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Contact us at:

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Letter from the Editor

Dear Partner MFIs and ILO Colleagues,

This edition of the **MF4DW** NewsFlash will be all about **introductions!** Introductions to the new research team from the University of Mannheim that will be running the econometric analysis of the client data. Further introductions to our partner MFIs as captured through visits to each of them over the last six months. Introductions to some of the ongoing innovations as seen through the eyes of the clients of NWTF in the Philippines. And as well, I introduce myself, Markus Pilgrim. Since the retirement of Director Bernd Balkenhol from the International Labour Organization in March 2011, I have had the pleasure to lead the **MF4DW** action research programme.

We hope that this edition of the NewsFlash will continue to promote the sharing of information among our partner MFIs, Social Finance Network members, and research staff. Missions to Cambodia, Tajikistan, Uganda, Peru, India, and Honduras over the last six months have shown us that efforts are still strong and ongoing in the final round of data collections. As results are generated from the data by the University of Mannheim team, we will surely seek to share these with you in a timely fashion. Ahead of their analysis, anecdotal stories continue to emerge from the field illustrating the potential benefits of access to **MF4DW** innovations. At headquarters and in the regions, we are continuing to work closely with partner MFIs to manage the information flowing in from the field, to develop innovative methods for sharing information further, and to organize the final outputs of the action research. In order to meet your needs, please send us your feedback on the expected outputs of this action research via a short survey accessed through the [link](#) on page 5.

As we near the final stretch of the **MF4DW** action research, we hope that everyone will continue to invest the same amount of energy that has proven so strong thus far. The final data collections must continue to be as well delivered as the baseline and follow-up surveys so that we can extract impact from the data; for this we count very strongly on our MFI partners and their staff administering the surveys in the field. Your hard work and patience over the last two and a half years is about to reach completion!

-Markus Pilgrim

SPTF Annual Meeting Den Bosch, Holland (June, 2011)

This year's annual Social Performance Task Force meeting brought together more than 200 industry stakeholders from around the world. For 2011, the main objective was to discuss the draft of the [Universal Social Performance Standards](#). Three representatives from our **MF4DW** partner MFIs—including Sandhya Suresh (ESAF), Gilbert Maramba (NWTF), and Ziad Al Refai (TAMWEELCOM)—joined and contributed to the ambitious agenda. Staff from the ILO's Social Finance Programme and the three representatives also used the occasion to update each other on progress made and challenges in the project, as well as the final steps to successful completion of the research by December, 2011.

In a pre-meeting, SFP introduced the **MF4DW** action research to the "Networks Working Group". Particular interest in the project was shown by national MFI associations who greatly appreciated the participation of our 16 MFIs! In addition, SFP updated OIKOCREDIT and former AMK CEO, Paul Luchtenberg, on the progress of the project.



From Left to Right: Patricia Richter (ILO), Ziad Al Refai (TAM), Gilbert Maramba (NWTF), and Sandhya Suresh (ESAF)

Econometrics Team from the University of Mannheim Visits the ILO

Define: **Econometrician**

e'con o'me'tri cian n. (used with a sing. verb)

An econometrician is an economist who uses mathematical and statistical techniques applied to economics in the study of problems, the analysis of data, and the development and testing of theories and models.

In August, a team of five econometricians joined staff from the Social Finance Programme at ILO headquarters in Geneva for an introductory workshop on the upcoming impact assessments for the MF4DW action research. The research team from the University of Mannheim (Germany) brings a diverse skillset and background to the data analysis based on their prior experiences on global projects with the World Bank, GIZ, and the ILO. Each member will contribute to creating an econometric model that will guide the analysis of each Decent Work innovation and will finally tell us if an impact has been achieved! Does extended access to microinsurance decrease child labour? Does financial education result in better risk management strategies and decreased vulnerability among clients? Each econometrician will be working to answer these questions and more in the coming months.

The team consists of Prof. Markus Frölich, Chair of Econometrics at the University of Mannheim; two post-doctoral fellows with extensive research expertise in applied econometrics and microfinance, Dr. Boris Branisa and Dr. Niels Kemper; and three 4th year PhD students with extensive training in econometrics and field experience, Andreas Landmann, Markus Olapade, and Robert Poppe. Read more about the team on the University of Mannheim website [here](#).



Pictured here from left to right: Dr. Niels Kemper, Professor Markus Frölich, Dr. Boris Branisa, Andreas Landmann, and Markus Olapade

The Future of MF4DW: Indonesia learns from AMK and VisionFund in Cambodia

The Central Bank of Indonesia (BI) is preparing for the launch of a microfinance impact study, to be conducted in 2011-12, in partnership with one rural bank and with ILO technical assistance. The study will follow the MF4DW methodology currently implemented by our partner MFIs in 14 countries. An exchange visit in Phnom Penh on August 8th-11th allowed two representatives of BI—the director of the rural bank and a national expert from ILO Jakarta—to learn about the experiences of AMK and VisionFund Cambodia in implementing the MF4DW action research. The meeting focussed on the design and roll-out of surveys, as well as the methodologies for delivering financial education training to clients.

The exchange visit provided a great opportunity for the Indonesian delegation to better understand the common challenges in implementation. It also benefited from AMK and VFC's lessons learnt and reviewed BI's methodology and action plan for ensuring a successful impact study in Indonesia. We would like to express our sincere thanks to our friends from AMK and VisionFund Cambodia for sharing their experiences, successes, and challenges!

Visiting Partner MFIs: MF4DW in Action

Several visits to MF4DW partner MFIs occurred over the last six months including: AMK (Cambodia), VFC (Cambodia), NWTF (Philippines), BASIX (India), ESAF (India), IMON (Tajikistan), PRIDE (Uganda), Bancovelo (Honduras), and Confianza (Peru). The SFP team is happy to have been hosted by so many partner MFIs and to have been able to continue providing project assistance.

In Asia...

- In Cambodia, SFP staff visited AMK and VFC in May and August to present the results of baseline and/or first follow-up surveys, and to discuss with the teams issues of sustainability around the financial education training innovations. Moreover, AMK and VFC shared their experiences in implementing the MF4DW action research with a delegation from the Central Bank of Indonesia (for more insight on this meeting, see



the article on page 2).

- In India, the ILO senior occupational safety and health specialist based in New Delhi attended a BASIX refresher training on WIND (Work Improvement in Neighborhood Development programme) in June, in order to provide technical inputs on the training methodology and on how to measure client's work improvements and productivity gains. In addition, BASIX and ESAF have organized a field visit and met with an ILO global evaluation team in late June.

- In the Philippines, SFP staff visited the NWTF team in June to present the results of baseline and first follow-up surveys, as well as to work on the progress of the innovations with specific attention on the sustainability of the entrepreneurship training innovation.

- This August, SFP staff visited IMON International in Tajikistan and participated in the second Training of Trainers on GET Ahead—the Women's Entrepreneurship Training provided to the potential female clients prior to applying for a startup loan—which is the innovation tested by IMON International that hopes to increase women's empowerment. Existing IMON trainers were refreshed in their training skills and a new generation of trainers was trained in order to replicate the innovation in the future.

In Africa...

- PRIDE Microfinance Ltd (PML) of Uganda organized a training in May 2011, in which a member of SFP trained (new) data collectors and data encoders



on the use of updated questionnaires. The training also addressed issues of quality control in the entry of data into electronic formats. The data collectors

conducted some test interviews with PML clients and created a quality control system, which involved one member of the data entry team cross-checking the data entered by other members of the team.

In Latin America...

- In Honduras, SFP staff met with the Bancovelo team and representatives from HSBC Seguros (micro-insurer) to discuss modifications to the project's implementation strategy and the associated training programme on access to microinsurance for clients. Question and answer sessions with clients, Bancovelo staff, and the research company allowed SFP to have an increased understanding of the project and better get to know the team.



- In Peru, SFP staff visited Financiera Confianza and its branch in San Juan de Lurigancho in metropolitan Lima to discuss progress made in training clients on financial literacy in order to better use financial products. Furthermore, a visit to clients that participated in the training, along with the branch manager and credit officer in charge of working with clients, familiarized SFP staff with the innovation. It was further agreed to carry out a more integrated strategy in terms of financial products within the organization.



Client Stories: Innovations in Action

NWTF: An Individual Emergency Fund to Better Manage Risks



It was all fun and games for Divine Grace Conde, 7, as she played with her siblings in the backyard. They were playing see-saw on a big chunk of wood when suddenly the slab fell across Divine Grace's thighs. Divine Grace was immediately rushed to the hospital where she underwent surgery to insert metal rods in her fractured femurs. The accident was a nightmare for the family; in addition to the pain and the emotional shock, the hospital bill came to P 16,000 (USD 372).

Divine Grace is the eldest child among a brood of five. Her father, Dennis, 32, is a fisherman. Since fish catch is generally insufficient to make a living, Dennis also drives his own pedicab to transport passengers. Divine Grace's mother, Evelyn Conde, 28, has been a member of NWTF's Project Dungganon in Bogo branch, Cebu island for almost 3 years. She sells the fish caught by her husband and other fishermen in the neighborhood and nearby villages. Her 4th loan provided by Project Dungganon amounted to P 9,000 (USD 209.30) and enabled her and her husband to buy, on installment, a pedicab and added capital to her business. For these economic activities, they earn around P 187.08 a day (USD 4.35)

Divine Grace was hospitalized for 3 months to allow for her full recovery. Evelyn recalls: "It was really an ordeal for our family. We had nowhere to go to look for financial support. Fortunately Dennis' father offered to lend us money with low interest. I also remembered my Individual Emergency Fund (IEF) from which I withdrew P 1,500 (USD 34.88). At that time I felt sorry that my savings were quite small; the amount was not enough to pay off the total hospital bill, but it was a great help! I want to save more for my IEF. Maybe double the amount if I have the means. I do not know when an emergency will strike our family again and it's good to be well prepared at all times. I am very happy to be a member of Project Dungganon."

Evelyn and Dennis Conde, and their 5 small children reside at Sitio Tagasa, Brgy. (village) Bitoon, Daan Bantayan, Cebu, Philippines.

NWTF: Strengthening Business Skills for Higher Profit and Income Stability

"The Generate Your Business idea (GYB) and Start your Business (SYB) training was very timely for me and benefitted me a lot" ascertained Mildred Bantiling, a member of NWTF's Project Dungganon from Bago Branch, Negros Occidental island. Mildred has diversified business activities including rice retailing, frozen foods, a sari-sari store, bread selling and delivery, backyard piggery raising, electronic load, and the selling of personal care products.

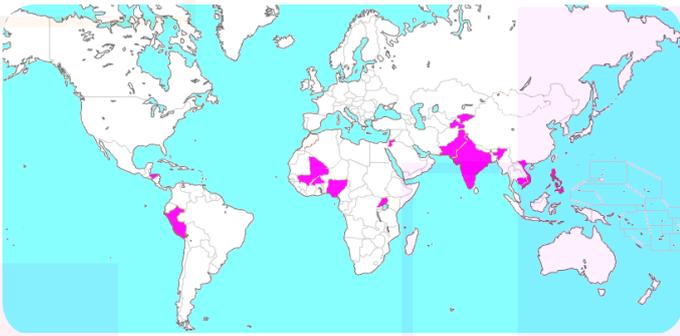
Mildred, 30, attended the GYB/SYB training last August (2010), which was facilitated by Bago Branch Staff and supported by the MF4DW action research. At first, she felt hesitant as she thought it was just another training. "I was proven wrong as the GYB/SYB training is particularly different. For one thing, I have found my business niche, and the topics discussed were down-to-earth. I find them extremely useful in planning and managing my little businesses. I conducted a market survey and came up with a list of businesses operating in our area. I started businesses that are not common in our locality and they worked! Customers do not have to go to Bago City to buy what they need because it's available here. Besides as the competition is less, there is always income."



"During the training, I reviewed the qualities and skills that befit a business person and this made me aware of my weaknesses and strengths. It is important to know what I am personally capable of doing. This is what I learned from the training. I always talk with my husband, Gerardo, 29, about business matters and he's very supportive."

Sometimes, Mildred forgets to record her business transactions but she always updates her books. "Business recording is indispensable. This is another crucial matter I learned. So I must do it, especially because I have multiple businesses." Mildred's newest business endeavor is a salt-making factory in Pulupandan town. She bought the right to operate a small lot for salt-making, which according to her, can produce at least 750 sacks of salt a year valued at P 112,500 (USD 2,616). In September 2010, the couple was also able to buy, on installment, a motorcycle that her husband uses in his bread selling/delivery business. "The GYB/SYB training helped me to have a business focus, align my priorities, and increase our family income. That's why I am really thankful."

*NWTF is the only MF4DW partner MFI to offer two separate innovations on two separate islands in the Philippines.



Announcements from SFP

The ILO's Social Finance Programme would like to take this opportunity to announce the launch of the following working paper:

[Microfinance and Child Labour](#)

Follow the link above to access this paper and enjoy reading the balanced insights offered by authors Julika Breyer and Jonas Blume on the use of microfinance instruments in the fight against child labour.

Introduction: Robin Gravesteijn

In addition to the team from the University of Mannheim, Robin Gravesteijn is also working with the data from the MF4DW action research through an agreement with the University of Bath on the final impact analyses for the two MFIs from Tajikistan and Krgyzstan, IMON and Bai Tushum respectively. While completing his PhD, Robin also works as an analyst at Oikocredit, prior to which he worked for DSB Bank, Rabobank Foundation, and conducted research in India.



Mr. Gravesteijn was also in Geneva for the meeting with the University of Mannheim and will coordinate with them on the outputs of the MF4DW action research.

SURVEY: We want to hear from YOU!

The Social Finance Programme would like to hear from **YOU** our partner MFIs! Please tell us in what way **YOU** would like the ILO to share results from the MF4DW Action Research with **YOU**! This is **YOUR CHANCE** to help us shape the final outputs associated with this research and to tell us how **YOU** plan to use them. Please take this **OPPORTUNITY** to reflect on how **YOUR** MFI can best use and incorporate the findings of the final impact analysis.

To access the survey, kindly click the button below to begin. We estimate that the survey will take less than five minutes to complete, and in advance, we thank you for your time and input!

[Survey](#)

Further Introductions: Markus Pilgrim



Markus Pilgrim took over the coordination of the MF4DW action research in March, 2011 in addition to his core function as manager of the ILO's Small Enterprise Programme. Prior to this assignment, he headed the Youth Employment Network (a UN, World Bank, and ILO partnership) which promoted rigorous impact assessments of active labour market programmes for youth—experiences that will be very relevant for the research on the impact of MF4DW innovations. Other previous experience includes work on private sector promotion at the International Finance Corporation (IFC) and the Foundation for Economic Development and Vocational Training (SEQUA), a development agency of the German chambers of Commerce. He holds a PhD in Economics.

Special thanks to NWF for their submissions and contributions to the third edition of the MF4DW NewsFlash!