



**Palestinian Businesswomen's  
Association "ASALA"**

**Beneficiary Impact Assessment:  
*"Client Satisfaction from  
ASALA's financial and non-  
financial services"***

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***Submitted by:***



**Riyada Consulting and Training**

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**Abbreviations:**

ASALA	Palestinian Businesswomen's Association
ASALA clients	Clients of financial services (loans)
GL	Group Loan
Irada	ASALA's capacity development program
Irada trainees	Women who have taken advantage of Irada non-financial services
MIL	Micro Individual Loan
SIL	Small Individual Loan

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## 1. Executive Summary

ASALA has been providing loans to women since its establishment in 1997. By providing small and microfinance to Palestinian women, ASALA contributes to sustainable and long-term development in Palestine. Through a wide range of activities and services, ASALA has offered both financial and non-financial support and currently serves an active clientele of 1200 women in the West Bank. Since 2008, the Irada project has provided non-financial support, including training and capacity building, with the aim of achieving the professional development of women. Irada's services predominantly targeted women who have not received any financial support from ASALA (who through their work with ASALA have already built a substantial skill basis).

This two-fold beneficiary impact assessment is an exercise to explore and assess ASALA's financial and non-financial services, and the impact they have had on ASALA clients and Irada trainees. Overall, ASALA clients and Irada trainees have expressed great satisfaction with services at hand. Also, staff have received high marks in establishing lasting and trusting relationships between the organization and its beneficiaries.

### ASALA's Financial Services

- *Why ASALA:* Most clients have chosen ASALA because of its good reputation (92.1%) and the organization's expertise in providing microfinance to women (68.5%). The motivation behind joining ASALA was predominantly attributed to overall living conditions (91.3%). 78.2% of clients indicated economic hardship as the main driver whereas 74.6% found ASALA's financial services crucial in helping them establish their own business. Improving skills (30.7%) and increasing one's independence (33.7%) have been labeled less important among respondents.
- *Non-financial services:* Only 8.2% of ASALA clients have also taken advantage of non-financial services, in the form of training and capacity building by Irada, a project (2008-2010) focusing on the skill development of women, targeting women not currently engaged in ASALA's financial services. From the active clients, 22.3% indicated that they would like to attend training courses and improve their skills in the future. This rather low number could be explained by the fact that clients already receive a number of supportive services by ASALA. Clients receive one-on-one consultations prior to the start of the loan, can request additional guidance and coaching at any point throughout the life of the loan, and have also been provided with the option to receive additional project-specific consulting by an expert hired by ASALA for the sole purpose of supporting the growth and success of client projects. In contrast, focus group discussions with clients revealed great interest and motivation to engage in more technical support and capacity building efforts, including business development, project management, marketing, and other areas of learning.
- *Satisfaction:* 85.5% of clients expressed satisfaction with ASALA, its services, and staff.

- ASALA-Client Relations: the organization's goal and mission is generally clear to clients (80.4%) and services respond to their needs (83.6%). Relations with staff have been praised with 80.9% of clients indicating that ASALA staff understand their needs very well. Follow-up has also been considered satisfactory (76.3%) as well. Marketing and the need to formulate and support alternative/unconventional ideas needs further work according to clients.
  - Application Process: The application process for loans has been easy according to 84.1% of clients and plenty of opportunities to take advantage of such loans have been provided according to 75.6%.
  - Repayments: This section received lesser satisfaction. Many women believe that the repayment period should be extended or the amount of payments decreased to facilitate their business operations. Also, the interest rate has been described as too high by the majority of client respondents. Focus group discussions have drawn similar conclusions as many clients would like to see changes in the repayment schedule and amounts.
- *Impact*: the impact of ASALA's financial services can be felt on very different levels. Personally, women have strengthened their social status, improved their decision-making abilities, and gained confidence. The family and community confidence and respect levels have also been positively impacted.
- Personal: Self-confidence (81.5%) and self-security and morale (79%) have seen improvement in the majority of clients since the inception of their loan/project. 67.2% of clients reported improvement in their dealings with men. Also, 76.5% of women indicated that they engage more actively in decision-making.
  - Family:
    - **Traditional gender roles** at home have only marginally changed for women. While more than a third of respondents indicating that male members are increasingly helping with cleaning and washing (38%) and cooking (33.6%), the majority of women have not seen any change in the behavior of male family members (cleaning: 58.1% and cooking: 62%)
    - **Mobility** has been positively impacted according to 44.3% of clients who have reported that since the loan, and the establishment or continuation of their projects, they have become more likely to move freely, but should inform male family members. 52.2% of clients did not witness any impact (either an increase or a decrease in likelihood to leave the house).
    - Clients found a positive impact of ASALA loans on their **ability to make financial decisions within the family**. Also, taking advantage of loans has also enabled women to support the education of their children more. It should be noted that clients have indicated that loans/projects have not



had much impact on supporting the purchase of new assets, including land, houses, cars, and furniture. This can be explained by the fact that initial investments (renovations, raw material, etc) will go into the expansion or establishment of a project. Once running, activities will generate additional income for women, which in turn will be most likely spent on a) necessary family needs, and b) repayment of loan installments. At the outset of the project or the investment into expansion, the increase of income will not likely cover expenditure such as purchasing new cars, land, or houses, but rather on covering basic needs and repaying debts and installments.

- Whereas the majority of women find a positive impact (57.9%) on their **decision-making on social matters concerning the family**, 36.6% don't see any impact. Decision-making on children's education and marriages have seen positive change as a result of loans received.
- **Decision-making on health-related matters** have seen a very positive impact (72.2%).
- Change of mindset: 79% of clients believe that the loans have greatly changed their perceptions on women's rights to work. Also, the importance of education of daughters has taken priority for many clients since the start of the loan (70.8%).
- Community: 73.1% of women have not seen any change in their participation since starting their work with ASALA. This is in line with the fact that clients found little impact on their behavior to join local workshops and awareness-raising lectures regarding "women and the community". Notably, clients believe that community perceptions have become more positive towards them after they received their loans (57.2%), and to some extent, they have established themselves as role-models within their communities for other women.
- Personal Development: The majority of women (44.6%) indicated the desire to further develop themselves and their skills set since their projects and loans have started.
- Impact on Project: ASALA's loans have benefited clients the most in starting a new business or project (positive impact: 74%). ASALA's contribution has also enabled women to pay back project debt (69%), decrease dependency on other financial support (68.2%), increase income (68.1%), and decrease total project costs (64.5%).
- *Client Needs*: Clients have expressed a variety of needs, which are related to both financial and non-financial services.
  - Capacity development has been highlighted. Business development, project management, and marketing rank highest among the many capacity building

needs that clients have expressed. Marketing seems of particular importance to clients, as they would like to see better access to and focus on local and regional resources, including training and exhibitions.

- Networking has also been emphasized. Clients have expressed the desire to be connected with other clients in the same regions and to maybe even cluster activities together. Also, success stories could be shared through mentoring and information sessions.
- Regular updates on new services, both financial and non-financial, should be given to clients and trainees.

### **Irada's Non-Financial Services**

- *Why Irada:* Most women decided in favor of Irada because of ASALA's good reputation in providing microfinance services to women (67.8%), and the fact that ASALA is a women-oriented organization (61.7%). Women also had different motivations behind taking on training with ASALA/Irada project. Most trainees indicated that acquiring new skills (83.2%) and improving their current set of skills (79.2%) have been the main reason for engaging in training courses. The establishment of a project has also been a driver for 41.6% of trainee respondents.
- *Relevance of Training:* 74.5% found that Irada did ask women about their development goals and priorities before they joined actual training.
- *Application Process:* the process has been perceived easy by most women (86.6%).
- *Quality of Training Delivery:* 97.3% found Irada trainers to be qualified and effective in teaching the different training materials and subjects. 95.3% found that trainers used real-life examples to bridge theory with realities on the ground. Similarly, a great majority of women (94%) found trainers to encourage the active participation of all participants during the training. Lastly, almost all trainees (95.3%) indicated the availability of trainers even after training hours for questions and advice.
- *Impact of Training:* The majority of women (66.6%) indicated that non-financial services have positively impacted their professional development. Even more so, trainees believe they have improved the quality of their skills (80.5%) and overall working experience (89.3%). Also, 81% of trainee respondents have seen an improvement in their personal and social status since the completion of training.
- *Impact on Project:* 40.9% of trainees indicated they currently run their own project. Of those, 73.3% had their project prior to taking advantage of Irada's non-financial services whereas the remainder (26.7%) indicated they established their project after receiving training and the necessary skills to successfully run their own projects. Among the

training provided, project management, financial management, and marketing rank highest among trainees.

- Size of Project: Most women (77%), who run their own projects, have seen an increase of their operations since having attended Irada training.
  - Increase of income: 73.8% of respondents indicated that training has resulted in an overall increase in income.
  - Hiring of new employees: As much as 23.3% of women indicated to have hired new employees since having attended training offered by Irada.
  - New markets: 30% of respondents were able to expand their operations to new target markets.
- *Challenges:* the linkage between financial and non-financial services has not been clear to many trainee participants of focus groups.

## **General Recommendations**

- ✓ Ensure linkage between financial and non-financial services
  - Provide information sessions to clients and trainees on opportunities and latest services.
  - Connect clients and trainees for information exchange.

## **Financial services-specific Recommendations on Financial Services:**

- ✓ Guarantors
  - Consider, on a case-by-case basis, rewarding clients with a good record of repaying monthly installments during their first loan cycle, to eliminate the pre-requisite of providing a guarantor.
  - Re-enact guarantor clause if client fails to repay.
- ✓ Repayment Schedule
  - Consider option of extending repayment schedules on a case-by-case basis.
  - Exceptions could be made for women facing emergencies or currently having to support their children's higher education.
- ✓ Type of loans

- Consider, but only in line with a substantial expansion of ASALA and its offices, to provide a larger range of loans. New fields could include land rehabilitation that will then be used for a project. However, it is not advisable to expand to fields that look at personal profit, such as the construction of a house. Only fields that support the creation or expansion of a project and thus have an income-generation and job-creation incentive should be considered.
- In cooperation with donors, the principle of grant leveraging could be explored. The financial assistance will be distributed as a loan, but in case of project failure, (after being monitored and evaluated), the loan could be transformed into a grant to avoid the indebtedness of clients. This kind of financing mechanism can only be provided under strict supervision and with clients where it is clear that this mechanism will not be exploited.
- ✓ Size and frequency of loans
  - Depending on the project idea, perhaps the initial, first-cycle loan could be larger for certain clients. However, a larger loan should be linked with stricter requirements, such as a more thorough feasibility study, and a 5-year development plan.
  - Depending on the project, the pace at which it expands, and the success, ASALA could consider providing additional funds to certain projects, if additional funds will allow the project to expand and have a sustainable economic effect.
- ✓ Marketing
  - Provide more marketing support.
  - Need for ASALA to facilitate the participation of clients in local (such as the bazaar in Ramallah example) and regional exhibitions.

### **Non-Financial services-specific Recommendations**

- ✓ Continue to provide training in fields of business development, project management, financing, budgeting;
  - New areas of training could include:
    - IT support (excel, Microsoft Word)
    - Internet
    - Networking skills
- ✓ Provide more training on marketing;

- ✓ Provide training and capacity building in specific fields, (based on needs), such as bee-keeping, hairdressing, sheep-herding, etc to small groups of women;
- ✓ Provide hands-on training;
  - Ensure that training combines a conceptual and practical approach. This could be encouraged through field visits to experts and specialized organizations.
- ✓ Provide basic training course to all trainees, on business plan development;
  - Provide individual coaching for those women that have promising project ideas and have developed strong business plans during the course.
  - Focus especially on trainees from Ramallah and Hebron, as they have indicated to least likely have a project idea.
- ✓ Include success stories in training sessions to boost the self-confidence of trainees;
- ✓ Provide additional information sessions and guidance to trainees from Hebron, which is the youngest of all the ASALA offices, as the survey depicted that women from Hebron have expressed more indifferent views on many of the above-asked questions. The need for additional investigation and observation for the Hebron office is recommended.

## 2. Introduction

ASALA has been providing loans to women since its establishment in 1997. By providing small and microfinance to Palestinian women, ASALA contributes to sustainable and long-term development in Palestine. Through a wide range of activities and services, ASALA has offered both financial and non-financial support and currently serves an active clientele of 1200 women in the West Bank. In 2008, ASALA started the Irada project which has provided non-financial support, including training and capacity building, with the aim of achieving the professional development of women. Irada's services predominantly targeted women who have not yet engaged in any financial support from ASALA (who through their work with ASALA have already built a substantial skill base).

A two-fold study, this report not only studies the impact of ASALA's loans schemes on clients, and their social and economic status, but also explores Irada's service provisions and the impact thereof on trainees. Regarding clients, the report studies their satisfaction in terms of availability of loans (loan size) and procedures (application process, repayment schedules, etc). It then explores the kind of impact that ASALA's financial services have and the consequent continuation or establishment of a project. Impact is analyzed on different levels, namely individual, family, and the community level. In respect to Irada's trainees, the report seeks to better understand the necessity and success of Irada's services. The benefit and impact of training courses on self-development and the development of income-generating projects is being explored.

The report also presents opinions and recommendations by clients and trainees themselves, voiced throughout both quantitative and qualitative research. A final section on conclusion and recommendations provides the reader with a thorough understanding of opportunities for improvement and activity expansion.

### 3. Methodology

In order to provide ASALA with a comprehensive beneficiary impact assessment of its financial and non-financial services, *Riyada Consulting and Training* proposed a comprehensive methodology comprised of both quantitative and qualitative research tools. All tools were developed in cooperation with ASALA and Oxfam Novib.

#### 3.1 Qualitative Research

##### 3.1.1 Review of Project Documents

Our team started out by reviewing all relevant project documents, which included the following:

- Market Research Report on Client Satisfaction;
- ASALA's Annual Reports 2007-2009;
- Gender and rural microfinance: Reaching and Empowering Women – IFAD 2009;
- Women Entrepreneurs in the Middle East and North Africa: Characteristics, Contributions and Challenges, IFC 2007;
- Impact Assessment Study of Micro-Credits on Palestinian Women; Palestinian Women's Research and Documentation Center 2009.

The review of the above provided a thorough understanding of the relevance and importance of microfinance in Palestine and of the different services and activities ASALA and Irada have to offer to clients and trainees. The document review contributed to the development of research tools. A close analysis of the above listed reports also fed into the final report.

##### 3.1.2 Interviews

A number of interviews with a variety of key stakeholders were held to further strengthen the qualitative nature of the assignment.

Table (1): Distribution of Interviews			
Name	Title	Location	Date
Reem Abboushi	Director, ASALA	Ramallah	20.06.2010
Mary Sarraf	West Bank Region Manager	Ramallah	05.07.2010
Nisreen Swelem	Program Coordinator	Ramallah	05.07.2010
Muna Abu Mansour	Nablus Branch Credit Officer	Nablus	15.07.2010
Samia Al-Kilani	Jenin Branch Credit Officer	Jenin	11.07.2010
Majdoleen Za'rour	Administrative Assistant	Jenin	11.07.2010
Kifah Alqam	Loan Officer	Bethlehem	12.07.2010
Rania Z. Abu Ayyash	South Area Manager	Hebron	13.07.2010
Sawsan Sharawneh	Loan Officer	Hebron	13.07.2010

### 3.1.3 Focus Groups:

Focus groups were conducted in all five locations with ASALA clients, as indicated below:

<b>Table (2): Distribution of Focus Groups</b>		
<b>Location</b>	<b>Number of Attendees</b>	<b>Date</b>
Ramallah	8	05.07.2010
Nablus	17	15.07.2010
Jenin	15	11.07.2010
Bethlehem	13	12.07.2010
Hebron	13	13.07.2010
<b>Total</b>	<b>66</b>	

### 3.1.4 Workshop

A workshop was conducted with Irada trainees on the 22<sup>nd</sup> of July. Participants were selected by Irada according to geographical location and type of training attended.

## 3.2 Quantitative Research

### 3.2.1 Survey

Two independent surveys have been conducted; one with ASALA clients and another one with Irada trainees. The sample gave consideration to location, gender, and age groups. The sample is described below:

<b>Table (3): Sample Size and Distribution, BIA – Financial Clients</b>	
<b>Location</b>	<b>Number of Surveyed</b>
Ramallah	52
Nablus	70
Jenin	190
Bethlehem	50
Hebron	80
<b>Total</b>	<b>442</b>

<b>Table (4): Sample Size and Distribution, BIA – Non Financial Trainees</b>	
<b>Location</b>	<b>Number of Surveyed</b>
Ramallah	50
Nablus	42
Jenin	12
Bethlehem	18
Hebron	27
<b>Total</b>	<b>149</b>



The sample had a confidence level of 95% and an estimated 5% margin of error.

### **3.4 Clarifications on Terminology**

This research follows the assumption that ASALA's loans have contributed a) to the establishment of a new project, or b) to the continuation and/or expansion of an already existing project. Consequently, it should be noted that when referring to "loan", the impact that the loan has had on clients through a new or existing project and its project activities, such as increased income, improvement in social status, better family relations, is implied.

Moreover, the difference between "no impact" and "not applicable" should be noted. Clients who responded "not applicable" indicate that the question is irrelevant to their current situation. In contrast, "no impact" refers directly to the impact of the loan/project and implies that clients did not see any change as a direct result of ASALA's financial services. This difference has been raised with field researchers in their training sessions and has been explained to clients at the outset of the survey.

### **3.4 Limitations**

- ❖ Relevant to the above clarifications on terminology, the use of the word "loan" throughout the questionnaire might have caused a personal, negative bias on the part of the clients in assessing the impact of the loan versus the impact of having a project as a result of the loan, or improving the project status and income as a result of getting the loan from ASALA. It should also be noted that in general, the local culture does not completely accept the idea of micro credit and the associated interest which might have added a negative notion to some answers.
- ❖ The beneficiary impact study was based on a sample from the West Bank only and thus might not fully reflect the organization's larger impact and effectiveness of its services; accordingly results should be seen within those parameters.
- ❖ During data collection our team faced several challenges. As a result, data collection, especially for financial clients, has been prolonged and has caused delays in data entry, analysis, and reporting:
  - Two weeks into data collection in the field, ASALA asked to halt all efforts. This was caused by the donor's wish to revise and restructure the questionnaires, especially the questionnaire for ASALA clients. Riyada Consulting only received the finalized version of the questionnaires after an additional two weeks which caused delays.
  - Some non-responsiveness was faced during the data collection phase due to social conditions surrounding some of the clients, particularly in the area of Ramallah. These clients preferred to not declare that they have obtained loans from ASALA or any other institution due to reasons of sensitivity, including divorce, non-approval of credits, and accompanied interest rates within their local communities or family members. These

cases were discussed with ASALA staff throughout this assignment and ASALA invested great effort in facilitating access to women, including sensitive cases. The number of cases remains within an acceptable size compared to the overall sample. An additional sample was drawn and cases of non-responsiveness were replaced with other clients. This has contributed to additional delays.

- Due to initial delays and non-responsiveness, part of the data collection (BIA financial) fell into the month of Ramadan. This further complicated data collection and made women less willing to cooperate with our researchers.

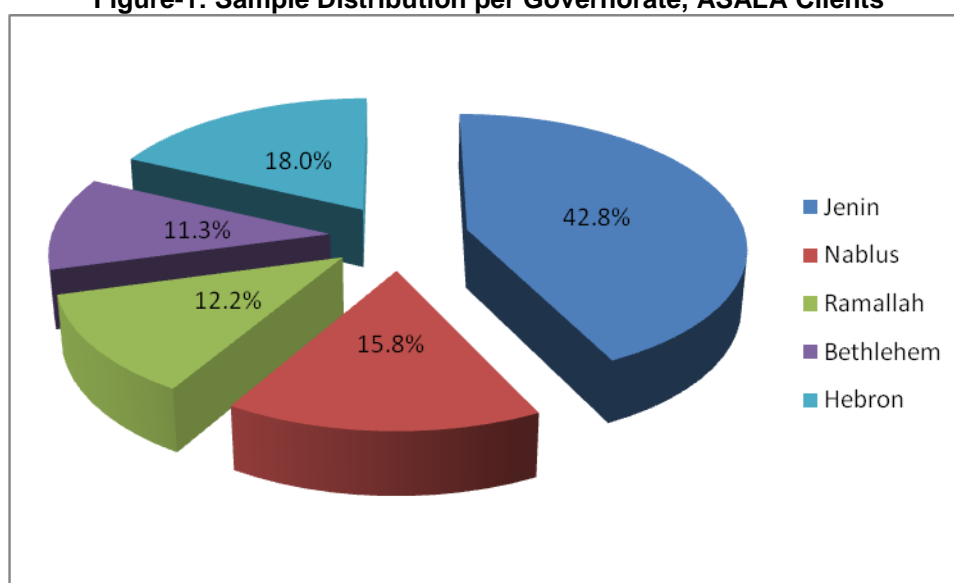
## Section I – Financial Services

### 4. Findings - Financial Services

#### 4.1 Background on the Surveyed

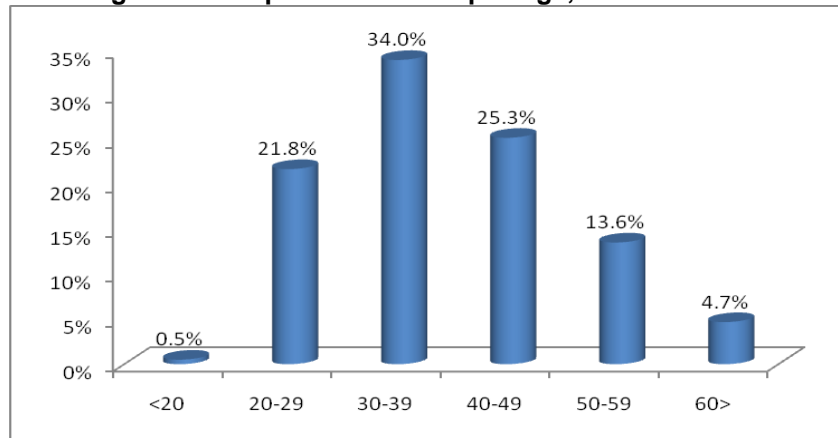
The survey with ASALA clients focused on five governorates, namely Jenin, Nablus, Ramallah, Bethlehem, and Hebron. A representative sample was selected and as the below chart indicates, the sample was distributed as follows:

Figure-1: Sample Distribution per Governorate, ASALA Clients



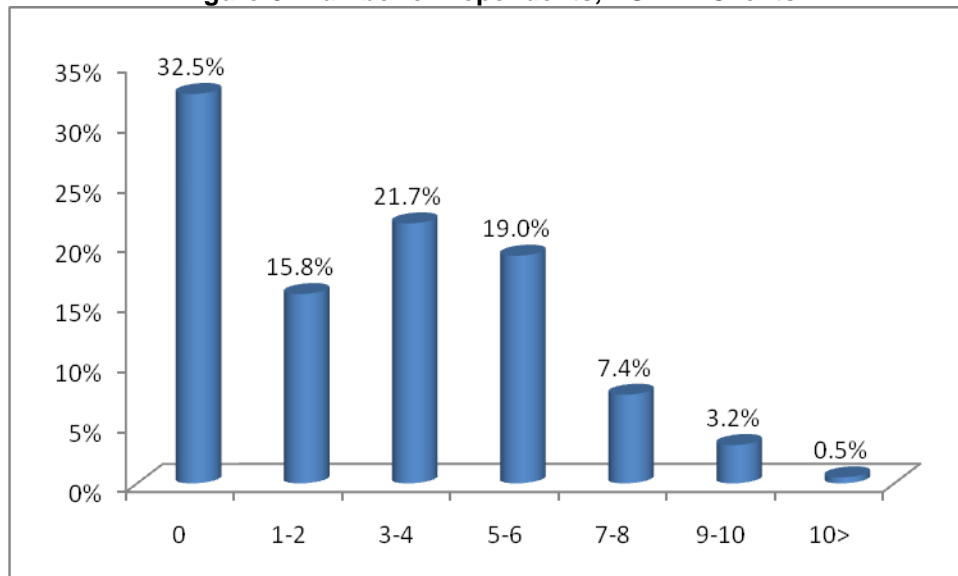
As the Jenin office is the oldest among all ASALA offices (in operation since 2002), the sample contains a much larger number of beneficiaries from Jenin than from other governorates. As for age distribution, 34% of surveyed clients are between the ages of 30 and 39. Another quarter (25.3%) are between 40 and 49, followed by 21.8% who are slightly younger, between 20 and 29 years of age.

**Figure-2: Sample Distribution per Age, ASALA Clients**



Only a third (32.5%) of surveyed clients have no dependents at the moment. Between 3-4 dependents seems most common among clients (21.7%), followed by 5-6 dependents (19%).

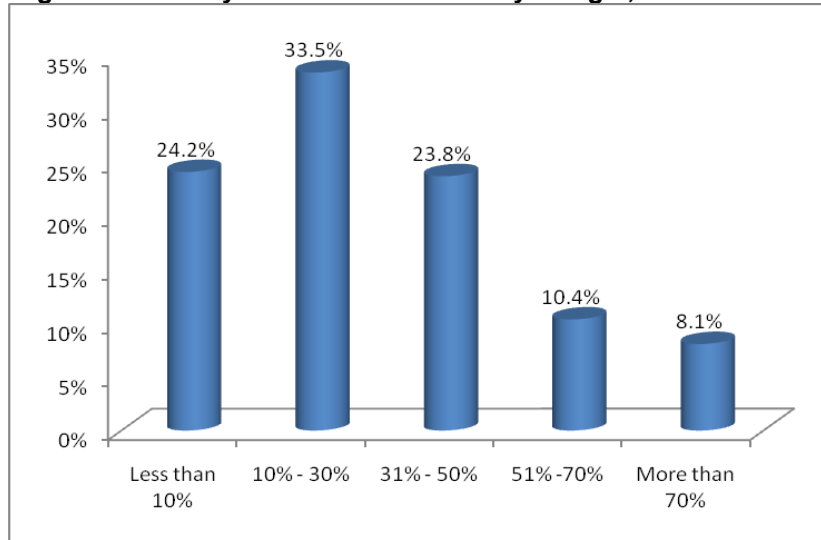
**Figure-3: Number of Dependents, ASALA Clients**



When looking at the average monthly income of women clients, the majority (49.4%) received between NIS 500 and 1,499. Around a fifth (21.7%) of respondents makes less than NIS 500 whereas 19.6% have indicated they bring home a monthly income of between NIS 1,500 to 2,499. Only 9.3% of clients stated to have more than NIS 2,500 at their disposal every month.

Another question asked women how much their income contributes to the family budget every month. Surprisingly, a great majority of women (81.5%) believe to support the family budget by up to 50% [Less than 10%: 24.2%; 10%-30%: 33.5%; 31-50%: 23.8%]. The remainder (18.5%) contributes by more than 50%.

**Figure-4: Monthly Contribution to Family Budget, ASALA Clients**

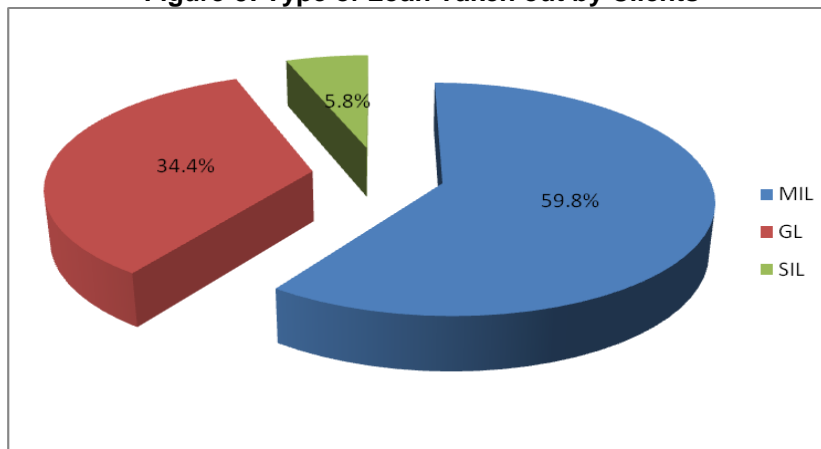


#### **4.2 Information on Services Received**

The bulk of surveyed women received their loans in either 2009 (42.5%) or 2010 (45.4%). Only 12.1% of clients have taken out loans in 2008. It can be concluded that ASALA's client base has increased over the past three years.

The survey shows that most clients have benefited from ASALA's Micro Individual Loans (MIL), which range from US\$1,000 to \$5,000 (59.8%); followed by 34.4% of women using Group Loans (GL). Only 5.8% of all surveyed clients took out Small Individual Loans (SIL), that are above \$5,500, in the past three years (2008- 2010).

**Figure-5: Type of Loan Taken out by Clients**



The amount of loans received by ASALA varied significantly among clients as depicted below:

<b>Table (5): Amount of Loan Received in NIS</b>	
Less than 3,000	14.8%
3,000- 5,999	16.6%
6,000- 8,999	19.1%
9,000- 11,999	12.3%
12,000- 14,999	13.0%
15,000- 17,999	5.0%
18,000- 20,999	12.8%
21,000 and above	6.4%

Regarding the loan methodology, interviews with loan officers in different branches concluded that micro business loans rank the most popular among clients. Loan officers from Bethlehem, Jenin, Nablus, and Ramallah indicated that client's predominantly take advantage of individual micro business loans. As for Hebron, Sawsan Sharawneh stated that "most micro business loans distributed to clients are based on the Islamic loan methodology".

Interviewees also revealed that different locations see different average loan sizes, as depicted below:

- ❖ Ramallah and Bethlehem: average loan size between \$1,000 to \$5,000;
- ❖ Hebron: average loan taken out ranges between \$3,000 to \$5,000;
- ❖ Jenin and Nablus: average size of loans from \$1,000 to \$3,000.

Moreover, the quantitative survey also asked women how many loans cycles they have entered with ASALA. Interestingly, most women have entered between 1-3 (84%) loan cycles with ASALA. The remainder indicated to have started or completed more than three loan cycles.

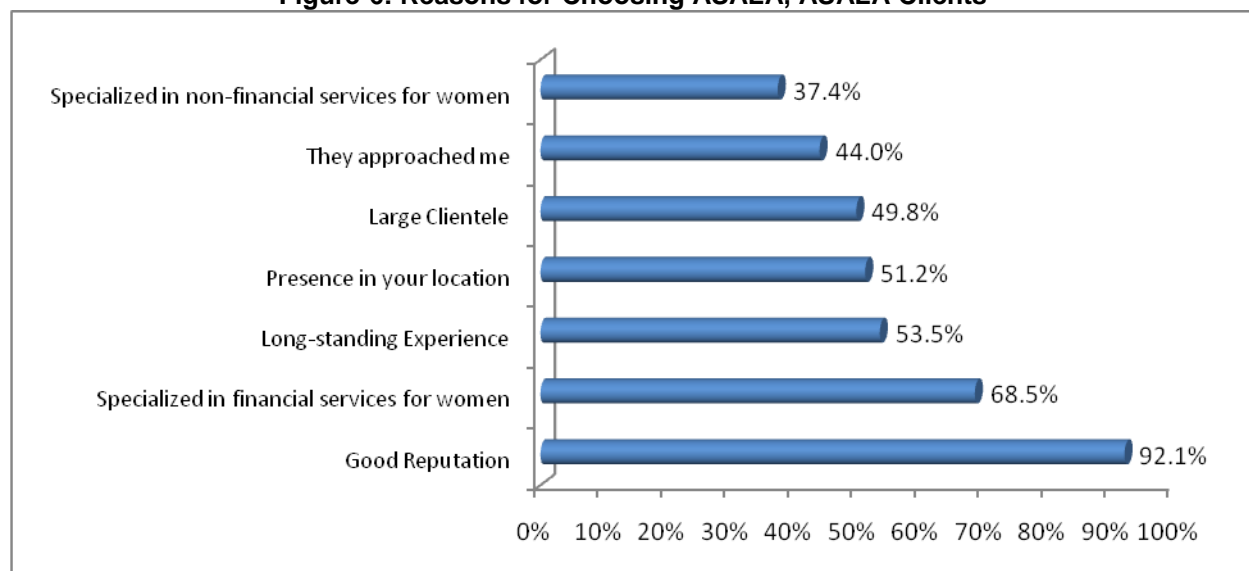
Lastly, in relation to Section II on non-financial services offered through the Irada project at ASALA, only 8.2% of ASALA clients have indicated to have received training and capacity building from Irada in the past three years. This is in line with the objective behind the Irada project that focuses on the capacity development of women entrepreneurs in general with no particular focus on ASALA clients.

### **4.3 Why ASALA?**

The survey explored the different reasons for women choosing ASALA over other service providers in the market. As the below chart depicts, ASALA's good reputation has been identified as the main reason for this (92.1%). The perception that ASALA specializes in

providing micro finance to women (68.5%), as well as ASALA's long standing experience in working to economically empower Palestinian women (53.5%) greatly motivates women to join ASALA's services. Notably, the provision of non-financial services has only been important to 37.4% of clients.

**Figure-6: Reasons for Choosing ASALA, ASALA Clients**



The motivation behind women taking out financial loans from ASALA has varied. 91.3% of respondents used ASALA loans for the purpose of improving their overall living conditions. 78.2% of clients indicated economic hardship as a main driver, whereas 74.6% found ASALA's financial services crucial in helping them establish their own business. Improving skills (30.7%) and increasing one's independence (33.7%) have been labeled less important among respondents.

Interviews with loan officers from different branches have shown that women have many reasons for joining ASALA. Kifah Alqam, a loan officer in Bethlehem said that "women approach ASALA to become decision makers and to enhance their living conditions through enhancing their economic well being". Interestingly, loan officers indicated that ASALA has long-standing relationships with women once they become customers of the organization. Satisfied with the services received, many women started out with a micro loan of \$1,000 and were able to receive loans of up to \$10,000.

Focus group discussions with clients revealed very different reasons and motivations behind joining ASALA. The following list is a summary of the most relevant responses:

- ❖ Help start new business operations;
- ❖ Expand and develop existing business; and
- ❖ Improve personal financial status and that of the family.

Advantages and disadvantages of dealing with ASALA rather than any other loan provider have been highlighted in discussions with clients.

### **Strengths**

- Staff:
  - Good and friendly relationship with staff, especially the loan officers;
  - Mutual respect;
  - Continuous support to clients whenever needed;
  - Regular field visits; and
  - Continuous follow up.
- Procedures:
  - Little delays with procedures and loan dispersion.
- Repayment Schedules:
  - Flexibility in the paying back due payments depending on situation.
- Empowerment:
  - Encouragement to actively participate;
  - Practical application;
  - Confidence and personality development; and
  - Awareness of rights.
- Opportunities to grow:
  - Networking;
  - Non-financial support; and
  - Coaching and counseling.

### **Shortcomings**

- Guarantors:
  - Continuous need for guarantors (for loans above \$3,000) even though long-standing relations with ASALA; and
  - ASALA has no rewarding system for those clients that have repaid regularly and without delays, such as eliminating guarantor clause.
- Repayment Schedule:
  - Repayments are sometimes too high (decrease installments or extend repayment period), especially for large loans; and
  - High interest rate.
- Size and frequency of loans:



- Sometimes start-up (first loan) too small in size to actually facilitate start-up; and
  - No possibility to receive additional loans during the first loan cycle before paying back 70%, during which expansion is actually most critical.
- Exchange rate:
    - The differences in exchange rate sometimes negatively affected projects. This could be discussed with the donor.
- Information on all services:
    - Insufficient information available on ASALA's different services, especially on the availability of non-financial services through Irada.
- Marketing:
    - Insufficient support on marketing; and
    - ASALA doesn't facilitate the participation of clients in local and regional exhibitions on frequent bases (Ramallah bazaar as an example).

#### **4.4 Non-financial services**

As discussed in the above section on information on ASALAs services, only 8.2% of clients have also received non-financial services, in the form of training and capacity building by Irada. When asked if in need of non-financial support, some 22.3% of active clients indicated that they would like to attend training courses and improve their skills either before or during their contract with ASALA. This rather low number could be explained by the fact that clients already receive a number of supportive services by ASALA. Clients receive one-on-one consultations prior to the start of the loan, can ask for additional guidance and coaching at any point throughout the life of the loan, and have also been provided with the option to receive additional project-specific consulting by an expert hired by ASALA for the sole purpose of supporting the growth and success of client projects.

Interviews with loan officers revealed that some of their clients took advantage of both non-financial (Irada) and financial services at ASALA. The order in which these services are taken varies as some women only started taking loans after having received basic training on project management, book keeping, marketing, and other skills, whereas some women took courses to further strengthen their skills midway through their project.

Generally, loan officers stated that the individuality of training is greatly appreciated among clients and trainees. Training needs are identified through a preliminary needs assessment, which consequently ensures that the training capitalized on existing skills and builds new sets as required. Moreover, loan officers believe that training and consulting through experts in specific fields, such as bee keeping, beauty salon services, and others, is important.

Lastly, loan officers believe that by providing a package of financial and non-financial services to clients, not only has ASALA become more attractive to women, but also clients have been more likely to succeed in the realization of their project ideas and the sustainability of their projects. In section 4.6.4, under “personal development of clients”, client needs and wishes for non-financial services are further depicted.

#### **4.5 Satisfaction**

Generally, the great majority of clients (85.5%) expressed satisfaction with ASALA. Interviews with loan officers provided a very similar picture. Interviews revealed that loan officers perceive women to be especially satisfied with ASALA because of the following:

- ❖ *Easy access to services;*
- ❖ *Better conditions than banks are provided, especially in respect to guarantors:* Women indicated great satisfaction with the rules relating to guarantors. ASALA accepts any person of reference with a regular and stable income to serve as guarantor for women. Regulations in banks seem more rigid, as guarantors are requested to have a deposit account in place. Clients also indicated that if they were unable to repay as scheduled, the respective amount is not automatically withdrawn from the guarantor’s bank account, which also seems stricter in the case of banks.
- ❖ *Flexibility of repayment schedule;*
- ❖ *Feasibility Study:* clients have indicated great satisfaction with feasibility studies. Loan officers indicated that feasibility studies enable women to better structure their ideas and project activities and greatly build their trust. A successfully and thorough feasibility study oftentimes gives women a confidence boost and consequently improves overall performance.
- ❖ *Loan amount is flexible* and depends on the size of the project;
- ❖ *Combination with Irada non-financial training provides comprehensive package;*
- ❖ *Coaching and counseling provides important guidance;*
- ❖ *Open-door policy for clients at branch offices:* allowing clients to ask for guidance and shared problems and difficulties faced during project.

Also, loan officers find that the fact that many clients stay with ASALA for many years indicates a high level of satisfaction. The interview in Jenin revealed the following story, which highlights the satisfaction of the client and which has encouraged their loyalty to ASALA for many years.

*Aisha Jaber received four loans over the past five years; the first loan in 2006 with an amount of \$2000, the second in 2007 with an amount of \$2,000, the third in 2009 amounted to \$4,000, and the fourth in 2010 with an amount of \$5,000. Aisha is a divorced woman and is living with her three children. After her*

*husband left her, she changed one of the rooms in her house into a store through the loans she got from ASALA. Today, her store is well known in Jenin camp.*

#### 4.5.1 ASALA-Client Relations<sup>1</sup>

The organization's goals are clear to most clients (80.4%). Also, women respondents found that the conditions of receiving financial services (77.6%) and the benefits of receiving loans (77%) have been presented clearly by ASALA.

The majority of women believe that ASALA has been meeting their needs (83.6%), that ASALA and its staff greatly understand the needs of clients and beneficiaries (80.9%), and have been understanding towards the different problems women have faced throughout their projects (73%).

Access has also been described satisfactory by surveyed clients. 87.3% find access to branch offices easy and 83.7% have not encountered any problems accessing loan officers in different offices. This is further supported by the fact that 86.6% of responding clients stated that they are treated professionally by staff.

Follow up has been described satisfactory by 76.3%. ASALA's follow-up efforts through field visits to projects have been perceived positively by women (70.6%). Notably, only 57.8% of clients expressed satisfaction with follow-up efforts by experts and specialists on projects. However, 35.6% indicated neutrality on the matter. This can be an indication that many women have not engaged with experts throughout the establishment and operation of their projects, most probably have also not been engaged in capacity building efforts on the project subject, and therefore have no opinion on the matter. Alternatively, less satisfaction may indicate that women would like to see additional support from experts in the future.

Slightly less satisfaction was observed on the following.

- **Providing alternative solutions:** Although women indicated that ASALA staff are very understanding, when facing problems, a smaller number of women (62.5%) find that ASALA has been providing alternative solutions to solving problems.
- **Marketing client products:** 40.2% indicated satisfaction on ASALA's support in marketing client products whereas a third (33.3%) show neutrality on the matter. That implies that these women might not consider they need marketing for their project operation, meaning their products either have an established target market already or don't need marketing as the consumption is home-based.

The below table summarizes the above findings:

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<sup>1</sup> Positive answers indicate a combined value of: very satisfactory and satisfactory

**Table (6): Satisfaction on Different Aspects of ASALA-Client Relations, ASALA Clients<sup>2</sup>**

Aspects	Satisfaction
Easy access to ASALA offices	87.3%
Professional treatment and engagement with staff	86.6%
Your relationship with ASALA	85.5%
Easy access to loan officers	83.9%
Meeting the needs of clients	83.6%
Understanding of clients' needs	80.9%
Clarity of organization's goals	80.4%
Clarity of conditions of financial services	77.6%
Clarity of benefits of financial services	77.0%
Overall follow up	76.3%
Understanding of problems facing projects	73.0%
Field visits and follow up on projects	70.6%
Providing alternative solutions for problems faced	62.5%
Follow up through experts	57.8%
Helping clients in marketing their products	40.2%

Interviews with loan officers revealed that ASALA staff has aimed to establish and encourage strong, long-lasting relationships with clients. Samia Al-Kilani, Branch Credit Officer in Jenin, mentioned that “90% of the loan officers’ time is to build trust and social relationships”. Staff try to support women through regular visits to the project and encourage visits of clients at their office premises. This continuous interaction allows for staff to build trust and confidence, which makes their work easier and more comfortable.

#### **4.5.2 Application Process<sup>3</sup>**

The application process for ASALA loans has been easy according to 84.1% of clients and many opportunities to take advantage of such loans have been provided according to 75.6%. In addition, 77.5% expressed satisfaction with application procedures.

- *Approval Procedures:* 73.7% expressed satisfaction;
- *Conditions and procedures of loan processing:* 70.3% of clients are satisfied with current loan processing features in place;
- *Protection of legal right:* 72.4% of clients consider themselves protected in terms of ownership of the projects;
- *Loan processing time:* 74.2% find the time between loan approval and loan disbursement satisfactory;

<sup>2</sup> Percentages are a combination of answers: very satisfactory and satisfactory

<sup>3</sup> Positive answers indicate a combined value of: very satisfactory and satisfactory

- *Procedures and legal requirements:* have been described reasonable by 71% of clients; and
- *Assistance provided by ASALA on needed documentation:* 71.2% found ASALA staff to be supportive in the process of collecting necessary documentation required for the initial loan application.

When asked if clients were satisfied with the amount of loans they have received from ASALA, the majority (63.3%) indicated satisfaction whereas others (12.9%) expressed dissatisfaction and would have liked to receive larger amounts. The remainder (23.8%) expressed indifference on the matter.

### 4.5.3 Repayments

In comparison to the application procedure where average satisfaction ranges between 70-80%, women were more critical in respect to interest rates and repayment schedules. As illustrated below, only 27.1% are happy with the interest ASALA requires whereas half of all surveyed clients (50.6%) find the interest rate inappropriate/too high.

Moreover, as depicted below, the amount of repayment per month is reasonable for almost half of respondents (43.3%) whereas others (23%) would like to see smaller amounts of repayment. The amount of repayments per month is derived from the following equation:

$$\frac{\text{Loan amount} + \text{interests}^4 + \text{fees}}{\text{Loan terms}^5}$$

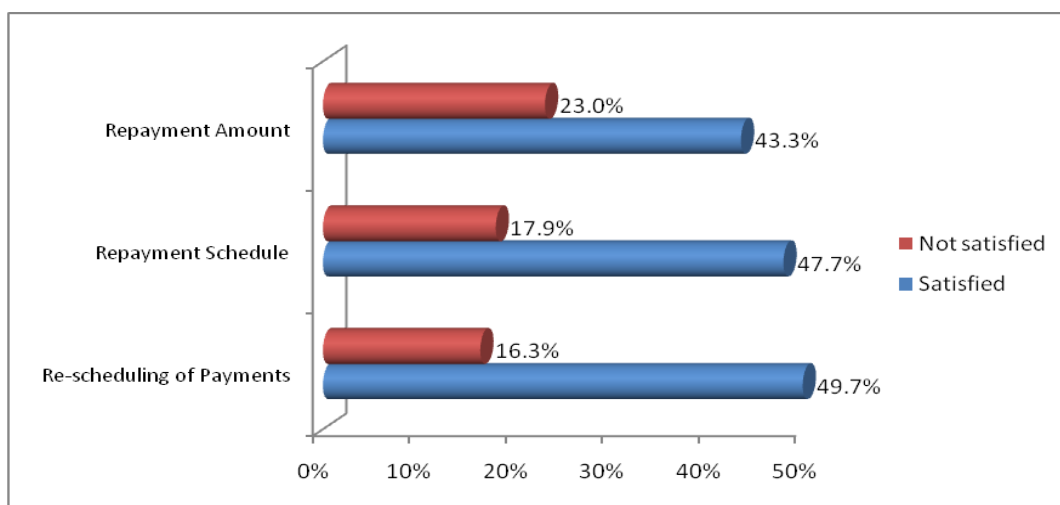
In respect to the repayment schedule, 47.7% of respondents expressed satisfaction while the schedule seems dissatisfactory for some clients (17.9%). It should be noted that the below three questions received “neutrality on the matter” from an average of 34% of respondents.

**Figure-7: Satisfaction with Repayment**

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<sup>4</sup> (based on cash flow analysis showing how much a women is able to pay back after taking care of family needs)

<sup>5</sup> Period of loan, ie 12 or 30 months



## 4.6 Impact

The survey attributed an entire section to the impact that women believe ASALA's financial services have had on them. Discussions with clients have revealed great impact on different levels. During our research, beneficiaries provided the following testimonials:

- *"I received my first loan and my personality changes; the level of communication changed, and my interests changed. Previously I had no subjects to talk about. My only concern was cooking, but now I have more important things to discuss. Even when I talk to my husband we seem to share a common background and knowledge."*
- *"Previously I had daily fights with my husband because we were unable to fulfill our children needs. We couldn't buy what our children asked us for. With ASALA's support our financial situation has improved. I have become an important member in my family as all my children and even my husband ask me for money and support. Also, I am even able to come and go as I want. I am now an independent family member capable of making decisions when needed".*
- *"My project was deteriorating and things started to fall apart. Only after the loan came through did my family's situation improve again. The loan supported us and through the increase in income, and allowed us to construct our own home".*
- *"My husband refused the idea of me starting a business or getting a loan. He did not think it was appropriate and he did not think it would be profitable. Only after my project succeeded did my husband start to accept the idea. He started to assist the project and support me and my work. Our lives have changed ever since".*
- *"Through my project I was able to prove to myself and my community that I am economically empowered. After I got divorced I returned to live with my parents along with my children. I felt helpless because I was prevented from leaving the house. My*

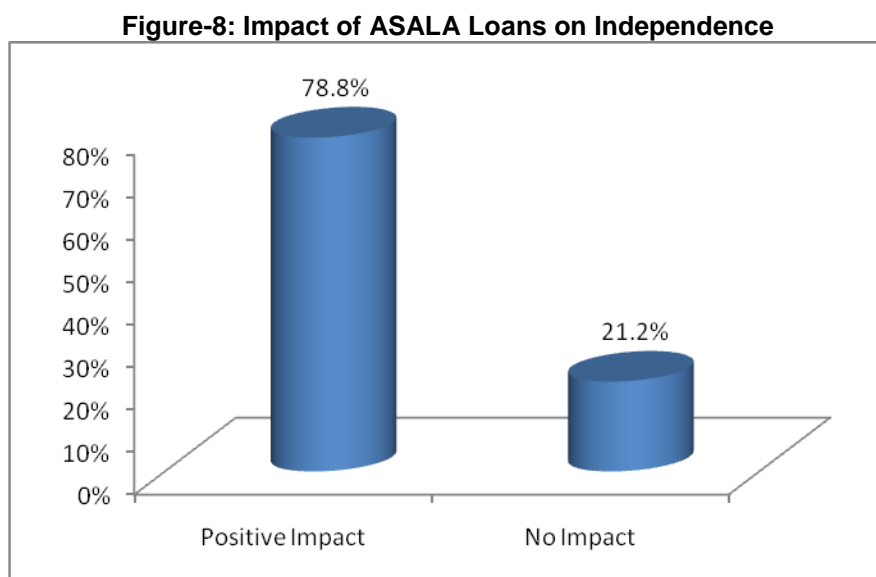
*parents told me to stay home and to raise my children. I decided to take a loan from ASALA and open a store in Ramallah to sell wedding dresses. However, this was not accepted by my family as I had to return home late every day. I decided to take another loan, opened another store, and moved out from my parent's place to live with my children. Eventually, my family came to terms with me running my own business and I even started to support them financially. I got married again. I have become a well-known business woman in my village. I am economically empowered. I was able to turn my life around”.*

The remainder of this section is divided into different levels of analysis. The impact is considered on a personal, family, community level.

#### **4.6.1 Social Impact – Individual Level**

The majority of clients (81.5%) have indicated that since the inception of the loan their self-confidence has increased but others (18.5%) think that their self-confidence has not been impacted. This could imply that some respondents already consider themselves greatly self-confident (due to an existing project before ASALA’s loan, previous self-confidence training, and type of character, etc) and did not see the loan to have further contributed to it. Others might have not seen any change in their behavior as a direct result from the loan. Similarly, clients found their self-security and moral positively impacted (79%), while others (21%) did not report any change in their feeling of self-security.

Independence has also been described as positively influenced by obtaining ASALA loans as illustrated in the chart below:



This stands in direct correlation with the question if ASALA clients believe they are better in dealing with men outside the family and in the community. 67.2% reported a positive impact

whilst 32.8% of respondents indicated that ASALA's financial services had no impact on their ability to deal with men, other than family members.

As for women in the family environment, the following was observed:

<b>Table (7): Impact on Role in Family due to ASALA Loans</b>			
	<b>Positive Impact</b>	<b>No Impact</b>	<b>Not Applicable</b>
Ability to participate in discussions and expression of opinions freely within the family	71.9%	27.9%	0.2%
Ability to participate in discussions and expression of opinions freely with make family members	71.7%	28.1%	0.0%

Moreover, impact on the ability to make decisions has also been explored. 76.5% of client respondents indicated that they engage more actively in decision making and 23.5% witnessed no impact on decision-making abilities as a direct result of the loan. The ability to deal with problems of a personal or professional nature has been positively impacted according to 76.5% of respondents. The remainder considers the project to have caused no change in their abilities.

#### **4.6.2 Social Impact – Family Level**

This section is divided into several subsections to ensure a thorough impact analysis on women in respect to the family.

##### **4.6.2.1 Change of Traditional Gender Roles in the Family**

Under this section, the survey explored to what extent male family members, including fathers and brothers, have started to actively support women in their housework since they received the loan. Although the majority of women do not see a correlation between their loan and the role and behavior of male family members, an average of a third of respondents reported a positive impact. This can be considered an important percentage given the rigid gender division of labor that is usually very difficult to change in patriarchal and traditional cultures.

<b>Table (8): Impact on Traditional Roles in the Family due to ASALA Loans<sup>6</sup></b>			
	<b>Positive Impact</b>	<b>No Impact</b>	<b>Not applicable</b>
Has the loan encouraged male family members to help in the housework (cleaning and washing)	38.0%	58.1%	3.9%
Has the loan encouraged male family members to help in the house (cooking)	33.6%	62.0%	4.4%
If married, has the loan encouraged my husband to contribute to teaching kids and helping them in preparing homework	36.9%	51.8%	11.3%

<sup>6</sup> All four questions have been formulated so that to assume that changes of attitude have resulted after the start of the loan.



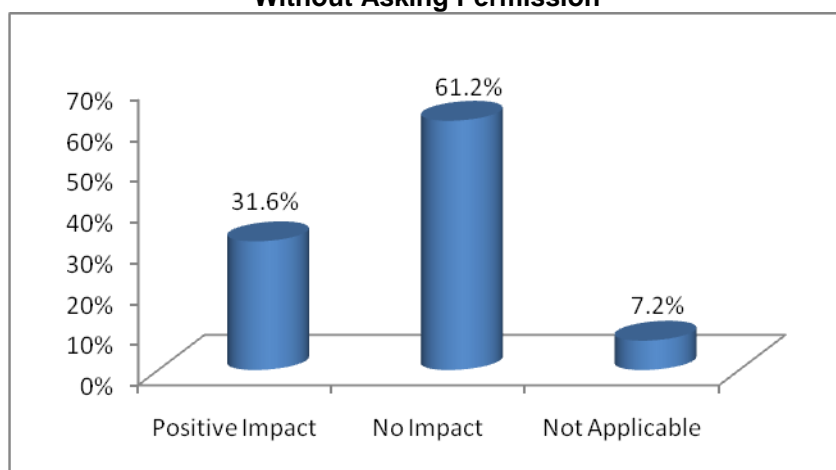
If married, has the loan encouraged my husband to contribute to solving problems facing our sons and daughters	39.5%	51.2%	9.3%
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In respect to mobility, 44.3% of clients reported that since the loan and the establishment or continuation of their projects, they have become more likely to move freely, but should inform male family members. 52.2% of clients did not witness any impact (either an increase or a decrease in likelihood to leave the house). Only 3.5% stated that this question is irrelevant to their current situation, implying that freedom of movement has never been an issue.

As a result of ASALA's financial services, 39.1% of respondents stated that the consequent support for projects, and the related increase in income had a positive impact on their ability to convince their husbands to leave the house, while 55.6% reported no impact. 5.3% do not regard this question applicable, most probably implying the absence of a husband.

To the question whether women have full freedom to travel and leave the house without asking permission of male family members since they received a loan, close results were obtained as follows:

**Figure-9: Ability to Move Freely and Leave the House Without Asking Permission**



#### 4.6.2.2 Participation in Financial Decisions Relating to the Family

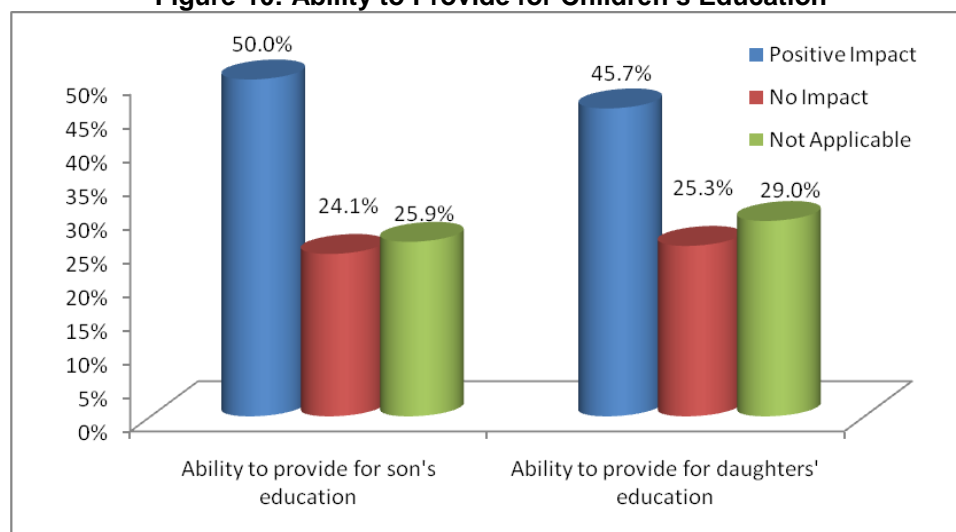
Generally, clients found that financial support to their existing or new projects and the consequent increase in income and betterment in social status has positively impacted their decision-making on financial matters (78.4%), while 21.5% reported that their decision-making abilities have not changed. Similar patterns have been found for the following three questions with a large majority reporting positive impact (average: 78.6%) and a fifth (average: 20.9%) considering to have witnessed no change in behavior.

- Ability to spend income;

- Ability to decide on purchasing according to my needs; and
- Ability to spend money on my nutrition.

On whether or not the ASALA loan has helped women provide better nutrition (higher quality of food), the majority of respondents (78.2%) agreed with this, whereas 21.1% saw no impact. In respect to better supporting the education of their sons (50%) and daughters (45.7%), the majority of respondents found they are better able to support their children's education.

**Figure-10: Ability to Provide for Children's Education**



When asked about the extent to which getting a loan from ASALA and the corresponding increase in income enabled the clients to contribute to purchasing assets, 67.7% of respondents don't think that their loans have had any impact on their contribution to purchase assets, such as land or a house. Similarly, 72.1% did not see the purchase of an asset and the consequent registration in her name since the start of the loan. In line with the above, 60.3% did not contribute to house renovations as a direct result of engaging with ASALA. This is further supported by clients indicating that they have not contributed to any recent purchases of furniture (55.2%) or a car (67.8%) as a result of the ASALA loan.

<b>Table (9): Impact on Ability to Purchase Assets:</b>			
	<b>Positive Impact</b>	<b>No Impact</b>	<b>Not Applicable</b>
Contribution to purchasing an asset (land, house, etc)	20.9%	67.7%	11.5%
Contribution to purchasing an asset (land, house, etc) and registering it in my name	15.5%	72.1%	12.5%
Contribution to house renovations	34.4%	60.3%	5.3%
Contribution to purchasing furniture	39.1%	55.2%	5.7%
Contribution to purchasing a car	20.9%	67.8%	11.3%

A possible explanation for the above can be seen in the kind of situation many clients find themselves in. Some women decide to take out loans to expand business operations while

others use the money to start a new business operation. All initial investments (renovations, raw material, etc) will go into establishment or expansion. .Once running, activities will generate additional income for women, which in turn will most likely be spent on a) necessary family needs, and b) repayment of loan installments. At the outset of the project or the investment into expansion, the increase of income will unlikely cover expenditure like purchasing new cars, land, or houses but will rather cover basic needs and repay debts and installments.

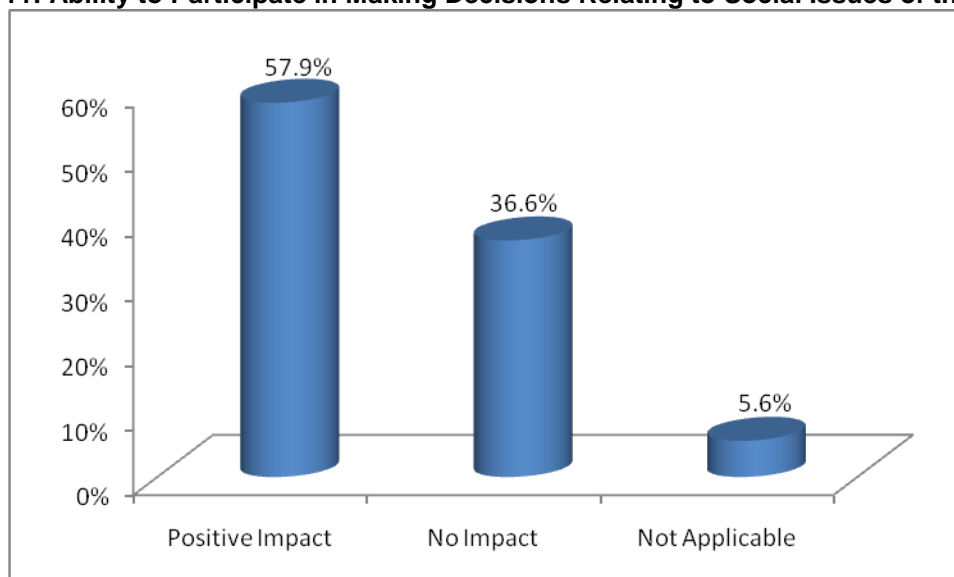
Interestingly, clients have indicated a stronger likelihood to have contributed to paying back family debt thanks to ASALA's financial services. 48.6% of respondents found that they have been enabled to contribute to paying back debt, which maximizes the social impact of ASALA's loans. However, 48.4% see no change in their ability to pay back debts after receiving a loan from ASALA and improving their overall economic situation through the continuation or establishment of an income generation project. The same can be said for the reinvestment of income. Whereas 56.1% of clients have been enabled to reinvest, 41.6% see no correlation between ASALA's loans and their ability to reinvest income in recent years.

Lastly, 68.7% of clients don't see themselves enabled through ASALA's services to lend money to relatives. Only 29% see such lending occur to some extent.

#### 4.6.2.3 Participation in Making Decisions on Social Matters within the Family

Overall, the majority of women (57.9%) have indicated some level of participation in decision-making on social issues in their family as indicated below. Nevertheless, 36.6% of women don't see any impact of ASALA's services on their decision-making power.

**Figure-11: Ability to Participate in Making Decisions Relating to Social Issues of the Family**



The study also looked at whether or not the enhancement of the client's financial situation has helped women take a stronger role in the enforcement of discipline in raising their children. 51% see a positive correlation and 32.6% see no impact. Some 16.4% don't think this question is applicable indicating the absence of children or previous involvement in disciplining their children.

In terms of decision-making regarding the education of their children, clients found that their financial activities (loans and projects) have shown a positive impact (son's education: 42.3%; daughter's education: 37.3%). Though, some clients reported no on such decision-making (son's education: 32.8%; daughter's education: 33.6%). As for the remainder, clients did not consider the question relevant or applicable to their situation.

In respect to a woman's say regarding their children's marriage, similar patterns could be observed. The majority of client respondents do not think this question is applicable (sons: 38.9%; daughters: 39.4%). 28% of respondents have become more likely to participate in decisions relating to their sons' weddings and 27% relating to their daughters' weddings. However, about a third (Av: 33.3%) see no impact of loans and projects on their decision-making power regarding their children's marriage.

#### 4.6.2.4 Participation in Decisions Relating to Health Issues within the Family

Overall, clients seem to see positive change in decision-making regarding health issues in the family since they joined ASALA as illustrated below:

<b>Table (10): Changes in Decision-Making on Health Matters since ASALA loans</b>			
	<b>Ability to participate in decisions relating to health aspects of the family</b>	<b>Ability to contribute to paying for health services for my family</b>	<b>Ability to pay for my health care needs</b>
<b>Positive Impact</b>	72.2%	71.9%	69.1%
<b>No Impact</b>	27.9%	28.1%	30.9%

Married women were asked additional questions to explore their decision-making power on health-related matters. The above table provides important indicators regarding the improvement of clients' abilities to participate in decisions relating to health aspects of the family (72.2%), ability to contribute to paying for health services for family members (71.9%), and most importantly, reporting a positive impact on their ability to pay for their own health care needs (69.1%). This is also expected to positively impact women's status within the family structure.

Regarding their ability to pay for health services during pregnancy, 41.6% observed a positive impact while 38% of clients have not seen any change due to the loan and the consequent change in status. This question was not applicable to 20.4% of client respondents indicating that they a) do not have any children yet, or b) have not been pregnant since they took out the loan

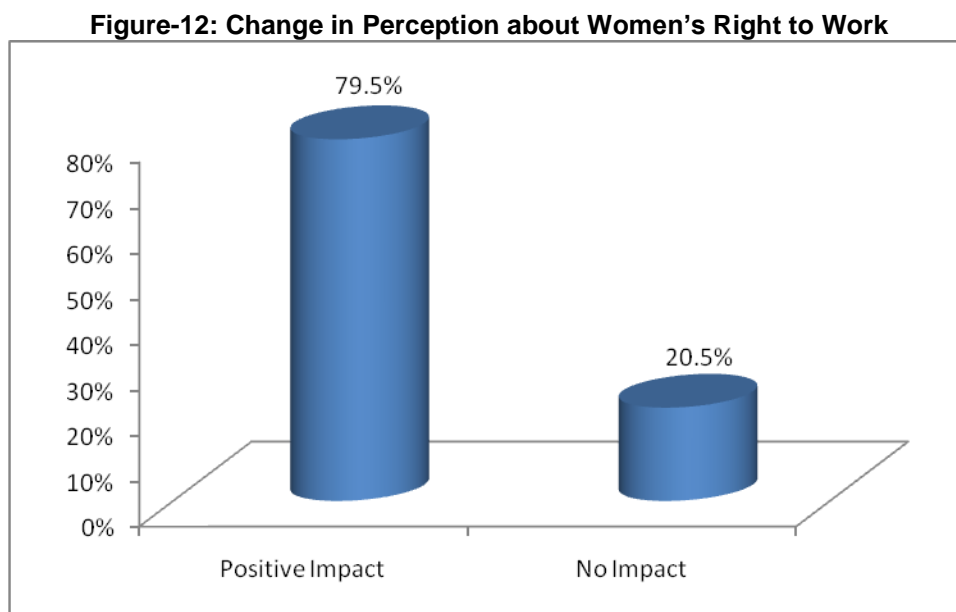
from ASALA. A question on client's ability to decide on birth control has seen very similar patterns.

Finally, 61.4% of clients don't see any correlation between ASALA's financial services or their projects and their ability to decide on making love to their husband. 30.3% of client respondents indicated some kind of change in their ability to decide on intimate matters.

#### 4.6.2.5 Self-Perception after Getting the Loan

When asked if any change in self-perception has occurred since the inception of the loan, 79% of client respondents claim to have witnessed positive change. Only a fifth (20.7%) indicated that the loan had no impact on their self-perception, indicating that their views regarding themselves have not changed because of the project, implying positive self-perception prior to ASALA's support. Moreover, clients seem to start seeing themselves more and more of an important economic support to their families as 71.5% indicated to have observed improved support for their families. The remainder (28.5%) has not observed any impact.

Similar patterns could be observed as women started to see themselves as important references since the inception of the loan. This is expected to further enhance women's decision-making abilities as per the previous discussion. The survey also explored the extent to which women changed their mindsets, which is illustrated below:



The perception of the importance of education of daughters has taken priority for many clients since the start of the loan/project according to (70.8%) of clients. A fifth of client respondents (20.9%) stated no change in their views while 8.3% answered with "not applicable", indicating the absence of children/daughters. The positive change in perception is expected to increase women's ability to influence future decisions regarding their daughters' education; as previously discussed.

Lastly, clients also indicated positive change in the attitudes and opinions of family members. The majority of clients found a positive change in the views of their family as a whole (71%) and male relatives, such as husbands, fathers, and brothers (67.7%).

#### 4.6.2.6 Domestic Violence

The survey also explored questions on domestic violence:

- I am subject to verbal violence within my family;
- I suffer from psychological abuse within my family;
- I am subject to physical violence within my family; and
- I am subject to sexual violence within my family.

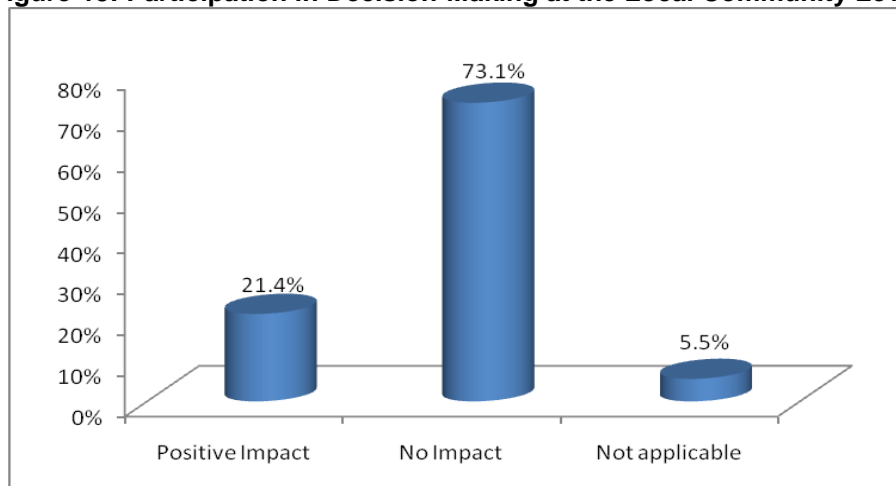
The majority of women (Av: 71%) found the questions not applicable. Another 20.4% (average) found no impact of ASALA loans on domestic violence. It should be noted that the above questions are very sensitive in Palestinian society and this may help to explain the trend to state that the question is irrelevant to their situation. Domestic violence is not a matter to be discussed openly or shared with anyone.

#### 4.6.3 Social Impact – Community Level

##### 4.6.3.1 Local Participation

When asked regarding their participation on the community level, 73.1% of women have not seen any change in their participation in community decision-making since they started their work with ASALA. In comparison, 21.4% have seen a positive impact and improvement in their participation on the community level ever since.

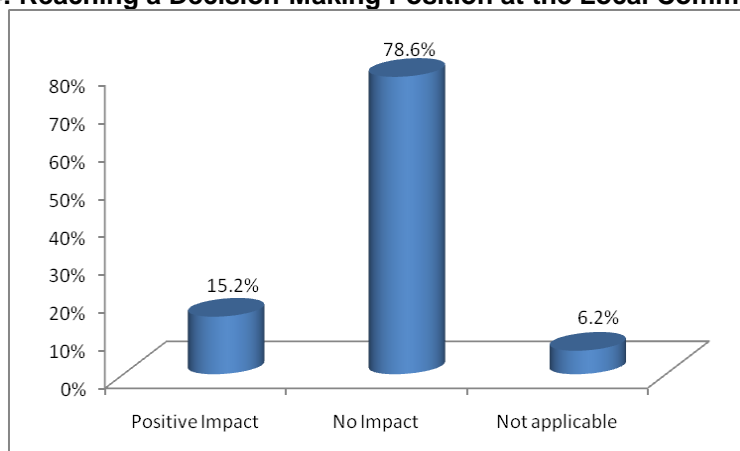
**Figure-13: Participation in Decision-Making at the Local Community Level**



When asked about joining local workshops and awareness-raising lectures regarding “women and the community”, 41.3% of women found that they became more likely to attend such

events. 55.9% of clients did not attribute any impact to the loan and their projects on the respective matter. Similarly, joining local women societies, forums or associations has been described as more likely by 25.8% of clients since the inception/continuation of the project and the consequent improvement of their social status. Nevertheless, the majority (69.6%) do not consider loans to have had any impact. Lastly, women were asked if they have reached a decision-making position in their communities as depicted below:

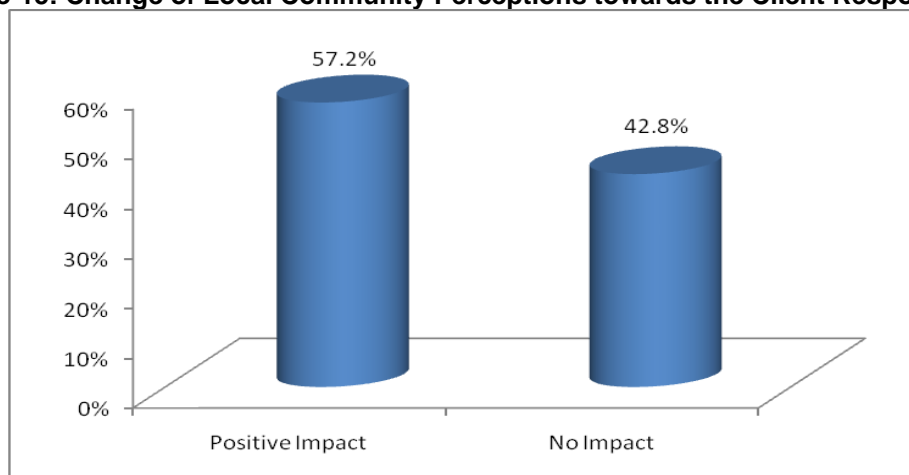
**Figure-14: Reaching a Decision-Making Position at the Local Community Level**



#### 4.6.3.2 Perception of Local Community

As the below chart depicts, client respondents believe that community perceptions have become more positive towards them.

**Figure-15: Change of Local Community Perceptions towards the Client Respondents**



Clients have also indicated that their projects and economic participation have made them more likely to become role models for other women in their community (59.3%). 40.7% indicated to have not observed any impact of ASALA's financial services on their role as role models.

The above analysis of responses regarding the community has shown that the majority of women believe that their social status and stand in their community has improved. Nevertheless, many women indicated that they don't see any correlation between their level of participation and the financial services received by ASALA/their projects. This can be explained by the following:

- a) The status of women has improved, which in itself is an achievement. However, one project is not going to change the inherent traditional and hierarchical structure of Palestinian society. Consequently, even if more opportunities for participation arise, women might not consider it appropriate to engage further in community activities.
- b) Women, because they have started their own business, often times have to deal with increased attention from their communities and families. In turn, women might be inclined to avoid attracting even more attention to themselves and their families and thus decide not to engage in decision-making efforts or forums.
- c) Even if the social status of women has improved and opportunities for participation have increased due to their projects, dual responsibilities, namely that of work and home, will leave very little time to actively participate in community organizations or forums.

#### 4.6.4 Impact of Loan on Personal Development

As the below chart illustrates, recent empowerment of women (economically and socially) has driven women towards wanting to further develop themselves by taking additional skill development training. In light of this finding, ASALA should support women, through information sessions and pamphlets, to get a better understanding of the services offered through Irada (please see Section 5).

**Table (11): Aspiration for Personal Development**

	Positive Impact	No Impact	Not Applicable
Wanting to develop oneself (training courses to develop my skills in marketing, financial management, communication with customers)	44.6%	52.2%	3.2%
Continue secondary education	14.5%	42.0%	43.4%
Continue university education	15.3%	32.4%	52.3%

The above observation was further supported by focus group discussions with clients, revealing the need for non-financial support. Skills development has been identified priority to further strengthen their business operations.

- ❖ Business development services and marketing;
  - Business idea development



- Business plan development
- Feasibility studies
- ❖ Project management;
- ❖ Book keeping;
- ❖ Budgeting;
- ❖ Marketing;
  - Local and regional markets
  - Networking
  - Advertising methods
  - Participation in local and regional exhibitions
  - Start ASALA's own local exhibitions for clients
  - Identify locations that women can use (for free or against small fee) to market products. This could include chamber of commerce, hotels, restaurants, etc.
- ❖ Networking;
  - Connect clients
  - Provide role models/success stories in different regions
  - Organize mentoring sessions with role models/success stories
  - Encourage clients to cluster activities to avoid overlap (encourage cooperation)
- ❖ Information on services;
  - Provide regular updates (electronically or mail)
  - Provide annual or biannual meeting for clients in each governorate to receive updates on new services
- ❖ Need for loans to expand in scope
  - Construction, health care, education, etc.

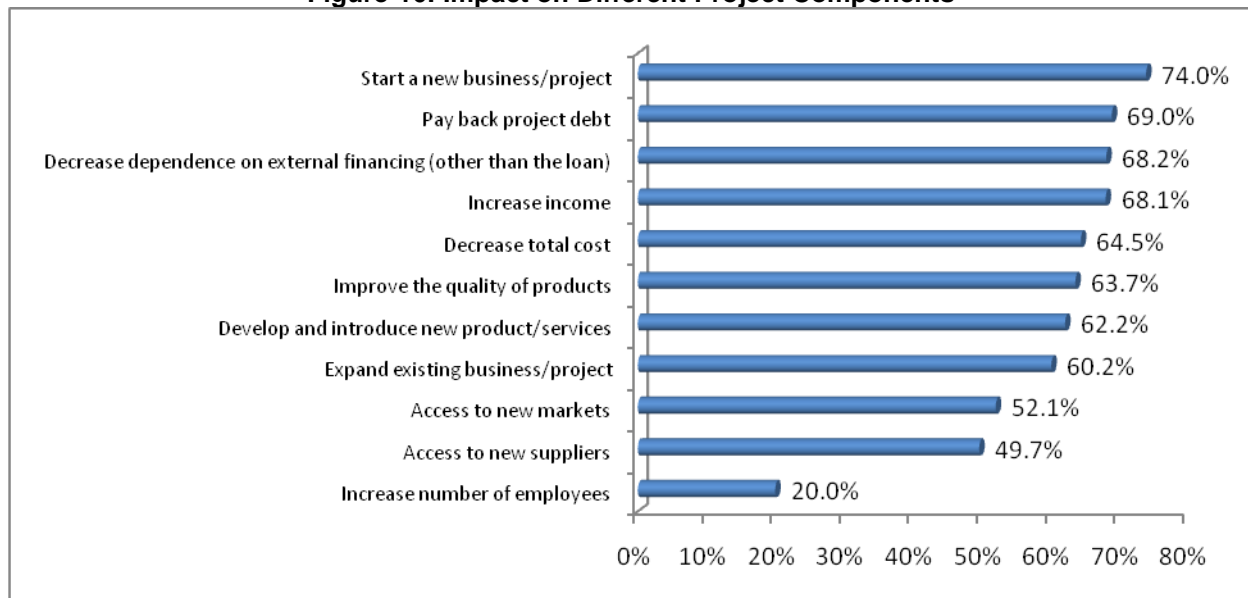
Furthermore, as depicted in the above table, the continuation of secondary and university education seems not as likely an option for women as taking advantage of training opportunities. Many women have realized that such levels of education are not a prerequisite for

them to successfully implement their projects and thus the need to proceed with higher education has not become a priority.

#### 4.6.5 Impact of Loan on Project

The survey depicts that ASALA's loans have benefited clients the most in starting a new business or project (positive impact: 74%). ASALA's contribution has also enabled women to pay back project debt (69%), decrease dependency on other financial support (68.2%), increase income (68.1%), and decrease total project cost (64.5%).

**Figure-16: Impact on Different Project Components**



Notably, the loans has the least contributed to increasing the number of employees, often times not a priority for women. 50.9% of clients stated that the loan has no impact on the number of employees while 29.1% of women indicated that the question was irrelevant, implying that their project remains family business only or women never even considered hiring external help.

#### 4.7 Negative Side Effects of Loans

While the survey very well showed the positive impact ASALA's financial services have on clients, focus group discussions also shed light on some of the negative side effects that loans have had on some clients.

**Anxiety of repayments:** Some clients from Bethlehem expressed concern that since the inception of the loan, they have become more anxious. Life centers more on repayments and the fear of not being able to repay than on the fact that their overall situation has improved.

**Jealousy:** Other women stated that they have been faced with jealousy and anger from community members and friends after receiving their loans. Sometimes even guarantors started to demand a piece of the pie (profit) even though that had never been agreed upon.

**Outfall of installment:** Some clients also indicated that the inability to repay installments sometimes causes intra-family arguments. Family members turn against women if the loan does not turn out too successful.

## 5. Conclusions and Recommendations – Financial Services

### 5.1 Conclusions regarding ASALA's Financial Services

- *Why ASALA:* Most clients chose ASALA because of its good reputation (92.1%) and the organization's expertise in providing microfinance to women (68.5%). The motivation behind joining ASALA was predominantly attributed to overall living conditions (91.3%). 78.2% of clients indicated economic hardship as the main driver, whereas 74.6% found ASALA's financial services crucial in helping them establish their own business. Improving skills (30.7%) and increasing one's independence (33.7%) have been labeled less important among respondents.
- *Non-financial services:* Only 8.2% of ASALA clients have also taken advantage of non-financial services, in the form of training and capacity building by Irada, a project (2008-2010) focusing on the skill development of women, targeting women not currently engaged in ASALA's financial services. 22.3% of active clients indicated that they would like to attend training courses and improve their skills in the future. This rather low number could be explained by the fact that clients already receive a number of supportive services by ASALA. Clients receive one-on-one consultations prior to the start of the loan, can request additional guidance and coaching at any point throughout the life of the loan, and have also been provided with the option to receive additional project-specific consulting by an expert hired by ASALA for the sole purpose of supporting the growth and success of client projects. In contrast, focus group discussions with clients revealed great interest and motivation to engage in more technical support and capacity building efforts, including business development, project management, marketing, and other areas of learning.
- *Satisfaction:* 85.5% of clients expressed satisfaction with ASALA, its services, and staff.
  - ASALA-Client Relations: the organization's goal and mission is generally clear to clients (80.4%) and services respond to their needs (83.6%). Relations with staff have been praised with 80.9% of clients indicating that ASALA and its staff understand their needs very well. Follow-up has also been considered satisfactory (76.3%) as well. Marketing and the need to formulate and support alternative/unconventional ideas needs further work according to clients.

- Application Process: The application process for loans has been easy according to 84.1% of clients and plenty of opportunities to take advantage of such loans have been provided according to 75.6%.
  - Repayments: This section received lesser satisfaction. Many women believe that the repayment period should be extended or the amount of payments decreased to facilitate their business operations. Also the interest rate has been described as too high by the majority of client respondents. Focus group discussions have drawn similar conclusions as many clients would like to see changes in the repayment schedule and amounts.
- *Impact*: the impact of ASALA's financial services can be felt on very different levels. Personally, women have strengthened their social status, improved their decision-making abilities, and gained confidence. The family and community confidence and respect levels have also been positively impacted.
- Personal: Self-confidence (81.5%) and self-security and morale (79%) have seen improvement in the majority of clients since the inception of their loan/project. 67.2% of clients reported improvement in their dealings with men. Also, 76.5% of women indicated that they engage more actively in decision-making.
  - Family:
    - **Traditional gender roles** at home have only marginally changed for women. While more than a third of respondents indicating that male members are increasingly helping with cleaning and washing (38%) and cooking (33.6%), the majority of women have not seen any change in the behavior of male family members (cleaning: 58.1% and cooking: 62%)
    - **Mobility** has been positively impacted according to 44.3% of clients who have reported that since the loan, and the establishment or continuation of their projects, they have become more likely to move freely, but should inform male family members. 52.2% of clients did not witness any impact (either an increase or a decrease in likelihood to leave the house).
    - Clients found a positive impact of ASALA loans on their **ability to make financial decisions within the family**. Also, taking advantage of loans has also enabled women to support the education of their children more. It should be noted that clients have indicated that loans/projects have not had much impact on supporting the purchase of new assets, including land, houses, cars, and furniture. This can be explained by the fact that initial investment (renovations, raw material, etc) will go into the expansion or establishment of a project. Once running, activities will generate additional income for women, which in turn will be most likely spent on a) necessary family needs, and b) repayment of loan

installments. At the outset of the project or the investment into expansion, the increase of income will not likely cover expenditure such as purchasing new cars, land, or houses, but rather on covering basic needs and repaying debts and installments.

- Whereas the majority of women find a positive impact (57.9%) on their **decision-making on social matters concerning the family**, 36.6% don't see any impact. Decision-making on children's education and marriages have seen positive change as a result of loans received.
- **Decision-making on health-related matters** have seen a very positive impact (72.2%).
- Change of mindset: 79% of clients believe that the loans have greatly changed their perceptions on women's rights to work. Also, the importance of education of daughters has taken priority for many clients since the start of the loan (70.8%).
- Community: 73.1% of women have not seen any change in their participation since starting their work with ASALA. This is in line with the fact that clients found little impact on their behavior to join local workshops and awareness raising lectures regarding "women and the community". Notably, 57.2% of clients believe that community perceptions have become more positive towards them after they received their loans and, to some extent, they have established themselves as role-models within their communities for other women.
- Personal Development: The majority of women (44.6%) indicated the desire to further develop themselves and their skills set since their projects and loans have started.
- Impact on Project: ASALA's loans have benefited clients the most in starting a new business or project (positive impact: 74%). ASALA's contribution has also enabled women to pay back project debt (69%), decrease dependency on other financial support (68.2%), increase income (68.1%) and decrease total project costs (64.5%).
- *Client Needs*: Clients have expressed a variety of needs, which are related to both financial and non-financial services.
  - Capacity development has been highlighted. Business development, project management, and marketing rank highest among the many capacity building needs that clients have expressed. Marketing seems of particular importance to clients, as they would like to see better access to and focus on local and regional resources, including training and exhibitions.
  - Networking has also been emphasized. Clients have expressed the desire to be connected with other clients in the same regions and to maybe even cluster

activities together. Also success stories could be shared through mentoring and information sessions.

- Regular updates on new services, both financial and non-financial, should be given to clients and trainees.

## **5.2 General Recommendations**

- ✓ Ensure linkage between financial and non-financial services
  - Provide information session to clients and trainees on opportunities and latest services.
  - Connect clients and trainees for information exchange.

## **5.3 Financial services-specific Recommendations on Financial Services:**

- ✓ Guarantors;
  - Consider, on case-by-case basis, rewarding clients with a good record of repaying monthly installments during their first loan cycle, to eliminate the pre-requisite of providing a guarantor.
  - Re-enact guarantor clause if client fails to repay.
- ✓ Repayment Schedule
  - Consider option of extending repayment schedules on a case-by-case basis.
  - Exceptions could be made for women facing emergencies or currently having to support their children's higher education.
- ✓ Type of loans
  - Consider, but only in line with a substantial expansion of ASALA and its offices, to provide a larger range of loans. New fields could include land rehabilitation that will then be used for a project. However, it is not advisable to expand to fields that look at personal profit, such as the construction of a house. Only fields that support the creation or expansion of a project and thus have an income-generation and job-creation incentive should be considered.
  - In cooperation with donors the principle of grant leveraging could be explored. The financial assistance will be distributed as a loan, but in case of project failure (after being monitored and evaluated), the loan could be transformed into a grant to avoid the indebtedness of clients. This kind of financing mechanism can only be provided under strict supervision and with clients where it is clear that this mechanism will not be exploited.
- ✓ Size and frequency of loans;

- Depending on the project idea, perhaps the initial, first-cycle loan could be larger for certain clients. However, a larger loan should be linked with stricter requirements, such as a more thorough feasibility study, and a 5-year development plan.
  - Depending on the project, the pace at which it expands, and the success, ASALA could consider providing additional funds to certain projects, if additional funds will allow the project to expand and have a sustainable economic effect.
- ✓ Marketing
- Provide more marketing support.
  - Need for ASALA to facilitate the participation of clients in local (such as the bazaar in Ramallah example) and regional exhibitions on regular bases.

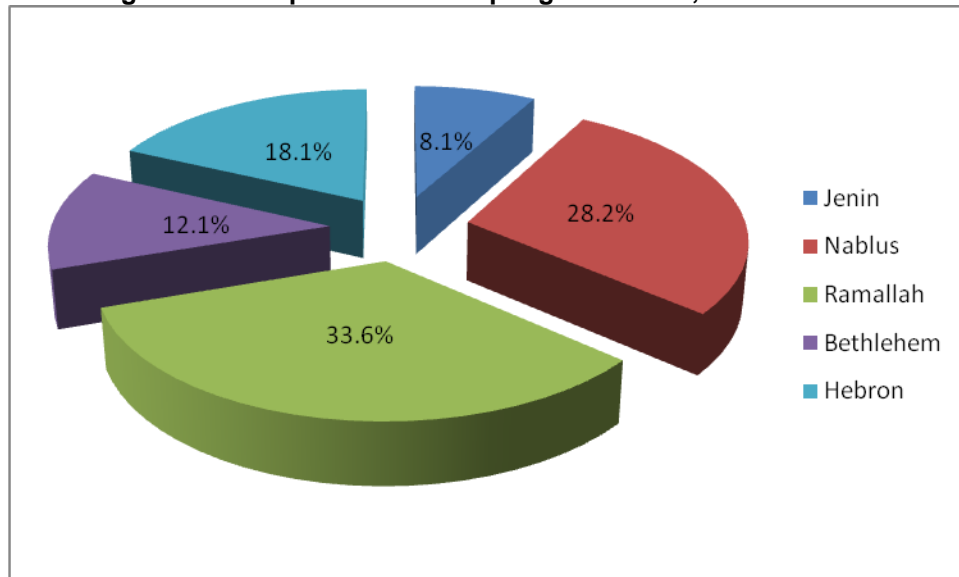
## Section II – Non-Financial Services

## **6. Findings – Non Financial Services (Irada Project)**

### **6.1 Background on the Surveyed**

A sample of 149 trainees was surveyed for this section. The sample was distributed across the same five West Bank governorates of Jenin, Nablus, Ramallah, Bethlehem, and Hebron.

**Figure-17: Sample distribution per governorate, Irada trainees**

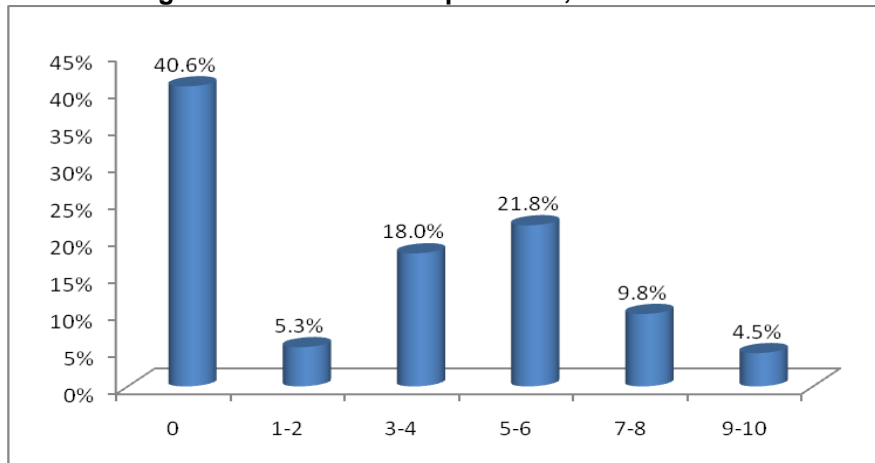


The majority of surveyed trainees come from Palestinian villages (69.1%), whereas 22.8% live in major cities. Only 8.1% live in refugee camps.

More than three quarters (77.6%) are currently married, 19.6% are single, while the rest are either widowed (2.1%) or divorced (0.7%). Moreover, as the below chart depicts, the majority of surveyed (40.6%) do not have any dependents while 18% have between 3-4 and 21.8% between 5-6 dependents.



**Figure-18: Number of Dependents, Irada Trainees**

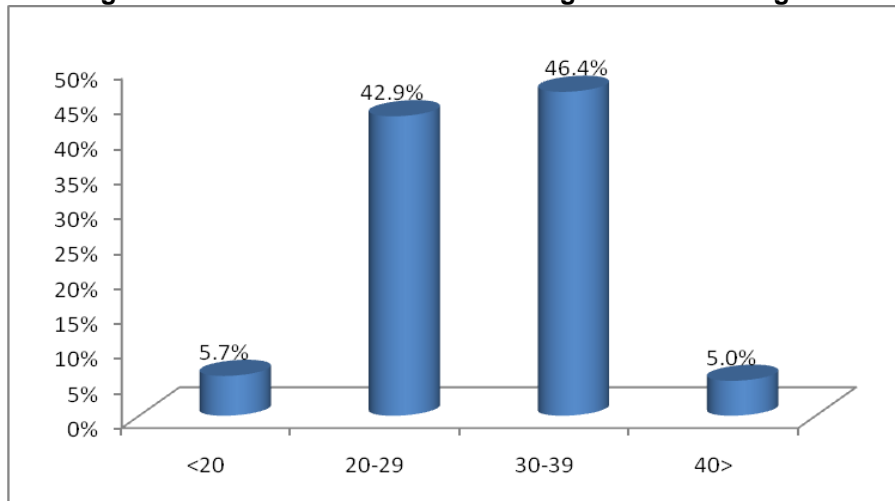


Notably, more than half of surveyed trainees (56.5%) are currently unemployed, followed by 31.3% who are self-employed. Those remaining are part time (6.8%) or full time employees (4.1%), or unpaid family workers (1.4%).

## 6.2 Services

Almost all surveyed women (99.3%) have taken advantage of training with Irada. Only 0.7% engaged in counseling services. As for the number of hours of training taken advantage of, trainees indicated that between 20-40 hours is most common among trainees.

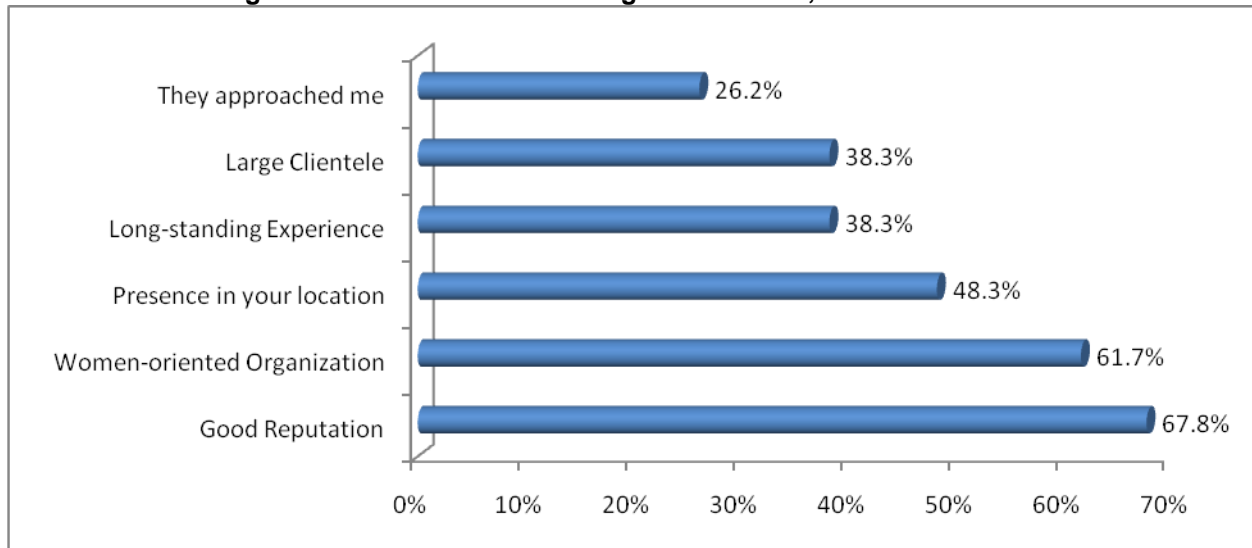
**Figure-19: Number of Hours of Training Taken Advantage of**



## 6.3 Why ASALA (Irada project)?

The survey explored the different reasons for why women chose ASALA/Irada services over other services currently available in the market. As illustrated below, most women decided in favor of ASALA/Irada because of its good reputation in providing microfinance services to women (67.8%), and the fact that it is a women-oriented organization (61.7%). Women also found ASALA/Irada's presence in their governorate (location) a reason to choose ASALA/Irada.

**Figure-20: Reasons for choosing ASALA/Irada, for Irada trainees**



- ❖ **Governorate:** The fact that ASALA/Irada is a women-oriented organization seems most important to women respondents from Jenin (91.7%) and Nablus (81%) in comparison to other governorates (Average: 50.5%). ASALA/Irada's presence in respective governorates mattered most to women from Jenin (91.7%), Ramallah (60%), and Nablus (54.8%). Women in Jenin (83.3%) and Ramallah (50%) stated that being approached by ASALA/Irada contributed to them choosing ASALA/Irada over other organizations. In contrast women from Nablus (9.5%), Bethlehem (0%), and Hebron (0%) have not been approached by ASALA/Irada in the past. This indicates that ASALA/Irada staff are most active and successful in reaching out to women in Jenin and Ramallah, which could be explained by the strong representation ASALA has in these two locations. Lastly, cross tabulations underline that trainees from Hebron found ASALA/Irada's reputation (92.6%), experience (81.5%), and large clientele (96.3%) of least importance when choosing ASALA's service in comparison to other locations.
- ❖ **Type of Locality:** A general observation can be made, namely that all of the above factors seem to be more relevant to women residing in refugee camps. ASALA/Irada being a women-oriented organization seems more important to women from cities (79.4%) and refugee camps (66.7%) than women living in villages (55.3%). Notably, more women living in rural areas indicated to have been approached by Irada (33%) [in contrast to urban areas: 11.8% and refugee camps: 8.3%] which indicates ASALA/Irada's emphasis on women living in less fortunate conditions.
- ❖ **Employment Status:** Full time employees indicated to be more interested in ASALA/Irada's reputation (83.3%) and experience (66.7%). Notably, while unpaid family workers seem most interested in ASALA/Irada's orientation towards women (100%); a large clientele (100%) and presence in their location (100%) did not matter to them at all (0%).

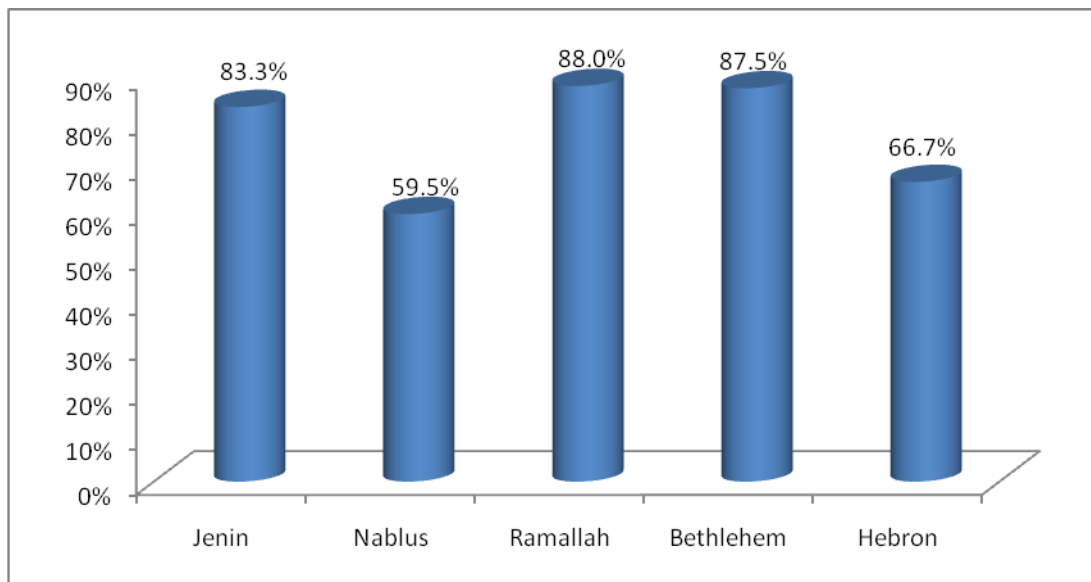
Women also showed to have different motivations behind taking on training with Irada. Most trainees indicated that acquiring new skills (83.2%) and improving their current set of skills (79.2%) have been the main reasons for engaging in training courses. According to the project design the Irada project was targeting non clients mainly between 2008 and 2010. This can explain the high percentage of demand on acquiring and improving skills compared to clients who usually start with better skills sets. The establishment of an income generating project has also been a driver for some trainee respondents (41.6%). Improving business development and increasing the chance to find employment have been identified as lesser important by 30.2% and 30.2% respectively.

When run by location, it can be observed that trainee respondents from Hebron seem the least interested in any of the above indicated reasons for joining Irada for non-financial services. This can be explained with the fact that Hebron office is the most recent to operate which was started in 2008. Women from Jenin and Nablus are particularly interested in improving their current skills (average: 94.7%) and acquiring new ones (average: 100%). Women from Jenin also underlined “improving business development” (75%) and “increased chances at employment” (83.3%) as motivations behind applying for training support from Irada [far above answers from respondents living in other governorates]. As per locality, it can be observed that women from refugee camps are more interested in improving current skills and obtaining new sets of skills.

#### **6.4 Relevance of Training:**

Whether or not ASALA makes its non-financial services respond to the needs of trainees has been explored in the survey. The majority of women, namely (74.5%) found that Irada did ask them about their development goals and priorities before they joined actual training. This shows that Irada takes time and efforts to tailor make its interventions to meet the many, different needs of women in respect to capacity development. Per location, it can be observed that fewer women from Nablus (59.5%) and Hebron (66.7%) find their needs incorporated in training.

**Figure-21: Extent to which Irada Assesses Needs and Priorities Prior to Training (Yes), per governorate**

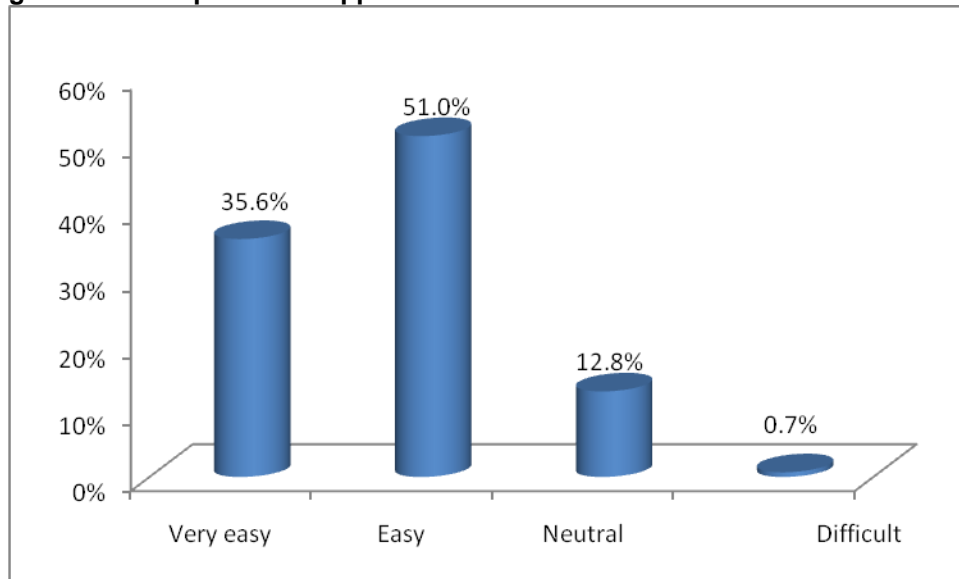


### 6.5 Application Process:

In cooperation with community-based organizations (CBOs), women organizations, chambers of commerce, and other interested bodies, ASALA and Irada hold public awareness-raising sessions. With a loan officer (ASALA) and trainer (Irada) present, these sessions provide for a thorough introduction to available services. As part of the application process, interested women then fill out questionnaires that assess their needs and priorities as underlined by participants of the workshop in Ramallah. Irada selects women from a wide range of backgrounds and of different age, location, level of education, and sector of work. Two factors seem most critical in respect to selection for training; first, 60% of all attendees per training course should already have established their own project. Second, candidates without a running project should have the intention or motivation to open their own project in the foreseeable future. Based on the application of women, women are then categorized by sector, allowing for greater attention to specific needs.

As depicted below, the majority of trainees perceived the application process as easy.

**Figure-22: Perceptions on Application Process for Irada Non-Financial Services**



## **6.6 Quality of Training Delivery**

The survey also assessed the quality of the training provided to trainees. Women have indicated great satisfaction with training delivery and trainers conducting the courses. 97.3% found trainers to be qualified and effective in teaching the different training material and subjects. 95.3% found that trainers used real-life examples to bridge theory with the realities on the ground. Similarly a great majority of women (94%) found trainers to encourage the active participation of all participants during the training. Lastly, almost all trainees (95.3%) indicated the availability of trainers even after training hours for questions and advice.

Again, trainee respondents from Hebron were more likely to express neutrality towards the quality of training delivery with an average of 18.5%. This can again be related to the fact that Hebron's office is recently established and Irada project provided training in Hebron office only in 2010, which is less than a year. Thus, the respondent beneficiaries from Hebron did not yet accumulate knowledge of the project and did not yet fully benefit from its training services the way client respondents from other locations did.

## **6.7 Impact of Training**

The majority of women (66.6%) indicated that non-financial services have positively impacted their professional development.

When asked how the training supported their professional development, trainee respondents provided a variety of answers as illustrated below:

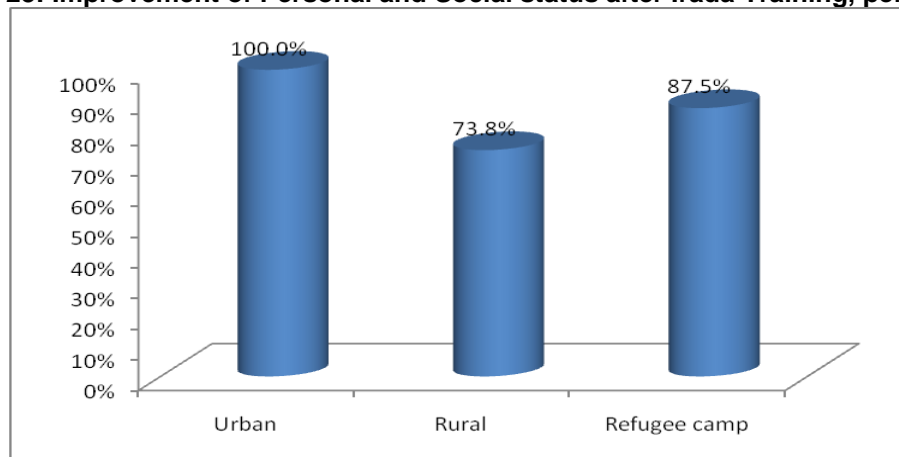
- Improved self confidence;
- Encouragement to start own project and activities;
- Profound understanding of business development;
- Better organizational and financial management skills;

- Good understanding of Marketing;
- Importance of networking; and
- Learned how to save money.

Even more so, trainees believe they have improved the quality of skills (80.5%) as a direct result of non-financial services offered by Irada. Overall working experience has also improved thanks to training courses (89.3%). Notably, when disaggregated per employment status, 16.7% of trainee respondents currently holding full time positions indicated that they disagreed, indicating that training did neither improve the quality of their skills nor improve their overall working performance.

Interestingly, 81% of trainee respondents have seen an improvement in their personal and social status since the completion of training. This can be attributed to the fact that women tend to gain more confidence and self-esteem, the more skills sets they have acquired. Per location, all women from Jenin (100%) and Bethlehem (100%) witnessed betterment in their personal and social status, followed by respondents from Nablus (85.7%) and Ramallah (85.7%). Per locality, it becomes apparent that women living in the cities saw more of an improvement in their personal status than women residing in refugee camps and villages as illustrated below. Interestingly, women without any education and women with college education definitely face better personal and social conditions now (100%) compared to an average of 76.3% of women holding primary, secondary, or vocational education.

**Figure-23: Improvement of Personal and Social status after Irada Training, per locality**



## 6.8 Impact on Projects<sup>7</sup>

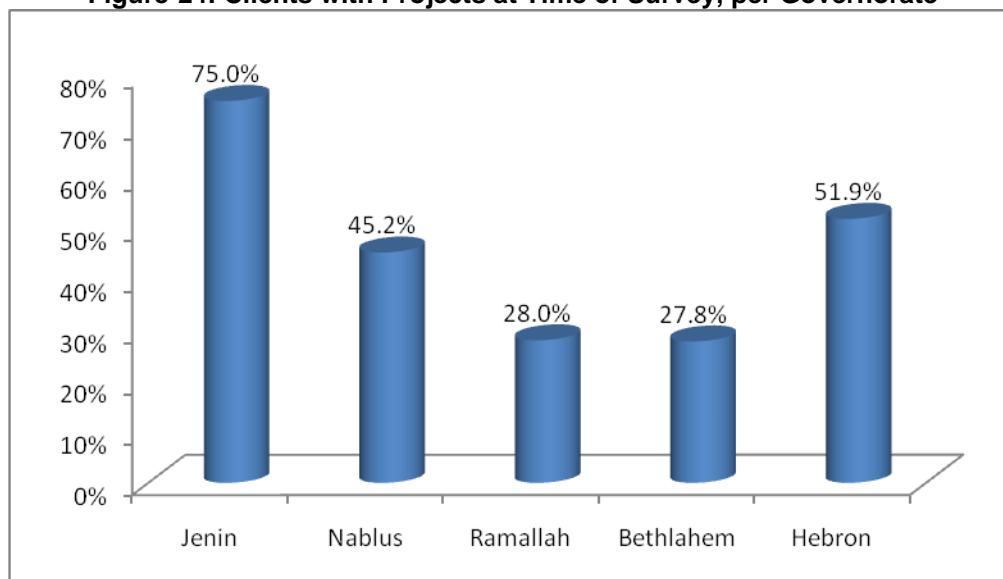
When assessing the impact of non-financial services on women, the survey explored if training has helped women establish projects since they have attended training courses. 40.9% of trainees have indicated to currently run their own project. Of those, 73.3% had their project prior to taking advantage of Irada's non-financial services whereas the remainder (26.7%) indicated

<sup>7</sup> This section focuses on those women who have indicated to have a project currently running.

to have established their project after receiving training and the necessary skills to successfully run their own projects.

When looking at West Bank governorates, it becomes clear that more women from Jenin (75%) and Hebron (51.9%) currently have projects. Interestingly, women from Nablus (88.9%), Hebron, (85.7%), and Ramallah (71.4%) had their projects prior to attending Irada's training whereas women from Jenin (44.4%) and Bethlehem (40%) established projects during and after taking advantage of capacity development.

**Figure-24: Clients with Projects at Time of Survey, per Governorate**



When looking at different educational levels, 100% of women without any education currently run a project. An average of 43.6% of women with primary and secondary education currently have operations while only an average of 28% of trainee respondents with college and vocational training run a business.

Moreover, women have been asked to choose what components of non-financial services that have helped them the most with their projects. 95.2% of women respondents marked project management as most important. Second most important to trainees was marketing as 51.8 indicated that marketing has helped them in their projects. Option three to trainees was the skill enhancement (57.4%) that training has provided them with, which they could easily use every day in their projects. The three different options mentioned above are as follows:

<b>Table (12): Ranking per Importance of Different Training Components/Subject for Running Project(s)<sup>8</sup></b>					
First Option		Second Option		Third Option	
Project Management	95.2%	Marketing	51.8%	Skill Enhancement	57.4%

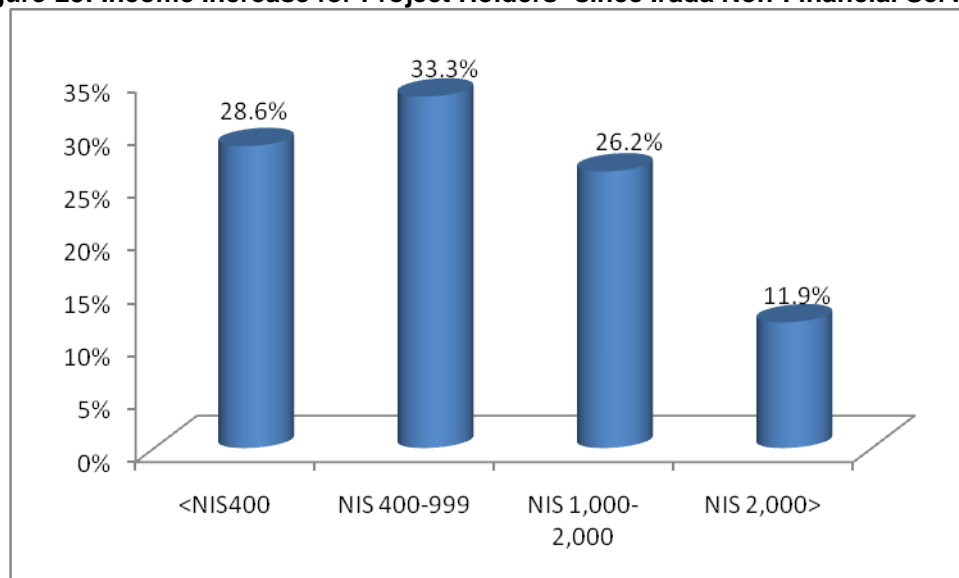
Also, the extent to which Irada's non-financial services have impacted projects directly has been explored. To the question whether or not training has helped increase the size of projects, more than three quarters (77%) of trainees stated to have been able to expand business operations. The following further profiles women who have witnessed an increase in business size as a result of training. Increases in project size were mostly observed by project owners in Bethlehem (100%) and Nablus (94.7%). Similarly, 73.8% of respondents currently running projects indicated that training has resulted in an overall increase in income. As indicated below, the majority of trainee respondents (61.9%) were able to increase income post training by up to NIS 999. Another quarter (26.2%) saw an increase between NIS 1,000 and 2,000.

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<sup>8</sup> Please note that these numbers should not add up to 100%. Women were asked to choose the three most important training components for their projects. Not all women chose project management as first option, but financial management or marketing.

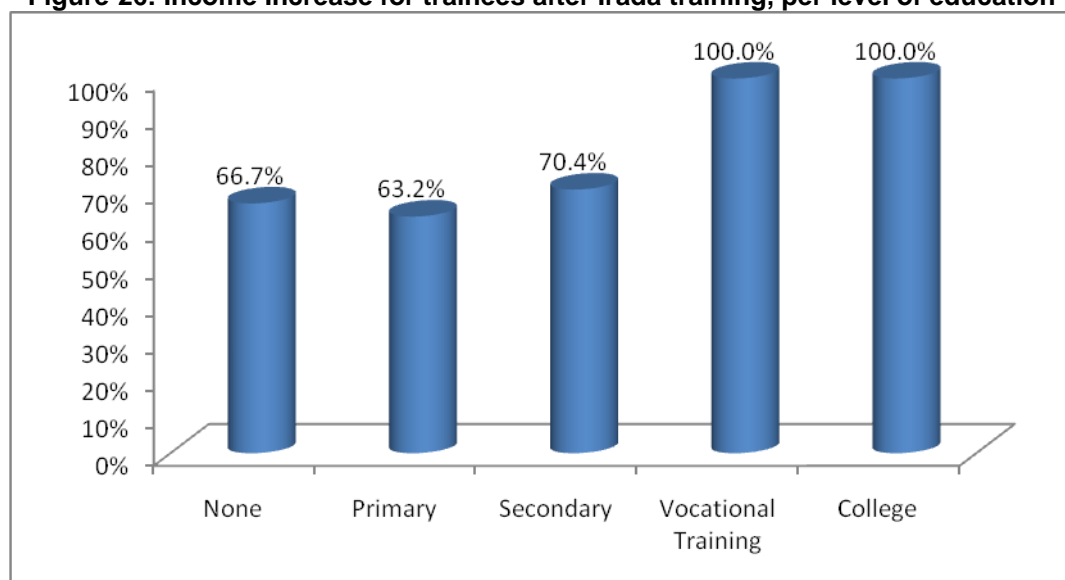


**Figure-25: Income Increase for Project Holders<sup>9</sup> since Irada Non-Financial Services**



Income increases were more notable among trainees from Nablus (94.7%), Bethlehem (80%), Hebron (78.6%), and Jenin (77.8%). Only 35.7% from Ramallah indicated to have witnessed an increase of income in their project since taking advantage of Irada's non-financial services. Also, increases were more prominent among urban (84.6%) and refugee (85.7%) women while in comparison rural women (68.3%) saw an increase in overall project income. Also of interest is that survey results have shown that the higher the education, the more likely income has increased as depicted below. Here it should be noted that all women leave training courses with the same set of skills regardless of their level of education. Nevertheless, the below might indicate that women with a higher level of education are more likely to apply the skills or knowledge acquired.

**Figure-26: Income Increase for trainees after Irada training, per level of education**



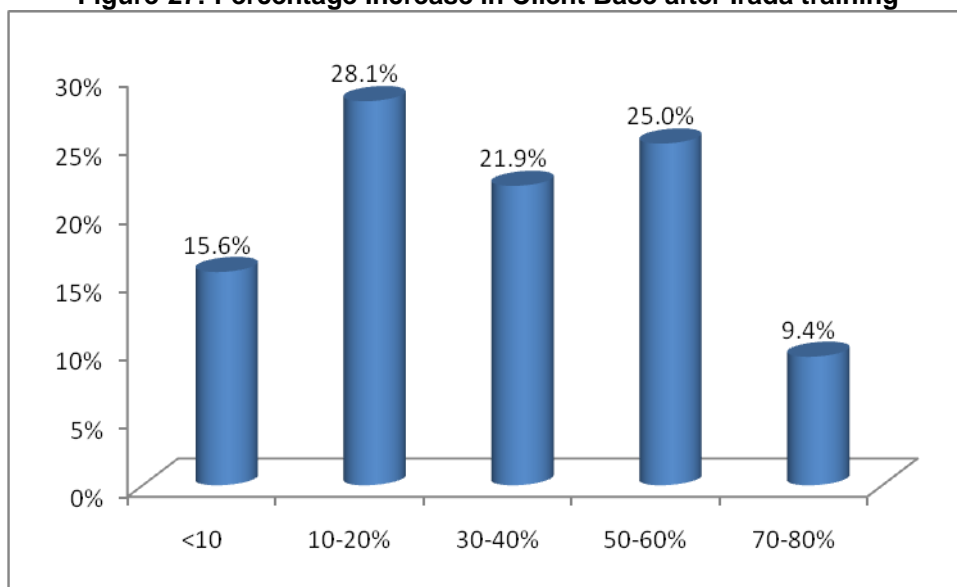
The above chart provides interesting results on the relationship between education and increasing income as a result of obtaining capacity building and training. When these results are compared with the previous section on the profile of women who are more likely to own a business, which was the illiterate or those with low educational levels; however, women with higher education seem to be more likely to maximize the benefit of capacity building and training

<sup>9</sup> This chart looks at those trainees holding a project, either before and after the training.

they receive which is positively reflected on their projects. This indicates that additional follow up and coaching for on-the-job application of the acquired skills is needed for women with lesser levels of education.

Much fewer women (23.3%), indicated to have hired new employees since having attended any training offered by Irada. Almost a third (30.8%) implied to have hired one new employee while another 30.8% was able to hire two additional workers. 15.4% actually employed three new helpers for their projects. Notably, non-financial services have also enabled 58.3% of trainee respondents to expand their client base. The below chart indicates that women were generally expanding their client base by between 10-60%.

**Figure-27: Percentage Increase in Client Base after Irada training**



Moreover, only 30% of respondents were able to expand their operations to new target markets. Most women were able to expand to between 2-3 new markets (33.3%) and 4-5 (22.2%) since the completion of their training.

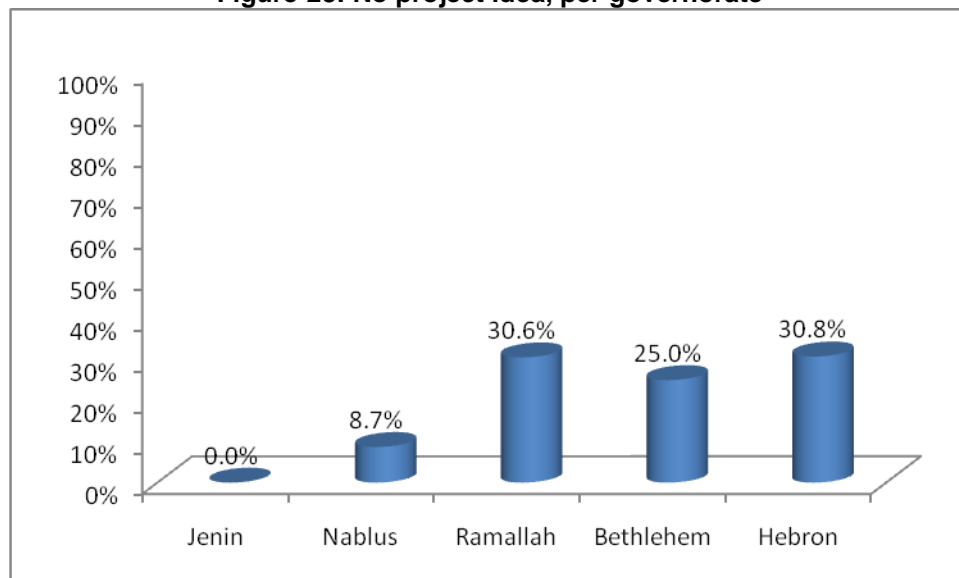
## 6.9 Reasons for not having established a project yet

Those women who do not currently own a project have been asked for reasons behind this decision. While the majority of women seem to have a project idea ready (73.9%) and believe to possess the necessary skills and qualifications (76.1%), women indicated the lack of finance (88.8%) to be a major obstacle. It should be noted that “lack of finance” does not relate to the unavailability of finance in Palestine, but more to the cultural assumption that microfinance is not an acceptable form of finance. Locally, people usually prefer to use own capital or savings to start a business instead of getting a loan.

Moreover, trainee respondents found that they do not have any suitable place available (60.9%) to use for project operations. Family difficulties (29.9%) and restricted movement (19.5%) have much less been considered an obstacle to owning their own business (in comparison to the previous).

- ❖ **Governorate:** Per location, several observations have been made. First, as depicted below almost a third of trainees from Ramallah (30.6%) and Hebron (30.8%) do not have any project idea.

**Figure-28: No project idea, per governorate**



Similarly, the lack of suitable and relevant skills are more likely the reason for not running a project among women from Hebron (76.9%), followed by Bethlehem (16.7%) and Ramallah (13.9%). This clearly shows the difference in capacity between the women who benefited from Irada's non-financial services in Ramallah and Bethlehem compared to Hebron which is the youngest office and women did not yet fully benefit from the training services. At this point, it should be noted that the "lack of skill" might have been understood in very broad terms by trainees. Irada offers two kinds of training to women. The first is business and management skills, which includes the business development, marketing, and financial side of a business. Second, Irada focuses on the enhancement of the already existing skill bases of trainees, meaning that women are for example provided with technical expertise training to enhance their production, quality of products, marketing strategies etc.

### **6.10 Suggestions for additional non-financial services**

The survey also explored any additional services that women trainees would like to see in the future to ensure even better professional development. Women indicated the following:

- Provide hands-on training, by helping women develop project ideas, business plans, and feasibility studies. It should be noted that this needs to be provided through separate non-financial services programs away from ASALA to avoid any built-in conflict of interest between conducting the feasibility study and giving the loan from the same institution;
- More focus on marketing skills and concepts, applicable to the local context;
- IT training, including excel, word, and the internet to enable women to better utilize modern technologies in starting up and running their projects;
- Networking skill courses; and
- Networking events, such as conferences, social clubs, etc.

## 6.11 Challenges

Qualitative research especially, has underlined some challenges as described in the following:

- ❖ Linkage between Irada and ASALA services: During the workshop several Irada trainees were somewhat unfamiliar with the details of financial services ASALA provided. As discussed above, the largest impediment to establishing their own project has been identified as “lack of finance”. Consequently, Irada training courses should include a) a short introduction on ASALA and its services, b) provision of information material to women on ASALA services, and c) provision of additional guidance and mentoring to women trainees that express interest in applying for an ASALA loan.

## 7. Conclusions and Recommendations – Non-Financial Services

## 7.1 Irada's Non-Financial Services

- *Why Irada:* Most women decided in favor of Irada because of ASALA's good reputation in providing microfinance services to women (67.8%)<sup>10</sup>, and the fact that ASALA is a women-oriented organization (61.7%). Women also had different motivations behind taking on training with ASALA/Irada project. Most trainees indicated that acquiring new skills (83.2%) and improving their current set of skills (79.2%) have been the main reason for engaging in training courses. The establishment of a project has also been a driver for some 41.6% of trainee respondents.
- *Relevance of Training:* 74.5% found that Irada did ask women about their development goals and priorities before they joined actual training.
- *Application Process:* the process has been perceived easy by most women (86.6%).
- *Quality of Training Deliver:* 97.3% found Irada trainers to be qualified and effective in teaching the different training material and subjects. 95.3% found that trainers used real-life examples to bridge theory with and realities on the ground. Similarly a great majority of women (94%) found trainers to encourage the active participation of all participants during the training. Lastly, almost all trainees (95.3%) indicated the availability of trainers even after training hours for questions and advice.
- *Impact of Training:* The majority of women (66.6%) indicated that non-financial services have positively impacted their professional development. Even more so, trainees believe they have improved the quality of their skills (80.5%) and overall working experience (89.3%). Also, 81% of trainee respondents have seen an improvement in their personal and social status since the completion of training.
- *Impact on Project:* 40.9% of trainees have indicated they currently run their own project. Of those, 73.3% had their project prior<sup>11</sup> to taking advantage of Irada's non-financial services whereas the remainder of 26.7% indicated they established their project after receiving training and the necessary skills to successfully run their own projects. Among the training provided, project management, financial management, and marketing rank highest among trainees.
  - Size of Project: Most women (77%), who run their own projects, have seen an increase of their operations since having attended Irada training.
  - Increase of income: 73.8% of respondents indicated that training has resulted in an overall increase in income.
  - Hiring of new employees: As much as 23.3% of women indicated to have hired new employees since having attended training offered by Irada.
  - New markets: Only 30% of respondents were able to expand their operations to new target markets.

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<sup>10</sup> It should be noted that ASALA has been in business for many years and consequently many women are familiar with the name "ASALA". This familiarity and ASALA's reputation does, however, not mean that women automatically also know details on the kind of services that ASALA provides.

<sup>11</sup> One of Irada's prerequisites per training course is that 60% of participants must already have a project running, which encourages sharing of experience and information between attendees.

- *Challenges:* the linkage between financial and non-financial services has not been clear to many trainee participants of focus groups.

## **7.2 General Recommendations**

- ✓ Ensure Linkage between financial and non-financial services
  - Provide information sessions to clients and trainees on opportunities and latest services.
  - Connect clients and trainees for information exchange.

## **7.3 Non-Financial services-specific Recommendations**

- ✓ Continue to provide training in fields of business development, project management, financing, budgeting;
  - New areas of training could include:
    - IT support (excel, Microsoft Word)
    - Internet
    - Networking skills
- ✓ Provide more training on marketing;
- ✓ Provide training and capacity building in specific fields (based on needs), such as bee-keeping, hairdressing, sheep-herding, etc to small groups of women;
- ✓ Provide hands-on training;
  - Ensure that training combines a conceptual and practical approach. This could be encouraged through field visits to experts and specialized organizations.
- ✓ Provide basic training course to all trainees, on business plan development;
  - Provide individual coaching for those women that have promising project ideas and have developed strong business plans during the course.
  - Focus especially on trainees from Ramallah and Hebron, as they have indicated to least likely have a project idea.
- ✓ Include success stories in training sessions to boost the self-confidence of trainees; and
- ✓ Provide additional information sessions and guidance to trainees from Hebron, as the survey depicted that women from Hebron have expressed more indifferent views on many of the above-asked questions. The need for additional investigation and observation for the Hebron office is recommended.