

**CHEMIN LEVI MIYO – FINAL EVALUATION (24 MONTHS)**

**On behalf of:**

**CONCERN WORLDWIDE**

**CONSULTATIVE GROUP TO ASSIST THE POOR (CGAP)**

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## Executive summary

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Fonkoze's Chemin Lavi Miyo (CLM) project is designed as an intervention to tackle extreme poverty in Haiti. The face of extreme poverty is multifaceted, and this reality holds strong in Haiti. Poverty in Haiti is characterised by livelihood insecurity, vulnerability and lack of social safety nets. In response to this complex set of deprivations, Fonkoze initiated a multi-pronged livelihoods protection and promotion scheme designed to provide extremely poor women in rural Haiti an opportunity to begin a slow and steady ascent out of poverty. CLM targets extremely poor women with a comprehensive package of inputs. These cover five main areas:

- Building sustainable livelihoods through a cash stipend and provision of productive assets
- Reducing vulnerability through access to health services and savings
- Building skills, confidence and agency through close support of a CLM case-manager who provides enterprise training, advice, moral support
- Improving social conditions through the provision of housing renovations; water filters; school uniforms
- Strengthening social networks via social links with village elites

Fonkoze's overall aim is to move members up through a pathway by which they can continue a slow and steady ascent out of poverty. The first milestone on this pathway is CLM, which is intended to help members develop resilient livelihoods, social networks, and the 'life skills' necessary to have greater control of their destinies. The second milestone is to graduate to TiKredi, a 6-month introductory microfinance program, where they are introduced to the disciplines of microfinance, and encouraged to focus on commerce so they continue building a sustainable enterprise that can provide a reliable and regular source of income. From here they can move to the main microfinance program, Kredi Solidè. It is this tiered 'pathway out of poverty' that makes CLM unique and different from other social protection interventions.

CLM was piloted over a period of 18 months (June 2007 – December 2008) in the communes of Boukan Kare (Central Plateau), Twoudinò (the Northeast) and Lagonav (an island off the west coast). It is now being scaled up to 1,280 families in Boukan Kare.

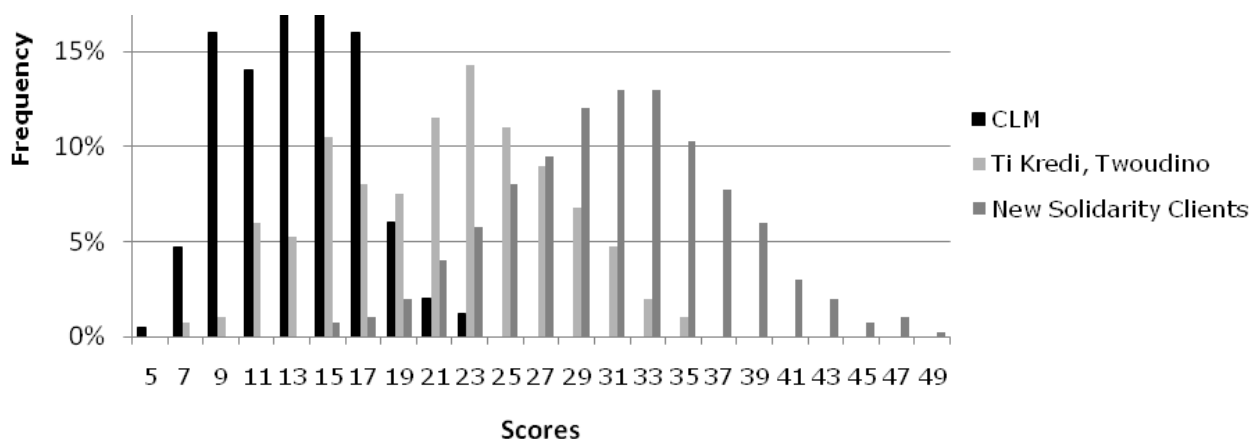
This report concludes an evaluation process that has tracked the CLM pilot process over a 24 month period from June 2007. In January 2009, 97% of members 'graduated' from CLM, and 75% of graduating members joined Fonkoze's TiKredi or small credit program. Evaluating 6 months after the end of the program provides an opportunity to examine the transition from CLM into the six-month TiKredi intervention, and understand how effectively this graduation pathway is functioning, and the sustainability of the positive changes achieved.

### **PROGRAM PROCESSES**

#### **I. Targeting**

Analysis of survey data using Fonkoze's poverty scorecard (the Kat Evalyasyon) in *Figure A* provides clear evidence that CLM is successful in reaching their extreme poor target group and that this is indeed a distinct group compared to clients of other Fonkoze programs – TiKredi and Kredi Solidè. We can see from the bell curves that there are three, clearly demarcated groups, suggesting that the three products are successfully targeting distinct poverty levels. Notably the CLM range is the most tightly clustered, suggesting effective targeting in the program.

### **Poverty Scores of Incoming CLM Members, Solidarity and TiKredi (Twoudinò) Clients**



**Figure A: Poverty scores of incoming members**

## **II. Accompaniment and Service Delivery**

The evaluation shows that case-manager support is perhaps the most essential component in making sure that members stay on course and achieve all the outcomes that CLM intends, and that case-manager input has been a major determinant in the trajectories of members.

Although case-managers are dedicated and have a considerable impact upon the lives of CLM members, there are nuances in their performances and strategies, especially if one compares by area. CLM members in Lagonav performed the best in terms of food security, graduation indicators and continuation into TiKredi, even though the Lagonav pilot operated under extremely difficult conditions. Case-managers' advice and strategies were an enormous part of this success.

## **III. Transition into TiKredi**

TiKredi is the prominent graduation pathway post CLM. It is a six-month transition whereby members take three small loans, learn about the discipline of borrowing and repaying, start or develop a productive activity and receive support and encouragement from a credit agent. At 24 months, 75 percent of CLM members graduated into TiKredi and successfully took and repaid loans, and invested in small trading activities. It is notable that all of the CLM members in Boukan Kare who graduated into TiKredi have successfully made the transition into Kredi Solidè.

Despite the overall positive picture, interviews illustrate that CLM members' experiences of TiKredi agents are mixed, and that the gap between the support members receive in CLM and TiKredi is in some cases too great. Credit agents do indeed provide enterprise guidance in the meetings, but lack the 'personal touch' that was a signatory mark of CLM case management. While CLM tackled poverty holistically, TiKredi credit agents tend to focus exclusively on enterprise management.

## **IV. Village Assistance Committees**

Fonkoze designed CLM to include the formation of Village Assistance Committees (VACs) comprised of leaders and the local elite in each community. The VACs help in achieving "buy-in" from the local community and provide additional resources and support, complementing the messages and support of the case-managers and mobilizing action around specific issues. So, for example, VAC members played an important role in responding to the major crises that hit Haiti in the second half of the pilot – food price increases and hurricanes.

The VAC was also intended to provide support beyond the 18 months of the program intervention. Particularly for those who did not join TiKredi, the VAC was seen to provide a local structure that members could access after the program offers them no more support. After the 18-month project period the case-managers stopped formally visiting the villages, and the operation of the VAC was left in the hands of its members. In two of the three areas the VACs ceased to function after the withdrawal of CLM case-managers. In Boukan Kare and Twoudinò, community support structures seem

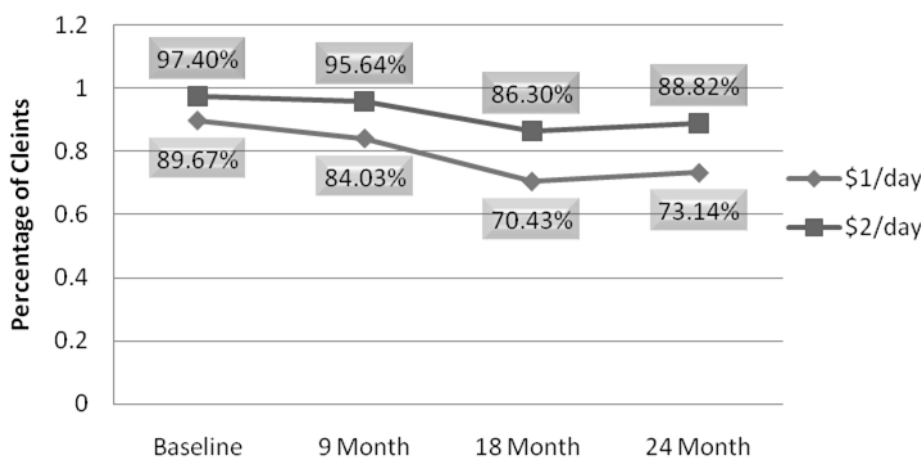
to be operating on an informal basis, just as they were prior to the CLM intervention. In Lagonav, however, the VAC has remained an institution that still systematically operates. This is due to the fact that case managers in Lagonav were able to motivate the VAC to then motivate the rest of the community; worked with the VAC as an institutionalized body; and gave the VAC a clear purpose and structure to operate post CLM graduation. In all three areas, case managers were the essence of the VAC functioning, and their absence has kept the VACs from functioning as smoothly as during the pilot period.

## **PROGRAM OUTCOMES**

### **I. Poverty Status**

Overall there has been a striking improvement in the livelihoods of CLM members. This improvement for CLM members is remarkable when compared against a backdrop of increasing poverty in Haiti, following on from dramatic food price increases from June 2008 and hurricanes in September 2008, which affected 80 out of 150 CLM families. *Figure B* presents Progress out of Poverty Index (PPI) scores comparing baseline with 24 month follow-up. It shows that at baseline, 89% of members were likely be under \$1/day, whereas at 24 months this declined to 73%.

### **Poverty Indicators**



**Figure B: Progress out of poverty index scores**

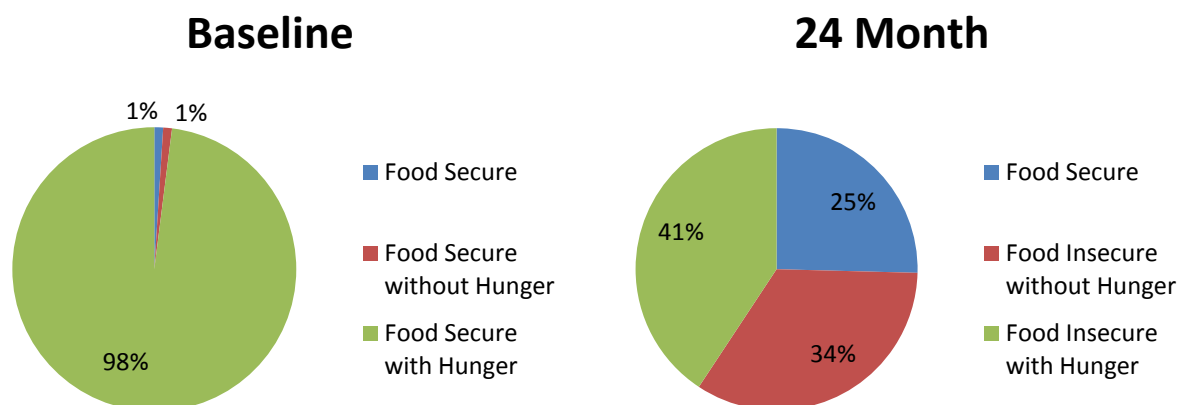
Significant average improvements in a number of key indicators captured by the poverty scorecard drive this overall increase:

- **Education:** The number of members reporting that “all or most children are regularly attending school” has increased from 27% to 70% overall.
- **Cultivation of food:** At baseline, very few people cultivated their own gardens for food security and economic return. At 18 months, however, the average value of garden vegetables was 2700 gourdes (~\$67), or almost half of the \$150 used as the target asset accumulation for graduation.
- **Ownership of large livestock:** The percentage of members’ significantly owning large livestock (cows and horses) increased from 5% to 39% overall. The program did not provide large animals, showing the increase in members’ purchasing power.
- **Housing conditions:** At baseline, 29% of members lived in a house with cement walls and a tin roof. Through programmatic support, this number increased to 81% at 24 months.

### **II. Food Security**

The percentage of CLM members suffering from food insecurity with hunger declined by over 50% from 98 percent at base-line to 41 percent after 24 months, whilst members who are food secure shot up from 1% at baseline to 25% at 24 months. Wasting is also good indicator of malnutrition, and we see that severe wasting among CLM children decreased from 13% at baseline (summer 2007) to 4% at 24

months (summer 2009). This was somewhat reversed in 2009, with moderate malnutrition increasing, but not so great as to increase the severe category.



Source: Data from Freedom from Hunger Food Security Index

**Figure C: Overall food security percentages at baseline and 24 months**

### III. Health seeking behavior

At baseline, the common response to illness was to stay at home and do nothing, or use home remedies. At 24 months, we see that going to the health clinic or hospital went up from 14% to 46%, while the percentage of people who 'did nothing' decreased from 24% to 6%. Treatment at health clinics was highest in all three areas *after* program support ended. Increased income, and thus the ability to spend more on healthcare, was reported as the main factor contributing to increased hospital/health clinic visits.

### IV. Building resilience through savings

The CLM program put considerable emphasis on encouraging members to save and developing a savings culture. A key part of this is to build savings so that members can deal with shocks and grow their asset bases. With the goal of instilling a regular savings behavior within members, case-managers encouraged weekly savings.

Whilst significant savings balances were developed in some branches in the first 9 months of the program, this was not sustained. In terms of a formal savings culture and cash deposits in a savings account we can conclude that this was not achieved. This is due in part to external factors such as food price increases, but the logistical problems of accessing and depositing savings and case-manager and TiKredi agent's emphasis on savings is also important.

### V. Empowerment

Qualitative interviews shed light on two major cognitive changes: increased self-confidence and knowledge/skills of managing an enterprise. The biggest behavioural changes have been sending CLM children to school and family planning – however, other behavioural changes (e.g. using water filters and sanitary latrines) were less convincing. Relational changes have also improved, particularly with men. Terms of relationships with partners seemed to have shifted, where members claimed that their partners are more cooperative and less demanding. Survey results also show that women who had cooperative partners did significantly better in terms of the outcome indicators measured than women with no partners. Weak members, however, continue to be vulnerable to male dependency.

## **RESILIENCE AND SUSTAINABILITY**

CLM has certainly succeeded in delivering the inputs that it identified as important in promoting and protecting extremely poor women's livelihoods in Haiti. It has also achieved significant positive outcomes over a 24 month period. However, there is significant variation in member performance. We see that personal characteristics and situation of CLM members (e.g. social networks, cooperation of a

male household member, previous business experience, agency, number of dependents) and their exposure to chance happenings (illness or natural disaster) can explain much of this variation.

Evaluation results also indicate that although members improved overall, there has been a slight decline across indicators between 18 and 24 months – particularly in livestock ownership, malnutrition, and those members who say that Fonkoze should worry about them. Although all members declined across these indicators, there is evidence of better performance for those members who moved into Ti Kredi. It is not clear whether this is a result of the support of TiKredi or because the stronger members are those who graduated and chose to join TiKredi.

## **CONCLUSION**

This evaluation demonstrates that significant improvements have been made in multiple aspects of the lives of most CLM members, in the context of worsening general conditions in Haiti. However, the program faces three critical challenges:

- Sustaining positive change in the context of extreme vulnerability of CLM members
- Identifying strategies for members who do not want to move into TiKredi
- Limited opportunities for partnerships with other organizations to delivery complementary services

Lessons learnt and key recommendations made:

- The key driver of change has been an increase in income, although provision of a holistic package is important
- It is important to identify and support those that lack the propensity to succeed early on
- Given the focus upon TiKredi as the exit strategy post CLM, the quality of TiKredi delivery and the early focus upon small trade are important
- Greater focus on small trade as an asset, given the scarcity of alternative livelihoods
- Village Assistance Committees should be built to sustain post CLM and integrated into TiKredi
- Provision of veterinary services and animal health seeking behavior post CLM are important challenges to consider in the strategy for support
- It is important to establish a sustainable savings behavior among CLM members

# Table of Contents

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<b>Section I: Introduction</b> .....	<b>3</b>
1. Extreme poverty in Haiti .....	3
2. Concept of CLM.....	3
2.1 CLM Pilot.....	6
2.2 Pilot project evaluation .....	7
3. Structure of the Evaluation Report .....	8
<b>Section II: Program Processes</b> .....	<b>10</b>
1. Targeting .....	10
2. Accompaniment and service delivery .....	11
3. Transition to TiKredi .....	13
4. Village Assistance Committees (VACs) .....	15
4.1 Role of VACs.....	15
4.2 Value of VACs.....	16
5. Addressing multi-dimensions of poverty.....	18
<b>Section III: Program Outcomes</b> .....	<b>20</b>
1. Poverty status .....	20
1.1 Access to education.....	21
1.2 Cultivation of food.....	22
1.3 Ownership of large livestock.....	23
1.4 Housing conditions .....	24
1.5 Non productive assets.....	25
2. Food security.....	25
2.1 Correlation between asset accumulation and food security .....	26
2.2 Seasonality in food security .....	26
3. Health seeking behavior.....	28
4. Building resilience through savings.....	29
5. Empowerment .....	31
5.1 Cognitive change .....	31
5.2 Behavioural change .....	33
5.3 Relational change.....	33
<b>Section IV: Resilience and Sustainability</b> .....	<b>36</b>
1. Who succeeds and who fails?.....	36
2. Resilience.....	39
3. Impact of TiKredi .....	40
<b>Section V: Conclusions</b> .....	<b>43</b>
1. Lessons learnt and key recommendations .....	44
<b>Annexes</b> .....	<b>46</b>
Annex A: What are the various case-manager strategies? .....	47
Annex B: Fonkoze's Poverty Scorecard (Kat Evalyasyon) .....	48

## List of Figures

Figure I-1: Staircase out of Poverty .....	5
Figure I-2: Project and seasonal timeline .....	7
Figure I-3: CLM Pathway Framework: Inputs, Process and Outcomes .....	8
Figure II-1: Poverty scores of incoming members.....	10
Figure III-1: Poverty scorecard changes.....	20
Figure III-2: Progress out of poverty index scores .....	21
Figure III-3: Percentages of most or all children in school .....	21
Figure III-4: Percentage of CML members growing food .....	22
Figure III-5: Percentage of CLM members owning large livestock .....	23
Figure III-6: Percentage of CLM members living in mud homes.....	24
Figure III-7: Overall food security percentages at baseline and 24 months .....	25
Figure III-8: CLM Children moderate and severe wasting results .....	26
Figure III-9: Food security results by area and time period.....	27
Figure III-10: Treatment of symptoms.....	28
Figure III-11: Members who fulfilled the savings requirement at 18 and 24 months .....	30
Figure IV-1: Total value of CLM member assets at 24 months.....	36

## List of Tables

Table I-1: CLM Inputs .....	5
Table II-1: CLM member performance in TiKredi .....	14
Table II-2: Summary of VAC key achievements during the 18 month pilot.....	16
Table III-1: Staircase of progress results for 15 members .....	32
Table IV-1: Factors affecting CLM member success .....	38
Table IV-2: Key indicators at 18 months and 24 months .....	41
Table IV-3: Change in total assets from 18 to 24 months .....	42
Table 0-1: Summary of case-managers' strategies .....	47



## Section I: Introduction

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### 1. Extreme poverty in Haiti

Fonkoze's Chemin Lavi Miyo (CLM) program is designed as an intervention to tackle extreme poverty in Haiti. Eighty percent of the population are living under the poverty line, with 54% living in extreme poverty. In other words, almost five million people out of Haiti's population of 9 million can be categorised as extremely poor, with the vast majority living in rural areas (Central Intelligence Agency, 2008).

The face of extreme poverty is multifaceted, and this reality holds strong in Haiti. Poverty in Haiti is characterised by livelihood insecurity, vulnerability and lack of social safety nets. Absence of state services, political instability, environmental degradation, poor infrastructure, and ineffective international aid have frustrated Haitians' ability to escape the clutches of extreme poverty. Haitians are resilient and respond and adapt coping mechanisms to the myriad of constraints that plague them. But poor people do in fact live life like a game of Snakes and Ladders –or for extremely poor people, simply 'Snakes' as very few opportunities for advancement emerge. Progress is made, only to be followed by shocks and crises that offset their progress and plunge them deeper into destitution. Nowhere is this reality starker than in Haiti.

In 2008, Haiti's extreme poor were forced to contend with the global food price increases, where wheat prices doubled and rice prices increased 150% – staples of the Haitian diet. Lacking resilience and social safety nets, they experienced 'gangou klowox', a local term that likens their state of hunger to bleach burning through their stomachs. If that were not enough, in September 2008 a succession of four hurricanes ravaged Haiti, taking with it the fragile asset base of extremely poor people: small plots of cultivated land (right around the time of harvest), chickens/livestock, and feeble homes -- leaving an already vulnerable population with no productive assets nor shelter. In January 2010, a devastating earthquake hit the capital city of Port au Prince and surrounding areas, killing over an estimated 300,000 people and displacing another 1.3 million.

The combination of political, environmental and structural factors makes Haitians very vulnerable. As a result, although many people are chronically poor through generations, extreme poverty mostly results from a serious shock (most often related to illness or death), with families being forced to sell off assets or accumulate significant debt.

Extreme poverty also has a distinctly gendered face. Extremely poor women in Haiti are very reliant on dependent (and often abusive) relationships with men. Many women face abandonment (due to the unequal power relationships that exist between men and women), and enter a succession of short-term relationships, often resulting in children, and are left to bear the brunt of supporting the household. As a result, children enter the world on a weak footing, often experiencing malnutrition, leading to susceptibility to illness, coupled with a lack of education. Children thus inherit similar precarious livelihoods. Whilst women in Haiti generally do manage the household resources, poor women usually do not own the land on which their house stands. Nor do they have a secure income or other forms of livelihood on which to depend. In addition, by virtue of their identities as poor, abandoned, and socially marginalised, these women often internalise their inferiority. Extreme poverty, therefore, is both reinforced by identity and gender, and passed on inter-generationally.

### 2. Concept of CLM

In response to this complex set of deprivations, Fonkoze (with the technical assistance of Concern Worldwide and BRAC and financing from Concern Worldwide and CGAP) initiated a multi-pronged livelihoods protection and promotion scheme designed to provide extremely poor women in rural Haiti

an opportunity to begin a slow and steady ascent out of poverty<sup>1</sup>. Learning from the experience of BRAC's Targeting the Ultra Poor program in Bangladesh, CLM targets extremely poor women with a comprehensive package of inputs with the aim of strengthening members' productive assets and asset management skills, providing a financial and social safety net, improving access to health care and building the self-confidence, social networks and agency of participating women. These cover five main areas:

1. Building sustainable livelihoods through a cash stipend and provision of productive assets
2. Reducing vulnerability through access to health services and savings
3. Building skills, confidence and agency through close support of a CLM case-manager who provides enterprise training, advice, moral support
4. Improving social conditions through the provision of housing renovations; water filters; school uniforms
5. Strengthening social networks via social links with village elites

The full range of CLM inputs is detailed in Table I-1. A number of inputs were core to the program design, including the stipend, healthcare access, entrepreneurial assets, and case-manager support. Others were developed in response to issues arising during the implementation, including facilitating access to education for CLM children, water filtration, housing repairs, latrines, and the provision of health advice.

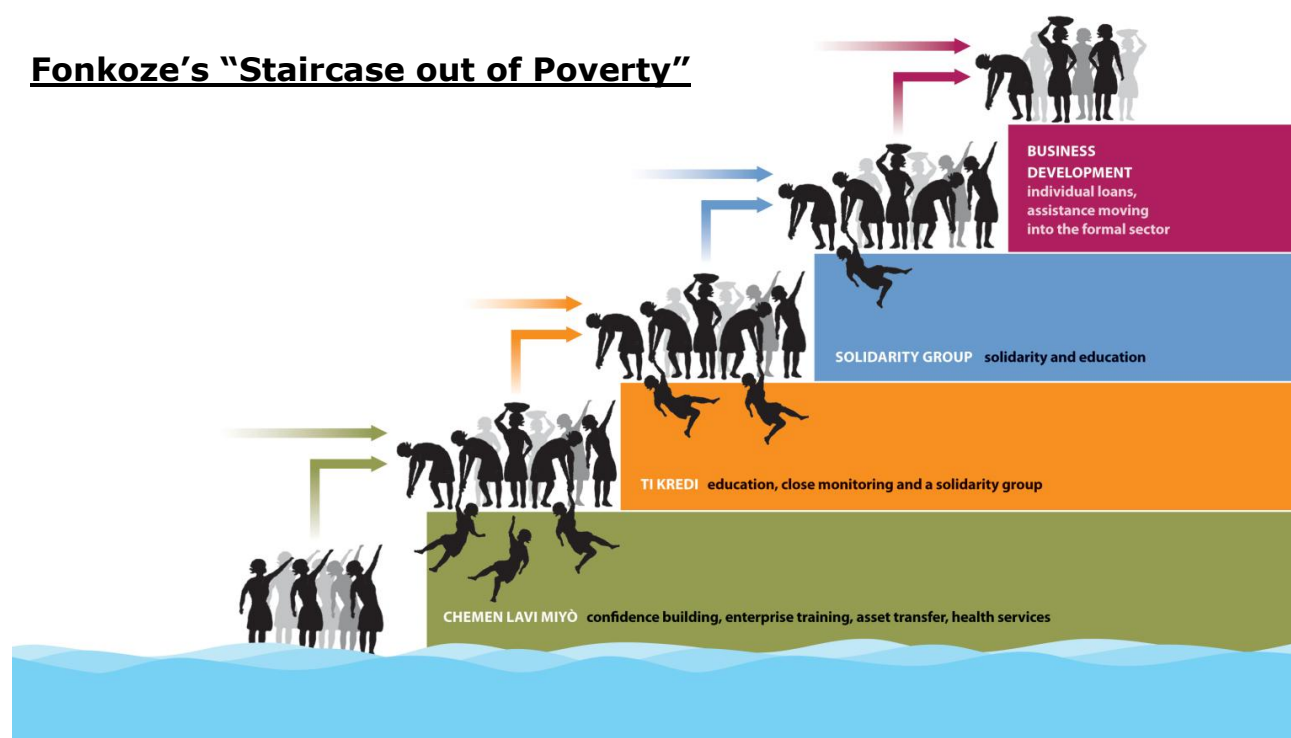
<b>Input</b>	<b>Description</b>	<b>Intent</b>
<i>1. Building productive assets</i>		
Stipend	210 gourdes (~\$8) distributed weekly	As members move from daily labor to focusing on assets, the stipend is meant to offset this loss of income.
Assets	Members given 2 out of 3 asset choices: goats, chickens, or petty trade for the value of \$150	Productive assets are intended to give members sustainable livelihood options that they can continue post 18 months.
<i>2. Direct inputs</i>		
Housing	Each household receives cement, metal sheets, and labor to reconstruct 1 bedroom houses	This is an input to protect members' asset and health in the face of heavy rains and hurricanes
Water filters	Each member receives a water filter, chlorine tablets and training how to use them	A preventative health input to ensure members drink clean water
School uniforms	Second hand clothes distributed to members' children	During implementation it became clear that lack of compulsory uniforms was preventing access to school
<i>3. Reducing vulnerability</i>		
Healthcare access	Partnerships with local health providers to provide CLM members with free treatment/medicines	Healthcare is the biggest contributor to poverty. Fonkoze realized that good healthcare access enables productivity and reduces overall vulnerability.

<sup>1</sup> This program is part of CGAP-Ford Foundation Graduation Program, a global effort to understand how safety nets, livelihoods and microfinance can be sequenced to create pathways for the poorest out of extreme poverty, adapting a methodology developed by BRAC in Bangladesh. The CGAP-Ford Foundation Graduation Program is helping to implement nine Graduation Pilots in seven countries, in partnership with local organizations. For more information see [www.cgap.org/graduation](http://www.cgap.org/graduation)

Savings	Members encouraged to save part of their stipend	Create a habit of savings to provide a safety net in the case of an emergency
<i>4. Building skills, confidence and agency</i>		
Case-manager support	Each CLM member is assigned a case-manager to provide one-on-one support, social and enterprise training	Considering the vulnerability of members when they join CLM, case management is the hand holding support needed to ensure that members stay on track and achieve the program’s intended outcomes.
Training	Members receive enterprise training in groups and individually, educational messages on 10 social issues, confidence building training in groups	Intended to teach members how to care for assets and develop business strategies, sensitize members on pertinent social issues, and build their self-esteem
<i>5. Strengthening social networks</i>		
VACs	Village Assistance Committees are socially motivated local elite that help ensure safety of CLM assets and assist members with personal problems.	Intended to be a vertical social network for members, and to involve the local community into the program

**Table I-1: CLM Inputs**

CLM is an 18-month intervention and is regarded as the first step in a journey out of poverty, rather than an end goal in itself. Fonkoze recognizes a sustainable movement out of poverty is unlikely to be achieved in 18 months, and the goal is to bring participants to the stage that they can successfully graduate to the next level – either through participation in TiKredi, Fonkoze’s small loan and savings program and subsequently the main solidarity group lending program (see Figure I-2), or by using their savings and existing assets to grow and diversify their capital.



**Figure I-1: Staircase out of Poverty**

## 2.1 CLM Pilot

CLM was piloted from May 2007 – December 2008<sup>2</sup> in three very different areas of Haiti – Boukan Kare, Lagonav, and Twoudinò.

The demographics of the three areas vary considerably:

- **Boukan Kare** is located in the Central Plateau. The terrain is mountainous with little infrastructure. The area is agriculture based, and thus the predominant activities for extremely poor people are sharecropping and agricultural labor. The extreme poverty rate is 62%, lower than the other two regions. Partners in Health, Fonkoze's health partner that treats CLM members free of cost, is based in Boukan Kare, which heavily influenced this decision.
- **Lagonav** is an island located off the west coast of Haiti. It is the poorest and most difficult of the three regions due to its rough, dry terrain, isolation from the mainland, lack of drinking and irrigation water, and no easily accessible health services. The predominant income-generating activity of extremely poor people is working as a day laborer in the pistachio fields. The rate for extreme poverty is 84%.
- **Twoudinò** is in the Northeast, and close to the Dominican Republic (DR) border. Trade activities with the DR are more frequent, and infrastructure is fairly well developed, including a highway that connects the regional capital Cap Haitian with the Dominican Republic. As a result, more extremely poor people are involved in petty trade here than the other two areas. Rates of extreme poverty are still the highest at 88%.

Inputs were provided to 150 families (50 in each area). In December 2008, 97% of members 'graduated' from CLM, based on an internal assessment of their assets and indicators of their vulnerability and livelihoods. Seventy-five percent of graduating members joined Fonkoze's TiKredi or small credit program, within another 5% joining somewhat later. Based on these encouraging results as well as an evaluation conducted at the mid-point of the pilot, Fonkoze made a decision to scale up CLM. Work has now commenced in Boukan Kare, with this area selected largely because of the successful partnership for the provision of health services with Partners in Health.

The timeline below represents the various programmatic milestones, as well as seasonal variations that explain some of the outcome results.

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<sup>2</sup> Although the pilot duration was 18 months from asset transfer, the program lasted a full 26 months – from November 2006 to December 2008. Fonkoze focused upon targeting and training CLM members for several months prior to asset transfer

## Project and Seasonal Timeline

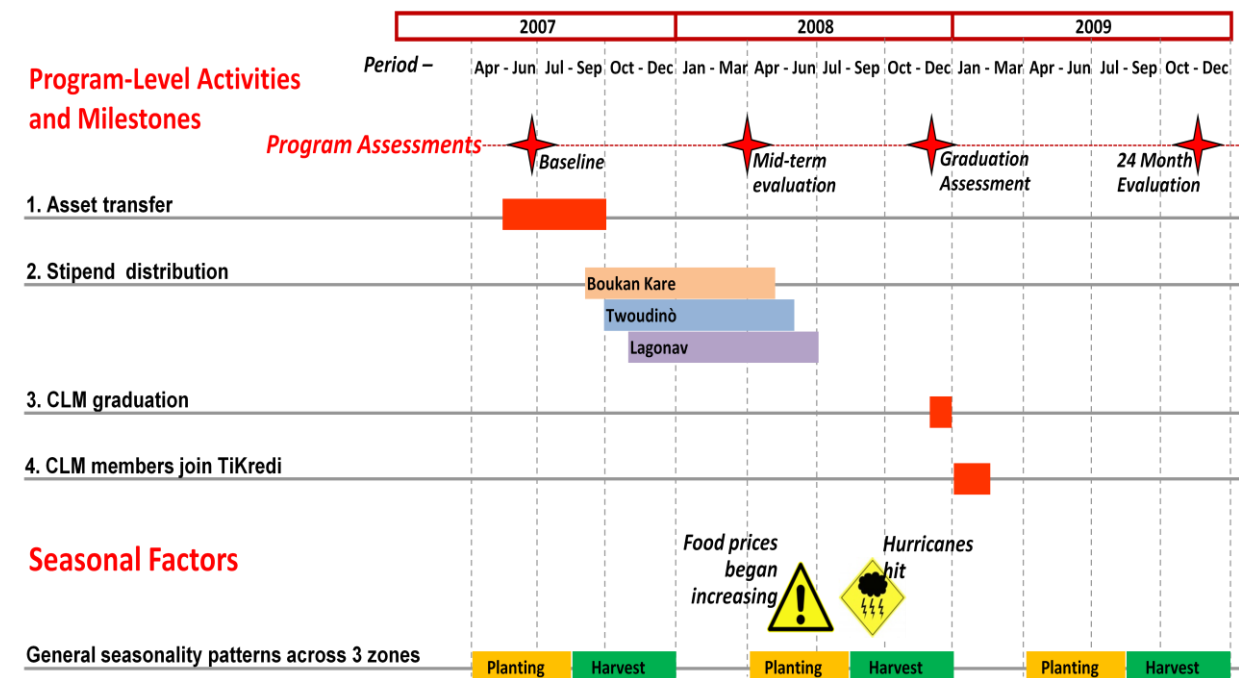


Figure I-2: Project and seasonal timeline

## 2.2 Pilot project evaluation

This report concludes an evaluation process that has tracked the CLM pilot process since June 2007. This evaluation was designed in the following four phases to provide both a rigorous assessment of program results, and to provide detailed feedback to the program. The feedback is intended to disseminate lessons learnt and assist in improving the implementation for future scale-up.

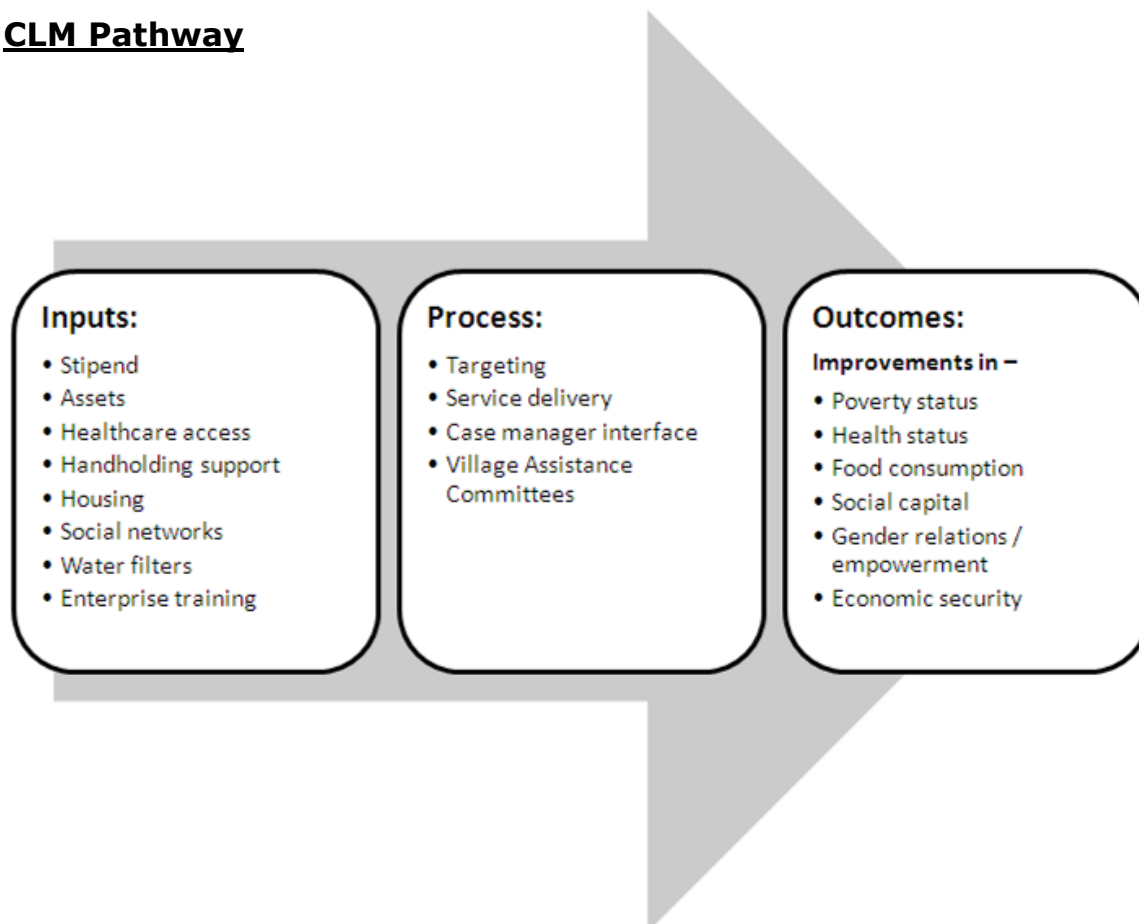
1. **Baseline evaluation**, where the poverty scorecard, PPI, baseline survey, food security index and qualitative interviews of CLM members were administered.
2. **Mid-term evaluation**, nine-months after the project start, assessed clients at the point where their initial cash stipend was withdrawn. The evaluation focused particularly on the targeting strategy and the implementation of the program design. This included service delivery, the role of case-managers, the initial benefits for participants, and the effectiveness of strategies for building wider community support for CLM participants<sup>3</sup>.
3. **Internal 'graduation assessment'** at 18 months assessed the status of all CLM members, focusing particularly on their assets and asset management capacity, as an assessment to determine eligibility for joining the small credit program, Ti Kredi
4. **24 month evaluation**, which seeks to understand the continuing progress of CLM members and the overall outcomes achieved by the program, and determine whether the changes achieved in the 18-month point are being sustained.

One of the unique and attractive aspects of CLM is that it provides a graduation pathway beyond the 18 months of the intervention. Evaluating the project at the 24 month point provides an opportunity to examine the transition from CLM into the six-month TiKredi intervention, and understand how effectively this graduation pathway is functioning.

The evaluation uses the following framework to interrogate the processes and outcomes of CLM.

<sup>3</sup> **Chemin Lavi Miyò – Midterm Evaluation**, Concern Worldwide, Huda, K. & Simanowitz, A, 2008; <http://www.microfinancegateway.org/p/site/m//template.rc/1.9.30419>

## **CLM Pathway**



**Figure I-3: CLM Pathway Framework: Inputs, Process and Outcomes**

The evaluation used mixed methods to measure outcomes for CLM members, understand the experience and perceptions of members, and track in detail the project implementation process. Data was gathered through a quantitative survey applied at base-line and at 24 months; an anthropometric survey of members' children applied at base-line, 12 months and 24 months; detailed oral case-studies using repeated interviews with a sample of members; observation of project implementation over the project period; and detailed interviews with projects staff, community members, implementing partners and others. Although a control group was not used, general data on the worsening situation in Haiti provides a good benchmark that can be used to compare CLM member progress.

### **3. Structure of the Evaluation Report**

Section 1 introduces the CLM program and evaluation.

Section 2 discusses the following process indicators:

- Targeting
- Accompaniment (case management and TiKredi agent interface)
- Village Assistance Committees
- Addressing multi-dimensions of poverty

Section 3 discusses program outcome indicators:

- Poverty status
- Healthcare
- Food Consumption
- Enterprise Activities
- Savings/Financial Management

- Empowerment/Gender Relations

Section 4 delves into issues of resilience and sustainability, factors of success, and typology between those who graduate and go on to TiKredi and those who do not.

Section 5 presents the conclusion and major lessons learnt.

## Section II: Program Processes

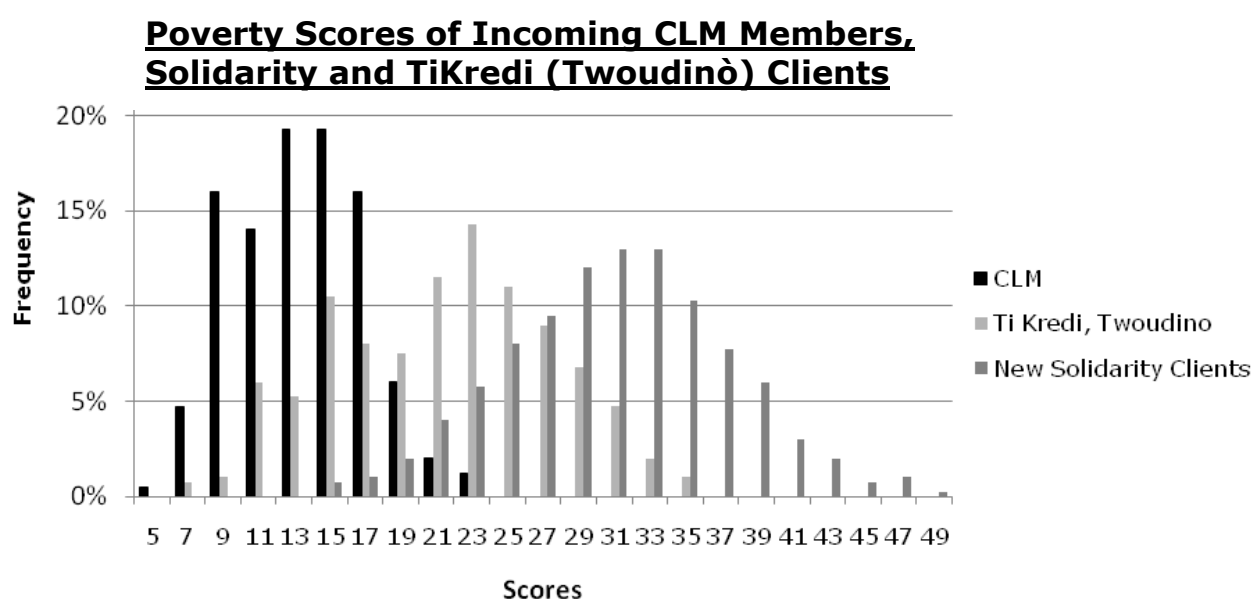
Whilst the 9-month evaluation went into considerable depth in describing and analysing the implementation process of CLM, this report focuses on what we have identified as the four key process areas: poverty targeting; the role of the case-managers; the transition from CLM to Ti Kredi; and the role of village assistance committees (VACs).

### 1. Targeting<sup>4</sup>

The impetus for the development of CLM was the recognition by Fonkoze that the flagship microfinance product was not providing a solution for the majority of Haiti's poor. Through their nearly 15 years of operation, Fonkoze learned that the poor are not a homogenous group: that 'poor communities' are hidden by inequality, with a small number of extremely poor people virtually marginalised and spurned by the rest of the community. Core to the CLM project is the recognition that extremely poor women need to be specifically targeted and require a tailor-made and multi-faceted intervention to sustainably move them out of poverty. The success of the targeting strategy in identifying this distinct group is thus critical to the success of the project.

In summary, geographically poor areas are first selected using government data. This is followed by participatory wealth ranking which gathers community members to identify the poorest people in their villages. The staff then visit each household that the community selected as poor or very poor, and conduct a household survey to identify extremely poor people according to program criteria. To be selected, the household must be female headed with at least 3 dependents, have no productive activities, have school-aged children not currently in school, and receive no assistance from another NGO.

Analysis of survey data using Fonkoze's poverty scorecard in Figure II-1 provides clear evidence that CLM is successful in reaching their extreme poor target group and that this is indeed a distinct group compared to clients of other Fonkoze programs – Ti Kredi and Kredi Solidè. We can see from the bell curves that there are three, clearly demarcated groups, suggesting that the three products are successfully targeting distinct poverty levels. Notably the CLM range is the most tightly clustered, suggesting effective targeting in the program.



**Figure II-1: Poverty scores of incoming members**

<sup>4</sup> For a more detailed discussion of targeting, please refer to the 9 month evaluation at <http://www.microfinancegateway.org/p/site/m//template.rc/1.9.30316>



## 2. Accompaniment and service delivery

Intensive support to members through case-manager accompaniment is a major part of the investment in CLM. Members are given close one-on-one support from a case-manager throughout the duration of the program. The case-manager is the medium through which all inputs are provided, and in addition they provide advice, guidance, and support to help members successfully graduate from the program. The evaluation shows that case-manager support is perhaps the most essential component in making sure that members stay on course and achieve all the outcomes that CLM intends, and that case-manager input has been a major determinant in the trajectories of members. Variation in approaches taken by different case-managers has been particularly instructive in understanding the role of the case-manager in improving the strategies used by the program.

As no two lived realities are the same, each stumbling block experienced (be it idiosyncratic, like the death of a family member, or structural, such as the food price increases) called for case-manager response. In the first half of the program, the focus of the case-managers was on planting the seeds of transformation. This includes developing and managing enterprises, ensuring food security, constructing their social networks, and building members' self esteem. In essence:

- Teaching members how to care for their assets and use them productively through classroom trainings and bi-weekly meetings
- Guidance on using the stipend effectively (for investment, savings and food consumption)
- Delivering social messages
- Setting up the Village Assistance Committee platform
- Improving health-seeking behavior

Given the vast differences between the three areas, the above hand-holding was contextualized to the needs of each area. As a pilot, case-managers also experimented with various techniques and strategies. It should be noted that as Boukan Kare was the first area to implement, Boukan Kare case managers were the first to experience and respond to the challenges of implementation. Lagonav was the last of the three areas to implement in; meaning the case managers there had the benefit of learning from the mistakes and achievements from the other two areas. A summary of the strategies in each area can be found in Annex A.

In the second half of the program, Fonkoze realized that it is important to customize to an extent, but to also have a more standardized case management approach that could be easily scaled-up and replicated. The focus on the second half was completing the transformation—essentially, ensuring that members graduated and were able to sustain their progress after the program ends. Through cross-learning and sharing of experiences, case-manager strategies employed in the second half were:

- Focus on activities that produce daily income, such as commerce and cash crops
- Diversify by purchasing large livestock: horses in Boukan Kare, donkeys in Lagonav, mainly cows in Twoudinò
- Encourage land ownership and cultivation
- Work more closely with members' male counterparts
- Focus on members who were not making good progress to enable them to reach the graduation targets
- Transitioning support from the individual to group-based
- Wean members off of case-manager dependency

Members felt a strong sense of camaraderie with their case-managers, as the following quotes illustrate:

***"The case-manager is my father. If I need anything I go to him and he is there for me. Sometimes I think that I would die without him."***

***"When you have an important person by your side, people listen to you."***

CLM case-managers are characterized by a strong sense of commitment and passion, and post graduation, CLM case-managers still visit members on a personal level to see if they are sustaining their programmatic progress. As one case-manager commented:

***"She has made so much progress, I really want her to keep doing well. On my way to visit new CLM members houses [for scale-up] I stop by to see how she's doing. Members like to feel like we haven't forgotten them."***

Although case-managers are dedicated and have a considerable impact upon the lives of CLM members, there are nuances in their performances and strategies, especially if one compares by area. CLM members in Lagonav performed the best in terms of food security, poverty scorecard scores, graduation indicators and continuation into TiKredi, even though the Lagonav pilot operated under extremely difficult conditions. Lagonav case-managers' advice and strategies were an enormous part of this success, and for several reasons:

- They were unified in their approaches and worked as a team
- They had the foresight to act early on
- For instance, they emphasized the importance of starting a small trade for regular income and diversifying their assets from the beginning. All case-managers assessed individual progress to determine which members were forging ahead slowly, but Lagonav case-managers did this early enough to be able to mitigate the factors that were impeding their advancement (e.g. not enough household income, health problems, lack of motivation, etc.)
- They truly mobilized, motivated and leveraged the potential of the VAC
- They were reflective and thought of creative ways to have greater impact upon the lives of CLM members

As an example, Lagonav case-managers realized that offering social messages to the CLM member alone was insufficient. Young pregnancies and STDs are a major reason why poverty traps persist inter-generationally, and the CLM member was not transferring the messages to others in her household. Lagonav case-managers, therefore, started a youth club where they engaged with CLM children about the importance of education, literacy, health and sexual behavior, etc.

***"Our goal is not just about graduating CLM members, like perhaps in the other areas. Lagonav has the worst problems of the three locations, and our motivation is to start eradicating the root causes of extreme poverty here."*** - Lagonav CLM case-manager

In the same vein, less successful case management strategies lacked this holistic vision, lacked systematic strategies that were implemented from the beginning, did not leverage the VACs to their full potential, and were unable to help every member aspire to concrete future goals. According to a Lagonav case-manager, the secret to good case management is not about achieving indicators, but about teaching members 'the ability to aspire':

***"At every stage, we asked members what they wanted to achieve. One member at first wanted a bed, so we helped her increase her income and savings so she can get her bed. Then she wanted to send her kids to school, so we devised a business plan for her so she can pay for tuition fees for two of her kids without selling off all her assets. By the end of the program, she wanted to build a cistern – so we came up with a plan with TiKredi and charcoal selling so in 8 months she can save enough to build a cistern. The only way to motivate them is to show them how to achieve each of their milestones."***

Other case-managers succeeded in getting their members to graduate and join TiKredi. But in Twoudinò, for instance, they implemented business strategies too late, made some significant mistakes (e.g. encouraging members to save at the expense of diversifying incomes, or purchase animals that did not provide any immediate benefit) and were thus 'playing catch up' in order to graduate members. Latter sections on programmatic outcomes will explore case-manager strategies and their repercussions in greater detail.

Given the intensive support that case managers give to members, they were cognizant of the fact that members could easily become dependent upon case managers. This was a valid concern, given that most CLM members had fragile relationships with men prior to program entry and are not accustomed to the kind of male support that they received from case managers. In response, case managers

focused upon weaning members off of this dependency in the second half of the program. They encouraged members to take the initiative rather than waiting for case managers to always accompany them. According to a Boukan Kare case manager:

***"Getting members to do things on their own was challenging. They can do it, but feel stronger when we go and stand by their side. They are not used to this support and have grown to rely upon it. We therefore pushed them in the second half to go to the doctors on their own, approach VAC members on their own, when their animal gets sick, try and solve it themselves with all they learned from us."***

Striking a balance between providing holistic support without creating a sense of emotional dependency among members is difficult, but CLM case managers recognized and succeeded in achieving this. Still, a few members claimed to be in a worse position now than when they were in the program because they no longer have their case manager by their side. This illustrates the almost irreplaceable relationship that exists between a member and her case manager, and the difficulty in striking that balance between complete engagement and avoiding emotional dependency.

### 3. Transition to TiKredi

As discussed above, graduation into TiKredi is conceptualized as one of two mechanisms by which CLM members can sustain improvements made during the 18 months of CLM participation and continue to strengthen their livelihoods. TiKredi was originally designed to serve women who lacked the confidence or experience to join the solidarity group program. It is a six-month transitional program whereby members take three small loans, one after the other, learn about the discipline of borrowing and repaying, start or develop a productive activity and receive support and encouragement from a credit agent. TiKredi thus provides the opportunity for CLM members to further build on their productive activities in a supportive environment. Fonkoze sees case-manager/credit agent accompaniment as important for all of its programs, but the intensity and nature of support changes in the transition from CLM to TiKredi to the solidarity groups. TiKredi agents have the following responsibilities:

- Initial training on loan use, repayment and meeting structure
- Meeting members in a group four times a month to give business strategies, repayment issues, etc.
- Discussion of social issues (a different issue each week)

Interviews illustrate that CLM members' experiences of TiKredi agents are mixed, and that the gap between the support members receive in CLM and TiKredi is in some cases too great. Credit agents do indeed provide enterprise guidance in the meetings, but lack the 'personal touch' that was a signatory mark of CLM case management. While CLM tackled poverty holistically, TiKredi credit agents tend to focus exclusively on enterprise management. The following quotes from CLM members reinforce this:

***"I don't feel like I've improved that much. Yes, I have goats, a business and am doing well, but I also feel alone since I no longer have a case-manager."***

***"My husband just died. I asked the TiKredi agent for some sort of help. He said that wasn't his job. My case-manager would never have left me alone and not supported me. The TiKredi agent just cares about getting my loan repayments, not about my life."***

To some extent this reflects the intended difference between the two programs. With TiKredi staff having around four times as many clients as CLM case-managers they simply do not have the time to provide the level of support CLM members are used to. However, there is clearly a difference in programmatic culture, with a lack of a holistic approach in TiKredi. TiKredi agents focus upon loan collections and repayments, with little time remaining to make home visits or resolve personal issues:

***"It's not that I do not care about them. But all I know about them are their businesses. I don't have the time to ask about anything else. They were spoiled in CLM – they could deplete their business and the CLM case-manager would say nothing. But its different in microfinance, you have to take responsibility for yourselves. They are not used to that."***

***"It depends on where you came from – other TiKredi members would not complain of such things. CLM members expect more because of how they were treated in CLM".***

The lack of understanding in the widespread arrears amongst former CLM members in Lagonav further underscores this point. All members repaid their first and second installments, but several were very late in repaying their third. When the TiKredi agent was asked why members were not repaying he responded "one says she had to pay for school, others say other things. They are all excuses, they just lack the financial discipline." When following up with CLM members, the reason was clear. Most of them had used their third loan to purchase charcoal, which takes several weeks to produce. They had not received the returns from their investment yet and thus could not make their repayments.

It seems that this aspect of Ti Kredi could be strengthened, with more focus on understanding why members are unable to repay or attend meetings, and providing support and advice. This is something that the Director of Ti Kredi is aware of and is addressing:

***"All TiKredi agents are supposed to act with compassion. They have not always done so in the past, but this culture is changing. They are not Kredi Solidè clients and should not behave so."***

Analysis of the performance of CLM members in TiKredi gives some insight into the success of the program in meeting their needs. Table II-1 gives estimates of repayment trends and explanations for these in each of the three areas<sup>5</sup>:

Area	# who took TiKredi	# who repaid 1 <sup>st</sup> loan	# who repaid 2 <sup>nd</sup> loan	# who repaid 3 <sup>rd</sup> loan	Joined Kredi Solidè	Reason for repayment trends
Boukan Kare	30	30	30	30	30	Everyone here engages in the market, either small trade or selling crops/livestock. Able to meet regular repayments.
Lagonav	45	45	40	12	Not yet	3 <sup>rd</sup> loan used for charcoal, takes several weeks to generate profit. School fees also due at the same time
Twoudinò	17	17	N/A	2	Not yet	Poor repayment records in general. The worst performer of the Fonkoze branches. CLM staff attribute it to NGO proliferation. People also least keen to take a loan due to public humiliation of delinquent solidarity clients by a previous Kredi Solidè agent.

**Table II-1: CLM member performance in TiKredi**

As the above table illustrates, success in TiKredi is dependent on several factors:

- Having a regular household income source to meet weekly repayments
- Having a culture and environment of repayment (like in Boukan Kare, and unlike Twoudinò, as group behavior is infectious)
- Choosing enterprises that match the repayment cycle
- Having proper accompaniment so that root causes of non-repayment are dealt with, and bad habits are not persisted in Kredi Solidè

Case-managers overall prepared members for the first point; point 2 is attributed to environmental conditions and difficult to influence; TiKredi agents' have not given enough focus to points 3 and 4, which are important elements of their role. Hence, CLM/TiKredi members are struggling and will find it difficult to adjust to the rigors of Kredi Solidè.

<sup>5</sup> These estimates were given by the TiKredi agents at the time of data collection, September 2009

Despite these short-comings in some aspects of Ti Kredi, it is notable that all of the CLM members in Boukan Kare who graduated into Ti Kredi have successfully made the transition into Kredi Solidè<sup>6</sup>.

## 4. Village Assistance Committees (VACs)

### 4.1 Role of VACs

One of the starkest attributes of extreme poverty is not just being economically poor, but being “poor in people.” CLM members are characterized as being socially marginalized and having very few social networks that they can count on. This includes both horizontal social networks (i.e. with peers) and vertical networks (i.e. with those who are of a higher socio-economic status, such as local elites).

Through BRAC’s experience, Fonkoze designed CLM to include the formation of Village Assistance Committees (VACs) comprised of leaders and the local elite in each community (typically preachers, school teachers, local government officials, employees of local NGOs, and local doctors and nurses). The VACs help in achieving “buy-in” from the local community and provide additional resources and support, which allows for various issues that come up in the community and within CLM households to be more effectively addressed.

The role of the VAC includes:

- Support in managing assets
- Support in coping with problems relating to assets, family and community
- Provide moral support
- Mediate community level conflicts
- Reinforce program messages
- Be the ‘eyes and ears’ of the case-managers (keep case-managers informed of challenges/obstacles in CLM communities and households)

During the project period VAC members are requested to pay household visits to CLM members, and to check on assets and other provided inputs (i.e. water filters and latrines), talk to CLM members about any problems they are experiencing, and respond to issues as they arise. They are also expected to attend a monthly meeting where CLM members, the case-manager and VAC members are invited to:

- discuss any problems/issues that CLM members are experiencing
- come up with potential solutions to those issues
- provide advice to CLM members on caring for their assets
- document the minutes from that meeting

VAC support mirrored program progression. VAC activity was greatest in the first 9 months of the project, focusing on advising members on asset management and stipend utilization.

***“In the first half, CLM members needed a lot of attention. By the time the stipend ended, they were comfortable with their assets, they were generating income, they had greater self confidence. They did not need our support as much.”***

In the second half the VAC concentrated on graduation preparation and getting weaker members up to speed:

***“In the second half, we focused home visits and meetings on slow climbers. We worked with their husbands, since slow climbers received less male support in the house. We worked with the case-managers to ensure that we were providing the same message and strategies. We advised them to sell a gallon of gas, to do something. They should start by lifting small stones, and eventually they will be able to carry heavier ones.”***

– Lagonav VAC member

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<sup>6</sup> Other areas had not graduated TiKredi members during the evaluation period, but Fonkoze has mentioned that currently all TiKredi members have graduated into Kredi Solidè.

## 4.2 Value of VACs

The VACs provided important additional support to CLM members, complementing the messages and support of the case-managers and mobilizing action around specific issues (see Table II-2). So, for example, VAC members played an important role in responding to the major crises that hit Haiti in the second half of the pilot – food price increases and hurricanes. In Twoudinò, VAC members visited each member to determine their resilience against food price shocks, and in Lagonav, the VAC reacted systematically to the hurricanes that left homes, gardens and assets devastated:

***"We didn't wait for anyone to come to us. We went to each home to assess their needs. I am a homebuilder, so I provided metal sheets and redid all torn off roofs. Another VAC member is a vet – he treated all CLM animals for free. We all found temporary shelter for members and their assets in the church, community hall and our homes."***

Problem	VAC Response
Goat deaths due to epidemic and jealousy (goat heads being chopped off)	<ul style="list-style-type: none"> <li>• VAC members organized and paid for a Voudou priest to 'cure' all goats of an evil curse (CLM members and case-managers believe that epidemic stopped after this)</li> <li>• The VAC member who is also a government official organized a local meeting with community and local government. He threatened that there would be legal repercussions if anymore goats were intentionally killed</li> </ul>
CLM children accepted into schools cannot afford school supplies	<ul style="list-style-type: none"> <li>• VAC members secured backpacks filled with supplies from the local government and distributed them to some CLM households</li> <li>• VAC members negotiated with school directors to allow CLM children to attend school without uniforms and minimal tuition fees</li> </ul>
CLM members putting their children in servitude as 'restavekes' in the city	<ul style="list-style-type: none"> <li>• VAC members helped pay for members to go to the city and bring their children back home</li> </ul>
Increase in rent prices were forcing CLM members out of their homes	<ul style="list-style-type: none"> <li>• VAC members talked to the landowners to negotiate the rent prices to be lowered. In one case, a VAC member gave a CLM member a piece of his land for her to build a new house on</li> </ul>
CLM children were not registered with the government	<ul style="list-style-type: none"> <li>• VAC members obtained birth certificates for all CLM children (so they could enroll in school, etc.)</li> </ul>
Hurricanes damaged homes and assets	<ul style="list-style-type: none"> <li>• VAC members provided roofing material, sought veterinary treatment for animals, helped members find temporary shelter during hurricanes</li> </ul>
Helped members prepare for graduation	<ul style="list-style-type: none"> <li>• VAC members advised on strategies (e.g. sell 4 goats to purchase a piece of land for food security and cash crops, encouraged them to start RoSCAs again to invest in new productive activities, advised slow climbers to sell garden vegetables to buy/sell charcoal which is a simple, familiar and profitable business</li> </ul>
Health emergencies (e.g. member received burns in a fire, another had complicated pregnancy, etc)	<ul style="list-style-type: none"> <li>• VAC took CLM member to hospital for post and ante-natal check-ups</li> <li>• VAC members paid for treatments</li> <li>• In instances of death, VAC members paid for funerals</li> </ul>
Purchasing rights to unborn cow, but owner reneged on the agreement	<ul style="list-style-type: none"> <li>• VAC opened legal cases to prosecute those who reneged on their signed agreements to give CLM members the cows that they purchased. Cases are still continuing</li> </ul>

**Table II-2: Summary of VAC key achievements during the 18 month pilot**

The VAC was created to provide support during the 18 month implementation and beyond. Particularly for those who did not join TiKredi, the VAC was seen to provide a local structure that members could access after the program offers them no more support. After the 18-month project period the case-

managers stopped formally visiting the villages, and the operation of the VAC was left in the hands of its members. In two of the three areas the VACs ceased to function after the withdrawal of CLM case-managers.

In Boukan Kare and Twoudinò, community support structures seem to be operating on an informal basis, just as they were prior to the CLM intervention. VAC members have always been active in the community and continue to help members sporadically. However, they no longer operate in a regular, systematic fashion with the remit of looking after members' assets, etc:

***"I used to help [CLM member] before she came into CLM, and I still do when she needs. I give her food and money, since she has no husband. But I don't have time to go visit her regularly anymore."***

In Lagonav, however, the VAC has remained an institution that still systematically operates. Case-managers in Lagonav selected their most active VAC members and asked them to continue serving CLM members post graduation. Their main responsibility is to monitor CLM enterprises to ensure they are able to make their TiKredi repayments:

***"Every Wednesday we go to the market to visit the CLM members and see what they are selling, how their businesses are going. It's no different from before, we still go with our notebook to their homes, write things down, and discuss as a Committee what we can do for them."***

What are the elements that made the Lagonav VAC structure sustainable, where as they dissolved in Twoudinò and Boukan Kare? They can be summarised as follows:

- Case-managers' ability to motivate the VAC
- Working with the VAC as an institutionalised structure
- Giving them a clear purpose and strategy to stay involved post graduation

The effectiveness of the VACs is closely linked to the ability of a case-manager to engage and motivate VAC members. In the 9-month evaluation the differences between performances of committees were highlighted, and the case-managers in Lagonav were identified as the most effective. Both case-managers in Lagonav managed to motivate their VACs to then motivate the surrounding community. For instance, when a CLM member was kicked off her land due to increasing rent prices, VAC members mobilized CLM husbands to build a new home for her overnight. While this was a VAC accomplishment, the initial idea and 'push' came from the case-managers.

In Boukan Kare and Twoudinò, case-managers worked closely with VAC members, but did not leave behind a structure and purpose that could persist in their absence. In Lagonav, the case-managers set up a separate organisation of the best VAC members, gave them specific duties post graduation (e.g. continue to advise on their businesses, keep an eye on the slow climbers, ensure they make their TiKredi repayments). They also continued to meet the VAC members occasionally post graduation to keep abreast of their activities. The other two areas did not create a new imperative or medium for working post – graduation.

Although the case-manager input in Lagonav has contributed to the development of a coherent, enduring committee, the case-manager's absence is still felt and was undoubtedly the essence of the VAC. A CLM member whose husband recently died said she asked for financial help for his funeral:

***"The VAC member said that the case-manager is not around to authorise these things, so they can't collect and give money like before. The case-manager would ensure that they gave me something, but now they just come visit. What good is that? I was struggling, I needed some support." (CLM member, Lagonav)***

Similarly, the VACs in the other areas attributed the lack of case-manager's presence to why they no longer meet or operate cohesively as a unit. Clearly, then, if the establishment of a structure that will continue to support members after graduation is important, there needs to be more systematisation in building and supporting the VACs. The VACs played an important role during the project period, but

building their capacity to function without case-manager support would need an additional focus, and would not be an easy task.

## 5. Addressing multi-dimensions of poverty

A challenge that exists for any program trying to tackle various elements of poverty, is striking that delicate balance between practicality and responsiveness. As a microfinance organization, it is *practical* for Fonkoze to focus upon its core strengths of financial services and income generation. However, given the extreme vulnerability of CLM members, there is a demand to respond to the spectrum of members' needs as identified and as they arise during program implementation, even if this lies outside of their expertise.

Certain programmatic inputs were conceptualized as part of the service delivery design, such as the stipend, entrepreneurial assets, and case manager support. These core inputs are 'the heart' of the program and are intended to place members on the first rung on their ascent out of poverty.

During the pilot implementation, a number of issues arose which led to modifications in the implementation. Program staff realized that it was impossible to conceive every need in advance, and that members needed the following additional support to achieve the intended outcomes. These included:

- Facilitating access to education for CLM children (negotiating entrance into local schools, collecting school uniforms, supplies, etc.)
- Water filtration (as poor drinking water proved to be a huge health obstacle for members)
- Housing repairs for all CLM members due to dire living conditions
- Latrines (poor sanitation was a serious health challenge for members)
- Ad-hoc health support by case managers and the hiring of an internal health director
- Financial support for members post hurricanes

Initially, Fonkoze strategized with local partners to provide these additional inputs. However, over the course of the pilot, most of partners failed to deliver according to expectations. Below is a brief description of the partnership challenges that Fonkoze experienced and how they coped:

- **Health:** Fonkoze partnered with an organisation in each area to provide health services free of cost to CLM members: Partners in Health in Boukan Kare, Plan International in Twoudinò, and World Vision in Lagonav. While Partners in Health has proved to be an excellent partner (with distance being the only obstacle to reliable access), the other two partnerships are more uncertain. Plan International in Twoudinò was meant to sponsor household members with free healthcare, but interviews with CLM members revealed that they were responsible for paying for their own healthcare throughout the pilot period. In Lagonav, the local World Vision office did not acknowledge the partnership and therefore did not provide CLM members with special health privileges. Fonkoze, therefore, hired a medical director to treat patients, provided case managers with basic medical training, and set-up a mobile health clinic in Lagonav.
- **Access to education:** Plan International in Twoudinò sponsored one child in each CLM household to go to school, but there were no organisations in the other two areas that could provide free or subsidized education for CLM households. As a result, Fonkoze built a school in Boukan Kare, hired a local teacher and admitted CLM children free of charge. In Lagonav, case managers negotiated with school principals to admit CLM children without a uniform and allow CLM members to pay school fees in instalments. Fonkoze also collected school clothing for CLM children.

As for financial support to members post natural disasters and for general housing support, Fonkoze was unable to find local partners willing to provide these services. Therefore, the onus fell on Fonkoze to fill the gaps where existing partnerships failed. Fonkoze paid for housing repairs, set aside a budget for financial support post natural disasters, and provided water filters for members. This sheds light upon two major issues.



Firstly, the challenges of working in the Haitian context. In other contexts where similar graduation programmes are implemented (e.g. India, Bangladesh, etc.), organisations rely upon the government or NGO partners to provide pro-poor services such as free healthcare, food rations, wage employment, sanitary latrines, etc. Fonkoze cannot rely upon the government to provide any such services, and very few potential partner organisations operate successfully in the remote areas where CLM is operating. Fonkoze, therefore, is put in a precarious situation of providing inputs that they feel are necessary, but lay outside of their expertise.

Secondly, this call for Fonkoze to address a spectrum of needs of members significantly drives up the cost of this program, posing challenges to scale-up. Fonkoze's cost per household (~ \$1200) far exceeds other similar graduation programs. One key driver of this high cost are the housing repairs for members, which is an important need to address, but is not one of the 'core' inputs that leads to an increase in income.

Fonkoze is undoubtedly committed to the ethos of this program - tackling the various strands of poverty that keep these households trapped in a cycle of extreme poverty. However, the absence of external assistance in carrying out this ethos puts tremendous burden upon Fonkoze. Although they persevered in the pilot phase given their dedication and creativity, the challenges will undoubtedly be much greater in scale-up.

## Section III: Program Outcomes

### 1. Poverty status

This chapter discusses changes in poverty status of CLM members and the factors contributing to this change. Poverty is defined through a composite of 22 indicators in the Fonkoze's poverty scorecard (see Annex B). Through analysis of these indicators and the baseline survey, we seek to answer the following questions:

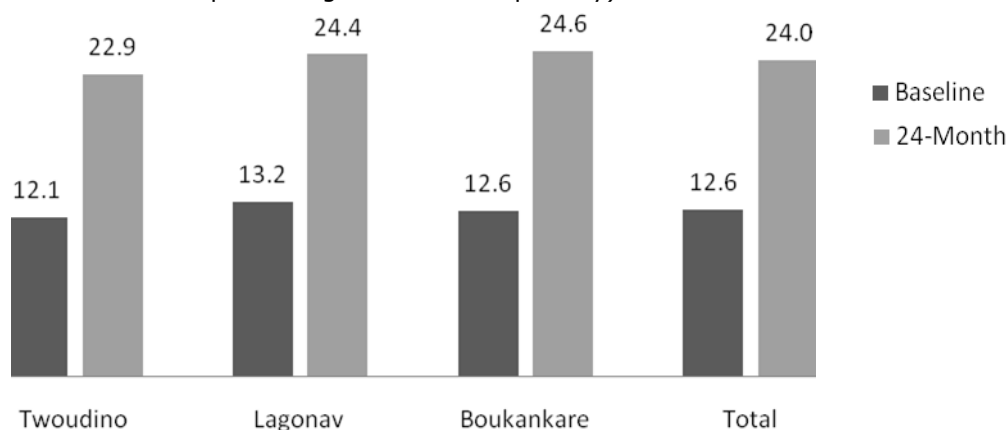
- What has been the overall change in poverty levels?
- What are the changes in individual indicators?
- What is the significance of changes observed?

Overall there has been a striking improvement in the livelihoods of CLM members as measured by 22 poverty scorecard indicators. This improvement for CLM members is remarkable when compared against a backdrop of increasing poverty in Haiti, following on from dramatic food price increases from June 2008 and hurricanes in September 2008 which left 80 out of 150 CLM families with ravaged gardens and thus a need to restart food production, a loss of assets, and damaged homes. Figure III-1 presents poverty scorecard scores comparing baseline with 24 month follow-up. A lower score indicates fewer assets, lower household income, more children not attending school, etc. Therefore, an increase in poverty scores signifies a decrease in overall poverty level.

According to the graphs below, the average Kat Eval score at baseline was 12.5, while the 24 month average is 23.9. These results are similar across all three areas, showing consistency. Figure III-2 shows that the percentage of members living under \$1/day and \$2/day benchmarks has also declined over time<sup>7</sup>. As we will discuss, some of the composite indicators are directly influenced by the program intervention (e.g. housing), while others were indirectly affected through improved economic situations (e.g. school attendance).

#### **Poverty Scorecard changes over pilot period**

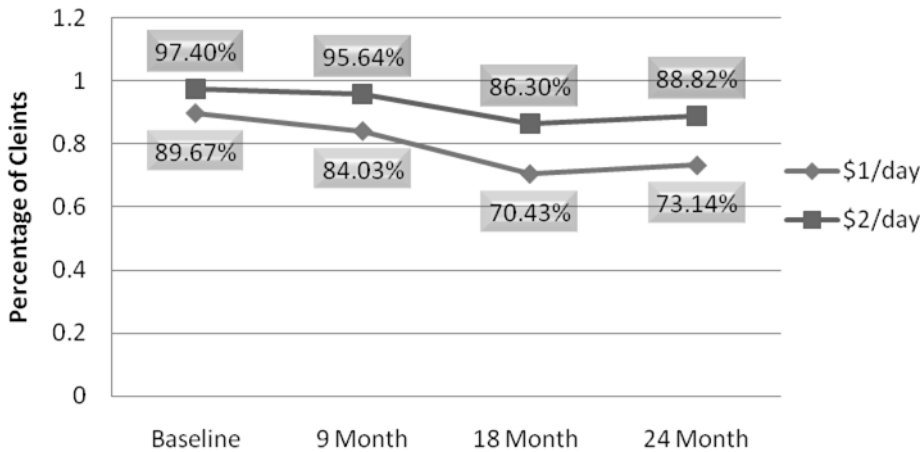
(Note: lower score represents greater level of poverty)



**Figure III-1: Poverty scorecard changes**

<sup>7</sup> Fonkoze's poverty scorecard is calibrated to Grameen Foundation's Progress out of Poverty Index (PPI), which states the likelihood of individuals living below \$1/day and \$2/day based on a set of indicators

### Poverty Indicators

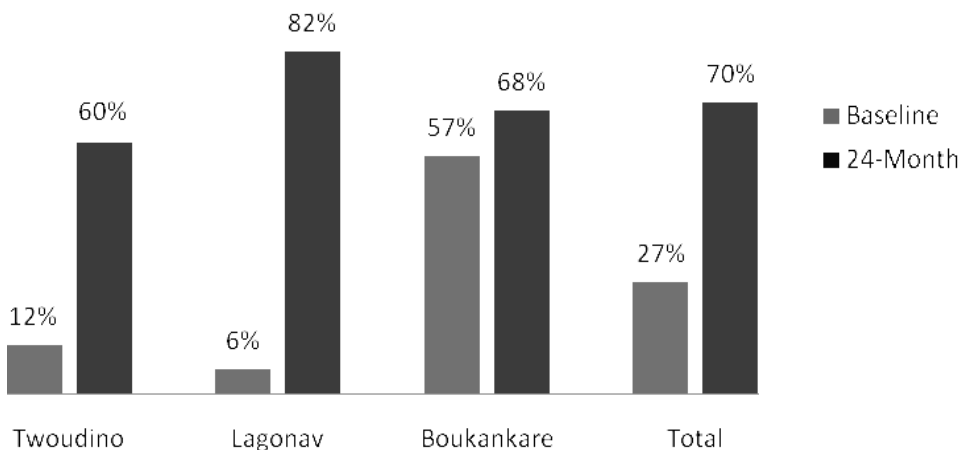


**Figure III-2: Progress out of poverty index scores**

While the poverty score provides a snapshot of holistic change, the individual poverty scorecard indicators give a more nuanced understanding of the specific changes in members’ lives:

#### 1.1 Access to education

### CLM Children School Attendance



**Figure III-3: Percentages of most or all children in school**

There has been a dramatic increase in children attending school. The number of members reporting that “all or most children are regularly attending school” has increased from 27% to 70% overall. This is partly the result of CLM efforts to reduce the barriers to school attendance, but mainly an impact of the economic changes that CLM members have experienced. Changes have been most dramatic in Lagonav, the poorest area, where the school attendance has changed from a rarity to being something that the vast majority of members are able to do. The data shows a very different picture in Boukan Kare, but this is likely to be due to the timing of the base-line survey which followed the renovation of a school and support to help children enroll in school. It is therefore likely that the data in Boukan Kare would otherwise have shown a similar picture.<sup>8</sup>

CLM promoted the importance of school attendance. The Village Assistance Committee and case-managers also negotiated with school directors to allow CLM children in without uniforms. In addition,

<sup>8</sup> In Twoudinò, several CLM households were receiving child sponsorship for school attendance through PDZ prior to CLM intervention, making the baseline figure of 12% higher than in Lagonav, where no external assistance was provided at baseline.

staff collected shoes and clothing donations for CLM children, Boukan Kare case-managers built a make-shift school in the area and hired a local teacher, and a partnership with Plan International in Twoudinò enabled one child in each CLM household to attend school free of cost.

While such efforts are laudable, they do raise questions about the sustainability of access. However, interviews show that, by the end, the program did not pay for all or most CLM children to attend school, and members were using their savings and selling extra goats to pay for school fees. The cost of education has been the major barrier to education, with 13 out of 15 members reporting in-depth interviews that they could not afford to send their children to school at baseline. At the 24-month follow-up, 13 out of 15 members were sending all their children to school. It was clear that the value of education was always felt among CLM members (and in Haitian society in general). The obstacle to education, therefore, was not attitudinal, but economic. As soon as members' economic capacity increased, they invested this into educating their children:

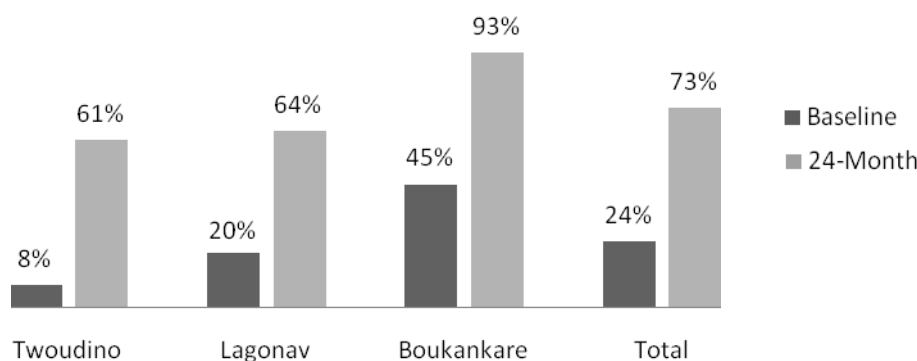
***"I used my savings to pay for my children's school fees. I know my case-manager advised me to use it to start a small trade, but a business is here one day and can be depleted tomorrow. There is nothing more valuable than a child's education, which is an investment for the future. My case-manager agreed."***

***"I sold a goat to pay for school fees this September. No one advised me of this, Haitians pride education. If I can teach my children to hold a pen, they will help me one day."***

Improved education, therefore, is clearly an indirect impact of increased productive assets and household income.

## 1.2 Cultivation of food

### **CLM Members Food Cultivation**



**Figure III-4: Percentage of CML members growing food**

Another indirect indicator of improvement has been land cultivation. Fonkoze did not provide members with land as a program input, yet we see a dramatic increase in land cultivation and ownership. Members have invested in buying land and/or the inputs to cultivate their existing land. This provides them with significant economic return, as well as food security during the time of food price hikes. At the 18-month point where members' asset value was assessed to determine graduation, the average value of garden vegetables was 2700 gourdes (~\$67), or almost half of the \$150 graduation target.

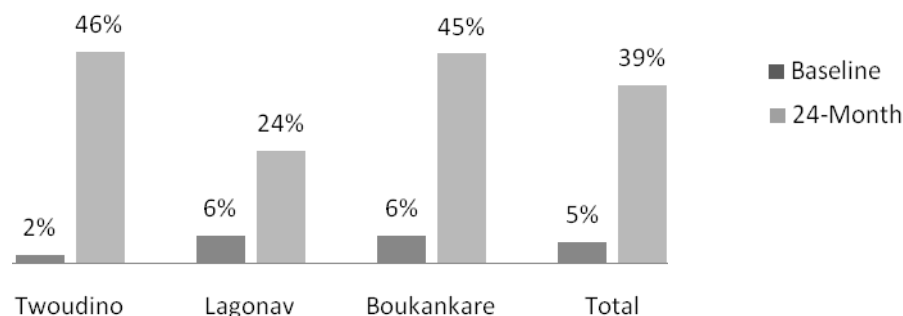
This is a significant achievement, given the low number of members cultivating gardens at baseline.

For the most part this change is the result of a staff strategy to boost food security at a time when food prices were drastically increasing. In the second half of the program, there was strong staff encouragement to use savings and profit from extra male goats to invest in land for gardens, as well as to grow vegetables on their existing land. Members also strongly value land ownership, for social status as well as for personal security. Most were sharecropping prior to joining CLM, especially in Boukan Kare, which out of the three, is the strongest agricultural area. With increased income from other assets and savings, members seized the opportunity to acquire (or rent) their own land and reap all the profits. Boukan Kare case-managers also strongly encouraged members to invest in land and grow cash crops as a diversifying economic activity.

### 1.3 Ownership of large livestock

Ownership of large livestock was another area of significant impact (see Figure III-5). The purchase of donkeys, cows and horses represents a significant investment by CLM members and demonstrate both an increase in economic capacity and diversification of livelihoods. The figure shows a very large increase in large livestock ownership. However, the sustainability of this strategy was not clear given a significant decrease in ownership following the end of the program due to illness – 70% owned large animals at 18 months and this almost halved to 39% at 24 months.

#### **CLM Members Livestock Ownership**



**Figure III-5: Percentage of CLM members owning large livestock**

The program did not provide members with large livestock, but encouraged members to invest in donkeys, cows, or horses as a longer term productive asset, or as a means of diversification and risk reduction:

- 9 months into the program, many members' goats had reproduced significantly. The staff wanted to discourage the 'collecting' of goats, as they are difficult to manage and can be wiped out if an epidemic hits. They thus encouraged members to sell off a few of their grown goats (while still raising the young ones) and invest in something else as a means of diversifying).
- While chickens and commerce provide short-term income and goats a source of medium-term income, members needed a longer term investment. Large livestock have a long gestation period, but eventually a cow or donkey can be sold for over 5000 gourdes.
- Lastly, donkeys and horses provide valuable transport that will help members access further markets and the health clinic, and provide greater overall security.

Each area had its own strategy. In Boukan Kare, members bought horses; in Lagonav, donkeys; and in Twoudinò, unborn cows. Twoudinò's strategy was initially problematic – members wanted cows as a symbol of prestige, and thus purchased deeds to unborn calves from individuals who had pregnant cows. For many, the cow owners never honored the agreement and swindled members out of their money. Six months after program termination, the VAC is still fighting these cases on behalf of members. For those who did receive the calves, they realised that it will be over a year before they provide any benefit. Towards the end of the program, therefore, Twoudinò case-managers encouraged a few members who had not yet invested to purchase horses—although the change in strategy came a bit late:

***"A cow makes them feel better about themselves and is something they couldn't sell that easily. But we realised much later they can't make profit before a year. It is good for status and big savings for the future. But not as "livelihood strategy."*** – Case-manager, Twoudinò

Although some 70 per cent of members had purchased large livestock by the end of the program, there were mixed results in the performance of the livestock. Some members' livestock reproduced, and others purchased a second horse, cow or donkey. Out of the 15 members interviews, 5 had multiplied their large livestock:

***"When I was in CLM, I saved from my stipend and with my savings of 2100 gourdes I bought an unborn cow. I thought that cows were more secure. Then I sold 3 goats and***

***bought another cow. Before CLM I had nothing, I couldn't feed my child. Now I have two cows, 6 goats, chickens and a business.***

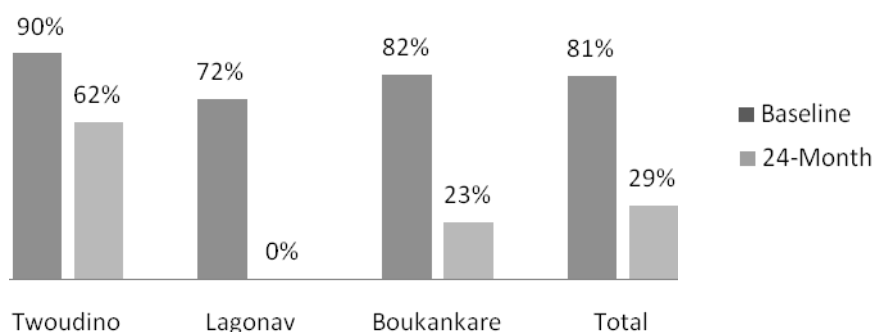
But for others, their livestock became ill and died. At 18 months, over 70% of members owned large livestock. Yet by 24 months, this decreased to less than 40%. In some areas, like Lagonav, veterinarian medicines were scarce. But overall, members also were less motivated to call the vet for services. During the program intervention, case-managers took the onus of ensuring members sought out vet treatment (preventative, such as vaccinations, and reactive, like medication). With a lack of case-manager presence, members exhibited less agency.

These results demonstrate the challenges involved in translating the short-term gains of CLM into sustainable impact and continuing movement out of poverty.

## 1.4 Housing conditions

Prior to CLM, most members lived in mud houses with no roofing that would easily collapse in the rains, leaving members and their families vulnerable to illnesses. As a way of protecting CLM household health, as well as their new assets, Fonkoze felt that housing renovations were a necessary input. Fonkoze provided each CLM household with cement, tin roofs and labor to renovate their existing homes, while members had to gather the rocks, sand and wood. This aspect of the program was implemented in all three areas and led to significant improvements in housing conditions, with a decline from 80% to 29% of CLM members living in houses made of earth.

### **CLM Members Housing Conditions**



**Figure III-6: Percentage of CLM members living in mud homes**

Although overall there were significant improvements in housing, Figure III-6 shows that these changes varied greatly between areas. Only one area achieved the objective of ensuring that all CLM members had secure and dry housing. In Twoudinò more than 62% of members continued to live in sub-standard housing. These differences reflect problems experienced in implementation and different approaches taken by the case-manager. Although the inputs were provided, members did have to collect rocks for the cement and invest their own sweat equity. A handful of members who lacked the motivation never completed their renovations. A quote from a member who did not graduate in Boukan Kare exemplifies this:

***"I know that all the CLM members made their houses, and I am the only one around here who didn't. It wasn't anyone else's fault, [the case-manager] always stayed with me and he encouraged me. But I didn't have a man in the house to help me build and collect the rocks, I had no support. I was lazy too, it was my fault, no one else's. I hope I can still do it someday."***

Several members also wanted to seize the opportunity to build bigger homes, and thus continued to live in their earth homes until they were able to save enough to purchase material for 2-4 bedroom homes. **This was a major problem in Twoudinò that was flagged in the 9 month evaluation, and was the main reason for 60% of members still living in earth homes at 24 months.** In Lagonav, however, members all contributed and stuck to their one bedroom renovations – a sign of uniformity and good implementation by the Lagonav case-managers.

## 1.5 Non productive assets

The major area where a change has been seen in terms of non-productive assets is in the ownership of a bed. At baseline, 45% of members were sleeping on the floor. At 24 months this had reduced significantly to 16%, and beyond this the majority of members had replaced their straw mats to wooden or iron beds – second hand, often purchased from former employers. According to a member, “no matter how poor you are, you should not have to sleep on the floor.”

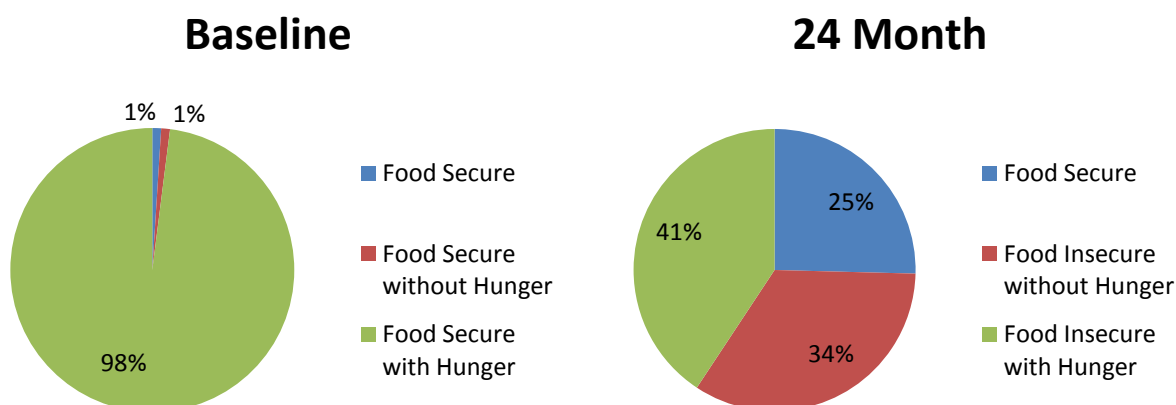
For less essential assets (e.g. radio, flashlight, television, fridge) ownership was low at baseline; 85 - 90% owned none of these items, and this did not change.

## 2. Food security<sup>9</sup>

The lack of regular income, absence of government safety nets, and few social networks in the face of hunger all work together to contribute to food insecurity and malnutrition among the CLM population. The onset of increased food prices exacerbated this situation. The cost of living in Haiti has increased considerably since baseline. Halfway into the program, the cost of staples such as rice, beans, fruit and condensed milk had gone up 50 percent in the past year, while the cost of pasta and rice had doubled.

In this context it is striking to see a tremendous overall improvement in food security figures from baseline and 24 months. **Figure III-7 shows that the percentage of CLM members suffering from food insecurity with hunger declined by over 50% from 98 percent at base-line to 41 percent after 24 months, whilst members who are food secure shot up from 1% at baseline to 25% at 24 months.**

These changes are a result of a multiple interventions of CLM, including a short-term cash stipend, an asset that provides daily income, and strong encouragement/case management support to create vegetable gardens.



Source: Data from Freedom from Hunger Food Security Index

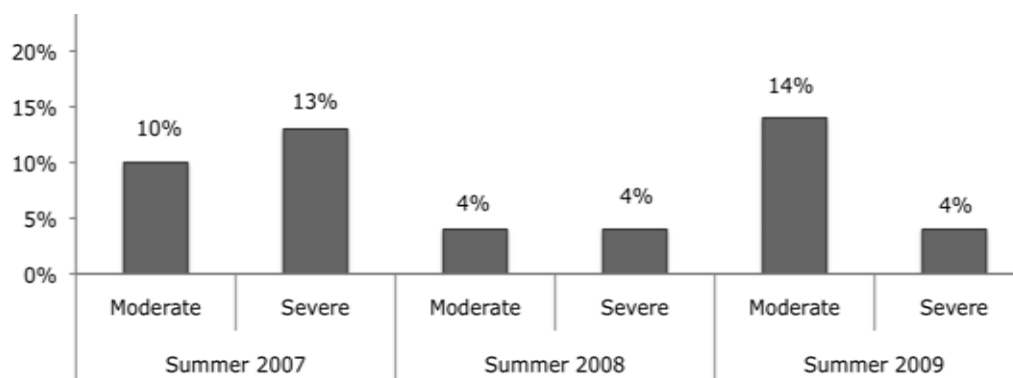
**Figure III-7: Overall food security percentages at baseline and 24 months**

Figure III-8 presents data from anthropometric measurements of CLM children and provides another indicator of food security across time periods. Wasting is a good indicator of current malnutrition. Summer – the time in which the survey was conducted - is the lean season, so wasting percentages would generally be highest at this time of the year. From the chart below, we can see that severe wasting among CLM children decreased from 13% at baseline (summer 2007) to 4% at 24 months (summer 2009). We can also see that there was a fall in malnutrition in 2008 reflected in both severe and moderate. This was somewhat reversed in 2009, with moderate malnutrition increasing, but not so

<sup>9</sup> For this section, please refer to Figure I-2: Project and seasonal timeline

great as to increase the severe category. This flags an important question: does the decline from 2008 to 2009 represent a temporal shift in food insecurity (due mainly to external factors, such as food price increases and the hurricanes), or does it reflect a lack of sustainability of the changes observed? This will be discussed in the concluding chapter, which deals with sustainability and resilience.

### **Percent of Children with Moderate and Severe Wasting, All Summers, Using Weight for Height Measurement**



**Figure III-8: CLM Children moderate and severe wasting results**

## **2.1 Correlation between asset accumulation and food security**

An important finding from the evaluation is that there is a lack of association between asset accumulation and food security. That is to say members who had multiplied their goats and other animal assets experienced similar levels of food insecurity during lean season as those without a strong asset base. This is explained by the fact that members are ingrained with the notion that their assets should only be sold for emergencies and investments. Lean season hunger is a regular experience for members – as a CLM member aptly stated, “My goats are precious – I would never sell one out of hunger.” However, those with enterprises had regular income, and could deplete their businesses if necessary and re-establish them, and thus were more food secure than those who did not have a small trade.

## **2.2 Seasonality in food security**

A more nuanced look at the results by area shows that this improvement was not steady, but reflects seasonal changes. Figure III-10 shows that members overall experienced high levels of food insecurity at baseline<sup>10</sup> (scores 7-9). As they began to benefit from the program inputs, food insecurity began to decrease at 9 months. At 9 months, the stipend had just ended, food prices had reached their all time high, and members experienced planting or hungry season (harvests were not yet ready). These factors offset the benefits of the program. However, at around 18 months (December 2008) members harvest their crops and have ample food within the household, explaining why members were food secure at that time.

At 24 months, we see that food insecurity rose back up to moderate levels, which can again be attributed to seasonality. Similar to 9 months, at 24 months (June/July 2009) members had consumed their harvest and were planting again – although we can see that they did not go back to the extreme levels of food insecurity that they experienced at baseline.

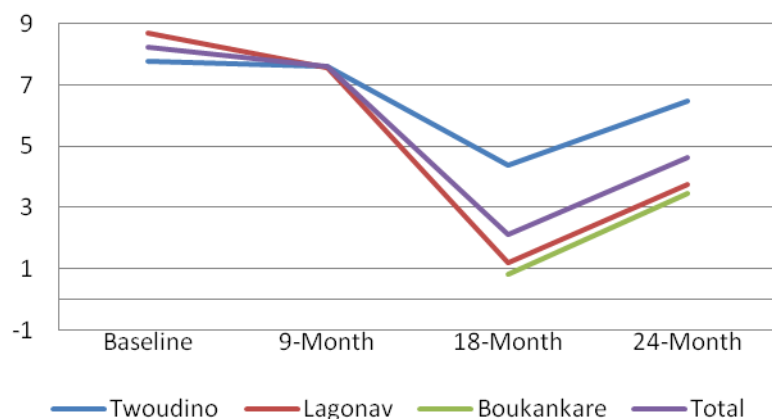
Although food security patterns can be explained mainly by seasonality, other factors were also influencing factors. Severe hurricanes hit around this time, causing members to lose a large portion of the crops that they would consume and/or sell. This also affected their food reserves that they relied

<sup>10</sup> According to the FSI, a higher score represents a higher degree of food insecurity. Scores 7-9 represent food insecurity with hunger, scores 4-6 represent food insecurity without hunger, and scores 0-3 represent food security.



upon in the 2009 planting season, exacerbating their food insecurity. The fact that members were still able to maintain food security despite these setbacks demonstrates their strong resilience.

### **Food Security Scores**



Note: base-line data not available for Boukankare

**Figure III-9: Food security results by area and time period**

The graph also illustrates that food security results varied across the three regions. Hurricane effects were the worst in Boukan Kare – most people lost crops and land, so these results actually understate their 18-month progress. Twoudinò performed more poorly than the other areas. This may be a result of data quality issues<sup>11</sup>, but there were also significant differences in case-manager strategies. In Lagonav and Boukan Kare, case-managers thought of ways to make members less vulnerable during the harvest period. For instance, case-managers in Boukan Kare knew that during planting season, okra grows and can provide much needed income and sustenance during a strenuous time. They thus encouraged their members to start okra gardens – something that proved incredibly useful for sustenance as well as profit.

***"During lean season, okra is a very useful thing to plant. My case-manager told us to plant it. It is easy to plant, doesn't take much space, but you can make good profit because it is the lean season and not a lot of people grow it."***

With agriculture being the main income source in the second half, it is not a surprise that Boukan Kare had the highest food security at 18 months. Boukan Kare is the most agricultural based of the three areas, with a short lean season and different crops bearing fruit every month of the year. The case-managers here therefore emphasized leasing or purchasing land for cash crops as a post stipend strategy, and taught members new ways of composting, fertilizing, etc. According to a Boukan Kare case-manager,

***"People here know agriculture, they grew up with it. So it makes sense for them to invest their savings in land, and with the profits from their cash crops; they can buy charcoal and invest in other income-generating activities."***

In Lagonav, lean season lasts longer than in the other two regions and food prices increased the most, yet this area saw the greatest reduction in food insecurity. Case-managers here were particularly innovative, pushing members to start peanut cultivation and grow their own vegetable gardens to offset the food crisis (which hit Lagonav the hardest). They were encouraged to grow yams, corn – local foods that they can eat and sell the excess. The motivation here was not cash crops, as in Boukan Kare, but sustenance. Case-managers also knew that yucca and sweet potatoes can remain

<sup>11</sup> According to the case managers, most Twoudinò members exaggerated their vulnerability in terms of food security in order to get their stipends re-instated and more programmatic support. Due to the proliferation of NGOs and food for work programs in the Twoudinò area, this is a common strategy among members. This view was also supported by inconsistencies in qualitative interviews.

underground for up to 2 years, so as a coping mechanism, they encouraged members to keep a stock underground so they can sell for high profits during lean season.

Whilst similar 'resilience' strategies in Twoudinò were less frequently told, it should also be noted that severe hurricanes hit around this time, causing members to lose a large portion of the crops that they would consume and/or sell. The fact that members were still able to maintain food security demonstrates strong resilience.

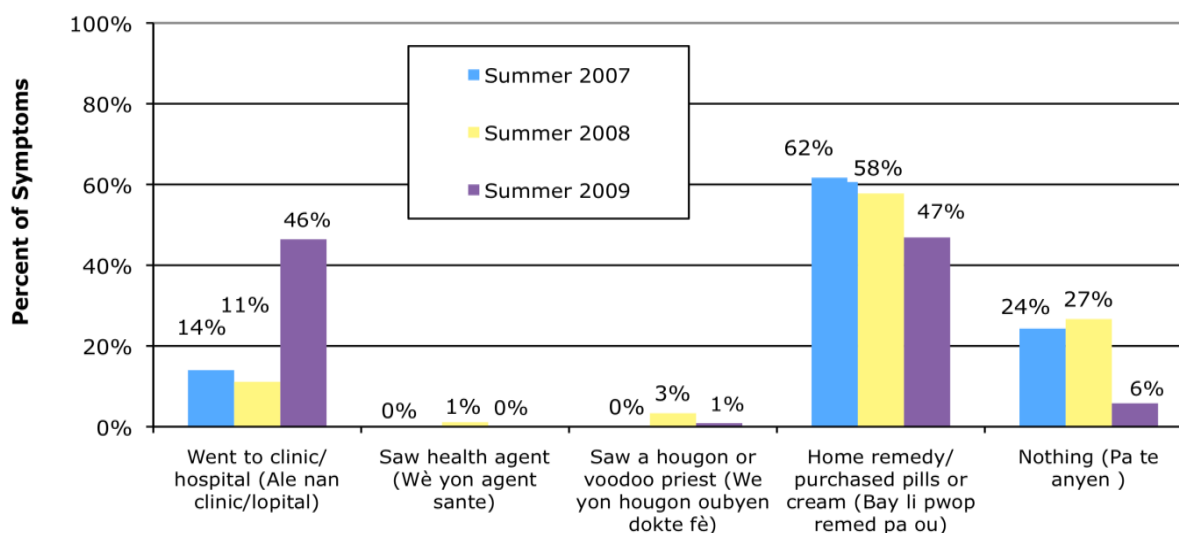
Members were also encouraged to grow vegetable gardens, and we did observe eggplants, peas, beans and other vegetables in members' home gardens that they did not previously grow. But members complained of poor soil quality, and there seemed to be generally less vigilance about supplementing food shortages from their own garden items. This, combined with exaggerated survey results, could explain why Twoudinò food security was so much lower at 18 months.

### 3. Health seeking behavior

Illness is one of the greatest contributors to poverty for CLM members. In the case-studies conducted with CLM members, it was striking how many people had fallen into extreme poverty as the result of illness or death. Diseases of poverty such as diarrhea, worms and respiratory infections are prevalent. Lack of government health services, poor infrastructure, lack of transportation and finances to pay for health care has caused easily treatable illnesses to impoverish households.

The survey results (Figure III-10) show a large positive change in CLM members accessing formal health services in the event of illness.

#### Treatment of Symptoms: Overall



**Figure III-10: Treatment of symptoms**

At baseline, the common response overall was to use home remedies or 'do nothing.' We can see that at 24 months, health seeking behavior changed dramatically. Going to the health clinic or hospital went up from 14% to 46%, while the percentage of people who 'did nothing' decreased from 24% to 6%.

**Treatment at health clinics was highest in all three areas after program support ended. Increased income, and thus the ability to spend more on healthcare, is therefore the main factor contributing to increased hospital/health clinic visits.** This is supported by the observation that in some areas where treatment is free but the hospital is far, members are choosing to pay to visit a local clinic in preference to the hospital.

***"PIH (Partners in Health Hospital) is very good, but it takes so long to get there. It is difficult to do the journey when someone is very ill. Since we started earning more money, we've been going to Ms. Marie's clinic. Ms. Marie is close by, and she treats us kindly. We don't mind paying to go to her."***

Staff messaging has also influenced health seeking behaviour. Compared with data from summer 2008, using home remedies and purchasing pills or creams to treat sick children dropped in both Boukan Kare and Lagonav, but remained nearly the same in Twoudinò. In an effort to discourage members from buying ineffective medicine, spending money on *hougans* or Voudou priests, or doing nothing, the Twoudinò case-managers taught members effective herbal remedies for everyday illnesses. Qualitative interviews show that members valued this as an alternative form of treatment:

***"For big medical emergencies, we go to the clinic. I had a toothache, so I went to the clinic in Jakzil and paid 300 gourdes for treatment. But we still use the herbal remedies that Pascale taught us – it helps for small things and saves us some money from medicine."*** – CLM Member, Twoudinò

#### **4. Building resilience through savings**

The CLM program has put considerable emphasis on encouraging members to save and developing a savings culture. A key part of this is to build savings so that members can deal with shocks and grow their asset bases. With the goal of instilling a regular savings behavior within members, case-managers encouraged weekly savings.

Whilst significant savings balances were developed in some branches in the first 9 months of the program, this was not sustained. In terms of a formal savings culture and cash deposits in a savings account we can conclude that this was not achieved. This is due in part to external factors such as food price increases, but the logistical problems of accessing and depositing savings and case-manager strategies is also important. Members did adopt other savings strategies such as use of ROSCAs and livestock as savings, but as previous sections have illustrated, livestock do not provide a secure form of savings. Members that lost 12-13 goats, or thousands of gourdes of harvest during the hurricanes recognize the pain: "if I had put that money in my savings I would've had it, and now it's gone."

In the first 9 months, the stipend was the primary source of savings for CLM members, as it was the main source of regular income they were receiving. All areas succeeded in encouraging members to save regularly, although the amounts varied. In Twoudinò members succeeded in building up substantial balances (the main range being from 1000-2000 gds) whilst Boukan Kare was less successful with many members having very little saved, and few saved more than 500 gds. This can be attributed to differing case-manager strategies. In Twoudinò the staff emphasized large, frequent deposits to prepare for post-stipend; Lagonav encouraged small frequent deposits as a means of developing a savings habit; and Boukan Kare had no particular strategy, but left savings decisions up to individual members.

Following the ending of the stipend, members' savings declined dramatically, both in frequency and amount. While in the first nine months all members in Lagonav and Twoudinò saved on a weekly basis, in the second half of the program members in Lagonav and Twoudinò made deposits less than once a month (on average). In Twoudinò, although members had the highest savings at 9 months, this savings was quickly depleted in the second half. Members instead invested in small trades, livestock, school fees, gardens and housing improvements. However, because Twoudinò's branch is easily accessible, members did continue to access their savings post CLM. Case-managers admitted to no longer insisting on regular savings in the second half:

***"Food prices had gone up, and the stipend had ended. Members really had it tough. We of course encouraged them to save, but we could no longer enforce it"*** – Case-manager, Twoudinò

According to a member in Boukan Kare,

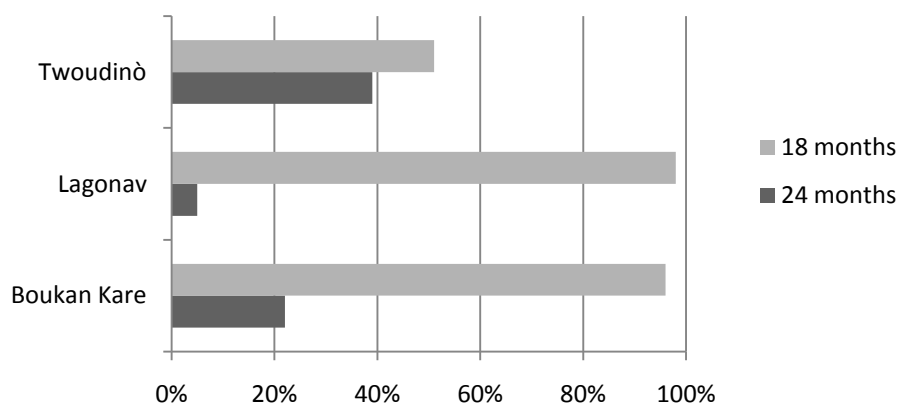
***"Everyone stopped saving after the stipend ended. Case-managers would insist, but we just didn't do it."***

Statements such as these made it evident that members were saving out of their stipend members had not truly internalized a savings habit, where they were regularly putting money away from their income.

The graduation criterion is set at 100 gourdes savings balance to graduate, due to the fact that this was the savings requirement for a TiKredi loan -10% of the loan value. Fonkoze purposely set a very low cash savings requirement because they were combining all assets together, and felt that this was necessary in order to take into account members who had recently utilized their savings to purchase cows, goats, etc. Fonkoze feels that savings in animals is often a more secure form of savings, as they increase in value while gourdes have been declining in value. Beyond savings, Fonkoze feels that members need insurance to protect their investments and weather catastrophes that are guaranteed to afflict them every 2-3 years. Fonkoze is looking for ways to offer insurance products to CLM members in the future.

Fonkoze needs to improve CLM risk management strategies, and while insurance is necessary in mitigating serious risks, savings is still important for expenditure smoothing and 'lump sums' for planned events (e.g. school fees, or coping with small problems such as ill health or poor harvests.) This especially true in Haiti's context, where natural disasters lead commonly to crop failures and animal epidemics. Although insurance and diversified savings sources are important, Fonkoze did try to instill a cash savings culture within their members for this reason. Given the challenges members faced in accessing their savings (e.g. the far distance of Fonkoze branches and required transport fees), this habit has not been instilled. Ninety-seven per cent of members achieved their savings target of 100 gourdes to graduate, and Figure III-11 shows that at 24 months a large percentage of members *did not* meet this very basic savings requirement. This implies that after CLM ended, members essentially stopped making transactions in their account. Qualitative interviews show that they prefer to save in more convenient, yet precarious ways (e.g. RosCAs, purchasing animals, growing crops, etc).

### **Fulfillment of Savings Requirements**



**Figure III-11: Members who fulfilled the savings requirement at 18 and 24 months**

When probing members on why this was the case, they responded that the money was invested in their gardens, they purchased wood for charcoal, or they purchased additional livestock:

***"I like to purchase goats – if the money sits in Fonkoze, no one will see it. But if I buy animals, I will feel proud in front of others."***

***"A horse is profitable because it helps you go to the market, and I can make a lot of money from the offspring. But savings just sit there, they don't do anything for you."***

When asked why they did not save in their Fonkoze accounts, members in Boukan Kare and Lagonav *all* responded that the branches were too far, and TiKredi agents only encouraged members to save

10% of their next loan amount (maximum of 200 gourdes). Members that had this amount prior to graduating CLM kept this as a basic savings floor and lost motivation to save anymore:

***"In order to access my savings, I would have to pay 50 gourdes and it would take me 4 hours to get to the Fonkoze branch. It's better off just sitting there – at least I can use it if there is a terrible emergency."***

This experience demonstrates a number of challenges for Fonkoze:

- The need to establish a savings culture among CLM members, despite the many competing demands for their money and potentially productive alternative uses of money. This savings culture needs to be encouraged throughout the 18 months of the program and beyond. TiKredi agents should encourage savings, and not simply ensure that clients meet the 10% savings requirement.
- For many CLM members, Fonkoze branch offices are far away and this makes saving less attractive. This is an inevitable result of the targeting by CLM of more remote areas, and there is a challenge for Fonkoze to ensure that its savings services are accessible and attractive to CLM members.

## 5. Empowerment

While most of the outcome indicators above deal with material changes, it is also important for us to understand how CLM has affected members' ways of 'being and doing,' otherwise known as their agency and capability. Whilst hard to quantify, qualitative interviews repeated with a sample of clients over time reveal remarkable changes in the way in which members perceive themselves, their actions to manage their own lives and interactions with others. In this section, we will examine these changes looking at how CLM members experienced<sup>12</sup>:

- Cognitive change, or change in how they think and what they know about themselves and the world around them
- Behavioural change, or change in how members choose to meet their needs and achieve their goals
- Relational change, how members perceive and interact with others and in how others perceive and interact with them

### 5.1 Cognitive change

Cognitive changes encompass changes in values, beliefs and perceptions, as well as in knowledge and skills. Although this is difficult to quantify, and difficult to prove as a direct consequence of program participation, qualitative interviews shed light on two major cognitive changes: increased self-confidence and knowledge/skills of managing an enterprise.

Prior to joining CLM, members and their children were socially marginalized and stigmatized by their communities:

***"We were so poor, we could not eat, I could not feed my children. I had no respect for myself, and others also did not respect me. How can you call yourself a mother if you can't even feed your children?"***

***"I used to buy on credit from vendors, but I could not repay the credit. They would come to my house and shout at me, in front of my kids. I used to hide and not leave the house, I felt so ashamed."***

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<sup>12</sup> This framework for empowerment is an adaptation of one used by Chen and Mahmud (year), and was utilised by Kabere (2005) in analysing impacts of empowerment among microfinance clients

Members hid their faces and reinforced their own isolation and insecurity. CLM played an important role in boosting members' self confidence and sense of self-worth. This was achieved both directly (through confidence building training, weekly visits by case-managers, VAC support) and indirectly (through boosting members economic activities). Even members who did not graduate felt that their contributions to their families and place in society had drastically improved.

As a self-evaluation exercise, members were asked to place themselves on a staircase reflecting their perception of their status compared to others in their community, at baseline, at 9 months, at 18 months and at 24 months. While surveys capture snapshots of change, the staircase exercise captures dynamism of an individual's progress. The following table shows the results of the exercise:

Baseline step	9 month step	24 month step	Total change
0	1	5	+5
0	1	6	+6
0	1	6	+6
0	1	6	+6
0	1	7	+7
0	2	7	+5
0	3	6	+7
0	3	7	+7
0	3	7	+7
0	4	8	+8
0	5	9	+9
0	7	8	+8
1	0	2	+1
1	0	3	+2
1	0	3	+1

**Table III-1: Staircase of progress results for 15 members**

As the above table illustrates, every member felt that their lives had significantly improved from baseline to 24 months:

***"I know I didn't graduate. But I still feel like I am a much better person since before I joined the program. People respect me more around here, my children respect me. I still have 2 goats, I can talk to people like you that come to my house, I couldn't do this before."***

Members all stated that their increased sense of self-worth comes from being able to support their children and ensuring that they eat on a regular basis. Members have also gained a great deal of self confidence through increased asset ownership and management ability. They feel that their livestock, small trade, and cultivation have not only improved their social prestige in the community, but given them a means of supporting their families in the present and future:

***"My economic activities support my household 100% of the time. Even if my husband doesn't have work one day, I know that through my business I can feed my children daily. I also know that if any of them get sick, I can sell one of my goats to send them to the hospital. I have no fear about the future anymore."***

With this increased sense of self-confidence comes heightened aspirations. Two years ago, members were unable to look forward or plan for the future. Living hand to mouth, everyday seemed like a struggle. Yet the program created an ability to aspire among members. A member at baseline was asked what she planned to do with her assets, and she responded,

***"It is in my fate, I have no idea. Whatever God decides is what will happen to me."***

At 24 months, the same member stated,

***"I sold 3 goats and used my loan to start a charcoal business. I have enough wood to make 80 bags of charcoal – with those profits, I can build a cistern. I will be the first woman in Lagonav to have a cistern and I can sell water to those who need it."***

Another member's husband recently passed away – yet she sounded more optimistic now than she did at baseline.

***"I am currently on the 6th step. I have not climbed up to the top yet. But Fonkoze has given me a hand with goats, and with credit – I am on my way. By the next time you see me, by God I will get there. You will see me on the 10th step."***

## 5.2 Behavioural change

Through the provision of water filters, latrines, and education on family planning, hygiene/cleanliness, growing and consuming nutrition food, etc., Fonkoze has sought to change the daily behaviour of CLM members. The staff believe strongly that their weekly social messaging about pertinent social topics have had a tremendous impact. Survey data suggests that clients have a good knowledge of most of the topics covered (it is not clear whether this is due to CLM inputs or not), but knowledge does not necessarily lead to change in behaviour.

Across the board, we see that the biggest behavioural changes have been sending CLM children to school and family planning. As Figure III-3 shows, school attendance increased significantly. Although this is more a consequence of increased income rather than social messaging (as members always valued education for their children, but never had the means before to afford it) it has empowered members significantly:

***"I spent all of my savings to send my 4 children to school this year. Education is an investment for the future, it is something my children will always have and no one can take away. I was not educated, but my children can be. I am so proud of this."***

Family planning is a behavioural change that came as a result of program messaging and reinforcement. Case-managers would fill out a calendar for each member, advising them when to go for their planning injections so they would not forget. Given the disproportionate dependent/earner ratio, 10 out of the 15 members interviewed felt that they did not want any more children. The majority of members interviewed continued their family planning methods at 24 months.

Other behavioural changes (e.g. using water filters and sanitary latrines) were less convincing. Although members claimed to use their latrines and water filters, observation during the case-study visits led to the conclusion that 13 out of 15 members were in fact not using either. When probed further members stated that their filters were broken, they ran out of the chlorine tablets, they still need to build a wall around their latrine to make it private before they can use it, etc.

## 5.3 Relational change

Relational changes involve shifts in decision-making patterns and dynamics of power within the household. Of particular interest in Haiti where many poor women are dependent on insecure and often abusive relationships, are changes in gender relations. These changes are subtle and perhaps the most difficult to observe, but the most important in understanding the evolution of personal agency. Extremely poor women often navigate their poverty through relationships with men – their partners would contribute to household income, and they would return the favour with sex that often resulted in an unwanted child. In some cases, the child was a gesture to create contractual ties:

***"He was supportive, he worked hard for me. So I wanted to thank him by giving him a baby. I thought that way he would always have to give me money and support me, at least support his child."*** - CLM member, Twoudinò

This reliance is not just economic, but emotional – CLM members often stated at baseline that their partners contributed little to the household, but having them there gave them a sense of security. Yet in nearly every case, the relationships were transitory – the man would stay for a short period of time, contribute minimally to the household, impregnate the CLM member and abandon her. It was not

uncommon to find a CLM member with several children, each with a different father. This trend is a crucial strand of their poverty trap, and springs from a low sense of self-worth. In every case, the CLM members were the primary bread winners and caretakers of their children. In this context, where women are all too familiar with the consequences of male dependence, have they increased their self-confidence, or changed the nature of their relationships with men?

Data on these issues is hard to collect, and is therefore only available from 15 members with whom we conducted in-depth interviews. In these interviews, members expressed that joining the CLM program has made them an 'attractive candidate' to previous partners who once abandoned them. Out of 15 members, 10 had either taken their old partner back, or acquired a new partner in the course of the program.

The terms of the relationship, however, seem very different to pre-CLM. For the 'fast climbers' who did well in the program, they claimed to now contribute more economic resources and thus hold more of the power:

***"He had left me before CLM, he left with me nothing. And now that I have goats, a house, a horse, he has come back. He has been very supportive this time, but it's because he knows that I can kick him out. I told him that the house he sleeps in, it's mine. The days he has no work, I support him. So if he treats me badly, I will tell him to leave. I do not need him, he needs me – that's why he is so nice to me now."***

Other medium to fast climbers felt that since their partners returned, they have been cooperative rather than dominating – and this has helped them to ascend out of extreme poverty much faster:

***"My husband always had another woman. Before CLM, he left me and his children for that woman. My mother told him to never come back, and he never did, not even to see his kids. 10 months into the program, he came back. He saw how well I was doing, and that's why he lives with me now and doesn't go see the other woman anymore. Since he has come back, we have been doing well. He cultivates my land for me, and he also brought some land and pigs with him. So together, we have several gardens, goats, pigs, 2 cows, and he also helped me build this new room for my house. I can contribute to our household now just as much as him now, so the relationship is different. It is better."***

Survey results also show improved relationships with men contribute towards well-being, and women that had partners did significantly better across Fonkoze's poverty scorecard and Food Security questionnaires than women with no partners. As qualitative interviews and case-managers have pointed out, "those with harmony in the household have more household income and less hunger." Several members claimed to cope through lean season due to the fact that their husbands searched out daily labor, made charcoal, and contributed to household income during the difficult time. Members without supportive husbands were less resilient:

***"He is a mouth to feed, but he does nothing. He brings in no income to the house, it is all dependent on me. What am I to do?"***

Although staff initially advised members to not take their partners back (for the fear that they would exploit members' new found security), they realised that partners' contributions to the household are important. The difference, however, is that most members see the relationship as a practical situation, and no longer *depend* on their partners:

***"If my man died tomorrow I would not get another one. He is helpful to have around – he makes my gardens for me, otherwise I would have to pay for labour. If he died, I would have to pay for funeral costs which would be a financial setback. But in the long run, I would be fine without him."***

Such cavalier, pragmatic statements were not made by the slow climbers, however, who still heavily relied on male counterparts. The two members interviewed who did not graduate were still jumping from man to man as a livelihood strategy. This reliance came from economic vulnerability, and a lack of confidence from not being able to support their children:



**"I have 6 children from 6 different fathers. One of the fathers gives me money to feed the children sometimes, and I live off him and my mother. I just hope he doesn't get me pregnant again....what kind of mother am I, I can't even feed my own kids. I need a man to help me."**

As the mother of a member who did not graduate stated,

**"CLM has given her so much, but she has not been able to do anything with it. I am so old, but I still have to support her. Other than that, she begs and prostitutes herself, just as she did before. I don't know what will come of her, but I see her lack of motivation and can't blame anyone but her. She chose this fate for herself, despite all the opportunities she was given."**

Explicit in these experiences is the fact that economic empowerment is the true driver of relational change. Fonkoze, therefore, has empowered most of their members by giving them increased financial autonomy, while the weak members continue to be vulnerable to male dependency. Although Fonkoze does provide confidence training, where they are taught to rely on themselves and their abilities, no members attributed their increased self confidence to what they learned in classroom training. In every case, it came with the acknowledgement that they were better mothers who could provide for their children and their futures:

**"I am the one who sends my kids to school. I take that decision, not a man. If they need new clothes or money for snacks, they come to me. Before, I felt ashamed when I could not give them those things. But now, I can, and so I know that I will never go back to where I was."**

## Section IV: Resilience and Sustainability

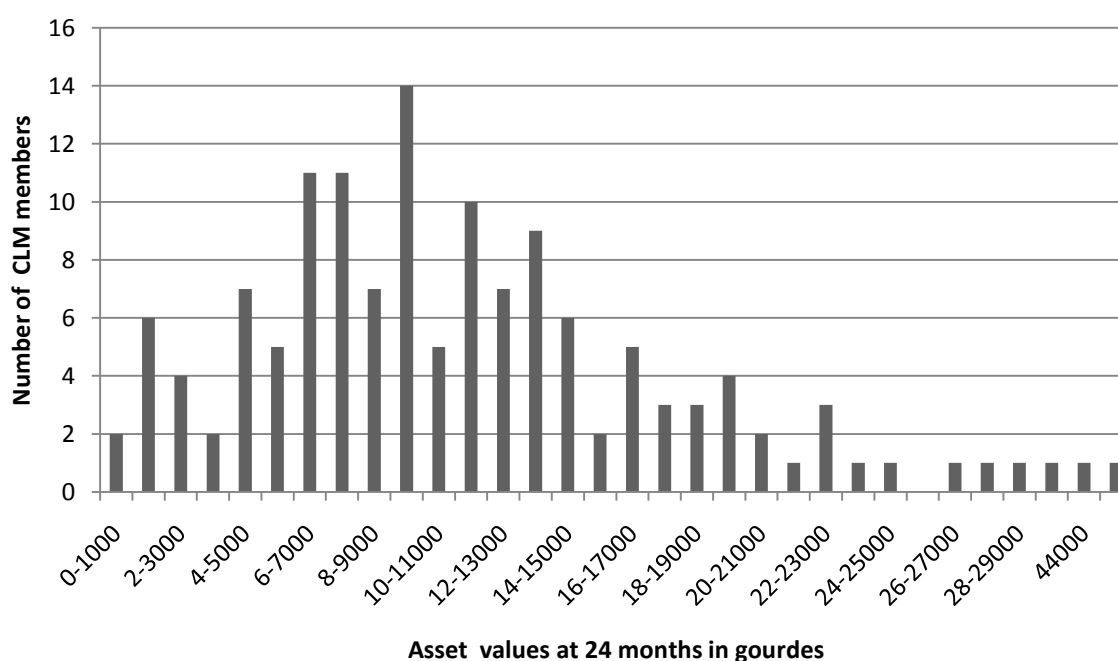
Fonkoze's overall aim is to move members up through a pathway by which they can continue a slow and steady ascent out of poverty. The first milestone on this pathway is CLM, which is intended to help members develop resilient livelihoods, social networks, and the 'life skills' necessary to have greater control of their destinies. The second milestone is to graduate to TiKredi, where they are introduced to the disciplines of microfinance, and encouraged to focus on commerce so they continue building a sustainable enterprise that can provide a reliable and regular source of income

Whilst many development programs succeed in creating short term physical or social gains, many fail to achieve changes that can be sustained. CLM has certainly succeeded in delivering the inputs that it identified as important in promoting and protecting extremely poor women's livelihoods in Haiti. It has also achieved significant positive outcomes over a 24-month period. The key question, however, is whether these improvements can be sustained and whether CLM members will continue on their pathway out of poverty. Whilst it is impossible to fully answer this question in this evaluation, a number of factors can be considered that help point towards the answer:

- Are the positive changes experienced by all CLM members, or do we see significant variation in performance? What are the characteristics of those who fail or succeed?
- Have CLM members increased their resilience? Do we see evidence of resilience amongst CLM members that suggest that they have the capacity to cope with unexpected setbacks such as illness or natural disaster?
- How effective is TiKredi in further building members' livelihoods? Have the gains in the first 18 months been sustained and built on during the 6 months in TiKredi?

### 1. Who succeeds and who fails?

As discussed in the previous sections, most CLM members enhanced and diversified their livelihoods. The total value of assets provided to CLM members at baseline was 5,500 HTG (US\$150); Figure IV-1 shows that 6 months post-CLM most members achieved modest gains in their total asset values within the range of 5000-15,000 HTG (with a handful of outliers on both ends.) This is impressive in the context of rising food prices and hurricanes.



**Figure IV-1: Total value of CLM member assets at 24 months**

Figure IV-1 is also striking in that it demonstrates significant variation in performance of individual members. Although CLM members were at a similar starting point in terms of poverty characteristics and received similar level of inputs, why it is that some are better able to take advantage of the opportunities made available to them and managed to succeed far more than others? What are the factors and characteristics that influence individual success or failure?

Analysis of qualitative interviews highlights two main sets of factors – the personal characteristics and situation of CLM members, and their exposure to chance happenings such as illness or natural disaster. Table IV-1 presents an analysis of the 15 members interviewed in relation to these characteristics, to highlight how these have contributed to their overall performance in the program. Each factor is quantified from a range of 1-5 (one being the lowest, 5 being the highest). Therefore, a higher score represents stronger networks, a more supportive spouse, less number of dependents, a greater personal agency, and less exposure to health shocks and disasters.

CLM member	<i>Personal characteristics</i>					<i>External factors</i>		Average score
	Social networks (1= weak; 5=strong)	Cooperation of male partner (1=none; 5=lots)	Previous business experience (1= little to no; 5 = extensive)	Agency (1= little to no agency; 5=extensive agency)	No of Dependents (1=>4; 5=<4)	External shock (hurricanes, food price increases) (1=deeply affected; 5=not affected)	Illness/death of household member (1= lots; 5= none)	
<b>Fast Climber</b>								
Jodeline	5	5	5	5	4	4	4	4.6
Dieula	4	5	5	5	4	2	4	4.2
Evaline	3	5	5	5	3	4	4	4.1
Melanie	2	3	5	5	4	4	5	4
<b>Steady Climber</b>								
Samafait	3	3	5	4	3	4	1	3.3
Lila	3	3	4	3	3	4	2	3.1
Enante	1	1	5	4	2	4	4	3.0
Josette	2	3	4	3	2	4	3	3.0
Marie L	2	2	4	3	4	3	3	3.0
Luciane	1	5	4	3	3	3	2	3.0
<b>Slow Climber</b>								
Avenie	2	1	1	1	3	4	3	2.1
Emanet	3	1	2	2	1	5	1	2.1
Benita	2	1	1	1	4	4	2	2.1
Nadia	1	2	1	1	2	4	2	1.8
Sof	1	1	1	1	4	3	1	1.7

Table IV-1: Factors affecting CLM member success

The results of this table are interesting in that they reveal three distinct groups of performance of members, and help us gain insight into what factors are most important. Success is determined by more than just asset performance and income measures. There are pre-existing conditions that exist in members lives, and they are important resources that they draw upon in their efforts to fulfil their present needs and imagine a better future for themselves and their children. Some of the most notable factors that appear to have the greatest influence over performance are previous business experience, cooperation of other household members and sense of agency. These are discussed below.

**Agency:** By agency, we are referring to the ability to aspire, their motivation and capabilities to achieve. This is not an easily observable indicator, but by looking carefully through life histories, we were able to identify those who had the most significant examples of self-initiative, execution of plans, and personal resolve. The best performers are highly motivated to leverage the resources given to them and forge a better pathway for themselves and their families.

***"I do not waste a cent in this household. My husband earns, and I take the money and put it into our savings. With that money I bought some turkeys, which not many people have, and they are profitable. I will sell them in a few months, and with that profit, I will expand my business. We cannot get out of our situation by being lazy and eating what we earn."***

Although the quality of agency is often dismissed as an immeasurable, and thus as a fallible indicator, this ability to take control of one's destiny is one of the most important factor behind success.

**Business experience:** Previous business experience has been a very important component for both success and resilience. Again, we see that strongest members were more entrepreneurial than the weaker members and had previous business experience. Members who had existing business skills most easily transitioned from stipend termination and into TiKredi, investing in an enterprise and thereby ensuring a regular source of income with which to feed their families. Fonkoze's model, which moves members along the microfinance pathway, is built on success in small trade in order to meet regular repayments. It is thus unsurprising that the most successful members in CLM and also in TiKredi are the most business savvy:

***"I always have a business at home, no matter what. I always reinvest profits from selling animals, harvest, back into the business. Even when my business goes down, I never let it disappear. It is what my mother taught me from a young age –a business is the only thing that will help you survive. If you let it die, you will die."***

**Cooperation of a household member:** The third major factor in the success of strong performers is the income/dependent ratio within the household. Those that are most successful have supportive household members, with fewer dependents. Out of the 15 members, the 4 'fastest climbers' share the fact that they have a spouse, mother or brother contributing to the household economy and fewer children. Although their livelihoods are precarious (typically daily labourers, operating a small trade, or making charcoal), the additional income is a household boost and provides an important safety net if an income earner falls ill. In addition, members who have partners who are engaged and help them care for their assets, etc. haven proven to perform better. On the other hand, the weakest members have the pressure of supporting themselves and their many dependents on their meagre incomes alone. As a case-manager states about one of his members,

***"We've discouraged her from taking a TiKredi loan. She has 6 children and no husband. She is lucky that she managed to graduate, but she will never manage TiKredi"***.

## 2. Resilience

CLM members experience two types of shocks: one-off shocks that have a short-term impact (e.g. illness, natural disaster), and shocks that have a more permanent, longer term effect upon a household (e.g. death, serious and recurring illnesses). By resilience, we refer mainly to a household's ability to cope with short-term shocks, as long-term shocks can debilitate even the strongest of households.

Most if not all CLM members were affected by one-off, external shocks such as hurricanes, goat epidemics, and food price increases during the evaluation period, with some members losing up to 50% of their total asset value in the hurricanes. A surprising finding from the qualitative interviews presented in Table IV-1, however, is that there does not seem to be a direct relationship between those members who were affected by a one-off shock and their overall performance. We cannot say that people are slow climbers because they were hit by the hurricanes, for instance.

Rather, it is the other factors that contribute to and build a household's resilience, and therefore allow them to cope with (or not to cope with) the shock. Some of the strongest members were severely affected by the hurricanes, yet were able to recuperate their losses and continue progressing. Some coped through having a diverse livelihood with support from other household members. For example, three of the strongest CLM members who were the worst affected had the support of their partners' resources:

***"I lost all my land near the river, but luckily my husband has more land. He is now making me a garden on the new land. I lost my harvest, but he had his and we lived off of that."***

The most resilient members had also all succeeded in diversifying their income sources – particularly important in the context of outbreak of disease amongst many of the goats. Five of the weakest members did not transform their extra goats into additional assets. Therefore, when the goat epidemics hit (in Twoudinò especially) their asset bases significantly eroded, leaving them in a vulnerable state at 24 months. Those who were the most resilient against food price increases were those who had small trades that they could rely on for daily sustenance.

**This shows that the combination of good asset management and these other 'pre-conditions' combine to build resilience against one-off shocks such as the hurricanes.** This is an important point, as a common assumption has been that the September 2008 hurricanes were a major setback to progress and a reason for the failure of certain members, which seems incorrect. However, with a small sample of 15, it is difficult to make decisive conclusions.

Nonetheless, the experience of longer term shocks, such as the death of an income earner, was a strong contributing factor to downward trajectory. While members could bounce back from a temporary material setback such as hurricanes, a constant financial drain (such as medical treatment) and a permanent shock to household income (when an income earner dies) can alter their trajectory. It is one of the most important determinants of programmatic success or failure. For example, one member who had been doing well began on a steady decline upon the death of her husband in the second half of the program:

***"I had to take on so much debt to pay for his funeral, it will take me a long time to pay it back. Not sure how I will manage. But the worst part is there is no one to help me take care of the kids. He used to make the garden for me, and we would get good harvest which we would sell. He also would do charcoal. Now, there is no one to do those things – I cultivate whatever I can but I am not strong. Life is much harder now."***

Fast climbers have either been fortunate enough to not experience these long-term household shocks, or due to the strength of other factors, developed a strong enough resilience to cope. For example, in the event of personal crises, those who have vertical social networks that they could look outward to proved to be more resilient. According to a successful member,

***"When my husband died, I was not able to pay for my children's school anymore. But the pastor who lives nearby is kind. He has agreed to sponsor my children, and he also brings over food and gives us money sometimes."***

### 3. Impact of TiKredi

One of the key differences between CLM and conventional social protection programs is the conceptualisation of a pathway out of poverty whereby the stabilisation and enhancement of poor people's livelihoods is a first step. CLM members graduate and move onto the next step, Ti Kredi. The key questions in this evaluation, therefore, are the following:

- To what extent is TiKredi successful in continuing to move members out of poverty?
- What are the differences in outcomes between those who graduate and move into TiKredi; those who graduate and do not go onto TiKredi; and those who do not graduate.

Whilst poverty scorecard scores are fairly constant, there are some indications that may point to the beginnings of decline – most notably livestock ownership, malnutrition, and those members who say that Fonkoze should worry about them (see Table IV-2). Is this an indication that the gains from the program have begun to erode post CLM?

	18 months total	24 months total
<b>Fonkoze should worry</b>		
Graduated, in TiKredi	1%	5%
Graduated, not in TiKredi	0%	23%
Didn't graduate	17%	67%
<b>Poverty Scores</b>		
Graduated, in TiKredi	26	25
Graduated, not in TiKredi	24	23
Didn't graduate	20	20
<b>Livestock asset values (in gourdes)</b>		
Graduated, in TiKredi	12610	8771
Graduated, not in TiKredi	9609	6837
Didn't graduate	4936	3851
<b>Moderate malnutrition (overall)</b>	4%	14%

**Table IV-2: Key indicators at 18 months and 24 months**

Some indicators, such as food security, are affected by seasonality and thus show a temporary decline. Other indicators, such as malnutrition, livestock and total assets, however, are not affected by seasonality, and thus represent a real decline:

- **Malnutrition:** Malnutrition data takes seasonality into account, with each of the surveys being conducted at the same time of year. Although severe malnutrition remained constant between 12 and 24 months, moderate malnutrition increased significantly. Initially, we considered that the hurricane impacts would have caused this decline, as the hurricanes hit in September '08, taking members' harvests and thus their food reserves. However, Boukan Kare, the area that experienced the biggest hit from the hurricanes (up to 11,000 HTG worth of lost assets per person), experienced the same increase in malnutrition as the other two areas.
- **Livestock decline:** The decline in livestock represents a real erosion of assets for some members, resulting from poor management, such as 'collecting' goats rather than selling some and diversifying, making them susceptible to epidemics that killed masses of goats post 18 months.

**Although all members declined across these indicators, there is evidence of better performance for those members who moved into Ti Kredi.** Table IV-3 shows a significant difference between those who went into TiKredi and those who did not - about half of TiKredi members

experienced total asset decline versus the vast majority of other members (67% and 74%, respectively).

<b>Change in assets from 18-24 months</b>	<b>Decrease (Number of CLM Members)</b>	<b>Decrease (%)</b>	<b>Increase (Numbers of CLM Members)</b>	<b>Increase (%)</b>
Graduated, joined TiKredi	43	54%	36	46%
Graduated and didn't join TiKredi	29	74%	10	26%
Didn't graduate	8	67%	4	33%

**Table IV-3: Change in total assets from 18 to 24 months**

The data in Tables IV-2 and IV-3 show that TiKredi members performed better than others from 18 to 24 months. Is this a reflection of their continuing improvement through participation in TiKredi or does it reflect a bias in that the stronger members were the ones who joined TiKredi? Certainly we can say that the strongest CLM members are the ones who joined TiKredi, and they were therefore also the most resilient post CLM. As we see in Table IV-2, TiKredi members performed the best across all indicators at 18 months. Those who graduated but didn't join TiKredi were the second strongest batch, and those who did not graduate were the weakest. So whilst it is clear that the stronger members were the ones who graduated into Ti Kredi, they have also maintained their progress during the first 6 months after graduation. The data on 'should Fonkoze worry about me' is particularly encouraging in this regard. More worrying is the decline experienced by those who did not join Ti Kredi.

The qualitative interviews also indicate that members who graduated but did not join TiKredi experienced a stagnation and steady decline in their progress and confidence. Most of the members who opted out of TiKredi lacked small trades and the confidence that they could repay their loans. It is thus unsurprising that these members, post CLM, did not have a reliable means of daily income. Several of them experienced goat deaths due to disease, a death of a family member, and above all else, no longer had the CLM program to support them<sup>13</sup>.

<sup>13</sup> It should be noted that we do not have data on the performance of the TiKredi members that joined late, as it was not part of the remit of this evaluation. The fact that they are continuing their ascent out of poverty is promising, but at the time of graduation they were not as strong as those who joined TiKredi directly. It thus cannot be assumed that their performance would be the same as TiKredi members discussed in this evaluation.



## Section V: Conclusions

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This evaluation demonstrates that significant improvements have been made in multiple aspects of the lives of most CLM members, in the context of worsening general conditions in Haiti. Furthermore, these improvements have been largely sustained for the 6 months following the end of the program. There are signs, however, that these gains are being eroded to some degree for those members who did not join TiKredi, or who have experienced illness or death in their families.

Whilst this evaluation provides early evidence about the effectiveness of Fonkoze's 'staircase out of poverty,' it is still very early to be making firm conclusions upon longer term outcomes, and it would therefore be valuable to have further follow-up.

The CLM program faces three critical challenges:

1. ***Sustaining positive change in the context of the extreme vulnerability of CLM members:*** The Haitian context is incredibly challenging and the impact of illness, death and natural disasters in particular can be devastating. Whilst CLM builds resilience, the gains can be easily eroded and further strategies to support members after graduation (such as micro-insurance) are needed to reduce the chances of this happening. Fonkoze is aware of this, and provides micro-insurance to TiKredi and Kredi Solidè members. However, they have experienced trouble in extending this service to the extremely vulnerable CLM population, who perhaps need it the most.
2. ***Identifying strategies for members who do not want to move to TiKredi:*** Fonkoze offers one trajectory post CLM, which is microfinance. In the Haiti context, it is difficult to find alternatives for those who do not want to take this option. In other contexts, similar graduation programmes have identified microfinance, employment, etc. For example BRAC realised that employment was a necessary graduation pathway for those who did not want to run a business. BRAC, therefore, created social enterprises – such as sanitary napkin factories and milk cooperatives – in peri-urban towns that employ TUP members. BRAC, however, has the advantage of Bangladesh's relatively stable political structure, sound infrastructure, and BRAC itself has the bandwidth to create new markets. Fonkoze is in a less fortunate situation. Extremely poor people in Haiti's rural areas simply have no other options. **In the rural Haitian context, it may well be that the model of self-employment is the only exit gate.**
3. ***Challenge of limited partnerships:*** Another challenge that Fonkoze must contend with is the lack of organisations that Fonkoze can partner with, to deliver products and services to CLM members. Fonkoze identified several interrelated needs of this extremely vulnerable population, and although they lay outside of Fonkoze's expertise, the needs had to be met. This included everything from providing water filters and latrines to conducting health camps and treating members' illnesses. In other contexts such as India, similar graduation programs rely on the government to deliver health and welfare benefits, but Fonkoze does not have this luxury. Haiti is an extremely difficult environment to work in, and given the intense vulnerability of the population, there is always a demand for Fonkoze to do and provide more.

Now in scale-up, CLM as a program is enhancing and improving. The bigger issue, however, is to what extent an intervention like CLM can transform the lives of *all* or even most of extremely poor women targeted, given these overarching constraints? The silver lining amidst the tragic earthquake is an opportunity to re-develop. Hopefully the surge of aid and international support will produce more than just relief; aid can now be more effectively utilised towards re-building a country with greater economic opportunities, and more than just one 'exit gate' for the poor and vulnerable.

## 1. Lessons learnt and key recommendations

- **The key driver of change has been an increase in income, although provision of a holistic package is important.** With increased income from assets and savings, members seized the opportunity to acquire more productive and non-productive assets; invested in their children's education; improved their health seeking behavior; felt empowered at being able to provide more for their children. This is indicative of the fact that although complementary services and social messaging is important, the building of livelihoods (provision of assets and hand-holding to ensure that the assets are used as productively as possible) is the core component of success.
- **It is important to identify those that lack the propensity to succeed early on.** Some of the most notable factors that appear to have the greatest influence over performance are previous business experience, cooperation of other household members and sense of agency. Those that demonstrate a weaker sense of agency, have less business experience and other household members for support are typically the most vulnerable and need additional hand-holding support in order to successfully graduate. Although it is difficult to discern these characteristics straight away, if case managers are aware of how to separate fast from slow climbers early on in the program, they will be able to focus upon those who have weaker pre-conditions for success to ensure that they complete the program and transition into TiKredi.
- **Given the focus upon TiKredi as the exit strategy post CLM, the quality of TiKredi delivery and the early focus upon running a business in CLM might be helpful.** As entrepreneurship is the most viable exit strategy for CLM members, the role of TiKredi agents in providing strong accompaniment and support is important. Although establishing a repayment discipline is important, timely repayments will more likely be achieved if members choose appropriate livelihoods that are in line with their skill sets and that produce regular income. In preparation for this, it makes sense for the focus upon running a business to be stressed earlier in CLM, and implemented as a blanket strategy for everyone.
- **Greater focus on small trade as an asset, given the scarcity of alternative livelihoods.** Members only have three enterprise choices, and given the risks of poultry, small trade is their only option for a short-term income source. There is thus a need to encourage members to choose small trade as an asset, and instill entrepreneurial skills early on. Similar graduation programs in other contexts have a much wider menu of livelihood options, but given limited market access in Boukan Kare, creating new livelihood options (especially for short-term income) will be challenging. Until Fonkoze can identify more livelihood options, or create new markets, Fonkoze's only choice may be to tackle the barriers to small trade (e.g. numeracy skills, lack of confidence, etc) and focus upon creating skilful entrepreneurs from the onset.
- **Village Assistance Committees should be built to sustain post CLM and integrated into TiKredi.** VACs have proven to be a critical component, not just in the successful implementation of CLM, but in the sustainability of the results after CLM ends. When the VAC is able to formally function post CLM, they can keep a watchful eye on those who did not transition into TiKredi to ensure they do not erode their gains; help TiKredi agents with their remit by encouraging members to make timely repayments, liaise with TiKredi agents to resolve obstacles to repayment; continue with local initiatives that case managers began, such as educating CLM children, youth clubs, etc. Building the capacity of VAC to sustain their efforts post CLM could therefore be an important focus in scale-up.
- **Provision of veterinary services and animal health seeking behaviour post CLM are challenges that must be addressed.** A major reason behind the loss of livestock from 18 to 24 months, are epidemics that could have been prevented. The problem lay in the fact that vaccinations were scarcely available post CLM (as case-managers were no longer there to

replenish the stock), and members were not proactive about getting their new livestock vaccinated. Considering that productive assets are the foundation of success, it would perhaps be helpful to put in place a system for members to access vaccinations and seek out *preventative* veterinary care beyond the 18 months of the program implementation.

- **It is important to build resilience among CLM members through establishing sustainable savings behaviour and providing micro-insurance products.** A strong savings base is needed to smooth income/expenditures and cope with minor shocks. Although there are many competing demands upon their disposable income (e.g. investing in crops, purchasing an animal, etc), saving with Fonkoze is an important way to guarantee those funds for the future. Fonkoze's staff have an important role in encouraging increased cash savings – CLM case managers in insisting upon regular savings post stipend termination, and TiKredi agents encouraging savings beyond the minimum 10% of their next loan value. Fonkoze may also be able to increase the accessibility and appropriateness of its savings services for CLM members' needs. They may also be able to provide insurance products for major crises/shocks. In cases of hurricanes and earthquakes, for example, personal savings will not create enough resilience, and micro-insurance will prove very important. This was not examined in detail in this evaluation and it may be useful to further investigate the feasibility of providing insurance products to CLM members, as well as the actual barriers to savings (e.g. location of branches, etc), and what can be done to overcome these.

## **Annexes**

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**Annex A: What are the various case-manager strategies?**

**Annex B: Fonkoze's Poverty Scorecard (Kat Evalyasyon)**

## Annex A: What are the various case-manager strategies?

In the context of a pilot (where there are many unforeseen events), case-managers understandably did not have a clearly planned management strategy for providing support. Rather, case-managers in each area had to develop their own approaches according to their local circumstances and consequent effects upon their members. Case-managers, therefore, implemented varying strategies in each of the zones. These different approaches influenced CLM members' skills and strategies (i.e. savings behavior, selling of assets, etc.). Table 0-1: Summary of case-managers' strategies summarises the different strategies used – these are discussed in more detail in the relevant sections in the preceding chapters.

	<b>Third activities</b>	<b>Sick chickens</b>	<b>Asset choice</b>	<b>Financial Mgmt</b>
Boukan Kare	No clear strategy	No clear strategy	1/3 small trade, 1/3 chickens, 1/3 goats	Some invest in RoSCAs (for personal or entrepreneurial use) savings optional
Lagonav	Encourage members to save in RoSCAs and start small trade	Start a small trade with money from RoSCA	Goats and chickens, small trades later through third activity	Minimal in savings account (10-25 a week), in RoSCAs to invest in third activities
Twoudinò	Enforce heavy weekly savings, start third activities later	Sell sick chickens and invest in savings	Small trade initially (if members have experience), or later through third activity	Mandatory savings (up to 210 gourdes a week)

**Table 0-1: Summary of case-managers' strategies**

## Annex B: Kat Evalyasyon (Poverty Scorecard)



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Sample

### Fondasyon Kole Zepòl

### Poverty Scorecard (2007 version)

Branch: \_\_\_\_\_

Where the inspection took place: \_\_\_\_\_

Client's name: \_\_\_\_\_

Where she lives: \_\_\_\_\_

Client's age: \_\_\_\_\_

Account number:

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Group number: \_\_\_\_\_

Credit cycle: \_\_\_\_\_ Date: \_\_\_\_\_

Loan size: \_\_\_\_\_

Person completing the evaluation: \_\_\_\_\_

### I. INFORMATION ON THE CLIENT'S HOUSE

	3	2	1.5	1	0	Points
(*) What is the house made from?	Cement or blocks only	Cement/blocks with wood/stones		Wood and rocks/palm	Turf or earth	
(*) What is the roof made from?	Concrete	Concrete/iron		Iron	Straw	
(*) What is the floor made from?	Ceramic or tiles	Cement	Cement and earth		Earth	
Do they own the house?		Yes			No	
(*) How many rooms does the house have?	4+	3		2	1	

Do they own the land where the house stands?			Yes		No	
(*) What type of toilet does she have?	Hygienic toilet	Latrine made from cement	Latrine made from wood/iron	Latrine made from fabric or carpet	No toilet	
<b>TOTAL</b>						

## II. INFORMATION ON GOODS

	3	2	1.5	1	0	Points
(*) What does she sleep on?		Wooden bed	Iron bed	Matress without a bed	Straw mattress or something on the ground	
Does she have electricity?	Solar panel, generator, inverter	Has EDH	Use someone else's outlet	Car batteries	None	
(*) Do they own	Fridge, oven, video, or stereo equipment	Color television, radio CD	Black and white television, radio cassette	Small radio, flashlight	None	
How much land does she have?	One acre or more	Half an acre	One-quarter acre	One-eighth acre	A small plot or less	
What does she do with this land?		Cultivation		Raising animals	Nothing	
What livestock does she have?	More than 6 large animals (horses, cattle, mules, pigs)	2 or more large animals with poultry and goats	Poultry, goats	Some small poultry only	None	
<b>TOTAL</b>						

## III. INFORMATION ON HOUSEHOLD INCOME

	3	2	1.5	1	0	Points
Does the client have a spouse or partner?				Yes	No	
What kind of work does he do?	Commerce, office work	Manual work	Farming or petty commerce	Day laborer; Tenant farmer	I don't have a partner	

How much income does the partner contribute to the household?	All	Most	Half	A little	None	
(*) Does she receive money transfers from abroad?	More than 4 times a year	2 or 3 times a year		Occasionally	No	
What means of transport does she use?	Private car or motorbike		Public transport (car or motorbike)	Mule, horse, donkey or bicycle	On foot	
<b>TOTAL</b>						

#### IV. INFORMATION ON THE CLIENT

	3	2	1.5	1	0	Points
Can she read and write?		Yes, very well	More or less	No, can read only	No	
How many children does she have?	3 or fewer	4	5	6-7	8 or more	
(*) How many children go to school?	All	Most	Half	A few	None	
(*) How many times per week do they cook meat in the house?	Almost every day	2-3 times per week		Once per week	Occasionally	
(*) How many people live in the house?		3 or fewer	4-6	7-10	More than 10	
<b>TOTAL</b>						

#### V. CLIENT'S BUSINESS

	3	2	1.5	1	0	Points
How much does she usually spend to purchase goods for her business?	More than 30,000 gourdes	15 to 30,000 gourdes	10 to 15,000 gourdes	3 to 10,000 gourdes	< 3,000 gourdes	

What type of commerce does she do? (Put a ✓ in the corresponding box)

Livestock, meat	Cloth or clothes	Miscellaneous items (e.g., beans, oil, flour, sugar, cosmetics, etc.)	Traveling salesperson and/or bulk sales (e.g. charcoal, food supplies)	Other



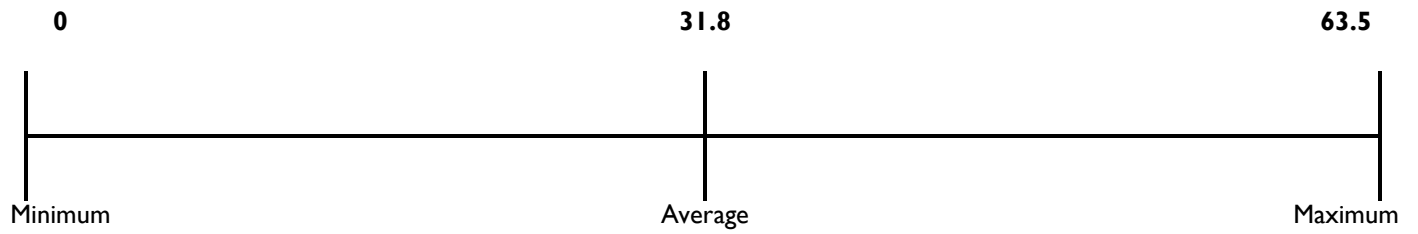
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Observations:

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TOTAL POINTS: \_\_\_\_\_



***I certify that all the information in this document is correct.***

*Fonkoze Employee*

*Date*