



CONTENT

- Letter from the Editor
- Global Microcredit Summit
- Preliminary Results: NWTF's Impact Assessment
- Missions to 8 partner MFIs
- Client stories from IMON
- Website Information
- Announcements from the Social Finance Programme

Contact us at:
sfp@ilo.org or www.ilo.org/socialfinance

Letter from the Editor



Dear Partner MFIs and ILO colleagues,

First and foremost, **congratulations** are in order to all of our partner MFIs who have completed, or are about to complete their work on the Microfinance for Decent Work: action research! During this research project we have cooperated with 16 microfinance institutions around the world to introduce different innovations in addition to traditional microcredit business that may improve the livelihood of clients--innovations such as extended health insurance or training on financial education. Baseline and follow-up surveys covering clients have been conducted in target and control groups (20,000 people in total) in order to attribute impact to these innovations on poverty reduction and decent work-related issues. After three years of collecting data and facing obstacles that ranged from nation-wide flooding to political coups, we are happy to see so many successful final data submissions. As all final waves of data are submitted along with narrative and financial reports, the ILO will send each of you a letter of completion. Again, congratulations to all MF4DW participants!

From the Social Finance Programme, we have now sent our annual report on the MF4DW project to our main sponsor, the German Ministry of Labour, for review. This year we highlighted many important achievements reached, such as 70% of MFIs completing all activities in 2011 (25 surveys this year alone), 12 missions to visit and support implementing MFIs, the hiring of the econometric research team from Mannheim (Germany) and as well, a need to review how best to continue this important work in the future!

In the meantime, there is still much work to be done! At ILO headquarters in Geneva and in the regions, we are working together with our research colleagues at Mannheim University to clean final waves of panel data and to prepare the final impact assessment reports. Each report, supported by econometric modelling and data analysis, will elaborate on the degree of impact of each innovation and tell us

whether or not the results we are seeing are linked. Preliminary results of one such report from Negros Women for Tomorrow Foundation (NWTF) in the Philippines are discussed on the following page; so far, the impact for some indicators on risk management among clients appears positive. We are also happy to announce that a virtual home for the Microfinance for Decent Work project has now been created. A description of the action research, along with supporting documents, project communications, and related work can be found [here](#) in Spanish, English, and French.

For now, we look forward to sharing the results with you very soon!

-Markus Pilgrim

Global Microcredit Summit

In November 2011, nearly 2,000 microfinance practitioners, policy-makers, researchers and other stakeholders in the microfinance industry met in Valladolid, Spain to discuss progress made towards reaching the Millennium Development Goal of halving the world's population living in extreme

Continued on Page 4...

First Preliminary Impact Assessment shows Impact

The first preliminary impact assessment from our research team at Mannheim University was conducted for one innovation from **Negros Women for Tomorrow Foundation (Philippines)** focussing on risk management. All data was included except for the final data collection as this was not yet available and will be incorporated in the final report. The analysis focussed on the impact of a savings mechanism that deposits an interest rate rebate earned through timely loan repayments in an Individual Emergency Fund. Money can be withdrawn from the Fund for unexpected expenses in an emergency situation. The Fund can also be augmented by voluntary contributions. To complement the product, clients received training on generating savings and managing household cash flows.

Preliminary results show that the innovation had its strongest impact on reducing over-indebtedness and multiple borrowing, as well as on changes in financial attitude. For example, fewer clients in the target group had repayment problems or expected to have them in the future, and more clients in the target group had money left at the end of the month.

Impact on other intended outcomes, like the building of physical assets or changes in planning horizons, was more ambiguous. For example, at present, there is no significant difference between clients in target and control groups in terms of planning household expenses.

We are looking forward to the final impact results once the last set of data has been included in the analysis!

Visiting Partner MFIs: MF4DW in Action

Several visits to MF4DW partner MFIs occurred over the last six months, several of which included wrap-up sessions with those MFIs which had fully completed the action research. MFIs included: TYM (Vietnam), NWTF (Philippines), VFC (Cambodia), ESAF (India), RCPB (Burkina Faso), LAPO (Nigeria), Bancovelo (Honduras), and Confianza (Peru). The SFP team is happy to have been hosted by so many partner MFIs and to have been present, in several cases, for the final project wrap-up sessions.

In Asia...

- Across southern Asia, SFP experts, Valerie Breda and Severine Deboos conducted separate monitoring missions to TYM (Vietnam) in September, ESAF (India) in October, NWTF (Philippines) in November, and VisionFund Cambodia in December to review achievements and propose adjustments, attend consultative workshops/meetings, share follow-up survey results, meet with clients who benefited from the innovations, and discuss external factors that may have impacted the data analysis process. We would like to thank the partner-MFIs for their warm welcome and high levels of professionalism during our visits.

In Africa...

- In sub-Saharan Africa, SFP experts Judith van Doorn and Hillery Midkiff conducted separate and

joint missions to RCPB of Burkina Faso and Lift Above Poverty Organization (LAPO) of Nigeria, respectively. With RCPB, SFP conducted a refresher training session for interviewers, at the launch of the final round of data collection and also assisted RCPB in the preparations for the 'evening of the entrepreneur'. Additionally, SFP met with clients that had participated in the training programme in order to have their feedback on its usefulness.



At LAPO, SFP reviewed data collection and entry measures with research staff to ensure timely delivery of the extremely large datasets from Nigeria. SFP staff was also

able to visit clients accessing the "School Support Initiative" in the field, where demand appears to be very high as does overall client satisfaction and uptake of the product. Bravo to our teams there!

In Latin America...

- In Honduras, SFP met twice with the Bancovelo team to modify the project implementation strategy covering product specifications of the new health insurance product and the

Continued on Page 4.

Client Stories: Innovations in Action from IMON

Todzhigul's Tale of Triumph

Bobokalonova Todzhigul was born and grew up in Dushanbe, Tajikistan—where life was full of ups and downs. After divorcing, Todzhigul, a mother of two, worked as a seamstress in the trade centre “Sadbarg.” Unfortunately, the money she earned sewing was insufficient and certainly not enough to buy the apartment her family desperately needed.

However, Todzhigul continued to dream of happiness. She married again and gave birth to two more children. She remained active and enterprising, refusing to sit quietly at home. Unfortunately, Todzhigul owed more than she earned from the small businesses she had opened and was forced to shut them down. Again, Todzhigul had lost her work and livelihood. Her husband, who depended on her for income, also left.

A situation such as this is difficult for anyone to overcome, but Todzhigul chose not to remain dependent on family members in hard times. Instead, she decided to apply at the Employment Center where she learned that, as part of the MF4DW action research project, MLO “IMON INTERNATIONAL” was providing entrepreneurship training and start-up loans for enterprising women.

After completing the mandatory business training courses, Todzhigul took her first loan from IMON for \$1,700 USD and opened a mini-café. However, after further analysis of the external market, she decided to change her business after fully repaying her first loan. Instead, with the help of a second loan, she opened a food store. Todzhigul's decision to change business models worked. Her business expanded rapidly through her vast variety of products, for which she now has no shortage of customers.

Vigorous, sociable, and capable of negotiating with anyone, Todzhigul worked relentlessly to achieve her dreams. In an interview, Todzhigul later confessed: “When I took my first loan, I was really worried as to whether or not I would be able to repay it. But I made a goal to go ahead and not to stop.”

Today, Todzhigul is a successful businesswoman who has taken a further third loan to open a second food store that provides work for her sister. Her success in business was not only the result of hard work, but also the result of a mutually beneficial cooperation with IMON INTERNATIONAL.



From Homemaker to Head of Business

They say that Egamova Uguloy has “golden hands”. As a skillful seamstress, she has achieved high compliments from many customers for her hard work and diligence. In her hometown in Tajikistan, every woman wants a dress custom-made by her. However, her story did not begin this way.



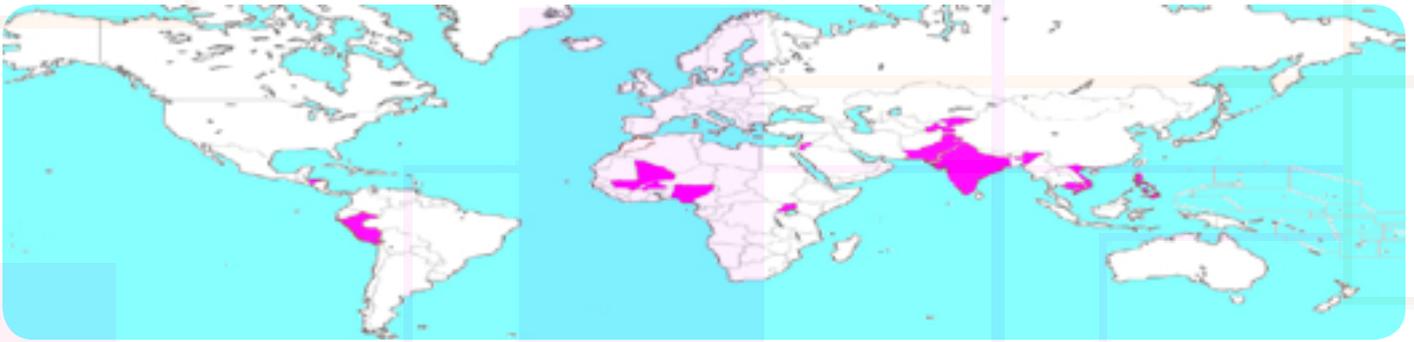
After finishing sewing courses as a young woman, Uguloy worked predominately from her home while raising a family. However, after her husband left and the children grew up, Uguloy began thinking of opening her own enterprise.

She asked herself, “What will I do? Who will train me to start my own business? Where will I get the money to rent a shop and purchase equipment?” Uguloy was plagued by these questions until she learned that IMON INTERNATIONAL was conducting training for women wishing to start their own businesses, and that after finishing the training on business planning and methods of running a business, the organization would provide start-up credit.

After successfully completing the training, Uguloy received a loan for \$1,500 USD for a period of 12 months. This event was the catalyst that sparked the beginning of her entrepreneurship career. Owing largely to a well-designed business plan, skilful application of knowledge gained during the training courses, and hard work, Uguloy improved her tailoring for female garments dramatically. In addition, she gathered a group of young women to train in her craft, thus providing them with skills and jobs as well.

Today Uguloy's tailoring business is highly successful and profitable. As further proof of her success, in less than a year's time, Uguloy was able to open a second, larger tailoring shop!

Today Egamova Uguloy is an independent, confident woman. She is thankful to IMON INTERNATIONAL for the opportunity to show her entrepreneurship abilities, and to provide herself and her family with a decent life.



Announcements from SFP

As the MF4DW project draws to a close and the analysis produces more results, it is important to us that we can continue to remain in contact in the future!

Therefore, for updates on the project, new reports being published, future correspondence and announcements, please visit us at the [MF4DW homepage](#) where a variety of information is currently available, with more accessible every day in English, French and Spanish. Enjoy!

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Continued from Page 1...

poverty by 2015. The ILO presented the results of the MF4DW diagnostic phase and highlighted a number of decent work innovations that the MF4DW partner MFIs are implementing with the aim of improving the quality of employment created by micro-entrepreneurs. The microfinance community present was very interested in hearing about the final research results to be made available in mid-2012!

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associated client training on micro-insurance, first-aid, and risks at work. The visits included meetings with HSBC (insurance company) and AINCADEH (Research Company).

- SFP also visited Financiera Confianza in Peru twice in 2011 to first present the results of the baseline survey, and then later in the year to train a new team of enumerators on the use of the final survey questionnaire and data entry form.

Staff Movements

We wish to inform you that our technical officer, Hillery Midkiff has left the ILO Geneva on the 31st of January, 2012; however, she continues to support the MF4DW action research from her new residence in Bogotá (Colombia). In addition, our MF4DW coordinator for Asia, Valerie Breda is now based in Kathmandu at the ILO Nepal office where she continues her support for the MF4DW action research.

Photos from the Field: VisionFund Cambodia



Special thanks to IMON for their submissions and contributions to the fourth edition of the MF4DW NewsFlash!