

Working group Research
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**To assess impact of MF :
a method linking quantitative and qualitative tools**

**The impact assessment of the Caisses d'Epargne et de
Crédit Agricole Mutuel (CECAM) of Madagascar**

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CECAM of Madagascar

A Microfinance institution :

- **A long term activity : since 1993**
- **A large intervention scale :**
 - **166 local agencies**
 - **103 000 members**
 - **More than 80% in rural area**
 - **28% women**
 - **End of 2006 :**
 - **Loans : 35 000 crédits, 8 millions euros**
 - **Savings : 1,4 millions d'euros**
- **A large range of financial services**
 - **3 saving products, 14 loan products**
 - **Loan for agriculture : production, storage, investment (leasing)**



An impact assessment 2003 – 2007

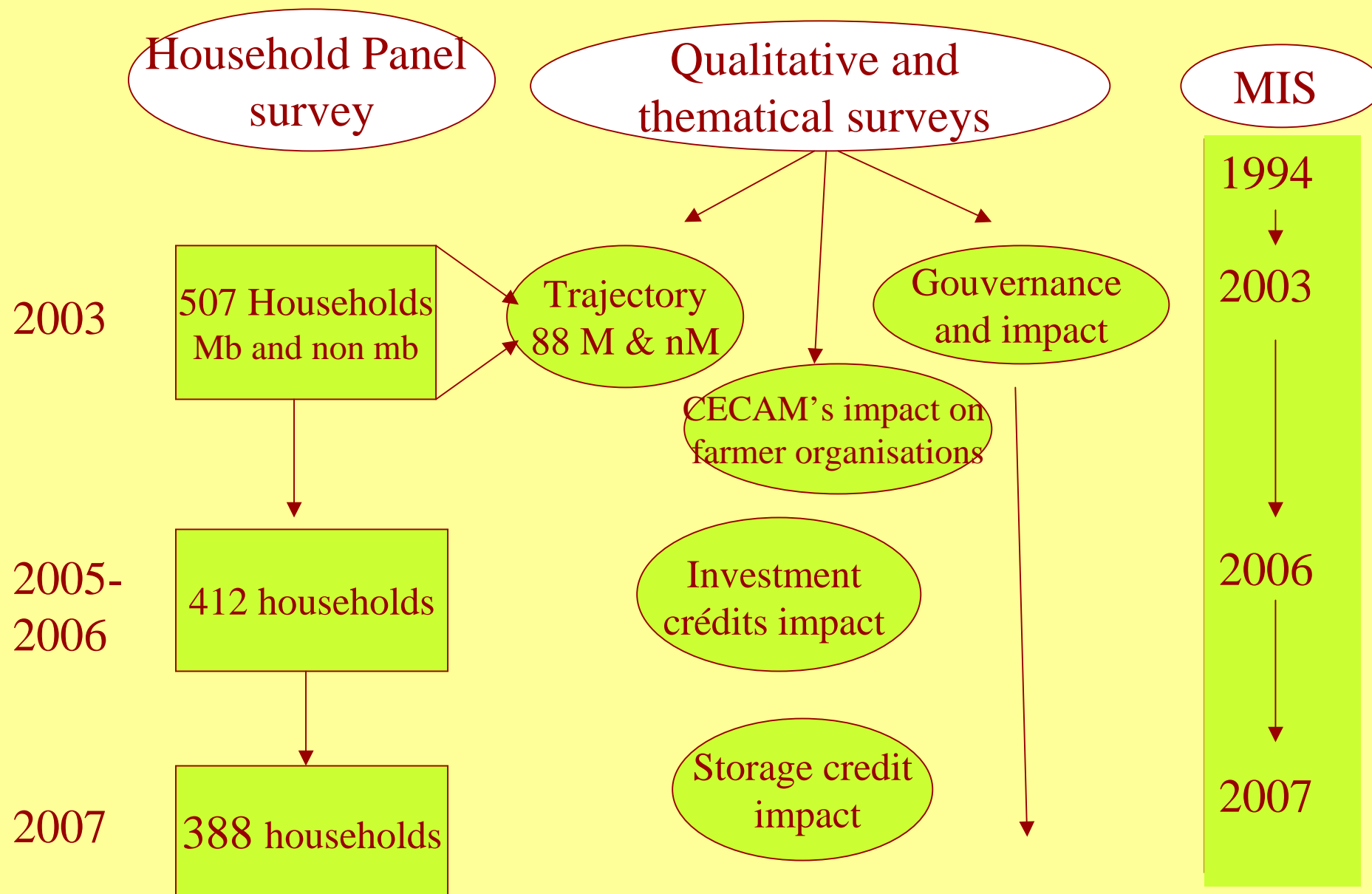
- Required and funded by EU and CECAM
- With 2 objectives
 - Development :
 - To enhance knowledge of CECAM about its members and impact
 - To be a pilot tool for the next development phase
 - To contribute to improve impact
 - Scientific
 - Profil of access to microfinance
 - MF and household vulnerability
 - MF and household capacity to build assets



A research method to answer to both objectives

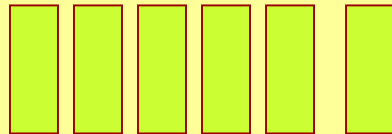
- A method combining quantitative and qualitative analysis
- On three levels :
 - Households (member and non member of Cecam)
 - Cecam
 - Environment
- A strong partnership with Cecam:
 - to define the objectives, the methodology (samples, ...)
 - to implement the study
 - to follow the study
 - to use the results of study (ex : to identify the criteria of impact assessment in the Cecam MIS)

A combination of quantitative / qualitative analysis tools



The household panel survey

2003
507 Households
Mb and non Mb



**Typologie
of households:
Level of poverty
X system of
activities**

2005-
2006
412 households

2007
388 households

Results

Trajectory /household from 2003 to 2007

Comparaison members / non members

Use of different types of CECAM credits

Questionnaire

- **Structure of family**
- **Assets**
- **Economical activities / previous year /budget of activities /family**
- **Acces and use of CECAM credit**
- **Acces and use of other credits**
- **Savings (CECAM and others)**
- **Perception of CECAM and perception of impact of CECAM**



The qualitative /thematical analysis

- Smaller samples (45 – 88 households)
- Survey made by the researchers themselves
- Use of « life story » analysis
- Objectives :
 - To identify the main stages of activities trajectory of the household
 - to understand the role of Cecam credit in the activities trajectory or , for the non members of Cecam, how the financial needs were covered or not



From the date

**of installation /
wedding**

of household

The trajectory tool

Access

**Live cycle/
Family**

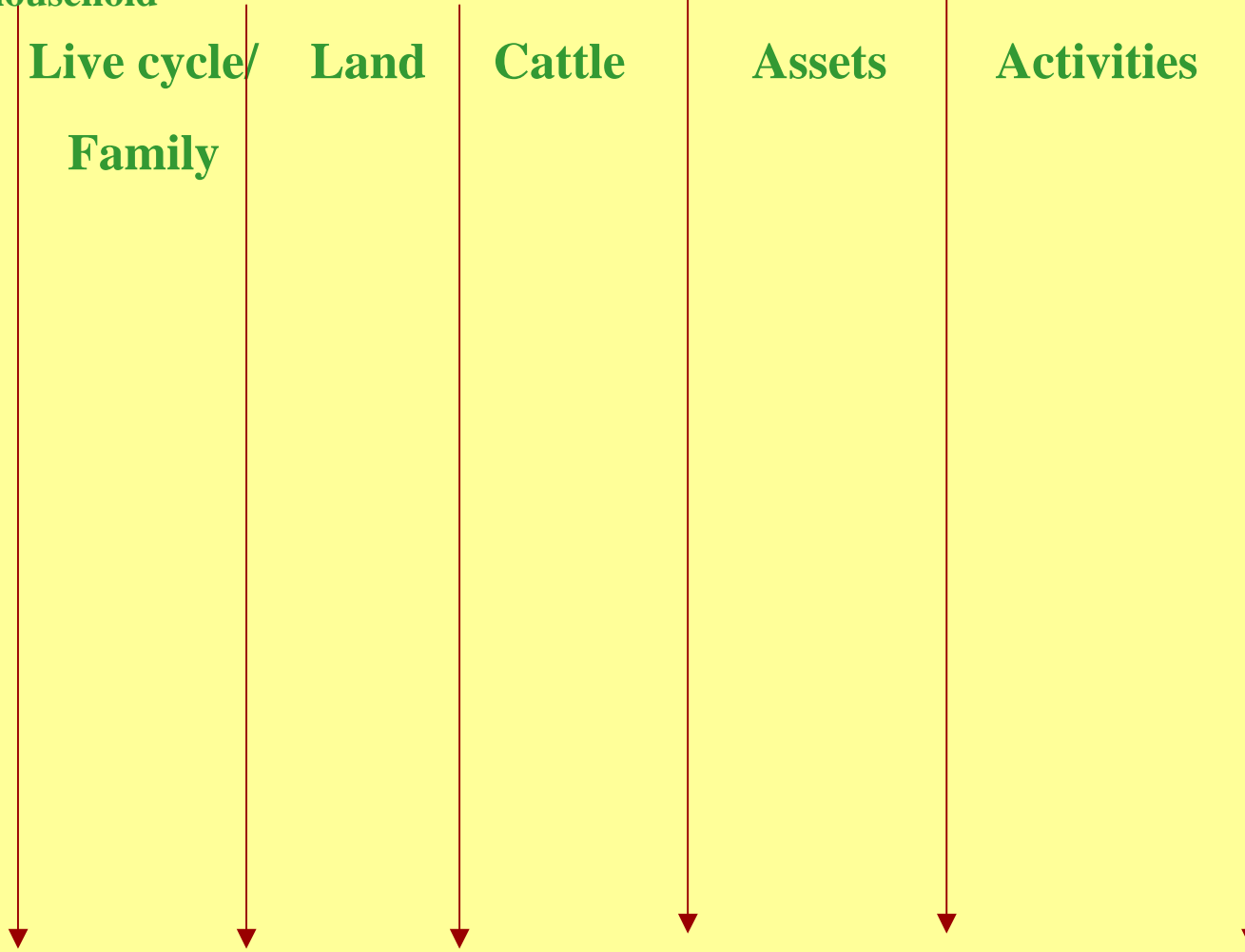
Land

Cattle

Assets

Activities

and use of credit



Today

Some main results

Characteristics of households

	Well off	Middle	Poor	Total
N obs.	124	173	208	505
% of total number of households	25%	34%	41%	100%
% cecam members	30%	41%	30%	100%
% non members	15%	22%	63%	100%
Average monetary Income 2003	2,9	1,0	0,3	1,1
Average assets 2003 (equipement and cattle)	2,8	1,0	0,5	1,2
% of households with exclusively an agricultural income	19%	39%	51%	39%


Amounts in million Ariary (1 M AR=400 euros)

Well off and middle households are over represented in CECAM membership but CECAM reach also poor households (30% of the membership)



Some main results: Trajectory of credit

- Characteristics of credit contributing to reduce vulnerability and to increase assets
 - Access to storage and emergency credits
 - Access to investment credit
 - Access to a large range of different types of credit
 - Stability of the access of this range of credit
- Allowing a turning process
- « Trajectory of credit »




« Trajectory of credit » approached by figures

- Trajectory of crédit
 - Intensity : number of crédits 2003-2006
 - Diversification : number of different crédits
- Indicators of vulnerability
 - Objective: sell of assets to face a difficulty
 - Subjective : évaluation by the members /non members of their capacity to face problems between 2003 - 2006
- Level of wealth

Trajectory of credit and perception of the evolution of their vulnerability by household between 2003-2006


	Declaring an increase of capacity to face problems	Declaring a decrease of capacity to face problems	Declaring no change	Total
Number of loans (intensity)	4,3	2,1	2,9	3,7
Number of different loans (diversification)	2,1	1,4	1,5	1,8

The CECAM members declaring a decrease of their vulnerability and an increasing capacity to face problems show higher levels of intensity and diversification in their credit trajectory (statistical tests significant)



« Trajectory of credit » qualitatively approached by life story EX: Investment credit : an impact which is different according to the categories of households

- For well off and a part of the middle Households, Cecam's investment credits allow an acceleration of the development of economical activities, a save of three or four years
- Some poor households have access to investment credits that allow them to get access to their first productive assets (the first cow, the first plough, ...)
- For poor and a part of middle households, using investment credits involves a higher level of risk



Bouquet E., Wampfler B., al. 2007, "Trajectoires de crédit et vulnérabilité des ménages ruraux: le cas des Cecam de Madagascar", *Autrepart* Numéro thématique "Risque et Microfinance"(44): 157-172.

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Bouquet E., Wampfler B., Ralison E., 2008. Appropriation et durabilité d'une étude d'impact d'une institution de microfinance. Une étude de cas à Madagascar. Revue Tiers Monde. Forthcoming

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