Preface

This edition of the IDS Bulletin features contributions by microfinance practitioners and academics, in 13 countries across four continents. These articles present some of the emerging insights from Imp-Act, a three-year programme of action research (2001–4), designed to support microfinance organisations (MFOs) in their development of systems to better understand and to improve the role of their services in reducing poverty.

Imp-Act is a partnership between 30 MFOs in 20 countries, and three UK universities: The Institute of Development Studies, Sussex; The Centre for Development Studies, Bath; and the Department of Economics, Sheffield. Partners were selected to ensure perspectives from a wide range of contexts and approaches to microfinance, and thereby provide understanding about the effect of context on the design and delivery of microfinance.

The articles in this Bulletin will give readers a sense of the diversity represented in Imp-Act, and the richness of understanding arising from the comparison of experience in these different contexts. PRADAN, for example, is working to create and empower Self-Help Groups (SHGs) in rural India, and supports a range of livelihood interventions, including savings and credit. CARD in the Philippines is, in part, a commercial bank and seeks to alleviate poverty primarily through a minimalist provision of financial services to solidarity groups. Prizma is a financially self-sufficient NGO, almost alone in Bosnia and Herzegovina in providing microfinance with a poverty focus, working with a mixture of individuals and groups.

The three main objectives of Imp-Act are:

• To develop credible and useful impact assessment systems based on the priorities of MFOs and their stakeholders;

• To broaden the scope of impact assessment to include wider poverty impacts;

• To influence thinking and practice relating to the role of microfinance in poverty reduction.

This Bulletin presents a mixture of conceptual and analytical writing written by the UK academic team that is guiding the programme, and discussion of practical research and methodological development work by practitioner partners.

The three sections of the Bulletin reflect some of the central concerns of the programme:

• Part I covers the impact of microfinance on poverty and the methodological processes by which this can be improved;

• Part II looks at the organisational processes by which impact information is gathered and used on an ongoing basis by MFOs, and can be presented in a credible way to an external audience;

• Part III looks at the wider social impacts of microfinance, i.e. those beyond the immediate economic effects on the client and the client’s household, and ways in which these can be assessed.

For more information about Imp-Act see the programme website: www.imp-act.org

For resources on microfinance impact assessment and organisational learning see the collaborative Imp-Act/CGAP website: www.microfinancegateway.org/impact