered elsewhere in almost similar contexts for adding value and analysis of lessons.

## 2.4 Project Design and Development

The original project design was adequately developed in an integrated manner. It addressed issues of linkages to other multiplier effects. The design sought to link on to the Millennium development goals, envisaged the development of new skills, information about business, market forces and factors that affect business, a keen focus on empowerment particularly among women and improved livelihoods.

### 2.4.1 Inception and Implementation

Following the baseline assessment, Economic Projects Trust Fund in partnership with World Concern designed a pilot programme located in Liethom. The baseline for the programme defines its target as members of the community who are disadvantaged, poor and marginalized.

The project effort partners with the local Episcopal and Catholic Churches with strong networks as well as traders in the local community. In Liethom, the church plays a key role as one of the most reliable local partners for a micro-enterprise and development. The local churches were engaged for client identification without discrimination on the basis of religion.

The overall project **goal** was intent to improve the livelihoods of people and their families, particularly women, in South Sudan.

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<sup>4</sup> Ndiku K.: *Evolving Context of Operations after CPA in Southern Sudan*; PRECISE, September 2006

## **2.4.2 Project Outputs**

The project envisaged the following outputs:

- ☐ People with new skills, including literacy, numeracy and the habit of saving and borrowing, enabling them to participate in enterprise development
- ☐ People, and their families, enjoying improved livelihoods and empowerment through income-generating micro enterprises
- ☐ A successful pilot model of “credit with education” MED program implemented and adapted to the conditions of Southern Sudan
- ☐ A comprehensive plan, with identified local and international project partners and resources, for the scale up of the program in this and other locations of South Sudan.

## **2.4.3 Main Project Output Indicators:**

The project design had established the following indicators to project outputs:

- ☐ basic adult education curriculum in place
- ☐ savings and loan group module in place
- ☐ numbers of clients completing adult education module
- ☐ number of active clients in savings and loan program
- ☐ volume of savings
- ☐ number of micro-loans disbursed, repayment rate
- ☐ number of potential entrepreneurs and enterprises identified
- ☐ number of beneficiaries (family members, employees) supported
- ☐ deployment of assessment team, creation of evaluation report
- ☐ participatory action and review of project outcomes with local leaders
- ☐ “lessons learned” document and strategic plan in place for project scale-up
- ☐ scale-up plan in place, including resource commitments
- ☐ identification and commitment of local and international partners for project scale-up

## **2.5 Type of Interventions**

### **2.5.1 Savings and Credit with Education**

The programme comprises credit with education of group-based business loans. It was envisaged that the programme would mobilize local savings at the group level and use the savings, (complemented perhaps by other funds) for loans to support small businesses. As at the time of the evaluation, the mobilization of savings was inhibited. Partly, this was due to the way the introduction to the groups and the community was obtained at the start. A share buying concept was introduced then and later changed to savings. Moreover, the idea for a bank was introduced as well. It seemed that at the point of introducing the programme, an assessment and analysis of local interests, motivations and expectations were not fully fathomed.

The evaluation sought to establish why the savings element had not taken off as was anticipated. It was established that the local community had its own mechanism of savings where business persons who were better off would be entrusted with the savings of the smaller business persons or farmers. This formed part of the business revenue to such trusted business people. As they did not have to refund all the money saved in this manner at the same time or on the same day, there was particular equilibrium in the circulation of money locally that ensured mutual benefit between the one committing money or savings in that manner and the business person acquiring such money to hold "in trust".

When the group savings programme was introduced, many of the established business persons enrolled. But when the methodology for mobilizing savings and issuing loans was made clear, at one point about 100 people dropped out of the programme. This was not the only factor stimulating the dropout. The amount of loans the programme had stipulated to issue (SD 15,000) was seen to be too small for business. It also occurred to the evaluator that the demand for a physical bank became as strong community interest following this fall out.

It would appear that the savings at group level was a threat to other local practices in the savings of money. The savings at group level might have become a threat to an existing equilibrium in the cycle of cash in Lietnhom and this needs to be looked into so as to set a strategy that addresses the complimentary benefits that accumulation of savings at group level would bring to the business sector at Lietnhom.

### **2.5.2 Identification of Local Entrepreneurs**

Identification of potential entrepreneurs was anticipated at some stage during the pilot phase but due to the experiences of the pilot stage this was not fully feasible. However, the evaluation observed that, based on current information at the project office, some potential elements of this aspect could be consolidated to reveal some direction on this.

At the project office there is information on who the bigger businesses are, what they specialize in and how they source their goods and supplies. In addition some local potential agro-processing opportunities were cited in the lines of groundnuts, simsim, cashew nuts and so on. The livestock industry with both animal and dairy products was also a potential area the office knew about, but for which there were no statistics. The most common goods for in the market are also known. The existing gaps as well as potential openings such supply and distribution of stationery and textbooks to schools were also known.

Some of the challenges both small and bigger businesses experience in terms of sourcing, transportation, pricing, and stocking and warehousing for the rain season are also known. On the other hand, the challenges in marketing and pricing of goods, products and services among the traders were also evident. The evaluation found that the programme had limited scope to deal with this aspect. Further work on this based on systematic business development practice could begin to clarify some of the needs and thereby find the potential local entrepreneurs as individuals or as groups.

### **2.5.3 Adult Education**

It should be stated in the outset that, in the project plan document, action research on best practice in basic adult education, savings and loan group formation, appropriate business development services and market access interventions were pre-defined as part of the means for this intervention. The Adult Education component started as envisaged. Six (6) Adult literacy teachers have been put in place and adult classes are taking place in 3 centers. The necessary teaching materials are available to each teacher at the centers. The learners have text books to refer to. A number of learners were interviewed and found to have attained skills in reading, numeracy and English language. "I have learnt to write my name and can speak English slowly", remarked one man, an adult learner

In the three centres, there was a total of 217 learners. Among these 129 are women and 88 men. There is a group of some blacksmith and fishermen about 75 who have expressed interest to start adult classes in their centres in Lietnhom. This will be over and above the other three centres. The learners were at different level in the learning grades and the teachers had adequately kept records of that.

It was observed that the Adult Education initiative has a number of gaps noted in the progress report September 2005. The teachers have not been trained and exposed to adult learning and teaching theory, methods, skills and techniques including basic teacher training ethics. As a result some of them have a low level of confidence. In regard to use of English, the teachers themselves needed more training to improve both vocabulary, grammar and written English so as to imbue a sense of mastery of the language as they teach it.

In regard to the text books in use, the Dinka set of books were sourced from the Dinka Language Committee in Khartoum while the English and Social ethics were sourced from the Secretariat of Education, (Ministry of Education, Science and Technology), Southern Sudan.

The Accelerated Learning Curriculum is not available to the Teachers for them to know the set outline and teaching stages whose text books they use. A number of textbooks are missing the Science level 3–4, English level 3-4 and Social Ethics level 3-4 and Dinka Reader 3-4 as well as Mathematic Level 3 and 4. It was found that due to the level of education of the teachers, to provide the next level of text books is invaluable in giving them also some readily readable material at hand. As there are no libraries in Southern Sudan such material could help the teachers hone their knowledge ahead of the learners.

In the pilot programme it was expected that the process could provide a basis from which to provide credit with education. There was no direct link between the savings and loan activities and especially records (business side of micro-finance), with the adult literacy programme. The start up and growth of business was driven by innovation and enterprising motives. Records as supported by abilities in numeracy, reading and writing were not very much in use at the business site. The group members appreciated adult literacy as an important element, many stating that they missed school due to war. A number had demonstrated enthusiasm about adult literacy and easily demonstrated the skills they had acquired so far. The teachers and the micro-finance trainers did not clearly see and articulate links between the two components of the programme.

From a practical point of view, adult literacy has a practical and applied outcome. This means that the learner applies the life skills they acquire from adult literacy in appropriate stages or phases of life by choice. Therefore adult literacy alone does not, directly influence success or failure of working in groups, accumulating savings and then drawing and repaying loans for business or even the start up and growth of business.

The success of each component in the pilot programme would be seen as interdependent one on the other. The synergy gained from the linkage between adult literacy and accumulation of savings in groups then drawing of loans for business needs to be studied more in the context of Gogrial East. This is not to say that the aim of the programme is invalid, but rather that the linkage be clarified for better understanding.

Asked how adult learning has helped in business, many group members had valid answers. Most of which had to do with how learning was used (applied to life situations). One business woman saw it in this context, “when I go for goods in Wau, I can now write my name on the packages so that they can be identified easily”; she remarked. As business grows, and means of transport and communication increase, it would be expected that there would be increasing rise in demand for literacy and numeracy and reading skills among those engaged in businesses that are growing. The types and quality of records kept for business will become more relevant and crucial for business success.

Given the process the programme has undergone, the challenges and constraints, the linkage of adult literacy to other programme components was not thought out and applied fully. It would be the submission of this report that at this early stage, the programme components would need more linkage as a foundational basis from which the learning and business synergy would rise. This would entail providing the teachers and the field trainers adequate orientation for them to see the links between adult literacy and other programme components more clearly for them to articulate inherent links. Moreover, the programme indicators for linkage of both aspects of the programme would need to be developed so as to make a persuasive case on how literacy would contribute to business and at what level or stages.

#### **2.5.4 Business Values in the Market Place**

The evaluation sought to understand the approaches used to impart values among the group members. It was found that this is done through training and that this is integrated in the Business Training Manual. One trainer had been coached on how to deliver the training. Training sessions were prepared using a pattern contained in the manual. Some skits were used as part of the delivery methods. Group members were interviewed on what was significant about the training. Many pointed to the fact that their minds were opened to new ideas that helped them correct business mistakes they often committed without knowing. Many pointed to the value of the skits and drama during training.

At the time of the evaluation, apart from the Business Training Manuals, there was no curriculum available at the field to facilitate an appraisal of the depth and coverage of the training at group level. This meant that the evaluation could not obtain information on what each particular group or set of groups had covered and how that contributed to the quality of business skills among group members. The evaluator did not get the opportunity to observe an on-going training to fathom the level of skill resident among the field trainers.

It was noted that the Training Manual has six key lessons. These comprise Good Business Foundation, in which the traders learn how to start and manage business, common causes of business failure, management problems, biblical world's view to business, the concept of profits, reasons for best practice e.g. business records and how to keep business records. Lesson Two has to do with developing business plans and traders get to learn about importance of making business plans, the parts of a business plan, then they model and practice making plans and marketing. In Lesson Three traders learn about the business environment, how to analyze the business in the context of the environment, and personal strengths, weaknesses as business person in relation to available opportunities and threats.

Lesson Four provides the trader the opportunity to examine marketing and marketing mix in a deeper manner. It helps the trader explore the market concept of product, price, promotion and place. Lesson Five helps the traders to examine the concept of customer care. In this they covered the concept and principles of customer care and its benefits. In Lesson Six traders are given a deeper training on record keeping covering its importance, types of business records and who should keep them. Principles like balancing the cash book, and stocks.

The Business Values Training Manual itself was found to be larger than the Business Training Manual in that a curriculum exists for Lesson 1-18. These are presented in short format covering the concept of God the Creator, God's Purpose for Creation, the fall of Man, the Effect of the Fall of Man, Salvation and Reconciliation, Personal Transformation, Community Transformation, Development, Eternal life, Love, Faith, Freedom, Wholeness (integration), Justice, Truth, Wisdom, Faithfulness and Governance. The strand of work (co-workers with God in business), prudence and stewardship (husbandry) and accountability would seem to be relevant for this training but were not directly addressed in the manuals reviewed.

A Group Dynamics Manual with nine lessons exists. This covers training in such aspects as, what a group is and group formation, responsible group membership, how to develop a group towards being stable, cohesive and mature, the group growth cycle, rights of a group member, leadership, and characteristics of an effective and poor leadership contrasted, roles of leadership, role and composition of a committee, role of committee members, problem solving module, conflict resolution, introduction to personality traits and attributes that affect group life, understanding the group composition, aspects of working together in unity, the envisioning process and planning.

This particular manual appeared to be a draft as many of the sessions were inadequately presented in the manual. It was observed during the evaluation that gaps, section and session titles and layout were more needed attention. The topic of group growth cycle was found towards the late part of the manual whereas it could logically follow the topic on developing a group towards being mature.

The manual could benefit from some additional work linked to the experience of the pilot programme in the last one year. Aspects of social dynamics and group size as they relate to group motivation and management are clearly missing. It would be useful to critically account for the experience of working with groups in Liethom and bring in the challenges encountered into perspective in this manual. In this regard a section on how to mobilize, organize, coordinate and manage groups effectively based on lessons learnt in the pilot phase would be most beneficial to the programme.

#### **2.5.5. Targeting and Representation**

In MED programming, targeting, effectiveness and efficiency are interrelated in that loan sizes, number of loans and the rates of collection as compared to the loan pre-requisites, processing requirements and procedures including the cost of maintaining the concomitant portfolio of infrastructure and human resources for monitoring, receiving and tracking repayments comes at a cost. Such costs could deplete any gains against small savings and interest revenue in the programme.

The evaluation sought to find out, what is the intended target and what are the socio-economic characteristics of the selected cohort of beneficiaries?<sup>5</sup> How are the approaches, methods, procedures, tools and techniques supporting effectiveness and efficiency of the interventions?

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<sup>5</sup> Jazayeri Ahmad: *Rural Financial Services Associations-The Concept*; *Small Enterprise Development Journal*, June 1996



It was found that the Lietnhom Micro Enterprise programme has evolved from three large community groups who are in three groups, A, B and C, made up of a recorded 302 of original target reported to the current 200 members. The targeted 200 clients comprises 40 groups of 5 members each. Group A and B is composed of people from near Lietnhom trading centre while C is composed of people from outside of the central catchment area.

The groups of 40 are both representative and also artificial. Its purpose is to represent the loan cycles for the 200 clients. It is artificial because the Loan Cycle Groups comprise one member from each of the 40 represented groups. The member in the loan cycle is selected at the point of issuing new loans (done every second month).

With 30% the number of women in the project, only 7 were in the top leadership. In the larger Groups A, B, C Women were on the top leadership in that, all three groups had women as the Chairpersons or Deputy Chair persons, followed by only 3 as Treasurer or Deputy Treasurers. In the Credit Committee at the beginning, (December 2005, January 2006) women representatives attended. In the later Credit Committee Meetings (March 2006 April 2006) they did not attend.

## **2.5.6 Selection Criteria and Loan Cycle**

The selection of who would receive loans and at what particular times had been arrived at by group consensus. Moreover, out of the larger groups small groups of five members each were created, reportedly after an awareness campaign had been conducted to inform the community and in particular, the three main groups of the requirements for the loan groups. The groups were reported to have been created mutually between person who felt they could work together to meet the pre-requisites for the loan scheme proposed in the programme.

The evaluation therefore found that the selection criteria was not clearly defined other than the locality of the persons constituting the larger groups where criteria was more related to the locality members of each large group live in relation to the main market centre, Lietnhom. Although members had to register into groups, and subsequently buy at least three shares per member; as well as purchase a passbook for the loan, the loan cycle was determined more by availability of funds in the programme, and not against savings. One cycle was two months long giving time for each groups taking out loans to fully repay their loans thus increasing liquidity for the next cycle. Put together this amounts to ten months before every member received their first loan. Members could not expect a re-loan till the ten months were over.

## **2.5.7 Socio-Economic Characteristics of the Beneficiaries**

### ***Number of Direct Beneficiaries***

Among the 200 clients are 86 women and 114 men. Asked to describe attributes which define the status of the clients in society project staff advanced the following:

- People in the community who are members to a group
- People interested to participate in small scale business
- People who are needy and marginalized
- People who have bought shares and paid the money for the pass book

This criteria was not sufficiently developed or tested at the project inception phase. The interactions with member in the groups denoted that they were not necessarily the neediest in the community. The criteria was more flexible than it appears to be as some of the person in the groups were better off than most.

The criteria for use in targeting and selecting the relevant cohort of the community to be addressed by the project were therefore not sufficiently developed.

### ***Assumptions on socio-economic context***

The project assumed the following factors:

- That anyone in the group would be part of the needy and marginalized
- That any one with interest in business would qualify to be part of the target
- That anyone interested in buying shares would be a potential saver
- That in invariably most people in Lietnhom as elsewhere in Gogrial deserve to be supported

The communities also had their own assumption on the project. The evaluation captured the following:

- ✓ That the project would set up a growing fund that groups would take as loans
- ✓ That the loans would not have an interest
- ✓ That should members fail to repay the loan would be exempt
- ✓ That a physical bank would be built and established in Liethom
- ✓ That savings cannot be accumulated unless there was a physical bank
- ✓ That the established physical bank would provide other services to the community

Given these assumptions on both sides of the scale, it was clear that the inception process had not addressed a number of issues. This was not deliberate but keenly demonstrated the level of preparation that would be needed to direct the programme towards active community participation, ownership and sustainability. It also points to the need to conduct systematic analysis of context and establish clearly how interests and motivations that have an influence on the programme initiatives, and that hinge on factors of change and development in that they could accelerate success or inhibit progress.

### **2.5.8 Types and Range of Economic Activities**

Given the types of business group members were engaged in, it was clear that there was no market analysis to define the business opportunities group members could enter and compete in. As a result, types of goods, commodities and services were very similar across the board. Women were more in the “back line” businesses meaning they were not located in the central part of business in the first part. Secondly they were not in main line business in Liethom in that they were trading at the primary level of business thus selling tea, local brew and food.

Asked how they started business many of the group members spoke of selling livestock, farm produce or brewing local beer as their entry point. Asked why this was viable entry point many pointed to the fact that, they can farm and raise crops like simsim and groundnuts and sell the produce. It was deduced that although simsim and groundnut are used as food they are regarded as commodities for sale followed by livestock. This constitutes an important part of the initial entry capital.

As Mercedes, a local business woman, selling food, local brew and tea at Liethom pointed out; “I got sorghum from the family farm but borrowed sugar for a period of time from a trader who is also relative. I sold the brew until I could buy flour from the market and also pay for the sugar I had borrowed. Now, I do not have to borrow from the trader. I need a bigger loan then I can stop the brewing”, she concluded.

The traders pointed out the success in business evolved around a process where one graduates from selling brew, tea and food to selling commodities such as the flour and sugar needed by the brewers, salt soap and clothes including other items and services. Nearly every well stocked shop had the same items and commodities as the other. A number of shops conducted repair work on radios, bicycles including blacksmithing. There was a cooperative of blacksmiths specializing in farm implements and hooks and fishing gear.

### **2.5.9 Programme Viability and Sustainability**

The MED development strategy envisaged sustainability within 24-36 months. Capital required for the credit was expected to be self-funding out of the savings that the participants deposits. The savings aspect had not taken off for a number of reasons as shared elsewhere in the report. The most critical among the reasons were the introductory messages coupled with the local interests and expectations on a banking system to be part of the programme. Some earlier experiences in the community of a failed programme might have contributed to this as well, as some community members lost money in that previous venture. The fact that savings would be controlled by the groups would also have sent some threats to the existing savings mechanisms.

These factors notwithstanding, the programme has a potential in that the group members have demonstrated great interest and motivation, repayment of loans have suffered bad loans. Defaulting as a factor was interpreted in three different ways at the project office level. As a result, several loans had not been repaid for periods such as three months and one month and a half. Both occurred when the clients concerned had gone to other towns in search of commodities plus other personal matters. Given the challenging transportation constraints, it was reported that they did not come back in time to meet the repayment commitments.

The staff and the clients in groups cited some challenges to the programme. Some challenges had to do with the savings and credit as a process. It was felt that the businesses needed more liquidity to survive hence both savings and repayment of loans were seen as a challenge. The loan amounts were denoted to be low by many respondents

### 2.5.9 Risks

At the start of the project, a profile of possible risks was developed. The project therefore appreciated the possible effects such risks would entail during the implementation period. Apart from the normal risks associated with micro enterprise, the project also took the risk to start even in a context prone to local hostilities spurred by what would appear to be the slightest provocation. At the time of the evaluation, Lietnhom was reeling from an incident where out of a rumour, someone shot and killed three persons, wounded several others on the basis that their brother had been killed in a distant locality.

In less than a week it turned out that the rumour was unfounded when the alleged brother showed up in Lietnhom, unscathed. Hazards of this kind are common place, based on vengeful attitude and a mentality that the rule of law took too long to settle disputes. The people are acutely aware of their rights but with weak rule of law institutions, and ample availability of small arms, people took law into their hands. Availability of small arms, inadequate and weak rule of law and access to justice also create a context where communities take law and order into their hands.

Another risk noted during the baseline assessment is the quality of structures, both domestic and business premises. 100% of them are roofed with grass, papyrus or palm leaf which easily catch fire. The food shops (*where fire is an important capital*) majority have palm leaf walls, and papyrus or grass roof tops. Notable therefore was the fragility of the business premises Lietnhom centre to fire and the elements.

There exists no functional insurance or finance sector in the whole state. This means that cash has to be stored in bags, boxes or pockets and although burglary and theft are extremely low in this locality, loss by fire, or some unknown means of loads of cash are not uncommon. During the evaluation, a livestock trader reported having lost money twice once to fire and one to theft. In another incident, a local person (a woman) trusted with money from a number of groups and a church lost a large sum of money to fire on her dwelling. For lack of insurance the traders have to bear the risks of such losses.

In light of this context the project office has to keep large sums of cash. At the time of local hostilities, large sums of money have to be secured as an effort to protect them from loss. In a recent incident the project office had to ensure safety of cash by moving it in and out of Lietnhom. The incident took a short time to resolve. In the event that a similar situation occurred and it became necessary for staff to be away for a long period, even when local traders could operate, a situation where some of the cash is secured outside to the location would inhibit the liquidity of business in the local area.

### **3.0 PROGRAMME IMPLEMENTATION AND RELEVANCE**

#### **3.1 Operations and Programme Paradigm**

The evaluation sought to know on what basis was the programme prepared in terms of the business model. It was found that the programme has been set up to follow the financial services model, in line with the experience of World Concern elsewhere<sup>6</sup>. The basic documents used to formulate the programme model such as; “Stages of Starting a FSA”, “The Structure of Financial Services Association - What is Financial Services?” denoted the origination of the programme paradigm.

The evaluation also sought to establish how the programme inception process linked to the baseline report. It enquired on how the programme inception went about in analyzing the status before, in relation to needs, business potential as well as viability, success factors and indicators designed, and subsequent data objectively legitimizing intervention. To gain logic and insights on this, a tool was demonstrated as to how data could be developed and used (see APPENDIX 1) to validate these factors. It was observed that the project plans linked to the baseline survey, (Project Proposal document pg. 13).

The project proposal was also reviewed to link the evaluation to planned process. It was established that the project plan had been adequately developed with roles and responsibilities for the partners involved clearly spelt out<sup>7</sup>. The partners adequately fulfilled their roles. In the process some lessons emerged in the area of administrative and logistical coordination. It was found that the number of transactions increased beyond what was originally anticipated. The partners might have to review the experience and lessons on this and determine the best way to address the issues.

In terms of implementation plans, the Objectives and Outputs and indicators were clearly set out. Majority of the outputs were undershot and not fully achieved. The approach to credit with education ‘paradigm’ as is the case in conventional Micro Finance Institutions may not be practical for this project. On the ground the women are involved in beer brewing, keeping a few cows, and they live off what they grow. There is a huge potential in the fertile land, irrigation, fishing, etc. There is also the trade of high value cashew nut products.

The preferred model was that of business development, which integrates training and creativity, and the use of available resources. This model looks into identifying available opportunities in the community and explores ways of building entrepreneurs. This model looks into identifying available opportunities in the community and explores ways of building entrepreneurs. Integrating Bible Principles in business skills training

#### **3.2 Savings and Savings Groups**

At a meeting of the implementing partners of November 2005, it was determined that the need to identify the already existing resources at hand should be made priority. Savings groups should be encouraged from the initial stages. This was augmented with enrolment to literacy classes.

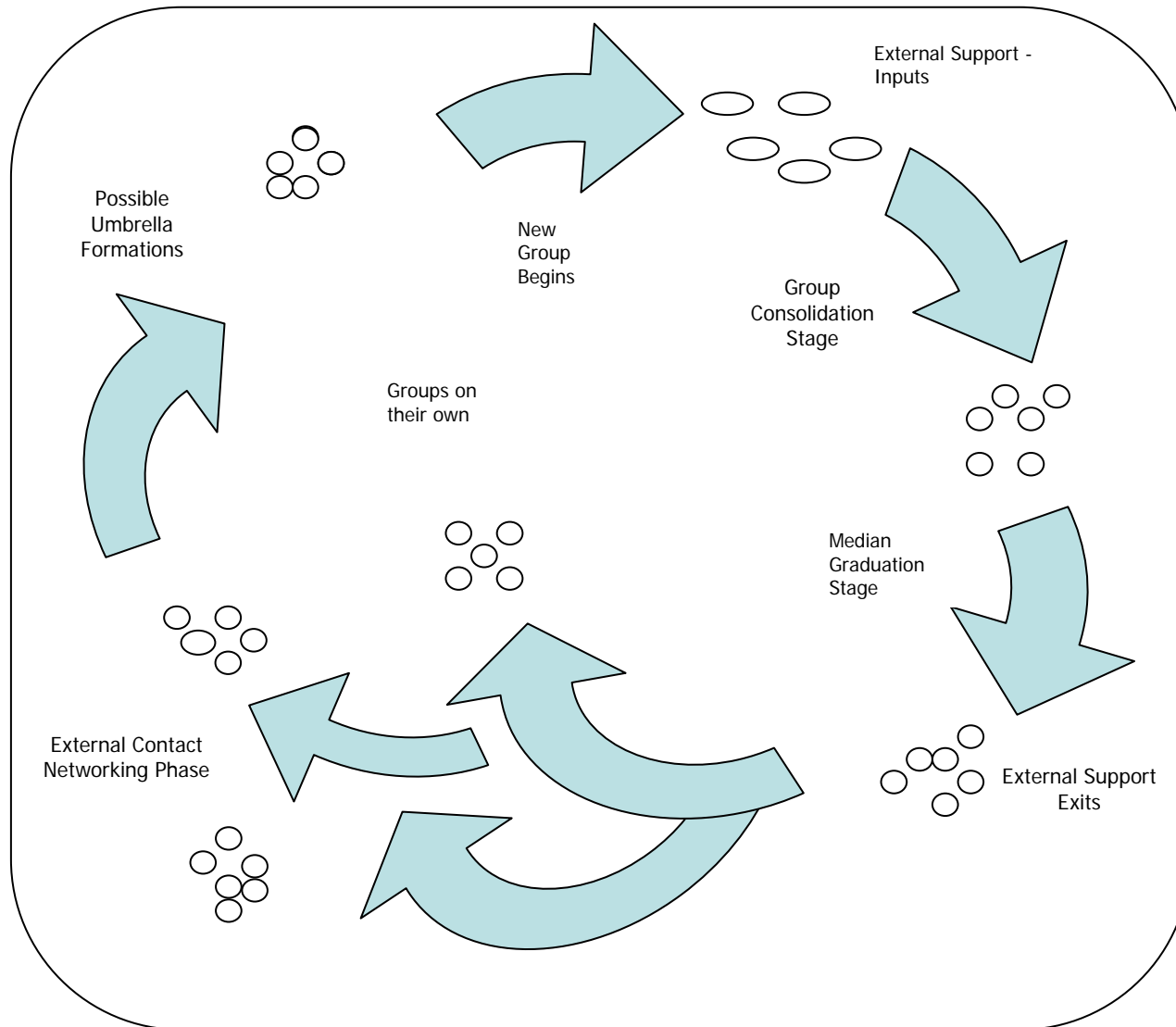
The evaluation found that the initial approach to savings had mixed messages in that it brought out an element for buying shares in which each individual bought up to three shares. The need for savings was not thoroughly explained to communities and the groups in particular. In this connection when the messages on savings were re-explained later, the groups perceived that as a change in project direction. It seemed that this was the bedrock for a new position of understanding where the communities and local authorities demanded that a bank be first established then regular savings would be initiated incorporating financial services. As a result, there are no savings other than the shares.

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<sup>6</sup>Sudan Project Proposal: Project Title-“Laying the Foundation for Micro Enterprise Development in Southern Sudan”;  
Implementing Credit with Education Development Program for the “Opportunity Poor” pg.13

<sup>7</sup> Sudan Project Proposal: Project Title-“Laying the Foundation for Micro Enterprise Development in Southern Sudan”;  
Implementing Credit with Education Development Program for the “Opportunity Poor”.

## GROUP LIFE CONTINUUM



*Community Group Dynamics shows process of group life in a continuum. Each Phase has its challenges in growth. External support varies with context and need.<sup>8</sup>*

<sup>8</sup> PRECISE; Group Dynamics Guide; 2005

### **3.3 Governance, Organization, Management and Human Resources**

#### **3.3.1 Governance**

At the start all participating agencies shared roles and undertook their responsibilities throughout the pilot stage within that framework. These roles were adequately pursued and accomplished. Despite the challenges and constraints encountered in the context, which challenges and constraints are discussed in the appropriate sections of this report.

The programme initially established a Credit Management Committee that functioned until after the first loan cycle. There after, the disbursement of loans took precedence, a process predominated by the programme staff. This precludes the role and oversight that a credit committee would have been expected to provide. There was no evidence of a mechanism by which the community participated in the credit process other than waiting for a their turn to receive a loan and later repay. Groups had no direct oversight of the whole process and system of the credit.

Although the project has encountered some challenges at the beginning, the evaluation established that a proficient Manager had been identified who has already made a difference sin he settled adequately into his work. The Manager has a strong background in rural based Micro Enterprise gained in Kenya (FAULU Kenya) while the Assistant Programme Manager, a Southern Sudanese has extensive experience, knowledge and understanding of the communities in Gogrial and Southern Sudan. In addition the Assistant Manger has intensive institutional memory of programmes in this locality gained from working in Worlds Relief and other Agencies. The Head Trainer has been with the project from the beginning and this provides a strong leadership team in programme implementation.

The Head Trainer has strong skills and a keen understanding of the groups and the membership dynamics. It seemed, however, that the Head Trainer has more roles that include loan disbursement and recollection of repayments and this has led him to be over-empathetic to the groups. As a result, due to being defensive of the groups, this might lead to compromises n his role as an independent facilitator of the process of the programme. Corrective action would be needed by bringing in an independent staff to deal with loan disbursement and records.

The evaluation noted the fact that all the programme levels of leadership were held by men. Among the staff there was only one woman Adult Animator. This signified the difficulty with which the programme has in finding qualified women to work in the project. That notwithstanding it would be encouraged that as part of the model, and in the interest of setting role models, the project makes concerted effort to identify qualified women in its scale up stage who would also act as role models for the women of Gogrial East in the project.

#### **3.3.2 Organization**

As noted above the Head Trainer acts also as the "Project Cashier", issuing and collecting loans and repayment. This needs to be addressed n the interest of separation of roles. It will also help streamline record-keeping and monitoring of each portfolio of the project funds.

The loan cycles were imbued with a long waiting period before repeat loans. It was observed that the first loan cycle April 2006 last loan cycle December 2006 new loan cycle would be expected to begin in February 2007. This was attributed to low levels of available revenue in which the repayment of loans was a key. For loans to be issued, the programme office had to recoup adequate funds to match the next group of 40 new loans indicated per cycle.

The Head Trainer has a keen understanding of the communities and is adequately educated and skilled to know how to conduct training and lead the team of trainers and adult learning animators adequately. He is also extensively involved at other levels of the project and this has involved him in management roles.

The Adult Education Animators were found have been selected out of persons who were available and who had not been trained before on how to teach adults. Moreover, they had not necessarily completed school and two of them (a man and woman) expressly pointed out that, they needed to complete a course equivalent to the full primary school curriculum. In this connection the evaluation noted the need for orientation and some training on how to conduct adult classes among the Adult Literacy Animators.

### **3.3.3 Management and Human Resources**

The roles shared among the participating partners were found to be working adequately and efficiently. The roles for Programme support by SlovakAid, Integra and STROMME Foundation was met adequately and on time. The role of programme implementation shared between EPTF and World Concern had faced some challenges but these were addressed as appropriately as was feasibly possible in the context. The role for logistical support by World Relief was adequately addressed.

The level of human resources was almost adequate as at the time of the evaluation. However, there was need to devise a role for programme records and separation of roles such that records of the programme in disbursement and collection of repayments was dealt with by either the Assistant Manager or some other independent person other than the Head Trainer.

The evaluation noted that the management of the loan cycles would need further involvement of the community especially the groups involved via the Credit Management Committee. This way the programme could mobilize and empower communities towards empowerment, for self management and ownership of the loan cycle and process.

### **3.3.4 Group Level Governance, Organization and Management,**

Community groups had been formed with the support and strong links with the local churches. The mobilization process had the support of the local authority as well. The groups were mixed with membership representing men and women. In each group, a small management team made up of a Chair person, treasurer and Secretary was in leadership. In many groups the treasurer and the deputy Chair person was a woman. Two or so groups had women as Chair persons.

It was reported that at the inception of group activities, each group determined the sequence the persons to receive loans in line with the loan cycle. In the procedure, each member out of five took a number representing at what point they would be in the loan cycle. Group members confided that they did not understand the meaning of the numbering at that stage. The groups were given an orientation as to the type of by-laws they would operate under. The by-laws for each group were not written up yet and if so the evaluator was not privileged to see any such copy.

The groups of five were part of a cluster of three main groups. It is from the three main groups that a representative Credit Management Committee was created. The purpose of this Committee was found to have been inadequately realized as it has ceased from meeting since the first loan cycle in 12 April 2006. Its value in representation, oversight and leadership as well as being the eye and voice of the groups at programme management level had not been well or fully utilized. The Credit Management Committee or as similar entity had the potential for being the key mobilizer of the savings and investment funds from the group members as well as inspiring the creation of more groups and promoting savings and capital accumulation in Liethom. As at the time of the evaluation this role had not been fully explored.

In some groups, spouses were found to be members of the same group. There is nothing to bar this nor is there any illegality in having such affinity in the groups. But it was an interesting point to note given the way transactions were conducted. It was observed that at the point of loan disbursement some members received the loans on behalf of their spouses. Although there was nothing wrong with this, legal technicality vested the duty, responsibility and burden to repay on the signatory, and not the owner of the loan. On another plane it was reported that at times spouses, and particularly women would send husbands with cash for repayment of loans to the office through.

In other instances, it was reported that group members would give cash for loan repayment to programme staff. It was also reported that staff would accept and in this case, the Head Trainer, would receive loan repayment installments "from members anywhere", (meaning outside to the office) and at a time and place where records were not available; to take to the office. Such a practice would seem to be a breach of procedure and business protocol. It could be argued that as far as loan systems are concerned, unless the programme has a field cash-collection procedure, (and in this case such a procedure was not seen to exist, and if it did it was not revealed to the evaluator). Even if it existed it would be one that is extra-ordinary in a MED programme.

These observations denote that the groups, individual programme and the programme itself were exposed. Legal tussles that might appear later should a member receiving such monies not deliver and obtain documentary record of the money at the point it was supposed to be delivered. Corrective action would be needed to maintain a policy and procedure where all transactions were done directly between the stated office or point of cash collection and delivery. Such a point would be operated at specified times and only by bona fide persons and records would exchange hands for cash. Beneficiaries could form a collection point at the market that would be linked to the programme office for efficiencies of collection and saving for members.

### **3.3.5 Group Level Information, Skills and Knowledge**

A direct visit to the traders at their business premises was conducted and the business records in place were sampled. It was found that majority on businesses did not have written records on the basic business operations, such as stocks, sales and so forth. Of twenty businesses visited only two had records of credit issued in kind or in cash. The majority of business persons interviewed reckoned that they had all their records in memory. This was true but it would be envisaged that at a point this would become inefficient when the business grows or when the business owner was not at the business premises. This did not mean that the value for business records was not recognized.

The evaluation found that group members had adequate information (*most of it retained in the mind*) about the market they operated in, including the sources of goods and services necessary for success at the Liethnom market. Equally the group members had a lot of information they could take advantage of, which had not been pooled together to be under the group control. It was observed that the programme could act as a central source of information to groups at the one hand while the Credit Management Committee (*if active*) could be another source.

In the interest of participation, and promotion of self management, empowerment of the target membership with a view to promoting ownership and sustainability, a capital and investment sub committee could be created. Such a group would mobilize information as part of the capital alongside the role of promoting increase and innovative measures for savings and capital creation at the community level. These two organs could then come together as a "chamber of commerce at Liethnom level thus creating a formidable agenda setting body for trade, commerce, local finance and entrepreneurship in this area.

### **3.3.6 Information and Communication Technology**

The level and capacity of the programme in this area was examined. It was found that with the network support arranged at the beginning of the programme among the participating agencies; this area did not experience inadequacies. However, setting up of appropriate internal systems for communication, documentation and records management still needed more work especially on information levels needed on each group. Staff skills needed improvement on the use of computers and computer software.

Appropriate selection of a computer software relevant for the type and needs the programme has would be needed now rather than later so as to facilitate an early systems set up before scaling up. The current Manager has some ideas of some types of soft ware but the need to look into what might be useful and how it addresses needs in the context of the MED model would need further reflection and decision making. Such consideration should not preclude the possibility for a home grown or purpose built system that could evolve with the needs of the programme.

The programme kept adequate reports, minutes from meetings and also IT based information. At the field office the filing was adequate but could be improved with a more organized filing indexed system in place. The use of computer could be enhanced with skills training among staff and installation of an extra computer exclusive for administrative work of the programme while a separated one was used for management issues and accounting related work.

### **3.3.7 Marketing and Competition**

For the time being there was limited market competition between the MED programme and any other programmes. In Liethnom the banking sector was non existent hence no immediate direct challenge in terms of alternative sources of credit apart from the traditional system of kinship borrowing.

The bigger business entities who also acted the traditional conduits for savings and a source for term loans and credit were the only threat to the MED programme in Liethnom. Factors on how this worked have been explained elsewhere in this report. Suffice to note that the existence of such a traditional mechanism is healthy and could be used as a case study in the MED programme to develop its values within the groups system given the dimensions of operating in this location as discussed elsewhere in this report.

The programme had not reached a level where it needed to market vigorously other than by use of awareness creation forums, channels and medium in the community. This constituted the churches, public meetings with support of the local authority and through existing community structures such as groups. In the future the strategies of outreach would need to be adapted to the conditions of Southern Sudan where reading and public media channels are limited



### **3.3.8 Linkage to the Financial Sector**

In Southern Sudan the fiscal infrastructure has not been put in place. This includes policies and structures that govern the finance sector. Banking is at its infancy and banks are located in handful of towns being Wau, Rumbek, Yei, Malakal, and Bentiu. The insurance sector is non-existent. The customs and tax department offices are located closer to major towns and they exact levies within that realm as traders enter or leave the towns.

In Leitnham, these entities have very limited effect. The local authorities exact some limited levies. The traders shared their experience on how these aspects operate. They pointed out that the only challenge was the levies charged at road blocks to and fro their sources of goods. Such en-route levies were not standardized and depended on the personal whim of the road block officers.

The evaluation established that the MED programme operated in a context where linkage with the financial sector was extremely challenging both currently and in the foreseeable future. Experiences from towns where some form of banking existed showed mixed experiences with the two existing banks that traders preferred. In the one case a bank was known to be very slow in remitting funds within and out of Southern Sudan. The other was known to be effective and reliable but useful only for import and export. None of the two banks, Nile Commercial Bank and Kenya Commercial Bank had offices in Leitnham and nearby towns for the time being.

### **3.3.9 Loan Repayment and Recovery**

The evaluation looked at loan recovery. It was noted repayment was going on adequately well. It also noted that there was a mixed interpretation of terminology in regard to default. In the majority of cases, loan defaults were reported to be delayed as opposed to default. The staff understood default to depict the meaning of absconding or delinquent loanee.

This explained the reasoning why even where loans had not been repaid for over eight to ten weeks were not considered as defaults. Although at the end such loans were eventually paid with relevant penalties, but this had an impact on the programme given the size of loans the loan cycles and the need to establish good practice right at the onset to forestall any negative precedence.

It was found that this aspect would need re-orientation for staff, enforcement of discipline both at staff and group level. Measures for discipline would need to include internal programme actions on staff on whose portfolio the defaults occur. This way the process would be integrated and good practice would be supported both internally at programme level and at the group level. Penalties on the loanee are not enough.

### **3.3.10 Diversification of Portfolio**

The evaluation ought to find out the extent MED programme portfolio were diversified. This was found to be non-existent as all funds in use were programme funds with only limited number of shares (405) sold. No more shares were being sold and there was no effort to market them.

Accumulation of savings was not going on as this had not been taken up by the programme at group level. Moreover, due to the desire by the authorities and others for a bank to be set up, this thwarted an effort toward savings. It was noted that the traders resulted into traditional means of savings by buying livestock or dried fish and investing in grain prospecting for better prices then selling the animals, fish or grain at the most appropriate times depended on the needs each trader had.

The interest charged was adequately high but due to the slow pace of the loaning cycles the internal revenue growth was slow. The evaluation established that there was dire need to inject more finances into the loan cycle regime to facilitate shortening the loan cycle, repeat loans and increase impetus for growth of the programme portfolio. Resources would need to be invested to research into how to diversify the various portfolio in this programme. A viable direction would be the setting up of business development services and its attendant services for this aspect to have quality information on which to build the programme.

### 3.3.11 Operational sufficiency and Risk Portfolio

The evaluation sought to establish the operational sufficiency and risk portfolio. It enquired on what the delineating sufficiency and risk was, and whether there were any unpaid monies and any reasons as to that status. The findings were that there is no adequate system to help analyze these factors fully in the programme. However, the following data was generated from the programme records.

**Descriptive Summary of the Pilot MED Project**

<b>Description</b>	<b>SDnr</b>	<b>SDnr</b>
Number of Members 302	302 x 300	90,600
Average loan size	600,000/40	15,000
Number of loans issued (4)	600,000x4	2,400,000
Net advances to clients	Nil	Nil
Loan Amount outstanding	8 x 5,000	40,000
Number of Loans fully paid ( 7 installments)	1,360,000	1,360,000
Monthly loan interest returns	250 x 40	10,000
Average gross monthly income (P + I)	200,000 + 10,000	210,000
Average gross monthly expenses	Nil	Nil
Average monthly net income	210,000	210,000
Savings	Nil	Nil
Capital and Reserves	600,000 + 68,000	668,000
Net Worth of MED Portfolio	68,500	68,500

### 3.3.12 Factors Delineating Sufficiency

The loan amount (SDr. 15,000 per client) was considered by respondents to be insufficient for business due to high transportation costs, multiple taxation and high prices of goods from source as they are not bought in bulk. Lack of infrastructure was supplemented by the use of bicycles, animals like donkeys and carriers who do so on their heads and backs and this was noted to be slow and ineffective.

Lack of support infrastructure (roads) as well as lack of financial institutions (banks) inhibited safety and security of cash. Many clients were found to keep their money in boxes, bags etc. In the past some mistrust had developed due to past experiences encountered by the clients. Some previous project had lost or not accounted for money collected from the community and this was the bedrock for decline in savings unless the physical bank is built.

In addition frequent change of the programme managers raised a lot of scepticism towards the programme especially among the local authority, and the bigger business persons in the Lienhohm. This made speculation rife inhibiting the savings intervention.

The existing staff had not been fully oriented and trained on the approaches, methods and techniques relevant or the evolving model. In future this might affect sufficiency and quality delivery.

As many beneficiaries were less literate, record keeping at their level was inadequate or absent altogether thus it was not possible to verify fully the progress of individual business. Respondents felt that they were advancing and that business was growing. Supporting evidence to this could be denoted by proxy in that some respondents who had started out at one stage had graduated to another. One selling tea only was noted to have move on to include the selling of food and flour. Another had started out as a brewer but was found to have branched away from brewing to local food restaurant and consumer items bought from Wau.

### **3.3.13 Risk Portfolio**

The programme had a misinterpretation of what defaulting is and what delay in repayment is. A reviews of the records denoted that there was minimal default in payment. In the first loan cycle, 14 clients had defaulted. In the second, 19 had defaulted. The periods of default were short except for one that was nearly three months as the client had travelled to Khartoum and could not return for w while.

- ✓ Some of the defaulters got stranded for away from the locality with goods due to poor roads especially during the wet season, hence come back late. At such times their businesses are inoperable hence not making money.
- ✓ For those trading in different parts of the country lack of keeping time and records.
- ✓ Health needs (sickness) cause some to delay as businesses are inoperable hence not making money.
- ✓ Financial constraints when somebody realizes losses, or draws money from business for medical treatment of a sick member of the family or misused of the loan given.

The fact that there are no savings is risky as the businesses are not able to capitalize as they grow, nor is the MED Programme. The lack of banking services, the quality of structures and the lack of insurance are also presenting risk.

It was found that local hostilities generated insecurity in January and June 2006. As a result, staff evacuation temporarily affected the program.

### **3.3.14 Product Development**

The evaluation reflected on this aspect. It was noted that the programme had its share of challenges at the filed leadership level. This seemed to have inhibited the capacity for the programme to innovative address the need for product development outside of the immediate focus in awareness building, group formation, setting up of the loan cycle and system for barely managing. The opportunities for identifying new interventions and approaches as well as new products had not been addressed as yet.

This notwithstanding, the programme had attempted some new potential aspects. This targeted the blacksmiths and fishing cooperatives. It was reported that some revolving loan for bicycles was being tied out. In addition, a nets and hooks (fishing gear) kit as being sold out to fishermen and so on.

The accumulation of savings as a product had not been fully taped. There was need to explore the loan amounts in relation to market realities and the emergent changes in terms of source of goods, seasonality of stocking up in dry weather and cumulative transportation variables crated by lack of the means of transport, as well as the challenges of access by road during the dry or wet weather.

## 4.0 PROGRAMME ACHIEVEMENTS REVIEWED

### 4.1 Planned Programme Outputs

OUTPUTS	INDICATORS	REMARKS
Output 1: Adult literacy/numeracy/business skills training model developed	<ul style="list-style-type: none"> <li>Existence of training syllabus, curriculum, modules, session plans and training-learning aids</li> <li>Availability of skilled and equipped trainers, animators, facilitators</li> </ul>	<ul style="list-style-type: none"> <li>✓ Nascent adult literacy work covering here centres in place</li> <li>✓ 6 Adult literacy teachers identified</li> <li>✓ 217 learners among them 129 women and 88 men</li> <li>✓ Enhancing training and group skills among MED staff before scaling up. Consider TOT and group dynamics as priority followed by technical know-how in MED</li> </ul>
Output 2: savings and credit model developed	<ul style="list-style-type: none"> <li><i>A model of entrepreneurship that motivates others to engage in enterprise development</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ An emerging model evolving but not yet fully developed</li> </ul>
Output 3: 225 clients trained in basic literacy/numeracy and basic business skills	<ul style="list-style-type: none"> <li><i>225 clients with increased literacy, numeracy and business skills</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ Training on-going but not covered all clients in all aspects as yet.</li> <li>✓ Local blacksmith cooperative participating</li> <li>✓ Not all members of all groups enrolled for AE</li> </ul>
Output 4: 200 clients participating in savings and credit scheme	<ul style="list-style-type: none"> <li><i>200 clients with experience and habit of saving and borrowing</i></li> <li>Enhanced social cohesion through the building of social capital through savings and lending groups</li> </ul>	<ul style="list-style-type: none"> <li>✓ 200 clients enrolled in the credit programme</li> <li>✓ Savings component is weak</li> <li>✓ Group cohesion taking place and people increasingly working in different levels of identity groups</li> </ul>
Output 5: 50 potential entrepreneurs identified who are starting business activity	<ul style="list-style-type: none"> <li><i>50 potential entrepreneurs identifies with business activity</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ Not yet identified but likely to be dealt with</li> <li>✓ No economic business analysis as yet</li> </ul>
Output 6: identification and implementation of appropriate value-adding business development services for the emerging enterprises	<ul style="list-style-type: none"> <li><i>Increase of income of program participants.</i></li> <li><i>Empowered clients, particularly women, better equipped to provide for their families</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ No business development services in place yet. Staff not trained or oriented to accommodate this in their current job functions</li> <li>✓ Basic training at groups has promoted a sense of confidence among some women</li> <li>✓ Need to increase staff with skills in BDS</li> </ul>
Output 7: legal and physical structures in place for a sustainable MED Pilot project in Gogrial East	<ul style="list-style-type: none"> <li><i>Increase of expenditure on child health, nutrition and education</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ Not in place yet as government structures are being formed.</li> <li>✓ At group level not complete as yet as groups have no guiding by-laws</li> </ul>
Output 8: review and evaluation forum initiated, including the engagement of an external program audit.	<ul style="list-style-type: none"> <li>Credit Committee involving civil society, and local group representatives, local authority, other stakeholders and actors</li> <li>External evaluator identified</li> </ul>	<ul style="list-style-type: none"> <li>✓ Credit Committee was formed but has ceased to play any role since the start of the loan cycles in April 2006</li> <li>✓ External evaluator identified and commissioned to evaluate pilot programme</li> </ul>
Output 9: "lessons learned" document and strategic plan for scale-up	<ul style="list-style-type: none"> <li>Analysis and recommendations from programme review, evaluation</li> </ul>	<ul style="list-style-type: none"> <li>✓ Evaluation report elicited lessons and raised some recommendations for guiding this aspect</li> </ul>
Output 10: engagement and commitment from local authorities and civil society to support scale-up	<ul style="list-style-type: none"> <li>Interest, motivation and level of commitment by relevant levels of the local authority and civil society</li> </ul>	<ul style="list-style-type: none"> <li>✓ Local authorities interested in the programme but with some slightly differing expectation on the nature and role of the local physical bank</li> </ul>
Output 11: resources and partnership in place for the scale-up of the MED model in this and other areas of South Sudan.	<ul style="list-style-type: none"> <li>Existence of viable opportunities for scaling up</li> <li>Level of interest and commitment in the partnership</li> <li>Existence of resources available for scaling up</li> </ul>	<ul style="list-style-type: none"> <li>✓ Some potential for scaling up tied to improvement of the savings component, training of adult literacy animators, addressing issues of growth of number of groups, geographic coverage, functional analysis to determine number of staff needed at each phase and level, local interests, safety and security of cash,</li> </ul>

## 5.0 IMPACT OF THE PROGRAMME

### 5.1 Loan Impact

The evaluation sought to establish evidence that the loans had any impact. It was found that some of the group members were able to set up business they would otherwise not have established without capital. In addition it was evidently noted that the loans increased money circulation Liethom market as a trading centre. More goods were made available. Although the variety of new goods was not that diversified, availability of more goods stabilized prices to some extent. There was an increase in local revenue at the local authority level. Although the local authorities did not disclose the amount, there was expression that trading increased in the levies collected from traders. In terms of livelihood the group members spoke of the ability to pay for medical expenses, school levies for children and also meeting family obligations.

Viewed from the project planning point of view, the programme brought about a sense of cohesion based on the group work, adult learning together and a new spirit of hope at the community level. Youth were found to have begun anticipating that their needs could also be addressed if they formed groups. Some of their groups have begun to prepare bricks for sale while others are preparing bricks to build a youth centre and a guest house for business. The local authorities also have a tangible project on the ground to talk about and from such talks, they generate ideas for improved human productivity in Liethom.

In a recent programme review<sup>9</sup> meeting a number of aspects were noted that the programme had motivated the community. However the model in use needs to be adapted more to the context of Southern Sudan. This would have to deal to the expectations and needs of the target community in aspects of secure savings, banking, transportation of goods, stocking up for the wet season and local entrepreneur development and others.

The aspect of shares needed further reflection even though 297 clients have bought 471 shares whereas there is no stock exchange and the understanding the community has of shares is based on the cooperative model. Loans at SD 150 000 each have been issued but the clients request that the amount be increased on the basis that the prices at source, taxes and levies on the way plus transportation are so high that the quantities of goods bought is low. This amount, they said, was based on the assumptions that goods are locally available in a warehouse or whole sale shop. Even if this was the case, they argue, the prices have increased in the last five months. Prices during season are also different from prices during dry weather as transporters charge more during the rain season.

All loans taken by group members were being used for trading purposes. In this respect, the programme was on its way to identify local entrepreneurs. It had identified local opportunities (fisheries, livestock industry, agro-processing, guesthouse, wholesale, warehousing, transportation, etc.), for which much larger capital would be needed. It also identified some local business personalities (one in Luanyaker, and a possible Liethom-based wholesale), and groups (blacksmiths cooperative, fisheries and youth groups) with bigger aspirations for investment opportunities.

Thus this constituted a cohort of potential opportunities that could be clustered into local entrepreneurs that could be dealt with in the context of local entrepreneurs who could start larger size of business enterprises in the realm of value adding business options both in commerce and some processing. The available information needed to be subjected to business economic analysis for before decision making. The component on business development would need to be enhanced for the programme to realize clarity and value in this aspect.

As noted elsewhere in this report, for the time being; the MED curriculum consists of business management issues, customer orientation, market orientation, cases of business failure, how to identify business opportunities, business plan development, marketing, dealing with non-controllable factors and business records. Aspect in costing and pricing, effects of loan repayment on cash flow and effects of selling on credit were not fully dealt with.

This report has also pointed out that a wide range of new business concepts under business development and the programme capacity in this area needed to be strengthened for it to add value to the overall programme and the local economy. These would require specialised business development services for which the programme did not have access at the pilot stage. The business development should focus on more analytical needs for existing and new business development efforts in Liethom and its environs.

With a total of 217 learners, among them 129 women and 88 men, the Adult education model was found to be slowly evolving to become effective. The training of the Adult animators, modifications on the syllabus, curriculum and textbooks in use to be in line with that recommended by the Ministry of Education Science and Technology for this purpose. Subjects taught consist of Arithmetic, English, Christian Religious, Education, Social Studies and Hygiene.

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<sup>9</sup> EPTF: Sudan Project Team Meeting, Gogrial East County at SRRC Office, August 9-10 2006

The evaluation observed that there is need to adopt a more functional orientation in the model, (viz. REFLECT). Some of the existing teaching material i.e. textbooks were originating from the Northern States and were slightly in variance with what is available in the Southern States. The Ministry of Education Science and Technology recommends the use of Alternative Learning Education Modules, Accelerated Learning Materials and has a defined syllabus and curriculum for this. It would be needful for the programme to pursue this direction to be in line with the Ministry's policy direction.

The Adult Literacy Animators and MED Trainers reported that use of role plays, demonstration and illustrations in training, proved more effective than other approaches and methods. Reasons attributed to this were direct engagement of the learner, real life experiences brought into learning, and relevance of subject matter strengthened.

Most learning venues were reported to be under trees or in public places where other community members would easily drop in to listen in even though they were not part of the group of learners. This was said to be distractive, although there was a value in it in that, it motivated new people to enrol in adult literacy classes. There was a clear need to identify as well as develop non-distracting training venues and learning environment.

Currently the programme was based in the World Relief office complex in Liethom and this was adequate for the first part of the programme. However, a more spacious facility, perhaps an extension of the existing one by an equal office size of space to allow more working space for both preparations for training and field activities while at the same time allowing room for management work to proceed without undue interruptions. Some facility for the "banking services" would be needed and this would be most appropriate in a more separate and secure locality where frequent visits and safety of cash would be ensured.

Notwithstanding and based on the experience of the MED programme during the pilot phase, it could be safely said that the programme had made progress in creating a foundation for the identification and implementation of appropriate value-adding business development services for emerging enterprises.

## 6.0 FEATURES DEFINING SUSTAINABILITY OF THE CREDIT PROGRAMME

The Evaluation sought to establish what were the features defining sustainability in the programme. How were they identified? How integral are the features of sustainability to livelihood security? How are the features integral to increased savings and creation of future capital for the beneficiaries?

The evaluation noted that at the planning stage the project planning phase took deliberate care to sustainability. It took into consideration such factors as roles and responsibilities of the partners, ownership by beneficiaries, socio-cultural issues, institutional and management capacity as well as economic and financial viability of the programme.

The evaluation noted inherent community roles and ownership of the processes through the group cohesion, sharing of common aspirations and willingness to work together in the mode provided. There was also a strong sense of factors of cultural sustainability in that the community normally saves via keeping livestock as the means for savings. Many group members pointed out that whenever they had extra cash, they bought livestock. A number of respondents started into trading by cultivating, and when they sold produce, they bought livestock over a period of time. To raise capital for business they then sold the livestock and bought goods for trade. This factor holds potential in the revitalization of the savings component of the programme.

The valuation also noted that there was social sustainability. The community was generally harmonious, in that community members desired that local small arms should be collected by the local civil authority. It was the hope of many respondents that with reduced access to small arms local hostilities would die out. Most members in the small as well as in the main groups knew one another well. There was trust and confidence in working at this project together.

The local authority supported the MED programme in Lietnhom and desired that it provides more services to the community and the wider community. This gave credence to political sustainability. Even though there were issues raised by the bigger traders and the local authority around the physical bank and its wider role outside the immediate project focus, part of this could be accounted to be enthusiasm and the aspiration for bringing about change. The local authority was committed to ensure security and safety to facilitate trade and commerce.

The evaluation noted that even though Gogrial has been one of the most affected localities during the war, rapid economic changes have been realized in the last two years due to improved security. Lietnhom was strategically placed economically in that it had direct connection to Wau, Aweil and Abyei which were reliable sources of goods for trade. In terms of local trade, the locality had fertile land and a viable capacity to support productive livestock and fishing business. Farm produce, livestock and fish could be sold out to the bigger towns and more populous areas from this locality. This provides potential for economic sustainability.

From the loans issued the evaluation observed inherent benefits to the beneficiaries. Access to an organized group and process brought about confidence and a sense of belonging that is necessary in the development of social capital. In addition there was a sense of ownership of the process in that the mutual support led to groups feeling that they co-shared ownership of the process. The fact that through the loans they were able to participate and maintain their businesses and household needs was a value that respondents felt accrued as a benefit to them. Many respondents who had obtained loans attributed their survival to the effects of having used the loan in improving their businesses. At the market level the increase in liquidity meant that more volumes of goods were available. The increase in business led to the start up of new businesses particularly tea selling, food selling and this growth was of benefit to Lietnhom as a trade centre.

The evaluation looked into the financial sustainability of the programme from the group point of view. It was noted that the groups would have had better financial sustainability had they accumulated savings alongside their trading business. This was still in abeyance but held a more assured viability in that savings would boost the overall amount of money available in the MED programme and business. It was felt that more work needed to be done in this aspect to lay the foundation for financial sustainability.

The evaluation sought to find out the viability of organizational and institutional capacities of the programme as well as that of groups. It was observed that the MED programme has a strong and viable training component in adult literacy, business and hoped to start business development services. These inputs laid a foundation for informed organization at the individual and group level.

It was observed that due to the fact that this was a pilot phase of the credit programme, the features would have to be developed in the scale up phase.

## 7.0 MONITORING REPORTING

Monitoring and Reporting were examined to explore how they informed decision making on the day-to-day at the programme as well as in the management level. It was found that the programme planning document was very clear on how the monitoring would be undertaken. However, it was noted that apart from the review meetings, the term reports (monthly and quarterly) were activity based. As a result it was not practical for management to quickly address objective-oriented needs that influence programme direction and effect.

Although reporting activities is positive, it does not inform the extent to which outputs and objectives were being realized. The format taken in review meetings would have been a more reliable format for term reports. Activities and achievements realized in the period of reporting serve to illustrate progress towards objective and goal achievement. The format to reporting would therefore need to be adapted to reflect this for all term reports. Below is a suggested framework that the MED programme could adopt and adapt for its use: -

### *Framework for Planning Monitoring, Reporting Information and Learning<sup>10</sup>*

List Planned Outcome	State the project Indicator(s)	List Data Sources	Define Method of Data Collection	Determine Frequency of Data Collection & Analysis	Decide Who is responsible?	Determine Frequency of Documentation and Sharing	Decide Who is responsible?	Think through Who will use the information and how?

Based on the programme indicators, it is how these indicators are to be used that constitutes the monitoring and reporting plan. The plan ought to clearly depict how the indicators would be used to gain information on the progress of implementation. The plan should also show the sources of data and information needed the method of collecting the information, the frequency of collecting data, the framework and method of analyzing the data so collected. The plan also indicates the person or function in the project responsible for collecting and analyzing the data, the format of recording, documenting and reporting the data for use and who would use the data. Based on such a plan the types and formats of tools for monitoring and reporting are the selected or designed and developed.

## 8.0 POTENTIAL FOR IMPLEMENTING AMONG PARTICIPATING PARTNERS

The evaluation sought to identify inherent potential based on empirical evidence of capacity indicators for implementing the MED Programme.<sup>11</sup> In what areas might capacity need strengthening? How might streamlining the existing capacity, tools, infrastructure, human resource etc. help strengthen implementation? The report has outlined these aspects in each main section under section 3.0, and following.

Key aspects in programme have to do with enhancing community awareness on the concept of savings and investment and instigating a community owned Savings and Investment entity, reinstating the Credit Management Committee, shorten the loan cycles, addressing expectations on banking strengthen staff capacity in training, training materials and learning environment, address business development needs.

At the management level key aspects have to do with separation of roles of the Head Trainer from other roles, instigating a separate function for programme management systems especially records and information on the loans and repayment, address need of the working space and infrastructure, provide re-orientation and strategic thinking through the kind of model to evolve for the programme.

At the monitoring and reporting level, it would be useful to adopt a format for reports that utilizes activities as illustration on the progress toward achieving objectives. In this connection the report format needs to be revised in the lines of the format used in the programme review meetings.

At the partner level, aspects needing attention would be further refinement on how the partnering agencies wish to pursue the outcome of the pilot programme and what roles they were best fit for.

Based on empirical evidence available to the evaluator there is ample reason to continue and set up a phased entry into the scaling up of the Liethom MED programme.

<sup>10</sup> Ndiku K: *Objective-based Monitoring and Reporting; Working Models, PRECISE:2004*

<sup>11</sup> Jazayeri Ahmad: *Member-Owned Financial Institutions-Lessons from Uganda and Tanzania 1997-2004; 2005(ahmed.jazayeri@fsa-international.com)*



## **9.0 SCALING UP**

Scaling up as a growth phase was explored. This could be possible in the context that the programme would need to have some extension and expansion phase. This phase would require an inception procedure that engages the older staff, and in addition some new staff in mobilizing the community. The evaluation observed that need to create a management approach that facilitates a mix of staff in preparation for this phase. It would be envisaged that the new staff would need induction and orientation. They would also need strong leadership on how to go about their work and in the setting up of systems and procedures.

Given the challenging phase the pilot stage had undergone, it would be useful to prepare adequately and pre-empt any potential constraints so as to minimize and even eliminate the experiences of the pilot phase that tended to constrain the management of processes. For this to happen it would seem prudent to plan an inter-phase that builds into the scaling up. This would take the form of a preparatory stage where planning and recruitment of new staff would take place. This would be followed by an orientation, induction and consolidation of the teams, leading into the mobilization stage then the launch.

## 10.0 RECOMMENDATIONS

### **Recommendation 1: Promoting Savings in Savings Groups**

It was found that the level of savings the MED Programme did not take the pre-determined cause and that there was very limited savings. The concept and approach to savings as part of the Programme needed to be clarified to beneficiaries and the community. In addition the need for a physical bank and concomitant issues related to that aspect acted as a barrier to the process.

*It is recommended that the intervention of savings in savings groups be invigorated and promoted to make the programme sustainable. A mechanism to make this community owned process it would be suggested that a Savings and Investment sub-committee be created to works at the awareness and mobilization level for savings and identification of business opportunities for members.*

### **Recommendation 2: Working with Faith-based Agencies to add value**

The place and role of the faith-based agencies in promoting harmonious community life, mobilizing and harnessing group cohesiveness and broadly participating in the improvement of livelihoods and peace was noted to be significant opportunity that adds value to this project.

*It is recommended that the role of the faith-based agencies, be harnessed for value adding elements that impact the worldview and values of the community and enlightening them not only on spirituality but also on elements of peace and transformational development.*

### **Recommendation 3: Credit Management Committee**

The Credit Management Committee created at the beginning of the programme was a measure that could have enhanced the level of beneficiary ownership of the process in place so far. This was inadvertently discontinued.

*It is recommended that this entity be reinstated and be strengthened to have capacity to run independently but as part of the disbursement, collection and recovery of loans with a function linking programme management to the groups.*

### **Recommendation 4: Shorten Loan Cycles and Increase Loan Amounts**

The evaluation that under the current regime, beneficiaries wait for as long as ten months to get a loan or repeat loans. This is a long waiting period given the amount of loans available.

*It is recommended that the loan cycles be shortened and a consideration be made to increase the loan amounts.*

### **Recommendation 5: Business Development Services**

The programme has a profile of potential opportunities for larger business venture in Lietnhom, however it was noted that the business analysis that goes with feasibility and viability was lacking in the programme. Time was also not sufficient for the management to adequately deal with this proposition.

*It is recommended that a slightly separated function be instigated to address this factor in the programme buy setting up business development services to augment the ongoing MED Programme initiatives.*

### **Recommendation 6: Records and Support Software**

The programme records are kept well and safely given the context and circumstances. It was found that whereas the beneficiaries did not keep written records themselves, the project needed to improve on record keeping beyond the hand written paper records. A software programme appropriate for this could be identified.

*It is recommended that appropriate software be identified or be developed with the future in mind for the programme records related to the loan, encompassing monitoring of portfolio needs in a comprehensive manner.*

### **Recommendation 7: Programme Model and Role Models**

The programme model is still evolving and it would be useful to sensitively look at what works given the unique context and significant needs to be addressed. Moreover the evaluation found that women were in the back side of business in that they tended not to have any of the main business lines, and that in addition majority had their business premises in the back side of the trading area.

*It is recommended that the programme model be developed with sensitivities on the factors unique in the context and strengthened to meet the needs with long-term sense of change and development in mind. It would be suggested that the programme seeks out some women role models and support them operate businesses in the main trading lines and location.*

### **Recommendation 8: Orientation and Strengthening Staff Capacities**

This is a unique type of project especially local staff majority of whom have worked in relief context. The need to understand the concept, model and principles in MED programming is crucial to the approaches, methods and techniques staff use at work. Capacity gaps in terms of information, skills, knowledge and other elements were been identified and are presented in this report.

*It is recommended that a strategy to orientate staff and strengthen their capacities be devised and implemented alongside the programme interventions.*

### **Recommendation 9: Improving Adult Education**

Credit and Adult Education is central concept of this programme. It was noted that the Adult Animators (teachers/trainers) had limited education themselves. In addition, they had no prior exposure or training on how adults learn. Moreover, that at the field level there was inadequate information on what the policy for adult education, Alternative learning and Accelerated Learning programmes of the Ministry of Education and Science and Technology had in terms of syllabus, curriculum teaching and learning material.

*It is recommended that to improve Adult education these aspects need to be addressed and that Adult Education Teachers be oriented on the MED Module and its key approaches.*

### **Recommendation 10: Monitoring and Reporting**

Monitoring and reporting at the MED Programme was adequate. However, the majority of the narrative reports tended to be very brief and activity oriented. The review meeting reports, however, were objective and output oriented. This variance would need harmonizing.

*It is recommended that a monitoring and reporting guide and format be devised that would promote objective and output based reporting format.*

## **11.0 CONCLUSION**

The “Laying the Foundation for Micro-enterprise Development in Southern Sudan”, project engaged the community adequately and by doing so elicited and obtained support from the local authorities and civil society. The current partnership continues to be committed to working together on a scale-up of the project. The total cost of the programme was documented at \$250 000 and was obtained from SlovakAid and STORMME Foundation. The total amount spent per beneficiary during the pilot has not been calculated. This notwithstanding it could be said that the programme addresses need, in a relevant and appropriate way.

Approaches, methods and techniques used in the programme have proven to be efficient, effective and production. These are also adaptable for the context in which they are used. The programme continues to hold potential for further learning and based on the experiences it had provided a basis for a phased scaling up. More work on various aspects of the model is needed but that would not inhibit the continuation or scaling up phase. In the scaling up phase issues of geographic and demographic coverage should remain in focus so as not to overstretch resources applied and available in the project to levels of inefficiency.

The current partnership continues to be committed to working together on a scale-up of the project. The total cost of the programme was documented at \$250 000 and was obtained from SlovakAid and STORMME Foundation. The amount spent per beneficiary during the pilot for the programme to reach the level it is in has not been calculated yet. A large part of the money was invested in the set up and also in creating the loan funds hence this is a longer term investment per beneficiaries and in the larger community.

## APPENDIX 1

### MED EVALUATION ANALYSES FORM

#### *Applied in Focus Group Interview*

Group: \_\_\_\_\_ Subgroup: (Sex: \_\_\_\_\_ Age group : \_\_\_\_\_) No. of people: \_\_\_\_\_ Facilitators: \_\_\_\_\_  
 Date: \_\_\_\_\_ Theme: \_\_\_\_\_ Location: \_\_\_\_\_ Country: \_\_\_\_\_

Cash needs at individual, family and business level	Reasons and purpose for use of cash	Capacities within the community to generate cash	Solutions proposed by subgroups	Most important issues to address as expressed by persons of concern	Urgent Follow-up action
Individual					
Family					
Business					

Adapted by PRECISE from UNHCR: Tool for Participatory Assessment; May 2006

## APPENDIX 2

### REFERENCES

#### MICRO ENTERPRICES ASSESSMENTS AND EVALUATIONS

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## **APPENDIX 3**

### **MED EVALUATION PROTOCOL**

**October 2006**

#### ***Program Level (Officers directly involved in Implementation)***

1. What products do you have for the MED members? What informs the development of products and how were they developed? (Solicit for baseline data and information).
2. How do you deliver your services to the MED members? (Approach, Methods, Procedures, System in use). How do you conduct outreach and promotion? (Approaches and Methods in use, frequency field office meets MED).
3. How are the beneficiary groups formed? What are the MED group sizes? How long do group members take before loaning? What is the entry point or the first loan level? How are the clients graduated to the next level? (Qualifications prior to membership in the MED Selection criteria in use).
4. What is the ceiling – the highest loan that can be given at any time by the program? What is the highest loan that has been disbursed by the programme? (Identify any set limits).
5. What types of trainings are given to the MED members before loaning? Who does the training/facilitation? How does the training relate to the identification of viable businesses and development by MED members?
6. What is the clients' perception on the current MED model? What is your own perception?
7. Who are your partners? How and when do you relate with your partners?
8. What challenges have affected the programme implementation? (At the organization, field officer and or beneficiary levels).

#### ***Elicit information on the following:***

*Feasibility Analysis,*

*Savings Portfolio,*

*Loan Overdue Portfolio/Default rate,*

*Credit/Total Loan Portfolio.*

*The MED policy definition of Arrears/Default,*

*Savings Policy as defined for the MED Programme.*

#### **Monitoring**

1. What information is used for monitoring the performance of the programme at field level? (Savings, credit, business training, numeracy and literacy, other).
2. What system is in place for client data management? Is there a software/programme for tracking MED loans and savings? How many and what reports can it generate?
3. In your own opinion, what can be done to improve the program's service delivery?
4. What can be done to curb the attrition (fall out) of members and increase recruitment?

## **Reporting**

1. How many reports do you have to track savings of the loan?
2. How effective are the reports produced in terms of monitoring the savings, disbursement and repayments? What evidence is there to support your answer?
3. How are the reports used in decision making/managing at the MED level or for reflection at the organizational level?
4. What are the targets per officer in terms of clientele repayment rate and outstanding loan balance? How is this linked to performance management and program quality control?
5. What is the maximum area of coverage per credit officer? What determines the program spread and coverage (Evaluator notes: Relate to cost and probability of multiple funding). Are there any other agency providing similar services within your program coverage?

## **Managing Defaults**

1. What are the most frequent causes of default? What mechanisms are in place for default recovery?
2. In case of death or relocation, who repays the loans? What is the security of the loans disbursed? How effective has such securities been?
3. What informs client exit from the MEDP? What strategies are in place to monitor the exit?

## **Sustainability**

1. Given the MED Program experience, how can the community organize and manage itself, to ensure the continuity of the MED post-external support? What evidence is there to support your answer for the above question?
2. How does the programme link to adult literacy? (Enumerate initiatives and incentives for literacy).
3. Apart from the beneficiary group membership, what other initiatives are there to improve numeracy and literacy among SLA members?

## **Beneficiaries ( Group members)**

### ***Availability and Access***

1. How did you learn about the MED Programme?
2. When did you join the MED? Why did you join it?
3. What is your perception in regard to the current MED model? What could be done to improve on it? In terms of accessibility, how would you rate the MED program and its services?

## Understanding the MED as a Program Component

1. What is the main function of the MED? How does the MED execute its functions? Are there any challenges from the MED that impacts on the program service delivery? How are the challenges dealt with at MED level?
2. How many members do you have in your group? (Evaluator notes) Male/Female ratio; Why the discrepancy? Relate with the gender aspect in the operation area, explore access and control aspects in respect to MED model and loan repayment trends.
3. How is the group membership (male to female ratio) related to the effectiveness of loan repayment? How can that be improved?
4. What is your view on savings contribution on regular, weekly/monthly basis?
5. What effect, achievement or impact have you realized through the MED group membership/loaning program? What evidence is there to support your response?
6. In your own opinion, what challenges/constraints impacted the MED program service delivery (Availability and Access)? How could these be overcome in the future?

## Exploring/Identifying Lessons

1. Do you have cases of MED members that have graduated and have had their lives improved positively? (Evaluator notes: Develop case studies).
2. Do you have cases of MED members that have graduated and have had their lives negatively impacted by the programme? (Evaluator notes: Develop case studies).
3. What lessons would one learn from the two cases?

## Analysing Micro finance Feasibility in the Post-conflict Context

1. In your own opinion, what do you see as the future of MED programs given the peace context in South Sudan?
2. Given the post conflict setting, what needs to be done differently to enhance the MED program success?
3. What factors and elements of capacity would be needed for MED programming under the post conflict setting?
4. In the Group Interviews/FGDs, facilitate the respondents to identify livelihoods capitals relation as created by the MED program.
5. What initiatives has the program developed to enhance the inclusion, involvement and active participation of the disadvantaged? PLWHA/War Orphans/War Widows/Women/Youth?

## Observation Checklist

### a. **Other Stakeholders**

Elicit information on the level of partnership at the Program level.

Elicit information on experience with MED groups in this or similar localities in Southern Sudan

**b. Group records;** *minutes book, treasurer's book, constitution, group certificates, savings passbook; (validate group meeting regularity, default settlement, funding histories, MED group members consistency in savings, effectiveness in record keeping)*

**c. Business records** (observed types of records kept at the business site/ enquire on their use, relate to the literacy and numeracy training).

**d. Type of business** (relate to prioritized opportunities, business training before loaning).

**e. Profitability of the businesses** (enquire on the levels of revenue generated and how clients know they have made profit. Validate what proves they make a profit)