



# Enterprise Impact News

## EDIAIS Products and Services

The Enterprise Development Impact Assessment Information Service (EDIAIS) was established in 2001 on behalf of DFID by Women In Sustainable Enterprise (WISE) Development Ltd and the Institute for Development Policy and Management (IDPM, University of Manchester): it was jointly managed by WISE and IDPM until December 2004. From January 2005, EDIAIS will be managed solely by WISE on behalf of DFID.

The EDIAIS website at <http://www.enterprise-impact.org.uk/> includes:

- Application Guidance Notes for undertaking impact assessments in a range of enterprise development environments
- A Toolbox with key items for undertaking impact assessments, such as stakeholder analysis, design of surveys etc
- Case Studies of projects and programmes demonstrating methods and approaches to impact assessment
- Conference papers from the EDIAIS conference on New Directions in Impact Assessment
- EDIAIS bibliographic database
- An extensive list of links to related websites

EDIAIS services include:

- Our enquiry service welcomes your questions and comments: [info@enterprise-impact.org.uk](mailto:info@enterprise-impact.org.uk)
- Our E-mail discussion list can be joined at <http://lists.man.ac.uk/mailman/listinfo/enterprise-impact>
- CD containing everything on web site as of March 2004 (available on request)
- Newsletter (Enterprise Impact News (EIN) – monthly until Jan 2005, subsequently planned as quarterly)

EDIAIS Personnel:

- Caroline Pinder, EDIAIS Manager and Director of WISE Development
- Linda Mayoux, EDIAIS Principal Researcher & WISE Associate
- Shirley Giggey, EDIAIS Website Manager & WISE Associate

Contacts:

- EDIAIS: [info@enterprise-impact.org.uk](mailto:info@enterprise-impact.org.uk)
- WISE: [info@wisedevelopment.com](mailto:info@wisedevelopment.com)

## Doing anything exciting in the next few months?

**EDIAIS Update by Caroline Pinder, Project Manager of EDIAIS and Director of WISE Development**

**If so, please write and tell us about it at [info@enterprise-impact.org.uk](mailto:info@enterprise-impact.org.uk)**

Of course we're referring to any innovative impact research you may be undertaking, and which you think would interest other development practitioners. EDIAIS is changing again and now aiming to be a far more participatory service with contributions from listserve members and other supporters.

WISE Development has been managing EDIAIS on behalf of DFID since late 2000, in conjunction with the Institute for Development Policy and Management (IDPM, University of Manchester). When current funding arrangements ended in Dec 2004, I and my co-directors of WISE agreed with DFID that WISE should continue to

maintain the site and service on a voluntary basis until further funding could be obtained.

We felt it would be sad to lose all the interest and commitment to best practice in impact assessment that has been generated by EDIAIS over the past few years, and to allow the site to disintegrate or implode with viruses. From January 2005, therefore, EDIAIS will be run voluntarily by WISE Development with the support of two of its Associates who have been central to EDIAIS since its inception: Linda Mayoux, our Principal Researcher, who has written many of the notes and toolbox items on the site, and Shirley Giggey (better known as Gigs), who has website since



EDIAIS' inception.

Because Linda, Gigs and I are now all working on EDIAIS voluntarily, in addition to our full-time consultancy work, we have had to make some changes. The monthly newsletter (EIN) will now only appear periodically, approximately quarterly, and we will not be producing any further CDs with texts that have gone on the site since March 2004. The enquiry service and listserv discussions will continue as at present, however, and we would welcome your contributions.

But it's not all cut and shrink, and there are some exciting innovations planned for EDIAIS over the next few months:

- In April 2005 the Journal for International Development will be publishing a selection of the papers that were presented to the EDIAIS international conference in November 2003. There is an article in this edition of EIN summarising the central themes of that publication.

- WISE has been commissioned by DFID to develop 'how to ...' guidelines for assessing the impact of its business enabling environment programmes. As part of a programme of wide dissemination of these we have agreed with DFID to set up a special section on the EDIAIS site for publicising this and other research papers about enabling environment programmes.

We expect to open this special section in March/April, so ..... watch this space!

- We will be working with former colleagues at IDPM on the study described above, and we will continue to liaise with IDPM to keep you informed of events and papers produced by their special units. For example, Sarah Mosedale, EDIAIS' former Project Officer has recently produced a set of policy briefs for IDPM's Centre on Regulation and Competition <http://idpm.man.ac.uk/crc>

- I am part of a group of consultants currently undertaking research for DFID's Evaluation Dept into whether and how gender impacts have been assessed in its enabling environment programmes. A summary of this work is expected to appear on the EDIAIS site in April/May, and it will form the basis of DFID's contribution to the Beijing+10 Platform.

- Other WISE Associates are also engaged in relevant studies, for example Linda is continuing to work on a number of topical papers and these will be made available on EDIAIS.

We hope you too will continue to contribute ideas and study findings through the EDIAIS listserv at <http://lists.man.ac.uk/mailman/listinfo/enterprise-impact>

Although it won't be possible for us to commission new studies for posting on the site, as we have in the past, we hope that members

of the listserv and other supporters of EDIAIS will send us details of their own impact assessment research so that we can publish these on the site and draw on them for future EINs. If you can help us in this way please send an abstract of up to 150 words and a website link for your paper to [info@enterprise-impact.org.uk](mailto:info@enterprise-impact.org.uk). (Unfortunately we don't have the web space to store full texts.)

We look forward to hearing from you and continuing to share impact research experiences with you.

*Caroline Pinder,  
EDIAIS Project  
Manager and  
Director, WISE  
Development*



# **IMPACT ASSESSMENT FOR PRO-POOR ACCOUNTABILITY: INNOVATIONS AND CHALLENGES**

New forthcoming EDIAIS publication in Journal of International Development March 2005.

*Edited by:*

**Linda Mayoux**, *Principal Researcher for the DFID-funded EDIAIS project and consultant with Women In Sustainable Enterprise (WISE) Development Ltd., and*

**Sarah Mosedale**

*Institute for Development Policy and Management, University of Manchester, UK*

Since the mid-1990s impact assessment has become an established requirement for many development interventions. At the same time, its purpose, methodologies and usefulness remain highly contested. Firstly there are intense debates about 'appropriate indicators' by which complex development processes like poverty reduction or empowerment can be assessed. Even for enterprise interventions like microfinance, it is increasingly recognised that simple measures like increased income do not capture the equally important contributions to, or negative impacts on, poor peoples' capacity for improving livelihoods and/or managing crises and vulnerability. Economic dimensions of poverty are inextricably bound up with social and political dimensions of

poverty. These also affect levels of discrimination in markets, communities and economic policymaking. Impact assessment which focuses too narrowly on easily measured economic indicators is at best only partial, and at worst positively misleading.

Secondly there has been increasing impatience with impact assessments which take time and resources away from development activity itself without yielding any useful practical recommendations based on the evidence gathered. It is now generally accepted that impact assessment needs to move on from its earlier focus on 'proving impacts' towards 'improving practice'

(Hulme 2000). This however has implications not only for the types of indicators used, but also for the types of questions asked, the sampling choices made and the ways the results are disseminated. Impact assessment cannot produce reliable practical recommendations unless it includes identification and assessment of alternative courses of action as an integral part of the investigation process. These in turn have implications for the types of methods used and the ways assessment is integrated into institutional processes and practice.

Addressing these challenges for impact assessment is essential for progress towards pro-poor growth and achieving the Millennium Development Goals. Since the late



1990s, donors, NGOs and researchers have become increasingly interested in the potential of participatory impact assessment, monitoring and evaluation to capture the complexities of development and link assessment with 'improving practice'<sup>1</sup>. Multilateral and bilateral donors have produced manuals on tools and methods for participatory research and impact assessment<sup>2</sup>. Some Northern and Southern NGOs have been developing ongoing systems for participatory monitoring and evaluation<sup>3</sup>. Participatory diagram methods have been widely used for awareness raising and information collection for advocacy interventions<sup>4</sup>.

1 Notably the World Bank's PPAs in 60 countries, constituted a methodological innovation in bringing together subjective experiences from those countries into an overall analysis of poverty – see Narayan, D., R. Chambers, et al. (2000); Narayan, D. and P. Petesch (2002)

2 For example FAO's Participatory Monitoring, Assessment and Evaluation (PAME) of the early 1990s (Case 1990) and GTZ's Participatory Impact Monitoring (PIM) [www.GTZ.org](http://www.GTZ.org)

3 For example Action Aid's ALPS system, see [www.actionaid.org](http://www.actionaid.org)

4 See for example PLA Notes volumes October 1996; February and June 2002 and February 2003 which discuss use of PLA tools for influencing policy, lobbying and advocacy. See also overview of advocacy impact assessment in Mayoux, L. 2003. See also links to overview papers and resources on the following websites: for participatory evaluation: <http://www.people.cornell.edu/pages/alr26/parEval.html>; for Participatory Action Research:

Such participatory approaches have undoubtedly increased our understanding of the nature of poverty and the needs and aspirations of very poor people. In some cases they have also contributed to improvements in programmes and policies. Specifically in relation to enterprise development participatory impact assessments/consultations have taken a number of forms:

- In micro-finance: as well as rapid innovation in systems for participatory monitoring and evaluation, it is becoming recognised that an in-depth process of market research is required to develop effective and profitable products for the poor.<sup>5</sup>
- In Ethical Enterprise and Fair Trade there has been an increasing move

<http://www.goshen.edu/soan/soan96p.htm>; for community-based research: <http://www.loka.org/crm/>

5 For details of the ImpAct project see [www.imp-act.org](http://www.imp-act.org). For Microsave Africa's market research tools see [www.microsave-africa.com/toolkits.asp?ID=14](http://www.microsave-africa.com/toolkits.asp?ID=14).

towards 'participatory and multistakeholder social auditing' which requires entrepreneurs and Fair Trade Organizations to engage in a participatory process to provide details of the social impact of their businesses and negotiate implementation of Codes of Conduct<sup>6</sup>.

- Women's informal sector organizations for groups like homeworkers and street traders have come together as part of the WIEGO initiative SEWA. These have been involved in participatory action research on the effects of macro-level policy changes on their members.<sup>7</sup>

Nevertheless, despite claims of empowerment, in practice 'participation' may consist of little more than requiring people to spend time attending one-off PRA exercises and focus group discussions to meet the information needs of donors and NGOs.

6 For details of impact assessment in Fair Trade see Mayoux 2002 and participatory social auditing in Transnational Enterprises see Auret and Barrientos 2004.

7 See refs in Mayoux 2003.



Participatory tools are applied very loosely, with most of the analysis and dissemination in the hands of external facilitators. People are often inadequately prepared with information to contribute to such exercises and have very little control over how the information is used and fed into decision-making. Participatory monitoring systems, like all Monitoring and Evaluation systems, also consume a lot of time and energy from programme staff. The reliability of the information collected is often very suspect, the data may not be systematically analysed and the findings quietly ignored. Even in participatory action research and advocacy programmes, contacts between organisations and those interviewed are often short-term with analysis and dissemination controlled by organisations rather than by people themselves. At its worst participatory impact assessment amounts to little more than using people as unpaid data collectors to reduce costs and give the appearance of 'empowerment'<sup>8</sup>.

<sup>8</sup> For example a Zimbabwean interviewee at a workshop on participatory monitoring and evaluation complains '[Participatory monitoring and evaluation] is an added burden that the poor can ill afford to have to mine for information as well as for food, for shelter, for an income (Lloyd Laney, ITDG 2003).

This Policy Forum brings together papers based on presentations at the DFID-sponsored EDIAIS<sup>8</sup> conference 'New Directions in Impact Assessment for Development' held at the University of Manchester in November 2003. They present recent experience of innovations which attempt to confront some of the considerable challenges posed in ensuring that impact assessment makes its full potential contribution to pro-poor development. This requires not only ensuring rigour, accountability and credibility of findings and recommendations. It also requires real participatory processes benefiting poor people which are in themselves a contribution to development.

## REFERENCES

Auret, D., & Barrientos, S. (2004). Participatory Social Auditing - a Practical Guide To Developing a Gender Sensitive Approach,

Working Papers. Brighton: Institute of Development Studies.

Brocklesby, M.A., & Holland, J. (1998). Participatory Poverty Assessments and Public services: Key Messages from the Poor. London: DFID.

Hulme, D. (2000). Impact Assessment Methodologies for Microfinance: Theory, Experience and Better Practice. *World Development*, 28(1), 79-88.

Lloyd-Laney, M. (2003). Making Knowledge Networks Work for the Poor: Final Report: ITDG.

Mayoux, L. (2001b). Impact Assessment of Ethical Enterprise Development and Fair Trade, EDIAIS. <http://www.enterprise-impact.org.uk/informationresources/application/iaoffairtrade.shtml>

Mayoux, L. (2003) Advocacy for Poverty Eradication and Empowerment: Ways Forward for Advocacy Impact Assessment <http://www.enterprise-impact.org.uk/informationresources/application/AdvocacyandIA.shtml>

Narayan, D., Chambers, R., Shah, M., & Petesch, P. (2000). *Voices of the Poor*:



*Crying Out for Change* New York: Oxford University Press

Narayan, D., & Petesch, P. (2002). *Voices of the poor: from many lands* New York: Oxford University Press

**PAPERS TO BE FEATURED IN JOURNAL OF INTERNATIONAL DEVELOPMENT**

Reversing the Paradigm: Quantification, Participatory Methods and Pro-poor Impact Assessment - Linda Mayoux and Robert Chambers

Assessing Women's Empowerment: Towards a Conceptual Framework - Sarah Mosedale

Impact Assessment and Labour: Developing a Learning Approach - Stephanie Barrientos

The Internal Learning System: Assessing Impact While Addressing Participant Learning Needs - Helzi Noponen,

Participatory Action Learning Systems (PALS): Impact Assessment for Grassroots-based Advocacy and Civil Society Development in ANANDI, India -Linda Mayoux with ANANDI

## RESOURCES

**Impact Assessment Principles, Frameworks and Guidelines**

**Best Practice Guidelines for Undertaking Impact Assessment on Small Enterprise Development**

Späth, B. / *Swiss Agency for Development and Cooperation (SDC / DSC), 2004* downloadable from [www.deza.ch/ressources/deza\\_product\\_en\\_1097.pdf](http://www.deza.ch/ressources/deza_product_en_1097.pdf)

This guide, published by SDC, aims at providing some best practice guidelines for those undertaking impact assessment with particular reference to the field of small enterprise development (SED). It first runs through some of the general issues concerning impact assessment and then outlines the evolution of various common methods and approaches developed and discussed particularly for SED and related development interventions such as the BDS approach, Performance Measurement Framework, Oldsman's framework; and Lessons from micro-finance. It then examines some alternative ways of looking at impact assessment such as GTZ's New Impact Monitoring and participatory learning impact assessment. The guide concludes with a look at some of the overarching development goals, namely MDGs, CDF, PRSP, PSIA etc., and a checklist to help

users with preparing for an impact assessment. Also included are a selection of key websites and relevant papers and articles.

**Strategic Environmental Assessment: A Sourcebook and Reference Guide to International Experience**

Dalal-Clayton, B. and Sandler, B. IIED 2004 downloadable from [www.iied.org/docs/spa/SEAb ook/TitleContents\\_Oct04.pdf](http://www.iied.org/docs/spa/SEAb ook/TitleContents_Oct04.pdf)

Strategic Environmental Assessment (SEA) of policies, plans and programmes is a rapidly evolving field. New approaches and areas of application are emerging all the time – particularly in the fields of development cooperation and international trade. Despite much recent progress, there is still much to do to make SEA effective and more widely applied. This review has been prepared in response to these trends and to support recent initiatives to address SEA frameworks and tools that can be applied by international agencies in their work. It also aims to support a UNDP programme on integrated assessment and planning for sustainable development. It covers SEA practice in development agencies and in developed, developing and transition economies. It aims to illustrate current practice and draw lessons from experience.



*Looking Back, Moving Forward: Sida Evaluation Manual 2004* downloadable from [www.sida.se/Sida/jsp/polopoly.jsp?d=1265&a=25624](http://www.sida.se/Sida/jsp/polopoly.jsp?d=1265&a=25624)

This is an evaluation manual for Sida in two parts. The first part reviews central evaluation concepts and discusses roles and relationships in development co-operation evaluations. It also deals with issues in the evaluation of poverty reduction. The second part is a step-by-step account of the evaluation process, beginning with the decision to evaluate and ending with management response and dissemination of results. Aimed at evaluation managers rather than evaluators, the handbook deals extensively with conceptual and organisational matters rather than the technicalities of the evaluation research process. It is intended primarily for Sida staff but may also be useful for others.

<http://lnweb18.worldbank.org/ESSD/sdvext.nsf/81ParentDoc/PovertySocialImpactAnalysis?Op=OpenDocument>

This is the World Bank's Poverty and Social Impact Analysis site from where you can download the *PSIA User's Guide*, published in 2003. This is intended for practitioners undertaking PSIA in developing countries. It introduces the main concepts underlying PSIA, presents key elements of good practice approaches to PSIA, and highlights some of the main constraints and operational principles for PSIA. This User's Guide highlights some of the key tools that

practitioners may find useful to analyse poverty and social impacts of policy reforms, but does not aim to be comprehensive in coverage. The recently published Good Practice Note on PSIA is also available here. This note provides a framework to help staff and governments acquire information on the possible distributional impact of planned reforms to improve policy design, outcomes, and sustainability of the reform program. The site also includes further information on tools and methods, resources and training activities and materials.

[www.iaia.org/](http://www.iaia.org/)

The web site of the International Association for Impact Assessment has a section, Publications and Reference Materials, which includes a number of resources available to non-members. These include *International Principles for Social Impact Assessment*, published in May 2003. This was prepared over a five year period and developed through workshops at several conferences over six continents. Several hundred people were consulted and around fifty made substantial contributions. Intended as a discussion document it defines and describes social impact assessment (SIA), discusses the nature of SIA in an international

context, includes a list of social impacts, and then lists the core values from which principles and then guidelines can emerge. It intends to provide a basis for practitioners to develop national guidelines in consultation with a range of stakeholders and users in their own countries. Contributions to the document, which is intended to develop over time, are welcomed. Other documents in this section which may be of interest to readers include *Impact Assessment in the Corporate Context*, and *Principles and Guidelines for Social Impact Assessment in the USA*.

[www.iisd.org/measure/](http://www.iisd.org/measure/)

IISD's strategic objective on Measurement and Assessment is to facilitate the development of robust sets of indicators for public- and private-sector decision-makers to measure progress toward sustainable development and to build an international consensus to promote their systematic use in assessment, reporting and planning. Since the mid-1990s IISD has been maintaining the Compendium of Sustainable Development Indicator Initiatives, a global directory of organizations and experts dealing with sustainable development indicator and measurement matters. The Compendium is a searchable database on the Internet where practitioners can upload and maintain information on their indicator-



related work about which they want other members of the community to know. The site also gives details of IISD's other work in this area including practical applications and capacity development.

<http://www.enterprise-impact.org.uk/newsletter/index.shtml>

[www.microfinancegateway.org/section/resourcecenters/impactassessment/developing/methodologicalissues/](http://www.microfinancegateway.org/section/resourcecenters/impactassessment/developing/methodologicalissues/)

This page offers practical, in-depth information on the methodological issues and tools involved in an impact assessment. It is aimed at individuals who will be directly involved in designing and implementing an assessment for a microfinance institution, including practitioners, donors, and independent consultants.

The detailed information offered in this section has been compiled from a number of sources, including the AIMS (Assessing the Impact of Microenterprise Services) project of the U.S. Agency for International Development, and the Enterprise Development Impact Assessment Information Service (EDIAIS) funded by the U.K. Department for International Development.

This page is part of the Microfinance Gateway's Impact Assessment Centre which also offers general guidance on developing an impact assessment and access to a variety of resource documents.

**All back issues of Enterprise Impact News can be downloaded from the EDIAIS web site at:**

