



للإستشارات التتموية و التسويقية
For Development & Marketing Consultancies

Listening to Clients: Impact Assessment of Asala's services in the West Bank and Gaza Strip

Survey report

Submitted to



Palestinian Business women's Association "Asala"

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Table of Contents

Executive Summary	06
Study Objectives And Methodology	12
I. Introduction	13
II. Methodology	13
III. Assessment Limitations	15
Survey Findings of the Active Clients in the West Bank	16
I. Socio Economic Profile of the Active Clients.....	17
A. Clients Demographic Profile.....	17
B. Characteristics of Clients' Househs.....	18
C. Househs' income and standards of living	19
II. Size & utilization of the Loans of the Active Clients.....	20
A. Size of the Loans	20
B. Usage of the Loans	21
III. Active Clients' Satisfaction of the Financial Services.....	22
A. Factors Influencing the Clients' Selection of ASALA	22
B. Satisfaction with ASALA's Financial Services	24
IV. REEWP Clients' Satisfaction in the West Bank	26
V. Impact Assessment of Asala Services on the Active Clients in WB	28
A. General Economic Indicators.....	28
B. Impact on Gender Empowerment	29
B.1 Economic Empowerment for Women.....	29
B.2. Socio-cultural empowerment	30
B.3. Familial / Interpersonal empowerment	31
B.4. Male Participation.....	32
B.5. Changes in Violence.....	32
B.6. Psychological empowerment.....	33
Survey Findings of the Active Clients in Gaza Strip	34
I. Socio Economic Profile of the Active Clients.....	35
A. Clients Demographic Profile.....	35
B. Characteristics of Clients' Househs.....	36
C. Househs' income and standards of living	37
II. Size & utilization of the Loans of the Active Clients.....	38
A. Size of the Loans	38
B. Usage of the Loans	39
III. Active Clients' Satisfaction of the Financial Services in Gaza	40
A. Factors Influencing the Clients' Selection of ASALA	40
B. Satisfaction with ASALA Financial Services	40
IV. ASALA Clients' Satisfaction of the Training Services in Gaza	42
V. Impact Assessment of Asala Services on the Active Clients in Gaza	43
A. General Economic Indicators.....	43
B. Gender Empowerment	44
B.1 Economic Empowerment for Women.....	45
B.2. Socio-cultural empowerment	46
B.3. Familial / Interpersonal empowerment	46
B.4. Male Participation.....	47
B.5. Changes in Violence.....	47
B.6. Psychological empowerment.....	48

Client Tracer Survey in West Bank and Gaza	50
I. Economic context & Size of Financial services.....	51
II. Size & utilization of the Loans of the Clients	52
A. Size of the Loans	52
B. Usage of the Loans	52
III. Status of the projects.....	52
A. Survival rates of the project	52
B. Reasons for Projects Closures	53
C Registration of the projects.....	54
IV. Growth of the Projects.....	55
Conclusions and Recommendations	58
I. Conclusions	59
II. Recommendations	60

List of Tables

Table 1:	Sample distribution by region	14
Table 2:	Age distribution of Clients' househ members in WB.....	18
Table 3:	Distribution of househs according to the number of employed househ members	19
Table 4:	Distribution of househs according to the number of unemployed househ members.....	19
Table 5:	Percentage distribution of Clients' househs with respect to their main source of income.....	20
Table 6:	Househ expenditure on food as a percentage of total househ expenditure	20
Table 7:	The value of the last loan used to start up/develop the project (in US\$).....	21
Table 8:	Usage of ASALA loans	21
Table 9:	Importance of Factors Influencing Clients' Selection of Asala	23
Table 10:	The strongest influencing factor on the Clients' Selection of Asala.....	23
Table 11:	Satisfaction of the Clients with ASALA staff	24
Table 12:	Clients' satisfaction with ASALA lending processes and procedures	25
Table 13:	benefits from the training.....	27
Table 14:	changes after the training	27
Table 15:	changes on the projects valuation	28
Table 16:	Decision makers regarding the loans.....	30
Table 17:	Findings on the socio-cultural empowerment	31
Table 18:	Impact on the family and personal levels	32
Table 19:	Impact with regard to Male participation.....	32
Table 20:	Impact with regard to Violence	33
Table 21:	Impact on the Psychological level	33
Table 22:	Age distribution of Clients' househ members in Gaza strip.....	36
Table 23:	Distribution of househs according to the number of employed househ members	37
Table 24:	Distribution of househs according to the number of unemployed househ members.....	37
Table 25:	Client househs monthly income, by income groups.....	37
Table 26:	Percentage distribution of Clients' househs with respect to their main source of income.....	38
Table 27:	Househ expenditure on food as a percentage of total househ expenditure	38
Table 28:	The value of the last loan used to start up/develop the project (in US\$).....	39
Table 29:	Usage of ASALA loans	39
Table 30:	The strongest influencing factor on the Clients' Selection of Asala.....	40
Table 31:	Satisfaction of the Clients with ASALA staff	41
Table 32:	Clients satisfaction with ASALA lending processes and procedures	41

Table 33:	Types of Training received by GAZA clients.....	42
Table 34:	benefits from the training.....	43
Table 35:	changes after the training	43
Table 36:	changes on the projects valuation	43
Table 37:	Decision makers regarding the loans.....	45
Table 38:	Findings on the socio-cultural empowerment	46
Table 39:	Impact on the family and personal levels	47
Table 40:	Impact on Male Participation	47
Table 41:	Impact on Domestic violence.....	48
Table 42:	Impact on the Psychological level	48
Table 43:	Number of Asala loans (2007-2012)	51
Table 44:	The value of the last loan used to start up/develop the project (in US\$).....	52
Table 45:	Usage of ASALA loans	52
Table 46:	Reasons for Closure of projects established with ASALA loans	54
Table 47:	Status of the projects' registration	54
Table 48:	Places of the projects' registration	54
Table 49:	changes on the projects valuation (in US\$)	55
Table 50:	changes on the projects valuation	55
Table 51:	Annual turnover from the projects established with ASALA loans	56

List of Figures

Figure 1:	Marital status of the Clients in WB.....	17
Figure 2:	Age distribution of the Clients in WB	17
Figure 3:	Level of education of beneficiaries in WB.....	18
Figure 4:	Size of Clients' households in WB.....	18
Figure 5:	Client households monthly income, by income groups.....	19
Figure 6:	Types of projects established with ASALA loans.....	22
Figure 7:	Percentage of the Clients Who Recommend ASALA to Others in Palestinian Territories.....	25
Figure 8:	Types of Training received by WB clients.....	26
Figure 9:	Assessment of the received training.....	27
Figure 10:	Needs for further training.....	28
Figure 11:	Annual turnover from the projects established with ASALA loans (in US\$).....	29
Figure 12:	Marital status of the Clients in Gaza.....	35
Figure 13:	Age distribution of the Clients in Gaza	35
Figure 14:	Level of education of beneficiaries in Gaza.....	36
Figure 15:	Size of Clients' households in Gaza.....	36
Figure 16:	Types of projects established with ASALA loans.....	39
Figure 17:	Assessment of the received training.....	42
Figure 18:	Annual turnover from the projects established with ASALA loans (in US\$).....	44
Figure 19:	DID THE PROJECT exist at the time of the survey.....	53
Figure 20:	DID THE PROJECT exist at the time of the.....	53

Executive Summary



Introduction

ASALA's management recognizes the importance of evaluating the long-term effectiveness of previous interventions in order to strengthen and improve its crediting modality. In this regard, ASALA works to obtain a comprehensive impact assessment of past clientele, with the goal of improving the organization's support for its targeted women entrepreneurs. With this goal in mind, ASALA commissioned Al-Markaz for Development and Marketing Consultancies (Al-Markaz) to conduct this impact assessment of its client base in West Bank and Gaza. The survey was implemented in October–November, 2012, and this report provides an analysis of its main findings, as well as recommendations drawn from Al-Markaz's analysis of conditions in the West Bank and Gaza.

The survey was designed with the purpose of providing ASALA with a demographic and socio-economic profile of their clients, extracting objective indicators of the impact of ASALA's services on clients' socio-economic condition and gender empowerment, as well as recording these women's satisfaction with ASALA's services. Given ASALA's need for representative data at the level of both active clients and non-active (former) clients; a representative sample for active clients and a sample of sample for former clients were drawn from the client database.

Findings of the Active Clients in the West Bank

Socio-economic profile: The beneficiaries' demographic and socioeconomic profiles indicate that most (82.8%) of the clients surveyed in West Bank were married, while 7.1% were either widowed or divorced and 10.2% were never married. With regard to age distribution the WB clients show that more than 61% of the clients were up to 40 years of age. The level of education of the surveyed women was generally comparable with the national levels. With regard to the characteristics of clients' households the survey findings shows that most of the clients in WB live in medium to larger households, as 73.2% of the households had more than 4 members, while only 6.2 are of less than 3 members. 33.8% of the clients' households members were less than 15 years of age. With respect to income levels, the findings show that more than two thirds of them had a monthly income up to NIS 3,500, the most common income sources were paid work (73.2%). Noticeably; about 12.4% of the households have the project established through ASALA's loan as the main source of income, whilst 44.8% of the households reported the project as a second source of income. Finally the findings relevant to standards of living show that 94 % of the clients' households spent more than 30% of their total expenditure on food, with two thirds of the households allocating more than 45% of their total expenditure on food, which suggests that many of the households are living in poor living conditions.

Loan Usage: The survey findings show that small loans (between \$1,001 and \$5,000) are the most common loan sizes for WB clients, while micro loans of less than \$ 1,000 have the lowest demand in the WB. The vast majority of the WB respondents have in fact invested the loans obtained from ASALA in starting up new businesses or developing existing projects (either their own or family businesses). The survey findings also look quite positive with regard to the surviving rate of the projects established/developed with ASALA's loans: overall and at the time of the data collection, 72.0% of the projects were still operating. Agricultural projects are the most common among the initiatives which were established and sustained with ASALA loans in the WB (comprising half of the total projects).

Clients Satisfaction: With regard to the factors that influence the clients to select ASALA "Speed of transactions" factor had the strongest influence on the decision of WB clients to select ASALA for borrowing. At the same time, the clients reported remarkably high levels of satisfaction (more than 94%) with all dimensions measuring the staff treatment to include courteousness, accessibility, and helpfulness of the employees. Similarly high satisfaction (93% and higher) was demonstrated in the areas pertaining to the ASALA branches' accessibility, clarity of loan conditions and repayment schedule, ease of loan attainment procedures, and manageability of the required collaterals. A relatively moderate level of satisfaction was reported by the respondents in areas such as the interest rate and the value of repayment installments and the staff's assistance in marketing and business management. Generally the overall level of the WB clients' satisfaction with ASALA was also quite high (89%),

Training Services: The training services were provided to the WB clients within the REEWP project launched in March 2009 with funding from the Canadian International Development Agency (CIDA). Overall, the training participants have evaluated all training aspects positively. The majority of women who were running their own project at the time when they attended the training, were able to apply the newly-acquired skills and enhance the project's operations. Additionally, many women reported that the training helped them in finding new jobs, starting a new business line, or establishing new business connections.

Impact assessment: The study findings provided strong evidence that ASALA succeeded in significantly contributing to the economic empowerment of impoverished Palestinian women: (i) the overwhelming majority of the women have invested all or a part of the loan into the establishment or development of income-generating projects; (ii) 72% of all projects established by the active WB clients are still in operation; (iii) 73% of all existing projects generate revenues; (iv) for 8.6% of the WB active clients' households, the income from the project established with the ASALA loan is the main source of the household's income; (v) for 33.9% of the WB households, the income from the project established with the ASALA loan is the second source of the household's income. Moreover, many WB clients reported that their experiences with ASALA have substantially increased their engagement in the decision-making process and overall business management including such male-predominant areas as financial and operations management. However, the greatest changes were noticed in the fields related to psychological and familial/interpersonal empowerment: 80% of all women reported that they became more self-confident, 79% started to feel 'safer', 69% of the women enhanced their decision-making ability and power and 59% indicated that they experienced a positive change in their status among their family members. Many WB women also started to feel better social appreciation due to their involvement in business and increased their participation in women centers/clubs and meetings following their engagement in ASALA. Finally, impact in the dimensions related to in-family violence was no so obvious: vast majority of the surveyed women reported 'no effect' or 'not applicable' for the violence variables, because they thought that they were not facing violence before or after the loan period.

Findings of the Active Clients in Gaza

Socio-economic profile: the survey findings in Gaza indicated that most of the beneficiaries of Asala are of relatively young ages; where (77.4%) of the clients were up to 40 years of age, while with respect to the marital status, the overwhelming majority (86%) of the clients were married, The level of education of the clients was generally close to the levels in the West Bank: 55.6% have less than a secondary education, including only 7.2% who have basic reading and writing skills or are illiterate. The percentage distribution of clients with respect to the household size shows that the clients' households size in Gaza are higher than in the West Bank, 75.8% of the households had more than 4 members, while only 4.1 are made up of less than 3 members. About 41.3% of the clients' households members in Gaza were less than 15 years. The survey shows more than three fourths (76.1%) of the clients' households in Gaza earned up to NIS 2,000, while only 3% of them had a monthly income of more than NIS 4,000, and the survey findings in Gaza show that the most common income sources were paid work (80%). The findings with respect to the standards of living show that a staggering 96.2% of these households spent more than 30% of their total expenditure on food. The findings reveal that the standard of living is worse than in the West Bank, as about 69% of the households allocate more than 45% of total expenditure on food.

Loan Usage: In contrast to the situations in West Bank, the majority of the loans in Gaza Strip clients were of micro size (up to \$1,000), while only minor percentages received loans of over \$2,000. Significant percentages of the respondents in Gaza have invested the loans obtained from ASALA in starting up new businesses or developing existing projects (either their own or family businesses), although many women have also used the loan for settling the household's debt or improving the household's living conditions. The latter fact is easily understandable taken into consideration the hardship faced by the Gazan population. Despite the overall economic chaos and depression in the Gaza Strip, the study findings show a 57% survival rate for the projects established/developed with ASALA's loans looks exceptionally positive. Notably, half of all Gazan projects run by ASALA clients are commercial projects.

Clients Satisfaction: Similar to the West Bank, the respondents in Gaza indicated "speed of transaction" as the most influential factor in their decision to choose ASALA for borrowing. The overwhelming majority of Gazan women felt highly satisfied with the service aspects related to the client treatment, clarity of the loan conditions and repayment schedules, ease of the lending procedures, and collaterals. The value of the repayment installments, interest rate, and staff's ability to assess the clients in product marketing and business management were assessed less positively comparing to other aspects of the ASALA services. Overall, the Gazan clients' satisfaction with their experience in dealing with ASALA was found to be quite high: 88.4% of all respondents reported overall satisfaction with ASALA.

Impact of training: In the Gaza Strip, ASALA clients were provided with training activities mainly in business subjects and subjects related to social issues. More than three fourths of respondents, who attended training participated in business-related training subjects, and 1.7% attended trainings in gender & social subjects. Overall, the training participants have positively evaluated the various training aspects. Notably, more than 94% of the trainees have reported positive changes in their ability to manage their business as a result of the training, while only 5.7% felt that they continued to run their projects in the same manner as before the training. Moreover, about three fourths of all women who attended the training launched a new businesses line.

Impact assessment: The study findings in Gaza show that, in general, ASALA loans have succeeded in increasing the clients' income and economic independence: (i) two thirds of the women that borrowed from ASALA have invested the whole or a part of the loan into the establishment or development of income-generating projects; (ii) 57% of all projects established by the active clients are still in operation; (iii) 73% of all existing projects generate revenues; (iv) for 18.4% of the active clients' households, the income from the project established with the ASALA loan is the main or second source of the household's income. Many Gazan women demonstrated effective involvement in the decision-making process, taking into consideration strong patriarchal traditions predominated in Gaza: for instance, 75% of Gaza clients have taken the decision to borrow from ASALA by themselves or after the consultation of a male relative and 42% are managing projects on their own. The impact of ASALA services on Gazan women in gender empowerment areas proved to be even more noticeable than in the WB. For instance, 85% of respondents confirmed a change in their status in the family, indicating that they felt more respected and appreciated by their family after beginning their financial venture. More than 76% of the women reported that after taking the loan, they had more freedom to purchase their own needs and that the loan enhanced their ability to secure necessary health services for household members. One-third of Gazan women have witnessed some increase in the male participation in housekeeping, looking after kids, and helping kids with schoolwork. Finally, about 14% of the Gazan respondents openly stated that they felt positive changes in aspects related to in-family violence, particularly regarding decrease in verbal, psychological, and physical violence.

Findings of the Former ASALA clients

The survey of former ASALA clients, i.e., clients who finished repayment of their loans, has gathered much useful information that allows for the analysis of historical trends and looking into long-term perspectives in ASALA lending services. Similar to the current situation, small loans (between \$1,001 and \$5,000) used to represent the most dominant loan sizes for clients who borrowed in earlier periods. The majority of the former clients (70%) used the loans to start or develop their own business, while less than one fifth used the loan to start or develop a family business. One of the most positive findings regarding ASALA non-active clients indicates that, after years, a high percentage of former clients' projects (39.4%) were still operating¹ at the time of the survey.

The survey findings also show a positive correlation between the projects' surviving rates and the size of the loan: larger loan amounts correlate directly to higher project's sustainability. More than 79% of the projects established with large ASALA loans (\$5,000 and more) are still functioning, while only 21.5% of the projects established with small loans (of \$500) are still functioning.

Historical data also allows for revealing the reasons for the projects failure. Thus, among those ASALA clients who failed to sustain their projects, accumulated debts, difficulties in acquiring the raw material, and inability to sell at profitable prices were the most often reported reasons for the projects' failure in the West Bank. In the Gaza Strip, the most frequently-reported reasons for the project's failure were difficulties in acquiring the raw materials and difficulties with working capital. Notably, a relatively low percentage of borrowers have attributed their projects' failure to their inability to pay the loan installment (11.4% in the WB and 4.7% in the GS).

Finally, the majority (71%) of the non-active clients reported that the current value of their projects is higher than the initial capital invested in these projects, which means that 71% of the projects launched with ASALA loans have added value to the national economy. About 10% of all projects appeared to maintain their value (their current value equals the starting capital); while about 18.8% of all projects are struggling (their current value is less than the starting capital). Evidently, the projects in West Bank are in a better position where 77% have gained in their capital, while in Gaza, the projects showed less optimistic results: about 30% of the Gaza projects are struggling, and about 18.6% of the projects merely cover their costs.

Study Recommendations

The present assessment study was concluded by recommendations drawn from the focus groups and case studies as developed by the study team based on analysis of quantitative and qualitative study data. Recommendations of women-participants in focus groups and case studies mainly revolved around further softening the loan terms, easing the lending procedures, and enhancing the technical assistance in marketing and business management. For instance, participants asked to decrease the interest rate, increase the grace period (it was even suggested that ASALA should allow postponing the repayment until the project starts to generate income),

¹ The management research shows even in advanced countries 80% of the newly established projects fail in the first years.

Women also recommended reducing the collateral requirements for the individual loans. Among the suggestions were to skip the condition of guarantors and instead use the existing projects as a loan guarantee (which would be very manageable in the case of trusted clients); others suggested to reduce the number of guarantors, where one guarantor is sufficient. The Gazan beneficiaries asked also to increase the loan size.

Among recommendations related to technical assistance, the most common were about conducting market screening studies and providing women with promising business ideas; offering technical and counseling support for failed projects to revive or rehabilitate them; and organizing regular open meetings between the beneficiaries to share experience and support each others. Women also think that ASALA can make agreements with big companies/establishments to buy the women's projects; publicize the women projects; and help the women in networking with other organizations that may support women products and women participation in local and regional fair-trades.

Notably, some participants in the focus groups have recommended services / activities which are being factually offered by ASALA, for instance, loans for housing and educational purposes and the provision of specialized trainings according to the type of the projects, i.e. to provide training in food processing for food projects. This fact might hint that information about ASALA's services are not yet clear to everyone..

In addition to the above clients' recommendations, however, the survey findings have convinced the assessment team that in order to maintain ASALA's achievements as reported here, future support could consider further enhancing the targeting activities as well as technical assistance interventions. Note: In the Arabic version , the survey is missing the bullet points

For instance, for encouraging underprivileged women to start their own income-generating projects, ASALA can establish partnership/cooperation relations with girls' vocational schools, training centers and community colleges and promote women entrepreneurship and ASALA services through these channels. It would be also fruitful to organize orientation workshops in women centers and women associations located in villages. Presentations about ASALA services can be integrated into the training activities targeting existing and potential entrepreneurs, conducted by various local NGOs.

The technical assistance to women entrepreneurs should primarily focus on supporting sustainability of projects established with ASALA loans. In addition to measures already employed by the ASALA team (such as feasibility studies, advice on business management and business training), several other actions can be integrated. For instance, financial training can be introduced as an integral part (i.e., a prerequisite for getting the loan) of the lending package targeting clients applying for relatively large loans (US\$ 3,000 and more), and should be enhanced by coaching and follow up in the field.

On the other hand, it is deemed fruitful to provide ongoing capacity-building programs to in-house ASALA staff to deeper their business knowledge and mentoring skills, because technical assistance to ASALA clients is indeed a challenging task as the vast majority of the beneficiaries are engaged in traditional businesses operating in saturated and stagnated markets. Partially the technical assistance services can be outsourced to local-based experts with solid practical marketing and management experience to play the role of business mentors for the clients.

Finally, it is recommended to widen the scope of collected/stored information about the clients, including the base and end line data on the clients' socio-economic parameters and data on variables that track their progress, technical support, project performance, and others. These data should be documented electronically in an accessible way and can be a valuable source of information on the status of the main effectiveness and impact indicators so future progress and evaluation can be measured in a professional manner.



Study Objectives and Methodology



I. Introduction

The Palestinian Businesswomen's Association; ASALA has been actively providing loans to women since its establishment. This long-term experience in micro-credit assistance for women entrepreneurs in West Bank and Gaza has enabled ASALA to develop its own distinguished model of microfinance programming. ASALA targets disadvantaged communities with the goal of facilitating sustainable long-term development. Along with micro credit services, the organization provides basic training activities and business development services with the aim of improving clients' technical capabilities and enhancing their business management skills.

ASALA's management recognizes the importance of evaluating the long-term effectiveness of previous interventions in order to strengthen and improve its crediting modality. In this regard, ASALA works to obtain a comprehensive impact assessment of past clientele, with the goal of improving the organization's support for its targeted women entrepreneurs. With this goal in mind, ASALA commissioned Al-Markaz for Development and Marketing Consultancies (Al-Markaz) to conduct this impact assessment of its client base in West Bank and Gaza.

The survey was implemented in October–November, 2012, and this report provides an analysis of its main findings, as well as recommendations drawn from Al-Markaz's analysis of conditions in the West Bank and Gaza.

II. Methodology

The survey was designed and implemented by Al-Markaz with the purpose of providing ASALA with a demographic and socio-economic profile of their clients, extracting objective indicators of the impact of ASALA's services on clients' socio-economic condition and gender empowerment, as well as recording these women's satisfaction with ASALA's services. Given ASALA's need for representative data at the level of both active clients, and non-active (former) clients, two samples were identified as follows:

- A representative sample for **active clients**, as the sample was drawn from the list of active clients.
- A representative sample for **past-clients** was conducted on a representative random sample of the Clients.

The sample was drawn from a sampling frame that consisted of a list of Clients who received and closed loans from Asala since 2007.

To meet these objectives, Al-Markaz designed the assessment approach, as follows:

The Quantitative Survey

The study team aimed to identify and quantify variables which indicate the impact of microfinance loans on the economic, familial, interpersonal and social-cultural conditions of clients. The survey was conducted on a representative random sample of active and past groups of loan recipients. Respondents were chosen at random from among the clientele who received loans from ASALA since 2007. This data was then assembled and organized according to project type and geographic distribution of the women.

Questionnaire Design:

The survey was designed by Al-Markaz after consulting existing data to determine appropriate variables and targeted questions. Al-Markaz consulted ASALA with the original draft of the questionnaire, adjusting the draft after incorporating ASALA's staff feedback. The questionnaire was then tested on a small number of potential respondents. The consultants then finalized the questionnaire on the basis of the findings of the test survey.

Sample Design

The survey was conducted on a representative random sample of the clients who had received loans from ASALA since 2007, with data distributed according to geography and project type.

Using Asala’s population of active and previous clients, the sample size was calculated and determined on the basis of the following formula:

$$n = \frac{N}{1 + Ne^2} \times D$$

where,

N: Population Size (Number of Clients) = 11630²

E: level of error = 3%

D: design effect = 1.2.

On the basis of the above, the survey was administered to a group of 775 active clients and 498 past clients. Table 1 below shows the survey sample distribution.

Table 1: Sample distribution by regio

Area	The sample active clients	The sample of former (Non-active) clients	Total
North West Bank	291	222	513
Center West Bank	68	25	93
South West Bank	123	99	222
Total West Bank	482	346	828
Gaza Strip	293	152	445
Palestinian Territories	775	498	1273

The Qualitative Assessment

The qualitative assessment provided deeper analysis of the survey findings. More specifically, the qualitative assessment focused on thoroughly identifying the variables relevant to the impact of ASALA’s services on the clients. The qualitative assessment was primarily based on two means:

- Focus group discussions with various groups of clients. The regions in which the focus groups discussions met were selected in collaboration with ASALA. Selection of these groups relied on the following criteria:
 1. Representation of both the West Bank and Gaza strip regions.
 2. Inclusion of both well-established and poorly-performing projects.

Within this framework a total of 10 focus group discussions were planned; however, due to logistical difficulties, only 9 meetings were possible.

- Case Studies: A total of 20 client case studies (14 in the West Bank and 6 in Gaza) were conducted with the purpose of assessing the study’s hypotheses and identifying specific effects on clients in different socio-economic groups. The studies also focused on analyzing the perspective of these clients’ self-assessment.

Field Work

The field work was fully deployed in October and November 2012, following the initial stages of research and questionnaire design. The following consecutive activities were implemented:

- Training data collectors and field supervisors: Data collectors and survey supervisors were mobilized in a manner to ensure geographic coverage of targeted areas. Field data collectors were assigned to the various regions according to the sample size of the households of each targeted region. Supervisors were assigned to follow up on the work of the data collectors. Data collectors and supervisors were appropriately trained on data collection procedures and

techniques. The training, done through one-day workshops, also included a detailed presentation of the purpose of the survey and a discussion of each survey question.

- Data collection/survey deployment: Each data collector was assigned work localities and a time schedule for conducting data collection. Completed questionnaires were submitted to a supervisor for auditing and verification according to a set of guidelines. Supervisors verified every completed questionnaire before sending it to further processing.
- Editing and coding: All questionnaires were edited in the main office according to a unified set of instructions. Some questions were coded according to a pre-designed coding system.
- Data entry and results analysis: Questionnaire data were entered into a computer using a data entry template (an ACCESS database) then transformed to SPSS.
- A thorough analysis of the data and information was conducted to arrive at findings and conclusions that answered all the questions and issues presented in the survey objectives.
- Case studies and focus groups were conducted by experienced researchers. The case studies and FGs focused on identifying the clients' perspectives with regard to the main variables that are being measured in this survey.

III. Assessment Limitations

The main limitation of the study is the complexity of accurately assessing the impact of microfinance assistance on the conditions of clientele. One of the major difficulties in measuring empowerment is that the behaviours and attitudes that signify empowerment in one context often have different meanings elsewhere, even within a single country, where customs and traditions often vary from urban to rural societies and even between villages, which is the case in Palestine. Moreover, in terms of practical measurement, it is difficult to neatly separate and quantify the various dimensions used for measuring women's empowerment. In addition, some qualitative information gathered through focus group discussions and/or case studies was general and repeated the same findings extracted from the survey.

In order to further measure the empowerment of loan recipients, a self-assessment approach was adopted, in which women expressed their perceptions of changes they experienced after accepting assistance from ASALA. Therefore, the absence of baseline data prevents important objective comparisons to reflect the size and validity of perceived improvements in the women's wellbeing.

On the level of the field work, the following limitations were the most two significant obstacles:

- The nature of this survey, which was based on a sample with specific names, required the data collectors to find the addresses of the selected interviewees. This was in some cases problematic, as some addresses were unclear, and in other cases the interviewee used a kind of social nickname that varied from the name given on the register.
- The sample was distributed over all districts and many localities, which meant travelling and searching for selected respondents in the sample population in many districts to complete the survey.

Survey Findings of the Active Clients in the West Bank



I. Socio Economic Profile of the Active Clients

The beneficiaries' demographic and socioeconomic profiles indicate that most of the women surveyed are vulnerable, as shown in the following sub-sections that describe the beneficiaries' general socioeconomic characteristics including demographic distribution, their sources of income and income levels, as well as an assortment of indicators related to the households' standard of living.

A. Clients Demographic Profile

The survey found that only (6.3%) of the beneficiaries' surveyed are the heads of their households.³ While with respect to the marital status: the overwhelming majority (82.8%) of the clients were married, while 7.1% were either widowed or divorced and 10.2% were never married (Figure 1). With regard to age distribution the WB clients show that more than 61% of the clients were up to 40 years of age (Chart 2), whereas only 13.7% are over 50 years of age. The level of education of the clients was generally comparable with the national levels: 65.3% have less than a secondary education, including 11.8% who have only basic reading and writing skills or are illiterate. More than 14% have completed an intermediate college or higher education (Figure 3).

Figure 1: Marital status of the Clients in WB

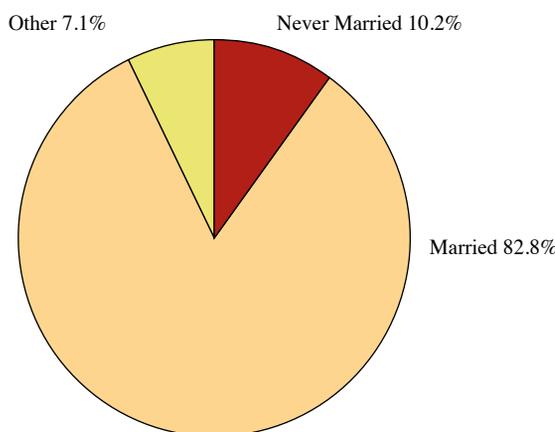
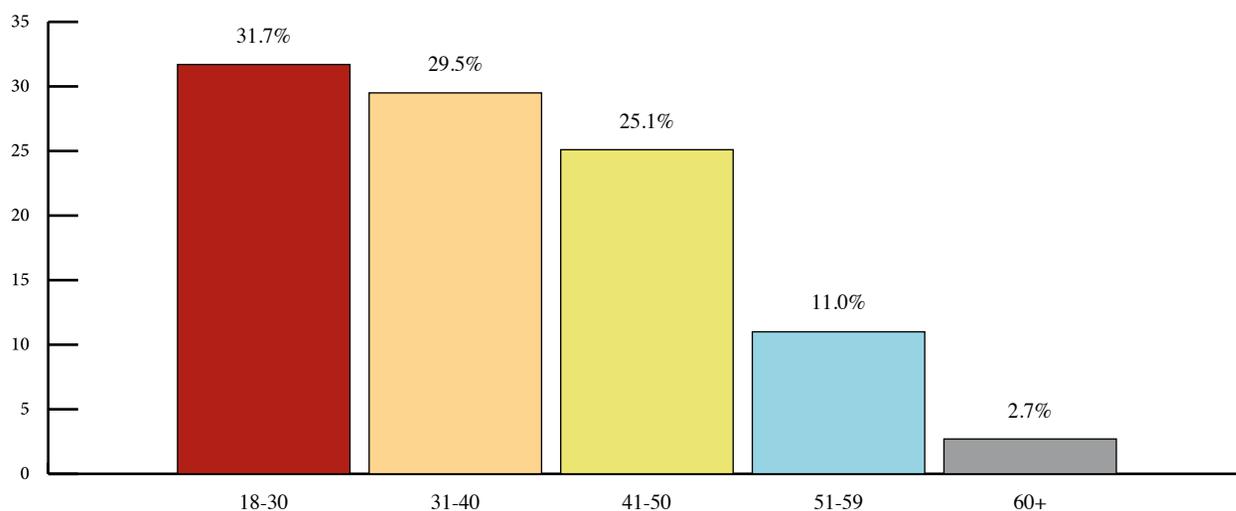
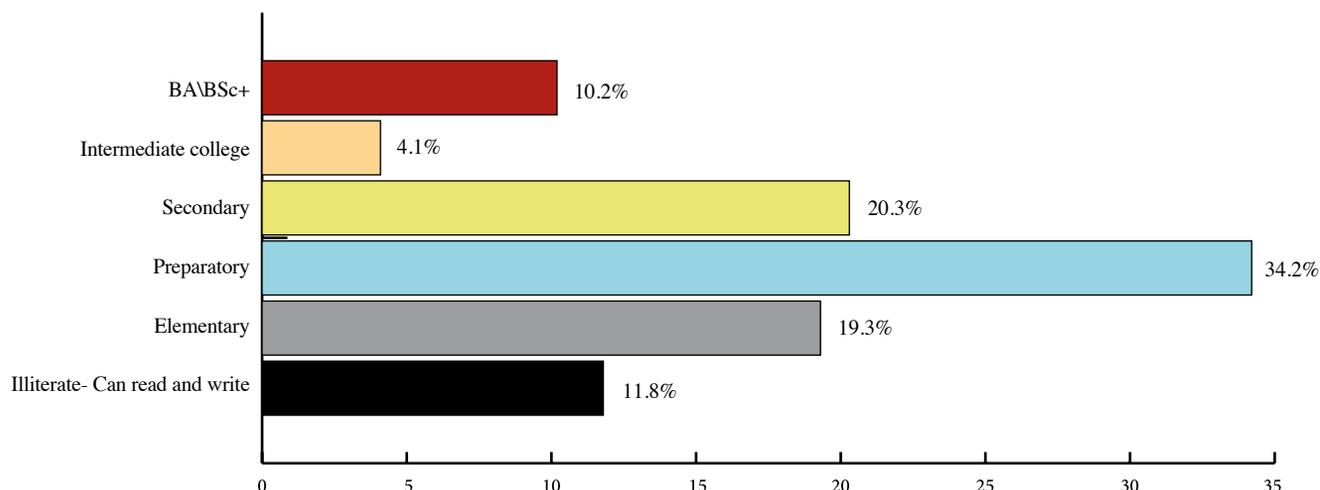


Figure 2: Age distribution of the Clients in WB



³ Head of household: A resident familiar with the family, who knows and who others in the family know that he/she holds this status. This is usually the person who has authority and is responsible for the management of the family's economic affairs and the responsibility for managing these affairs was agreed by others.

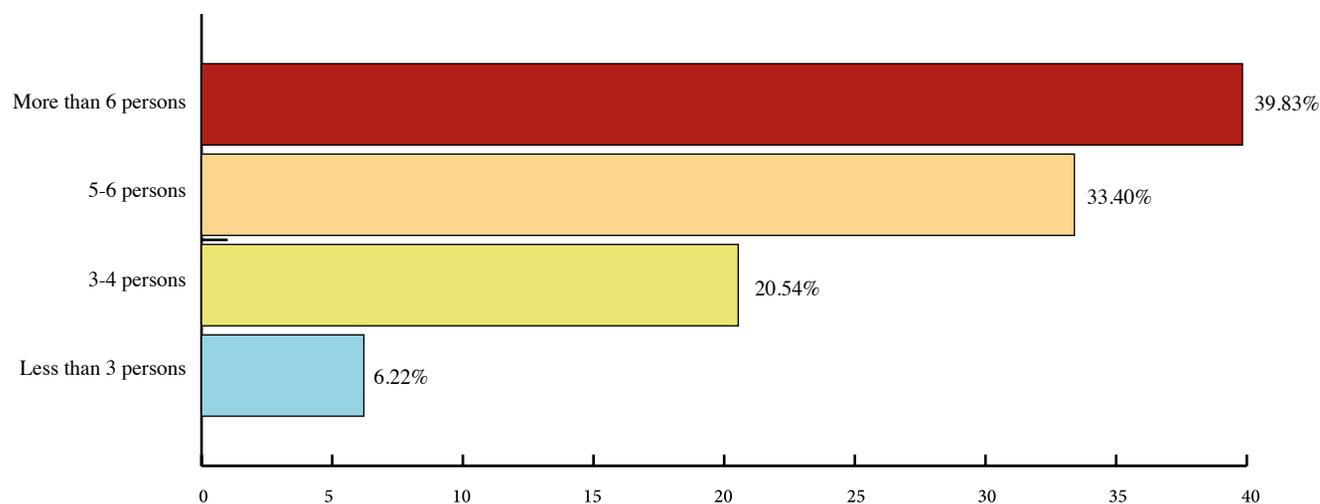
Figure 3: Level of education of beneficiaries in WB



B. Characteristics of Clients' Households

Figure 4 presents the percentage distribution of clients with respect to the household size. It shows that most of the clients live in medium to larger households, as the percentage of households with more than 6 family members is 39.83% and 73.2% of the households had more than 4 members, while only 6.2% are of less than 3 members.

Figure 4: Size of Clients' households in WB



About 33.8% of the Clients' household members were less than 15 years, while only 1.3% were more than 64 years (Table 2).

Table 2: Age distribution of Clients' household members in WB

Age Group	Percentage (%)
0-4 years	10.7
5-9 years	11.4
10-14 years	11.9
15-24 years	26.0
25-64 years	38.7
65 years and older	1.3
Total	100.0

The survey results indicate that 98.3% of the WB Clients' households have at least one household member who was employed. Among them 59.7% have two or more employed members, (Table 3). About 33% the households have at least one unemployed member, and about 9.3% have at least 2 unemployed, which may indicate that unemployment is a main cause of the poverty.

Table 3: Distribution of households according to the number of employed household members

Number employed	Percentage (%)
0	1.7
1	38.6
2	39.2
3+	20.5
Total	100.0

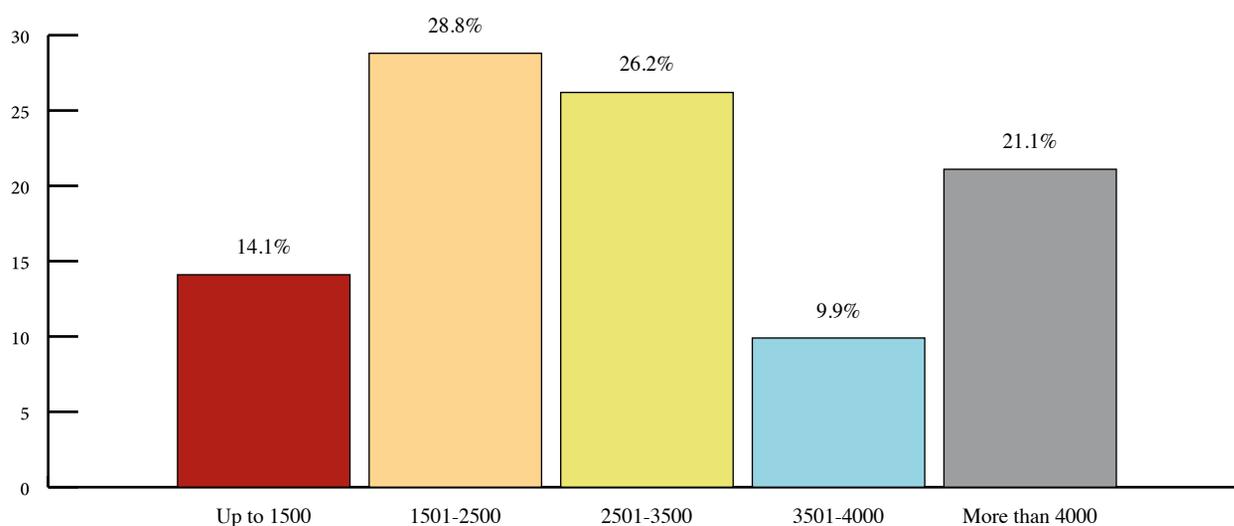
Table 4: Distribution of households according to the number of unemployed household members

Number unemployed	Percentage (%)
0	67.0
1	24.7
2	7.0
3 or more	2.3
Total	100.0

C. Households' income and standards of living

The survey shows that about 42.9% of clients households had a monthly income of less than NIS 2500, more than two thirds of them had a monthly income of less than NIS 3,500 (Figure 5) and only 21% of clients' households earned more than NIS 4,000 per month.

Figure 5: Client households monthly income, by income groups



The most common income sources were paid work (73.2%). Noticeably; about 12.4% of the households have the project established through ASALA's loan as the main source of income, whilst 44.8% of the households reported the project as a second source of income. Data on the income sources are in Table 5.

Table 5: Percentage distribution of Clients' households with respect to their main source of income

Main source of income	Percentage with this source as the main source	Percentage with this source as the second source
Paid work (wages, salaries, etc.)	73.2%	5.4%
Self-employed	3.1%	1.0%
Own business (Business owners)	4.8%	2.3%
Selling the assets	0.2%	0.4%
Income from Interest and Dividends (from savings, stocks, etc.)	0.2%	-
Income from Social Security Payments	0.8%	-
Monetary regular assistance	1.0%	0.6%
Emergency assistance	0.4%	0.2%
Transfer from family members/friends	0.2%	0.8%
Transfers (internal remittances)	2.3%	0.8%
Remittances (from abroad)	0.2%	-
Income from the project established by the loan	12.4%	44.8%
Other sources (specify)	1.0%	1.9%
No second source of income	-	41.7

Standards of living: When the standards of living were assessed for the households by examining what percentage of total expenditures were dispensed for food, a full 94 % of these households spent more than 30% of their total expenditure on food. Table 6 shows household expenditure on food as a percentage of total household expenditure.

Table 6: Household expenditure on food as a percentage of total household expenditure

% expenditure on food out of total exp.	Percentage of households in each category
Better off: less than 30%	6.0%
Medium: 30–44%	28.4%
Worse off: 45% or more	65.6%
Total	100.0%

The finding that such a large percentage of households allocate more than 45% of total household expenditure on food suggests that many of the households are living in poor living conditions. We concluded that almost two thirds of client households fall within the “worse off” classification of Engle’s Law⁴. This shows ASALA’s commitment towards its mission of outreaching and servicing marginalized segments.

II. Size & utilization of the Loans of the Active Clients

A. Size of the Loans

Small loans (between \$1,001 and \$5,000) are the most common loan sizes: more than 85% of all WB Clients have borrowed funds in this range. Micro loans of less than \$ 1,000 seem to have the lowest demand in the WB: only 4.3% of the WB clients have borrowed such small amounts.

4 Engle’s Law measures the standards of living by calculating the percentage of a household’s expenditure on food out of its total expenditure.

Table 7: The value of the last loan used to start up/develop the project (in US\$)

Loan groups (\$)	% Distribution with respect to the size of the loan
Up to 500	0.6%
501-1000	3.7%
1001-2000	25.3%
2001-3000	37.8%
3001-5000	22.0%
5001-10000	9.8%
More than 10000	0.8%
Total	100.0%

B. Usage of the Loans

In reality, many underprivileged families seek to borrow money from any source to settle outstanding family debts. Many of these attempts at such short-run solutions, however, only serve to increase the burden of debts in the long-run. From this perspective, the survey findings are encouraging in that the vast majority of the respondents have in fact invested the loans obtained from ASALA in starting up new businesses or developing existing projects (either their own or family businesses). The following table indicates the survey findings:

Table 8: Usage of ASALA loans

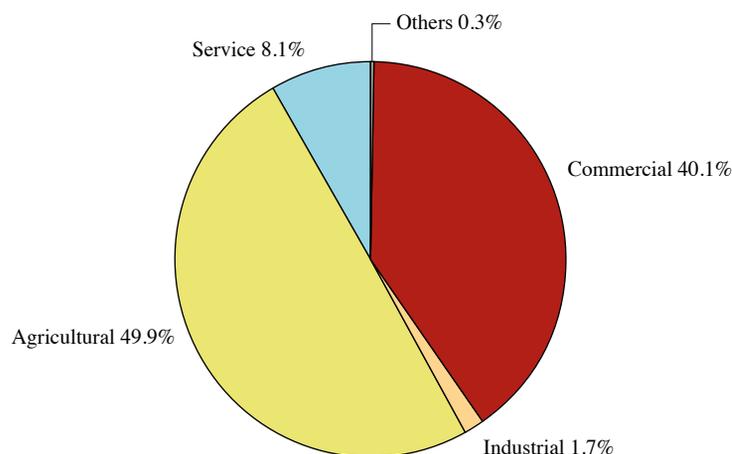
Purposes on which the loan was spent (fully or partially)	Yes (Completely or Partially)	No	Total
To start up/Develop my own project	76.6%	23.4%	100.0%
To start/develop a project managed by the head of the household	16%	84.0%	100.0%
To improve the household's situation, using part of the loan	15.6%	84.4%	100.0%
To pay the household debts	9.1%	90.9%	100.0%

As observed in the above table (Table 8), the overwhelming majority of the active clients used the loan to establish or develop their income-generating projects; only a small percentage of the Clients in the WB partially used the loan or a part of it for purposes other than starting up a business or developing an existing one.

The survey findings also look quite positive in regards to the surviving rate of the projects established/developed by ASALA's loans: overall and at the time of the data collection, 72.0% of the projects were still operating.

Research found that agricultural projects are the most common among the initiatives which were established and sustained with ASALA loans (comprising half of the total projects).

Figure 6: Types of projects established with ASALA loans



III. Active Clients' Satisfaction of the Financial Services

ASALA provides micro lending group and individual loans to the women entrepreneurs, besides the small lending program (Individual Loans). The group lending is targeting primarily the beneficiaries who need working capital financing in the range of \$500-\$1,500. In addition, individual loans are offered to larger micro-businesses which can be used in asset acquisition financing in the range of \$1,000 - \$5,000. ASALA offers the micro lending program since the large majority of micro entrepreneurs cannot access bank financing due to lack of collateral/guarantors and/or providing bank procedures and requirements.

The small lending program offers individual loan products, which are designed for women entrepreneurs who want to begin or expand a small enterprise in sectors such as agriculture, commerce, services, and production. Loans are for productive purposes such as working capital, the purchase of fixed assets or improvements in the business site. The loan terms include the loan amount ranges from \$5,500 - \$20,000, for term of 12-36 months, with grace period of 1 – 6 months, depending on the type and status of the business, and finally two guarantors are required to sign notary deeds in order to guarantee repayments.

This section presents the reported factors that influenced the surveyed clients to choose ASALA as a source for their loans, and the relative weights of those factors. It also describes the clients' reported levels of satisfaction with respect to the main dimensions of the provided services.

Focus groups and the case studies carried out in the course of this study have confirmed that most of the clients indicated that ASALA's staff is highly professional and pleasant in dealing with clients. In general, the main direction in these cases and focus group discussions shows that the clients perceive ASALA as an organization that offers swift financial services, a streamlined transactional process, courteous treatment, and relatively soft collateral requirements for the loans.

On the other hand, high interest rates and installments were highlighted by some of the clients as the most negative aspects of ASALA loans. Some of the clients who succeeded to develop well-performing projects were less critical of these matters, suggesting that client satisfaction is affected by the level of success experienced within respective projects. For example, in cases of project failure (or underperformance), repayment, interest rates, and consequent poor cash-flow conditions were recurring "problems" mentioned by clients.

Throughout the course of the structured survey, many details emerged which reflect the above mentioned conditions, which will be further elaborated in the remainder of the report.

A. Factors Influencing the Clients' Selection of ASALA

The survey also sought to identify the factors that influence the clients to select ASALA as a loan provider. The respondents were asked to select and rank the three most important factors that affected their selection of ASALA as the source

of their loan. Nearly 41% of the respondents indicated that the most important factor in their selection of ASALA was the speed in handling transactions. The total percentage of respondents that chose this factor among the 3 most important factors is 63.2%. The next most frequently selected primary factor (18% of clients interviewed) was that courteous treatment by ASALA's staff. The total percentage of respondents that chose this factor among the most 3 important factors is 45%. In addition, approximately 13.7% of the respondents indicated that easy collaterals were the main incentive for selecting ASALA. The total percentage of respondents that chose this factor among the most 3 important factors is 45.4%. The survey findings in this regard are shown in Table 9.

Table 9: Importance of Factors Influencing Clients' Selection of Asala

Influencing your decision	First aspect	Second aspect	Third aspect
The speed of transactions	40.6%	12.7%	9.9%
Low interest rate in comparison to other providers	0.9%	2.2%	2.2%
Possibility to obtain a loan to cover my needs	2.8%	6.2%	10.9%
Courteous treatment by the staff of ASALA	18.1%	17.8%	9.8%
Feeling safe in times of difficulty in repayment	3.9%	14.8%	9.6%
Availability of training and consulting support	0.3%	0.5%	1.5%
Ease to reach ASALA's offices	7.5%	11.3%	10.1%
Absence of another establishment to get the loan from	6.6%	8.4%	4.8%
Easy/soft repayment	2.5%	10.0%	22.8%
Easy collateral	13.7%	14.3%	17.4%
Others	3.2%	1.8%	1.1%
Total	100%	100%	100%

In a similar question, respondents were also asked to indicate which factor had the strongest influence on their decision to select ASALA for borrowing. As the table below shows, the WB Clients have placed the highest consideration to the speed of ASALA's transactions.

Table 10: The strongest influencing factor on the Clients' Selection of Asala

Aspect	Clients with respect to the factors
The speed of transactions	26.1%
Low interest rate in comparison to other providers	0.6%
Possibility to obtain a loan to cover my needs	7.5%
Courteous treatment by the staff of ASALA	16.4%
Feeling safe in times of difficulty in repayment	5.8%
Availability of training and consulting support	-
Ease in reaching ASALA's offices	1.7%
Absence of another establishment to get the loan from	4.4%
Easy/soft repayment	17.6%
Easy collateral	14.3%
Others	5.6%
Total	100%

As it could be concluded based on the above, the respondents indicated to the following as the most influencing factors for selecting ASALA:

1. Speed of transactions is the most common priority for the survey respondents.
2. Easy/soft repayment conditions.
3. The courteous treatment by Asala staff.
4. Easy collateral.

B. Satisfaction with ASALA’s Financial Services

Clients’ satisfaction with ASALA’s services was measured in two areas: (1) staff treatment and services and (2) lending processes and procedures.

1. The findings (Table 11) indicate a high level of satisfaction with ASALA’s staff in relation to the courteousness, accessibility, and helpfulness of the employees. The overwhelming majority of the respondents reported satisfaction with these three aspects (95.4%, 96.1% and 93.8% respectively).

The levels of satisfaction regarding the staff’s assistance in marketing the clients’ products and business management were 42.3% and 51.7% of the respondents respectively who were satisfied with those two aspects. Such levels of satisfaction can be understood taking into consideration the challenges they face, for example, lack of access to market (particularly the rural areas), and strong competition as the vast majority of the women are engaged in traditional businesses where the markets are saturated and competitive.

Table 11: Satisfaction of the Clients with ASALA staff

Aspect in evaluation	Highly satisfied/ Satisfied	In between	Not Satisfied/ Extremely not Satisfied	Not applicable/ cannot judge	Total
Courteousness of the employees in dealing with the beneficiaries	95.4%	2.7%	1.9%	-	100%
Easy to talk with the employees, and establish communication with them	96.1%	2.5%	1.5%	-	100%
The level of the employees assistance in marketing our products	42.3%	7.7%	7.9%	42.1%	100%
Qualifications of the employees and their ability to answer the questions	93.8%	3.5%	1.2%	1.5%	100%
The level benefited from ASALA employees in managing my project	51.7%	7.3%	5.4%	35.7%	100%

2. Regarding ASALA’s lending procedures (Table 12), the clients demonstrated very high satisfaction in almost all aspects, except for that of interest rates:
 - A vast majority of the respondents felt satisfied with ASALA branches’ accessibility (95.4%), clarity of loan conditions and repayment schedule (95.9%), ease of loan attainment procedures (95%), and manageability of the required collaterals (93.2%).
 - Clients’ satisfaction with the loans’ values and requirements was high as well, with 76.6% indicating they were satisfied with the loan value, and 86.9% satisfied with terms of the loan.
 - About three quarters of the respondents (73.4%) felt satisfied with the staff’s understanding in case of a delay in the repayment. 55.8% were satisfied with the value of the repayment installments, while only 26.3% were satisfied with the interest rate on their loan and 18.5% are with partially satisfied
 - The overall level of clients’ satisfaction with ASALA was found to be quite high: 89.2% of all respondents reported their overall satisfaction with ASALA.

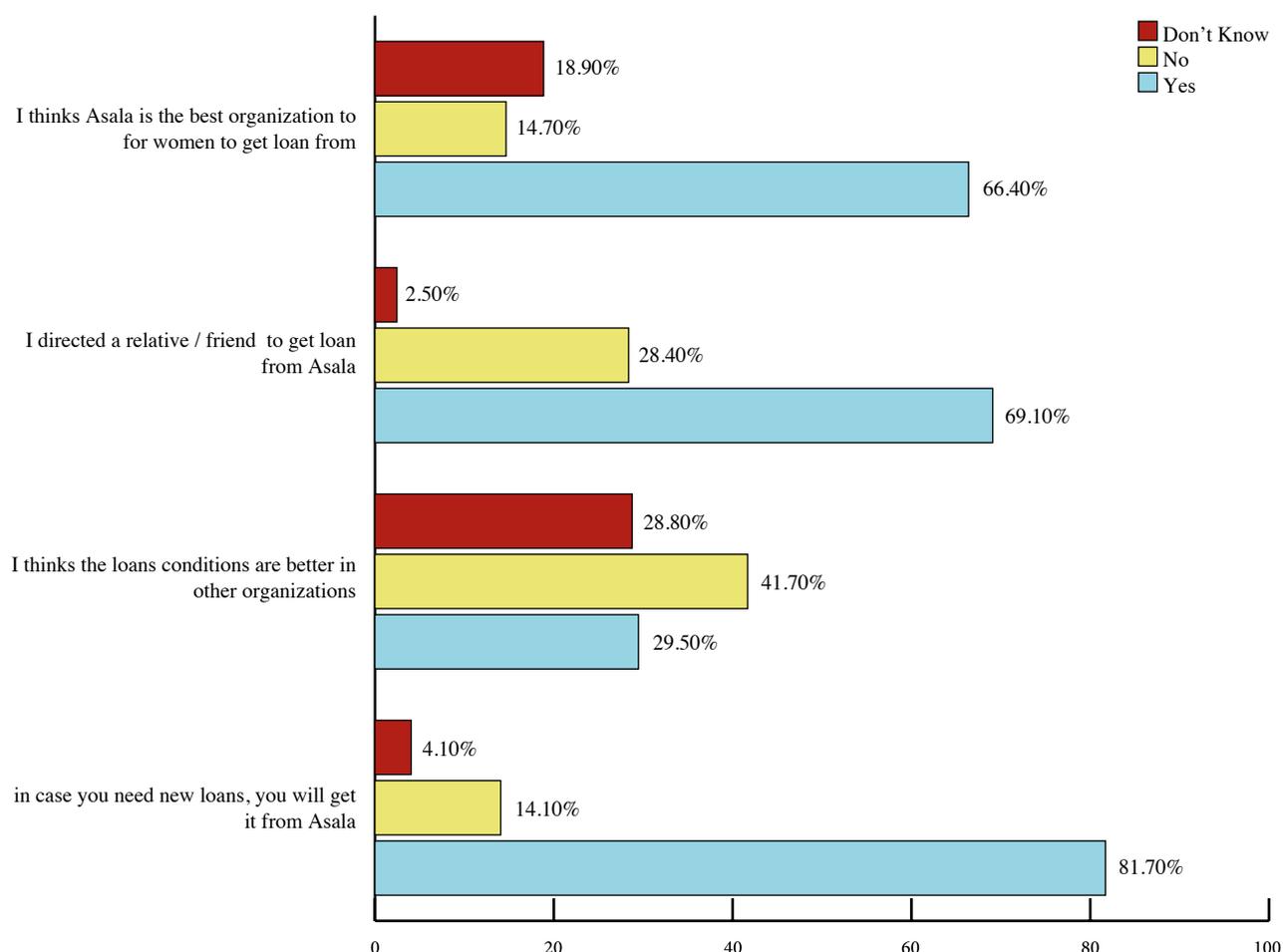
Table 12: Clients' satisfaction with ASALA lending processes and procedures

Aspect	Highly satisfied/ Satisfied	In between	Not Satisfied	Not applicable	Total
Easy to reach ASALA's branch in my region	95.4%	4.1%	0.4%	-	100%
Clarity of the loan conditions and the repayment schedule from the beginning	95.9%	3.1%	1.0%	-	100%
The procedures to get the loan were easy	95.0%	3.5%	1.5%	-	100%
Sufficiency of the loan value to meet my needs	76.6%	15.8%	7.5%	0.2%	100%
The required collaterals were easy	93.2%	4.6%	2.3%	-	100%
Conditions to get the loan were flexible	86.9%	11.4%	1.7%	-	100%
Interest rate on the loan	26.3%	18.5%	55.2%	-	100%
The value of the repayment installments	55.8%	23.0%	21.0%	0.2%	100%
ASALA's understanding in case of a delay in the repayment	73.4%	14.1%	8.7%	3.7%	100%
Overall satisfaction of experience of dealing with ASALA	89.2%	7.5%	3.1%	0.2%	100%

Recommending ASALA to others' was selected as an indicator of loyalty. The survey findings (Figure 7) appeared to be quite positive for the ASALA team and suggested that ASALA has managed to build a loyal client base:

- 81.7% of the WB Clients would get a loan from ASALA if needed.
- 69.1% of the respondents in the WB have already directed a relative/friend to get a loan from ASALA.
- 66.4% of the WB clients think that ASALA is the best organization to borrow from.
- The percentage of those who will likely not deal with ASALA again is quite low: about 14% of the WB clients.

Figure 7: Percentage of the Clients with respect to some loyalty aspects

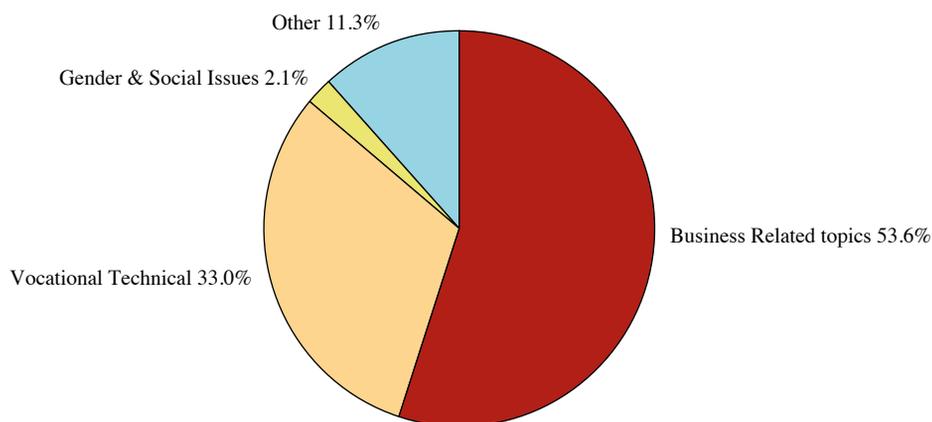


IV. Micro Entrepreneurs' Capacity Building Satisfaction in the West Bank

This section presents the satisfaction levels of the women in West Bank who reported they had attended the training, awareness raising, and capacity building courses.

More than half of those who attended the training have participated in business-related training, 33% have attended vocational trainings, and 2% attended trainings in gender & social subjects (Figure 8).

Figure 8: Types of Training received by West Bank clients



Almost all of the training participants (about 90%) reported that they were invited by ASALA to attend the training, while others either applied for it or the training was a precondition to get the loan.

Case: Boutique

Ms. Intisar Jaser, who lives in Jenin City, is a 50 year old woman and mother of four children. Her husband is unemployed due to disease, her elder son is a prisoner, and her other two kids have a chronic disease which requires at least NIS 800 monthly for medicines and medical treatment. Intisar also suffers from high blood pressure and diabetes. Her husband was previously a worker inside Israel, and Intisar helped support the family income by raising chickens and selling eggs, olives, and pickles. When her husband became ill and could no longer work, she took the entire burden of supporting the family, and started trading in clothes on a small scale. She began by investing \$600 to buy clothes from Jordan and then sold them to her neighbors and friends. Eventually she managed to collect enough money to rent a shop. She heard about ASALA through her friends. She got her first loan of \$3,000 and the loan enabled her to travel to Jordan and buy a relatively big quantity of clothes, allowing her business to grow as she took on subsequent \$5,000 and \$6,000 loans. She fully utilized these loans in buying cloths from Jordan and Syria and selling them in her boutique, and over time the value of her business exceeded \$50,000. After beginning with a tiny shop and \$6,000, her project is now registered under her name in the Chambers of Commerce, and managed completely by Intisar, who is the main breadwinner of her family. Intisar found the loan procedures easy and quick, especially after the first loan. She received training in project management and marketing, which helped her improve her marketing skills. She is very satisfied with the ASALA staff. She considered the loans as the anchor of her success. She has purchased a car and feels very proud as a woman for her success in running a project and generating income for her family. She feels her social status has greatly improved, and she was even offered a position in the Chamber of Commerce, which she declined in order to focus on her business.

Case: Family bakery

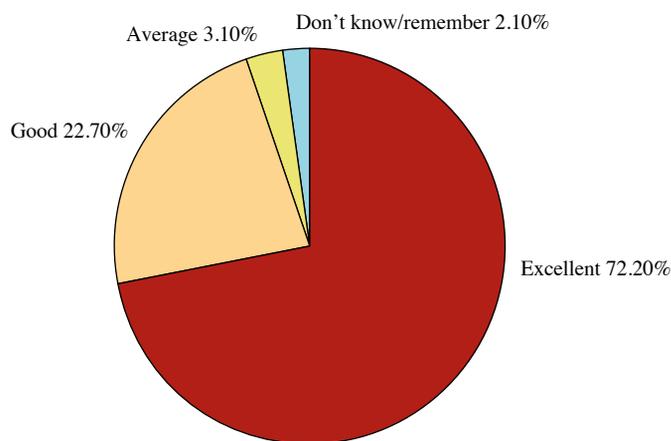
Hala Faquseh from Dura Village has borrowed from ASALA to help her family business (a bakery) survive and to enhance the family income. The bakery is the only source of income for 6 families (her father-in-law's family, families of 4 brothers of her husband and her own family). When she applied for a loan, she had not been involved in any business management aspects. However, the loan was a kind of eye opener for her, Hala indicated that her meetings with ASALA staff, visits to the ASALA office, and discussions with other beneficiaries, have opened her eyes. She has realized that it is possible for a woman to operate a business and even perform better than men.

"The loan triggered a desire to start my own business; it was very helpful and encouraging for girls and women like myself to undergo orientation and training sessions on market opportunities and business management."

Overall, the training participants have positively evaluated all training aspects, which were measured in the study:

- a) 91.3% found the training beneficial
- b) 94.2% indicated that the trainers were competent
- c) 72.2% and 22.7% reported that the benefits from the training were “excellent” and “good” respectively (Figure 9).

Figure 9: Assessment of the received training



66.7% of the participants were running their own projects at the time when they attended the training. The majority among this group of trainees indicated that they were able to apply the skills acquired in the training to their income-generating projects.

Notably, more than 94.6% of the of the training participants -who were running their businesses- reported a positive change in one way or another in running their business as a result of the training, while only 5.4% felt that they continued to run their projects in the same manner as before the training (see Table 13).

Table 13: benefits from the training

The main change/benefits resulted	YES	NO
Use of good new techniques/types in the production	67.6%	32.4%
Improve my financial and management performance	48.6%	51.4%
Use new marketing techniques	59.5%	40.5%
Planning to expand by producing new products/services	48.6%	51.4%
No changes happened after training	5.4%	94.6%

Another positive sign of the training success was in motivating participants to start a new business line; about one third of all women who attended the training expressed their intention to launch new businesses.

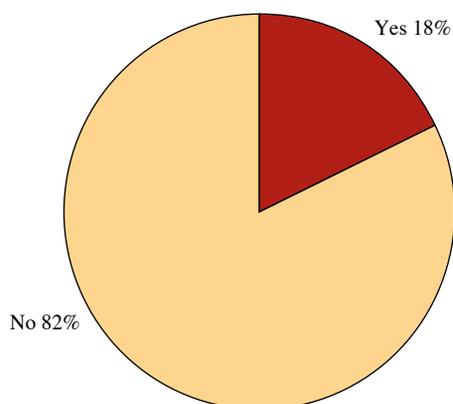
All participants were asked to evaluate the overall impact of the training on their professional lives. Many women 54.3% reported that the training encouraged them in finding new jobs, starting a new business line, 34.3% or establishing new beneficial connections (Table 14).

Table 14: changes after the training

Impact resulted	YES	NO
Start up new business line	34.3%	65.7%
Planning to start up a new business	54.3%	45.7%
I found a new job opportunity	17.1%	82.9%
Got a loan	22.9%	77.1%
Established a new beneficial relations	71.4%	28.6%

In connection to the positive evaluations of the trainings described above, it should be noted that the majority of all surveyed respondents feel that they do not need further training services from ASALA, which may indicate they feel competent to manage their businesses.

Figure 10: Needs for further training



V. Impact Assessment of Asala Services on the Active Clients in WB

A. General Economic Indicators

The survey findings show that the functioning projects have created more than 679 new **partial or full** time jobs, distributed as follows:

- At least 499 new job places are occupied by not-paid family members.
- At least 39 new job places are occupied by paid family members.
- At least 132 new job places are occupied by paid non-family members.

With respect to the capital growth generated by the established projects, the survey findings are shown in the table below,

Table 15: changes on the projects valuation

Financial Indicator	Mean (in US\$)
The estimated establishment capital for the new project ⁵	5461
The estimated current capital for the project	10137
The estimated annual revenue from the project	9852
The estimated annual net income (profit) from the project	3774

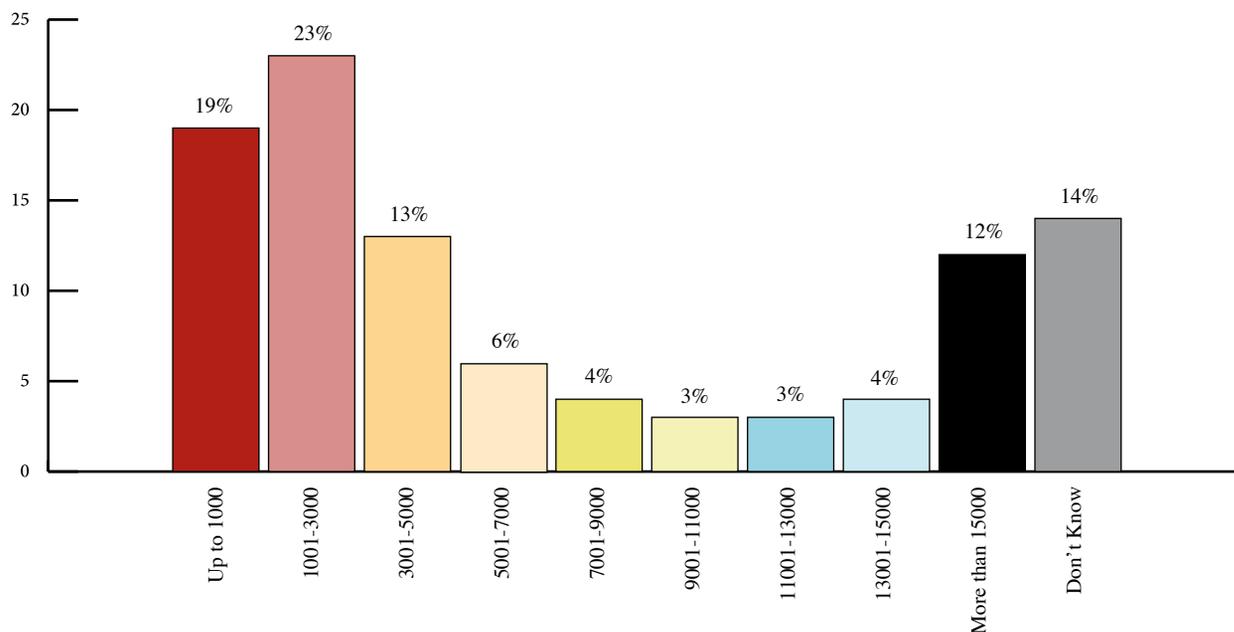
As concluded from the above table (table 15), the average⁶ current value of the project established with an ASALA loan is twice as large as the average of the initial capital invested in the projects. This signifies that ASALA loans have contributed to doubling the economic assets. The average annual revenue of a project established by the active clients with ASALA loan is US\$ 9,852, while the average annual net income is US\$ 3,774 (or about \$315 a month).

With regard to the annual turnover, Figure 11 below presents the survey findings where the revenue level between \$1,001 and \$7,000 is prevailing 42%. Remarkably, there were 56 of the surveyed projects in the WB found to be generating more than US\$ 15,000 as a total annual turnover (these projects constitute 11.2% of total functioning projects). These figures give a general indicator of the contribution of the established projects in the national income.

⁵ Note: the initial capital for these projects is not necessarily financed only by the ASALA loan, but in some cases is supplemented by clients' own sources.

⁶ Average was calculated as an arithmetic mean of all relevant values.

Figure 11: Annual turnover from the projects established with ASALA loans (in US\$)



B. Impact on Gender Empowerment

The study findings revealed various indicators on the enhancement of women’s ability to engage in economic, social and public life as well as to take part in decision-making. However, it is difficult to quantify the various dimensions of women empowerment, since aspects of economic or social advancement often overlap considerably. The study findings highlighted various economic and social dimensions, at the individual, household or public levels.

Case Study: Ramallah “With a loan from ASALA I realized my dream and found my place in life”

Like many other girls, Lina Bustami had to study a specialty which was chosen for her by her family. After she graduated with a certificate in accounting, she worked for several years with a governmental institution. “At that time, every morning I felt depressed as I had to go to the office and spend 8 hours concentrating on numbers and figures, which I hated. As long as I can remember, my greatest love has been to make this world and people around me more beautiful. One day I made up my mind to change my life and to start moving towards my dream”.

Lina enrolled in Inaash El Usra vocational training and in one year’s time, she obtained a certificate in hairdressing and make-up. After graduation, she worked in many salons to get experience and build her own clientele base. However, she always dreamt of having her own salon. Her family (a husband and a young son) lived in strained circumstances and she was not able to save even a small amount from their income. Lina heard much about ASALA from her friends and clients, but she was afraid that her salon would not be able to generate enough revenue to repay the loan. After much encouragement from her clients, she ventured to take to a loan of \$10,000 from ASALA and invested it into launching her own salon. Now Lina operates one of the most successful salons in Ramallah, which she named “Diva”. “I tried to make my salon a place where each woman could feel like a princess and where all women could relax and forget about their routine work and family duties. The ASALA loan helped me realize my dream and at the same time opened my mind for new dreams or, as I can now say more confidentially, for new business goals”. Although Lina has not finished repayment of the current loan, she has dreams to expand her business and establish a regional network of “beauty schools” for girls.

B.1 Economic Empowerment for Women

The case studies, focus groups discussions and the survey findings provided strong evidence that ASALA succeeded to reach and empower impoverished, under-served Palestinian women. The study findings show that on the general level,

ASALA loans have significantly contributed to the increase in the clients' income and consequently, economic independence.

- The overwhelming majority of the women that borrowed from ASALA have invested all or a part of the loan into the establishment or development of income-generating projects.
- 72% of all projects established by the active clients are still in operation.
- 73% of all existing projects generate revenues.
- For 8.6% of the WB active clients' households, the income from the project established with ASALA loan is the main source of the household's income.
- For 33.9% % of the WB households, the income from the project established with ASALA loan is the second source of the househ's income.
- Projects established with ASALA loans created partial and full time job opportunities to more than 538 family members.

Case: Jenin - Persistence to success

Sahar Tabji from Jenin is 45 years of age and holds a diploma in accounting. Sahar attended several training courses in Jordan in the fields of secretarial skills, public relations, management and accounting. Sahar has her own project, separate from her husband's work, which was established through ASALA's loans. Sahar knew about Asala through a relative who got a loan from ASALA, as well as through an acquaintance who worked at the organization. She got her first loan of \$500 to combine with her savings to start a business of selling frozen vegetables. After this start-up, Sahar got another 3 loans of \$1500 each, which were invested in inputs and packaging materials for the frozen vegetables. However, she faced a crisis in her project, where significant quantities of the frozen vegetables were spoiled because she could not market them for long time. After this issue, Sahar did not give up, she chose to stop the vegetable business, and shifted to distributing detergent products, which worked out very well for her. Currently Sahar's project generates a monthly income of 5,000 NIS and she estimates her project's value to be 100,000 NIS. She expressed very positive opinions about ASALA staff and their follow-up support and Sahar suggested re-locating the ASALA office to be in the center of the city, to establish a marketing support unit to help the beneficiaries better sell their products and services, and to soften the repayment schedule in case the businesses face difficulties. Sahar thinks that her business enhanced her status in the family and the community.

Many clients report that their experiences with ASALA have increased their engagement in business management, and the study findings (Table 16) show that ASALA clients are active participants in the decision-making process. 76.4% of all women have taken the decision to borrow from ASALA by themselves or after consulting a male relative.

Table 16: Decision makers regarding the loans

Who decided to take a loan from ASALA	% of the respondents
My self	49.0%
Husband/Brother/Father	27.4%
Husband/Brother/Father	21.2%
Other	2.5%
Total	100.0%

The above findings reveal evidence of women's economic empowerment that is being enhanced by ASALA interventions.

B.2. Socio-cultural empowerment

Socio-cultural empowerment was indicated mainly by examining changes in women's participation in different community events, such as capacity building activities and public engagement. The respondents were asked to assess the degree of changes they experienced in several pre-selected variables. However, the absence of baseline data makes it difficult to verify these changes, because there are no records of how actively the respondents had participated in socio-cultural events before taking the loan.

Case: - Halhoul - Hebron Salon

Lina Yousef from Halhul took a loan of \$5,000 from ASALA for the development of her existing business: she operates a salon in Hebron. Before the loan, she used to offer traditional hair-dressing services, which were no different from the other salons in Hebron. With the loan, Lina was able to introduce a new unit devoted to facial treatments and managed to significantly expand her business and hire new employees. Lina feels that the most important impact of the loan on her life is that now she is able to support her son's studies in Germany from the salon's revenue. "At the early time of my business venture, I had to overcome enormous resistance from my husband and his whole family because they could not allow a woman from a traditional religious family to work outside the home. However, now my family is very proud that our son is studying at medical school and acknowledges my role for this opportunity".

Many of the participants in the focus group discussions noted that their positions in their families and social circles are improving as a result of the loans and project operations, even if the project is a family business. It was noted through the case studies and focus groups discussions that the women's economic and social status could be influenced by the following:

- The women's ability to manage the business and generate income.
- Lack of employment opportunities for the male family members.
- The respect gained from the fact that females can get the loan from ASALA.

The survey findings (Table 17) reflect the perceptions of change as expressed by surveyed clients. The biggest category of women (53.7%) reported that they started to feel better social appreciation due to their involvement in business. 36.1% of women indicated their increased and 20.7% participation in women centers/clubs and meetings following their engagement in ASALA.

Table 17: Findings on the socio-cultural empowerment

Aspect in question	Scale				Total
	Positive Change	No effect	Don't know/ could not evaluate	Not applicable	
Increased my participation in women clubs, workshops and women public meetings	36.1%	61.4%	1.0%	1.5%	100%
Increased my participation in the joint men and women clubs and public meetings	23.2%	72.6%	2.1%	2.1%	100%
New memberships in different organizations	20.7%	72.2%	1.7%	6.4%	100%
I feel better social appreciation of me after the loan/project	53.7%	37.3%	5.6%	2.7%	100%

B.3. Familial / Interpersonal empowerment

The survey findings (Table 18) indicate strong evidence of women's empowerment on a familial level. For instance, 58.9% of the respondents indicated that they experienced a positive change in their status among their family members.

- About two thirds of the women reported that after taking the loan, they got more freedom to purchase their own needs. 58.7% felt that the loan enhanced their ability to secure the health services for the household members, and another 59.6% reported enhanced ability to get health care for themselves, without impediments from male family members.
- 52.7% of women have obtained more control over the household's assets, after getting the loan from ASALA. Furthermore, 46.6% of women are now controlling their own income from the project and other sources, without taking permission from male family members. The survey findings of the impact on the family and personal levels are shown in the following table:

Table 18: Impact on the family and personal levels

Aspect in question	Positive Change	No effect	Don't know/ could not evaluate	Not applied	Total
More freedom in going out the home without permission from my husband/brother/father	48.9%	46.9%	0.2%	3.9%	100%
More participation in controlling the household's assets	52.7%	37.3%	0.2%	9.8%	100%
I can control my own income from the project and other sources without permission from my husband/brother/father	46.6%	44.8%	0.6%	7.9%	100%
I can purchase my own needs freely	65.1%	31.7%	1.0%	2.1%	100%
I can contribute to securing the household's needs without impediments from the husband/brother..	62.8%	34.4%	0.4%	2.3%	100%
Increased my ability to get health care once needed without impediments from the husband/brother.	59.6%	38.0%	0.6%	1.9%	100%
Enhanced ability to participate in decisions related to the kids' education	42.2%	27.2%	1.5%	29.3%	100%
Enhanced ability to secure health services for my household's members	58.7%	36.7%	0.8%	3.7%	100%
Enhanced ability to participate equally in family planning "birth control"	11.0%	52.5%	1.7%	24.9%	100%
I became a core member in my family	58.9%	26.3%	1.5%	13.3%	100%

B.4. Male Participation

The survey findings (Table 19) indicate modest changes in the field of male participation in the housekeeping 21.3% and childcare 25.1% as it is shown in the following table:

Table 19: Impact with regard to Male participation

Aspect in question	Positive Change	No effect	Don't know/ could not evaluate	Not applied	Total
Increased participation of male family members in housekeeping and looking after kids	21.3%	65.8%	0.8%	12.0%	100%
Increased participation of male family members in following up with the kids school work	25.1%	58.7%	0.4%	15.8%	100%

B.5. Changes in Violence

Many of the surveyed women reported 'no effect' or 'not applicable' for the violence variables, because they thought that they had not faced violence before or after the loan period⁷.

7 As a matter of fact, the issue of violence is a very sensitive matter to report about as this confronting a system that prioritizes the reputations of their families in the community over their own well-being.

Table 20: Impact with regard to Violence

Aspect in question	Positive change	No effect	Could not evaluate	Not applied	Total
Decrease verbal violence against me	3.3%	18.9%	0.2%	77.6%	100%
Decrease in the psychological violence against me	2.5%	17.6%	-	79.9%	100%
Decrease in the physical violence against me	1.6%	17.4%	0.2%	80.7%	100%
Decrease the sexual violence against me	0.8%	14.7%	-	84.4%	100%

B.6. Psychological empowerment

The greatest changes were noticed in the women's self-assessment on the level of personal enhancement after they took the loan from ASALA. 80% of all women became more self-confident, while 79% started to feel 'safer.' (Table 21) 66.5% of the women enhanced their decision-making ability and power. 69.1% now believe in women rights to work, and 73% feel that they inspire other women to follow them.

Table 21: Impact on the Psychological level

Aspects in question	Scale			Total
	Positive change	Could not evaluate	Not applied	
Enhanced self- confidence, self actualization	80.0%	-	0.4%	100%
Improved my spirits, and feel more safe	79.4%	0.2%	0.4%	100%
Break the traditions to deal with males from outside the household	49.6%	0.8%	1.2%	100%
Courage to make decisions	66.5%	0.8%	1.7%	100%
Proud of myself after having a project	65.2%	1.0%	10.0%	100%
Feel I inspire other women to follow me	73.2%	7.3%	1.5%	100%
Increased my participation in training and professional development activities	32.5%	1.5%	16.2%	100%
Continue my education	8.7%	0.2%	52.5%	100%
Believe in women's right to work	69.1%	1.2%	3.7%	100%

Survey Findings of the Active Clients in Gaza Strip



I. Socio Economic Profile of the Active Clients

After surveying a representative sample of active ASALA clients in Gaza, findings indicated that most of the beneficiaries of these services were in vulnerable households. In general, survey results show that ASALA was successful in reaching poor households according to the following demographic and socio-economic characteristics of the active clients:

A. Clients Demographic Profile

The age distribution of Gazan clients shows that the vast majority are relatively of young ages; where (77.4%) of the clients were up to 40 years of age (Figure 13), whereas only 5.1% are younger than 50 years of age. With respect to the marital status, the overwhelming majority (86%) of the clients were married, while 5.1% were either widowed or divorced and 8.9% were never married (Figure 12).

Figure 12: Marital status of the Clients in Gaza

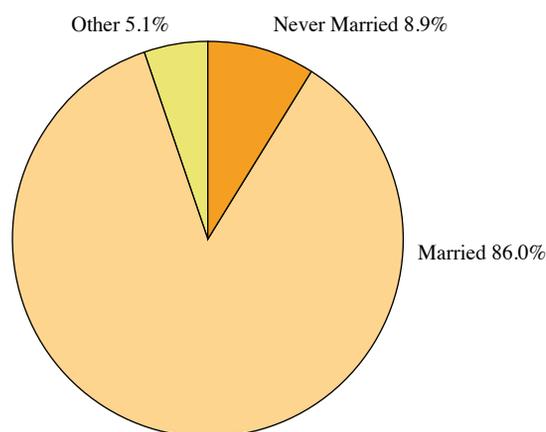
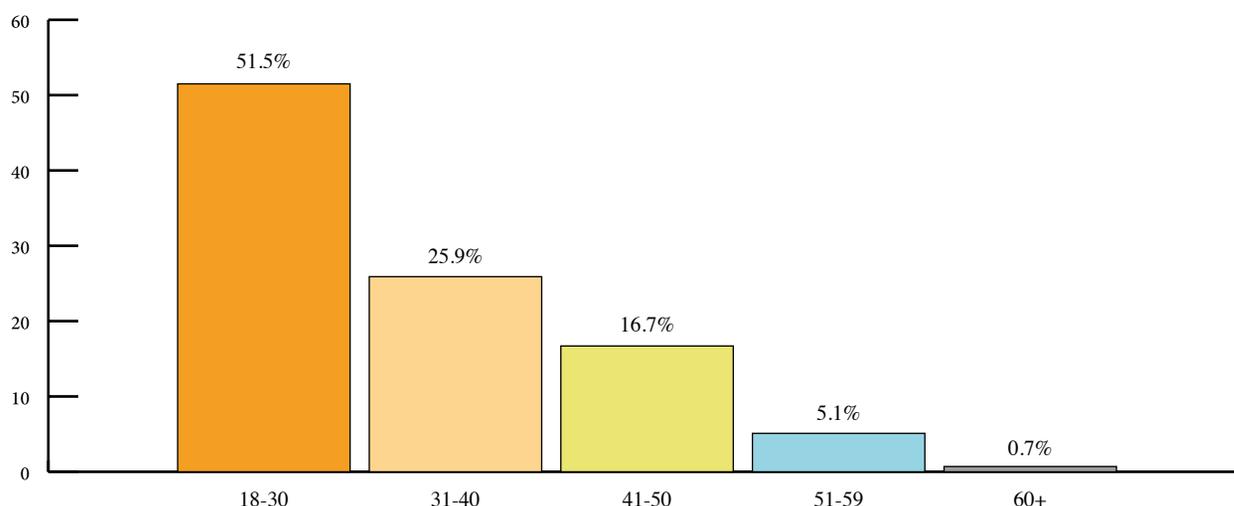
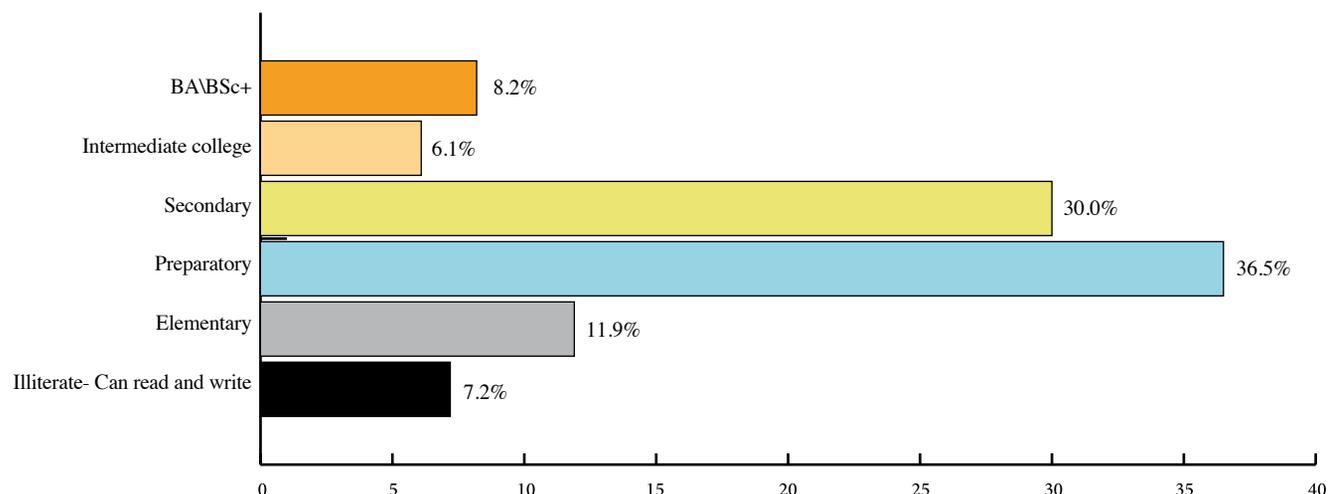


Figure 13: Age distribution of the Clients in Gaza



The level of education of the clients was generally close to the levels in the West Bank: 55.6% have less than a secondary education, including only 7.2% who have basic reading and writing skills or are illiterate. More than 14% have completed an intermediate college or higher (Figure 14).

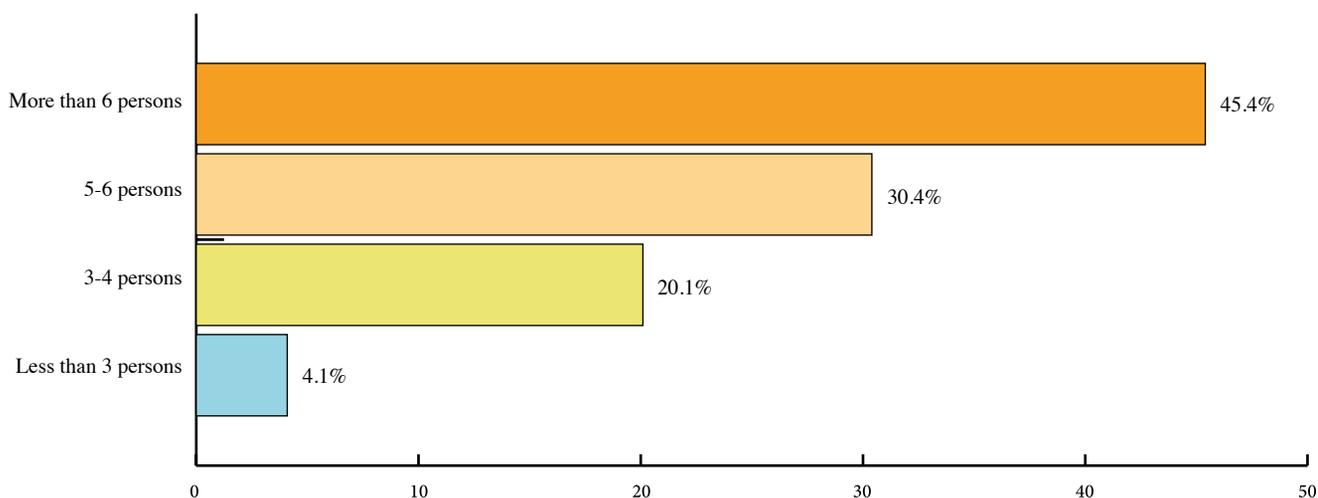
Figure 14: Level of education of beneficiaries in Gaza



B. Characteristics of Clients' Households

The percentage distribution of clients with respect to the household size (Figure 15) shows that the clients' household size in Gaza is larger than in the West Bank, 75.8% of the households had more than 4 members, while only 4.1 are of less than 3 members.

Figure 15: Size of Clients' households in Gaza



About 41.3% of the clients' household members in Gaza were less than 15 years, while only 1.0% were less than 64 years (Table 22).

Table 22: Age distribution of Clients' household members in Gaza strip

Age Group	Percentage (%)
0-4 years	15.5
5-9 years	13.8
10-14 years	12.0
15-24 years	25.5
25-64 years	32.2
65 years and under	1.0
Total	100.0

The survey results in Gaza show that 93.5% of the clients' households have at least one household member who was employed, among them only 26% have two or more employed members, (Table 23). A majority of 56.7% the households have at least one unemployed member (Table 24), and about one fifth have at least 2 unemployed members, which may indicate that unemployment is more acute in comparison to the West Bank.

Table 23: Distribution of households according to the number of employed household members

Number Employed	Percentage (%)
0	6.5%
1	67.6%
2	20.5%
3+	5.5%
Total	100.0

Table 24: Distribution of households according to the number of unemployed household members

Number Unemployed	Percentage (%)
0	43.3%
1	36.2%
2	8.5%
3 or more	11.9%
Total	100.0%

C. Households' income and standards of living

The survey shows more than three fourths (76.1%) of the clients' households in Gaza earned up to NIS 2,000, while only 3% of them had a monthly income of more than NIS 4,000 (Table 25).

Table 25: Client households monthly income, by income groups

Income group	Percentage of Active clients in each group
Up to 1000	34.5%
1001-1500	21.8%
1501-2000	19.8%
2001-2500	9.9%
2501-3000	5.8%
3001-3500	2.0%
3501-4000	3.1%
More than 4000	3.1%
Total	100.0%

With respect to the sources of income, the survey findings in Gaza show that the most common income sources were paid work (80%). For a minor percentage (2.4%) the project established through ASALA's loan represented the household's main source of income, whilst 16.0% of the households reported the project as a second source of income. Data on the income sources are in Table 26.

Table 26: Percentage distribution of Clients' households with respect to their main source of income

Main source of income	Percentage with this source as the main source	Percentage with this source as the second source
Paid work (wages, salaries, etc.)	80.5%	1.7%
Self-employed	3.4%	6.8%
Own business (Business owners)	0.3%	0.7%
Selling the assets	-	-
Income from Interest and Dividends (from savings, stocks, etc.)	-	-
Income from Social Security Payments	1.7%	0.7%
Monetary regular assistance	3.1%	3.8%
Emergency assistance	-	4.4%
Transfer from family members/friends	0.7%	5.5%
Transfers (internal remittances)	0.3%	0.7%
Remittances (from abroad)	0.3%	-
Income from the project established by the loan	2.4%	16.0%
Other sources (specify)	7.2%	38.2%
No second source of income	-	21.5%

Standards of living: When the standards of living were assessed for the households by examining the percentage of its expenditure on food out of its total expenditure, a staggering 96.2% of these households spent more than 30% of their total expenditure on food. Table 27 shows household expenditure on food as a percentage of total household expenditure.

Table 27: Household expenditure on food as a percentage of total household expenditure

% Expenditure on food out of total exp.	Percentage of households in each category
Better off: less than 30%	3.8%
Medium: 30–44%	27.3%
Worse off: 45% or more	68.9%
Total	100.0%

The findings reveal that the standard of living is worse than in the West Bank, as more than two thirds (68.9%) of the households allocate more than 45% of total household expenditure on food, which indicate that relatively higher percentages of clients in Gaza are living in poorer conditions when compared to WB clients.

II. Size & utilization of the Loans of the Active Clients

A. Size of the Loans

In contrast to the situation in West Bank, the majority of the loans for Gaza Strip clients were of micro size (up to \$1,000), while only minor percentages received loans of over \$2,000 (Table 28).

Table 28: The value of the last loan used to start up/develop the project (in US\$)

Loan groups (\$)	% Distribution with respect to the size of the loan
Up to 500	39.2%
700-1000	31.7%
1001-2000	25.9%
More than 2000	3.0%
Total	100.0%

B. Usage of the Loans

The survey findings show that 78.5% significant percentages of the respondents in Gaza have invested the loans obtained from ASALA in starting up new businesses or developing existing projects (either their own or family businesses). The following table indicates the survey findings:

Table 29: Usage of ASALA loans

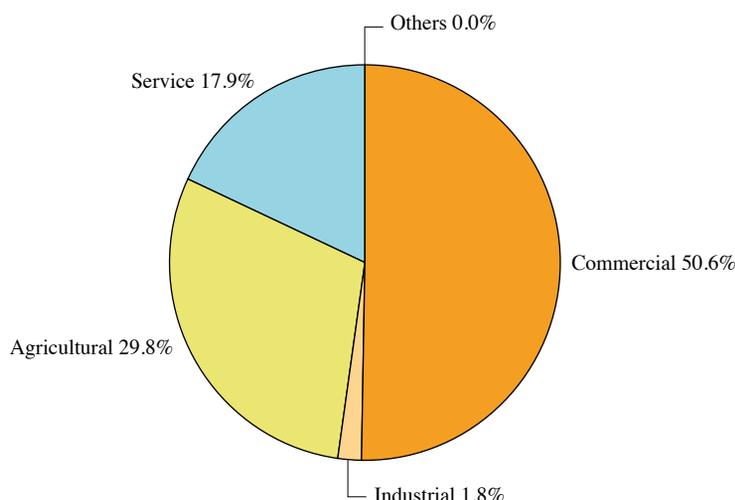
Purposes on which the loan was spent	Yes (Completely or Partially)	No	Total
To start up/Develop my own project	43.3%	56.7%	100.0%
To start/develop a project managed by the head of the household	35.2%	64.8%	100.0%
Used the loan (or part of it) to improve the household's situation	12.3%	87.7%	100.0%
To pay the household debts using a part of the loan	24.2%	75.8%	100.0%

As observed in the above table 29, about 36% of the clients in Gaza partially used the loan for purposes of household support other than starting up a business or developing an existing one.

The survey findings also look quite positive with regard to the survival rate (albeit less than the West Bank) of the projects established/developed by ASALA's loans: at the time of the data collection, 57.3% of the projects were still operating.

Among the projects, which were established with ASALA loans and sustained, the commercial projects are the most common project type in Gaza (Half of all existing projects).

Figure 16: Types of projects established with ASALA loans



III. Active Clients' Satisfaction of the Financial Services in Gaza

The study findings with regard to the satisfaction levels are relatively consistent with the results reported in West Bank survey.

A. Factors Influencing the Clients' Selection of ASALA

Respondents in Gaza were asked to indicate which factor had the strongest influence on their decision to select ASALA for borrowing. The resulting data is summarized in table 30:

Table 30: The strongest influencing factor on the Clients' Selection of Asala

Aspect	Clients with respect to the factors (%)
The speed of transactions	26.1%
Low interest rate in comparison to other organizations	.6%
Possibility to obtain a loan to cover my needs	7.5%
Courteous treatment by the staff of ASALA	16.4%
I feel safe if I face difficulty in repayment	5.8%
Availability of training and consulting support	-
Easy to reach ASALA offices	1.7%
The absence of other providers of lending services	4.4%
Easy/soft repayment	17.6%
Easy collateral	14.3%
Others	5.6%
Total	100.0%

As observed in the above data, similar to the West Bank the respondents in Gaza indicated the following as the most influential factors in their decision:

1. Speed of transactions.
2. Easy/soft repayment conditions
3. The courteous treatment.
4. Easy collateral.

B. Satisfaction with ASALA Financial Services

1. The findings (Table 31) point out a high satisfaction with ASALA's staff in regards to treatment of clientele, communication with clients and answering the clients' queries. The vast majority of the respondents reported satisfaction with these three areas of service (97.6%, 98.3% and 92.5% respectively).

The respondents who indicated satisfaction with the staff's assistance in product marketing and business management were 13.7% and 29.7% respectively. As mentioned before, this low level of satisfaction is likely related to the fact that the vast majority of the women are engaged in traditional businesses, where the markets are saturated and competitive.

Table 31: Satisfaction of the Clients with ASALA staff

Aspect in evaluation	Highly satisfied/ Satisfied	Average	Not Satisfied/ Extremely not Satisfied	Not applicable/ cannot judge	Total
Courteousness of the employees in dealing with the beneficiaries	97.6%	0.3%	2.0%	-	100%
Easy to talk with the employees, and establish communication with them	98.3%	0.3%	1.4%	-	100%
The level of the employees assistance in marketing our products	13.7%	3.4%	23.5%	59.4%	100%
Qualifications of the employees and their ability to answer the questions	92.5%	4.1%	2.7%	0.7%	100%
The level, I benefited from ASALA employees in managing my project	29.7%	7.2%	17.4%	45.7%	100%

2. As clarified in (Table 32), the findings show that the clients in Gaza reported very high satisfaction with almost all aspects of ASALA's services, except for 51% who were unsatisfied with the interest rates:

- A vast majority of the respondents felt highly satisfied with ASALA branches accessibility (89.4%), clarity of the loan conditions and repayment schedules (95.2%), ease of the procedures to get the loan (96.6%), and manageability of the required collaterals (94.9%).
- The Gazan clients' satisfaction with the loans' values and conditions was very good, with 68.3% responding positively regarding the loan value, and 89.8% were satisfied with terms of the loan.
- About two thirds of the respondents (59.4%) felt highly satisfied with the staff's understanding in the case of a delay in repayment. and 19.8% reported medium satisfaction while about (42.7%) were satisfied with the value of the repayment installments, and only 31.1% were satisfied with the interest rate on the loan.
- The survey findings show that the overall level of clients' satisfaction with their experience of dealing with ASALA to be quite high: 88.4% of all respondents reported overall satisfaction with ASALA.

Table 32: Clients satisfaction with ASALA lending processes and procedures

Aspect	Highly satisfied/ Satisfied, %	Average, %	Not Satisfied %	Not applicable%	Total
Easy to reach ASALA's branch in my region	89.4%	2.7%	7.8%	-	100%
Clarity of the loan conditions and the repayment schedule from the beginning	95.2%	4.1%	0.7%	-	100%
The procedures to get the loan were easy	96.6%	2.7%	0.7%	-	100%
Sufficiency of the loan value to meet my needs	68.3%	8.9%	22.9%	-	100%
The required collaterals were easy	94.9%	3.4%	1.7%	-	100%
Conditions to get the loan were flexible	89.8%	8.9%	1.4%	-	100%
Interest rate on the loan	31.1%	17.4%	51.5%	-	100%
The value of the repayment installments	42.7%	21.5%	35.8%	-	100%
ASALA's understanding in case of a delay in the repayment	59.4%	19.8%	16.7%	4.1%	100%
Overall satisfaction of experience of dealing with ASALA	88.4%	9.2%	2.4%	-	100%

With respect to the loyalty issue, the survey findings appeared to be quite positive and suggested that ASALA has managed to build a loyal client base:

- 91.5% of the Gaza clients would get a loan from ASALA if needed to borrow.
- 64.5% of the respondents in Gaza have already directed a relative/friend to get a loan from ASALA.
- 88.1% of Gaza clients think that ASALA is the best organization to borrow from.

IV. ASALA Clients' Satisfaction of the Training Services in Gaza

This section presents the satisfaction levels of the women in Gaza who attended the training courses with ASALA.

More than three fourths of those who attended training participated in business-related training subjects, and 1.7% attended trainings in gender & social subjects.

Table 33: Types of Training received by GAZA clients

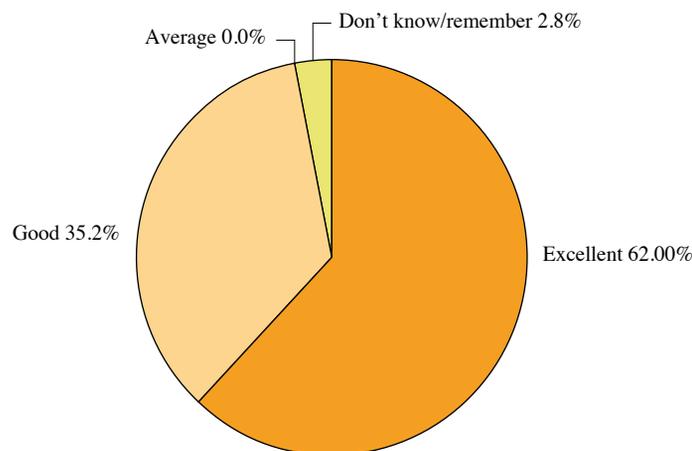
Training Topic	% of total trainees
Business & Technical Related topics	80.9%
Gender & Social Issues	1.7%
Other	17.4%
Total	100%

Almost all of the training participants (more than 93%) were invited by ASALA to attend the training.

Overall, the training participants have positively evaluated the various training aspects:

- 88.7% have found the training beneficial.
- 95.8% indicated that the trainers were competent.
- 62.7% and 35.2% reported that the benefits from the training were "excellent" and "good" respectively (Figure 17).

Figure 17: Assessment of the received training



76.1% of the participants in Gaza were running their own projects at the time when they attended the training. Among this group of trainees, more than 94% of the of the training participants reported some positive change managing their business as a result of the training, while only 5.7% felt that they continued to run their projects in the same manner as before the training (Table 34).

Table 34: benefits from the training

The main change/benefits resulted	YES	NO
Use of good new techniques/types in the production	51.4%	48.6%
Improve my financial and management performance	68.6%	31.4%
Use new marketing techniques	74.3%	25.7%
Planning to expand in producing new products/services	31.4%	68.6%
No changes happened after training	5.7%	94.3%

Another positive result of the training was in motivating participants to start a new business; about three fourths of all women who attended the training launched new businesses line:

Table 35: changes after the training

Impact resulted	YES	NO
Start up new business line	76.9%	23.1%
Planning to start up a new business	7.7%	92.3%
I found a new job opportunity	7.7%	92.3%
Got a loan	53.8%	46.2%
Established new and beneficial relations	38.5%	61.5%

V. Impact Assessment of Asala Services on the Active Clients in Gaza

A. General Economic Indicators

The survey findings show that the functioning projects have created more than 314 new **partial or full** time jobs, distributed as follows:

- At least 231 new job places are occupied by not-paid family members
- At least 16 new job places are occupied by paid family members
- At least 67 new job places are occupied by paid non-family members

With respect to the capital growth generated by the established projects, the survey findings are shown in table 36 below,

Table 36: changes on the project's valuation

Financial Indicator	Mean (in US\$)
The estimated establishment capital for the new project ⁸	1943
The estimated current capital for the project	3349
The estimated annual revenue from the project	2651
The estimated annual net income (profit) from the project	1284

As observed from the above table, the capital growth and income indicators in the Gaza Strip are less than those in the West Bank, with the accumulated capital⁹ increasing by 72%, while the estimated annual net income is about US\$ 1,284 (or \$107 a month¹⁰). Bearing the in mind the economic conditions in Gaza are much worse than West Bank, where citizens

8 It should be noted the initial capital may not be comprised only of the ASALA loan, as in many cases these projects are supplemented by other sources.

9 Average was calculated as an arithmetic mean of all relevant values.

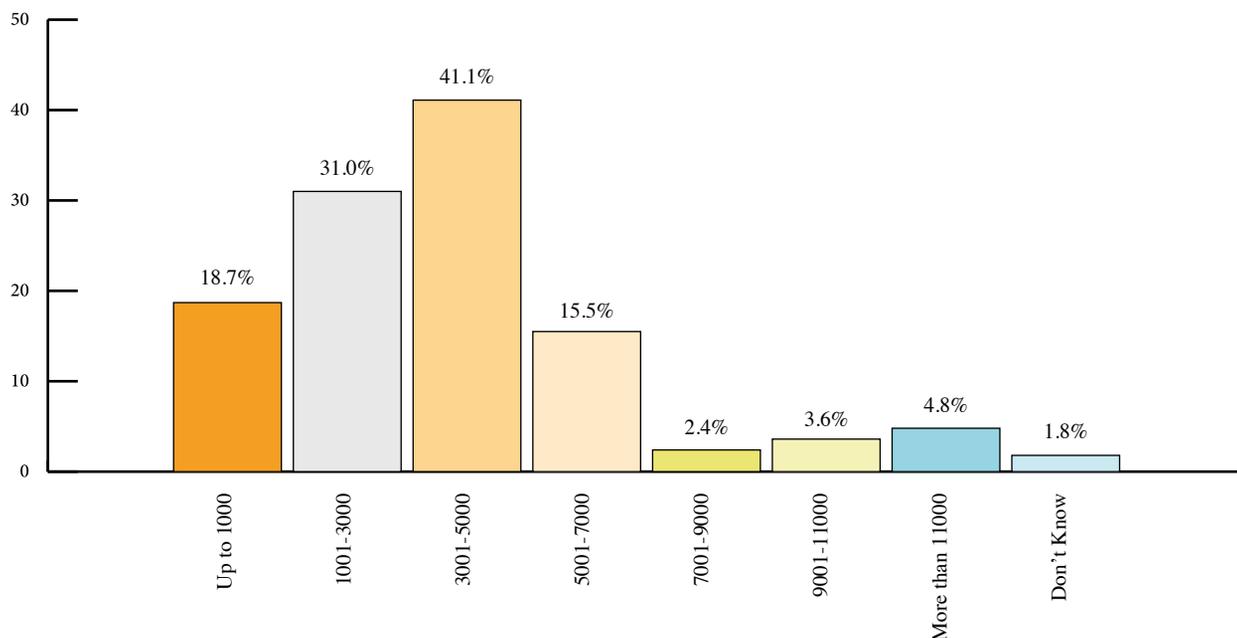
10 Which is relatively good, considering the low income levels in Gaza.

have faced a siege for over five years, and the Israeli policies have crippled the economy, the capital and income growth is significantly good achievement, considering the unique crippling challenges there.

Bearing the above in mind, we see that, although building expertise and encouraging entrepreneurship is an important means towards women’s empowerment, the population of Gaza faces unique and often crippling challenges to such progress.

With regard to the annual turnover, the table below shows that the gross revenue of the operating projects in Gaza is significantly lower than the revenue in West Bank businesses, which correlates to the smaller size of the projects in Gaza, where more than 90% of the projects generate an annual revenue of less than \$3001. These figures give a general indicator of the modest contribution of the established projects to the national income (Figure 18).

Figure 18: Annual turnover from the projects established with ASALA loans (in US\$)



Case: Gaza - Small Rabbits Farm

Mariam Abu Hassan, age 51, is a mother of 6. Previously, she and her husband managed a small farm of rabbits. With 15 female and 5 male rabbits, they used to produce 150-200 rabbits annually. After the war in 2008, they lost all of their animals, and thus lost 50% of their household expenditure. After hearing about ASALA from her daughter, Mariam decided to try re-starting the rabbit business to support her family. After a meeting with ASALA staff, Mariam received \$500 through the group lending process. “Immediately after I had gotten the money, I bought 6 female and 1 male rabbit, and so far we have produced 13 additional rabbits. The project is under my control and I manage all of the issues related to the rabbits. My husband is interested to see how much we will make, and he helps me sometimes. Based on my experience in rabbits, I am sure I will have about 40 rabbits in few months, and we will start to earn income from it, and we will again cover not less than 50% of the household’s expenditure. In fact I tried to get \$1000 from ASALA but they approved only \$500 according to the loans first cycle because this is the rule in the group lending.”

B. Gender Empowerment

As indicated before, ASALA was also interested in examining indicators of women’s enhancement related to their projects. The study sought to measure whether these women had experienced improvement in their ability to actively participate in economic, social and public life after their participation with ASALA.

B.1 Economic Empowerment for Women

The study findings in Gaza show that, in general, ASALA loans have succeeded in increasing the clients' income and economic independence.

- Two thirds of the women that borrowed from ASALA have invested the whole or a part of the loan towards the establishment or maintenance of income-generating projects.
- 57% of all projects established by the active clients are still in operation.
- 73% of all existing projects generate revenues.
- For 18.4% of the Gazan active clients' households, the income from the project established with ASALA loan is the main source of the household's income.
- Among the surveyed Projects established with ASALA loans part or full time job opportunities were created for more than 314 family members.

Case: Gaza - Fabric Sewing

Intisar Ramadan Ghaban is a 50 year old woman from Gaza, her husband is a 53-year-old tailor. They have a family of 17 members living in a 190 square meter apartment. Intisar completed her secondary education, and after marriage was taught tailoring skills by her husband. Together they used to tailor and sell trousers, mattresses sheets and other products. However, for the past several years, their family business has faced sharp competition due to imported, cheap products. Their income has dropped drastically, resulting in accumulating debts which exceed \$7,000. Intisar heard about ASALA from a friend, and soon applied for a loan. She attended a one-week training course in enterprise management, which was her first exposure to business training. Intisar then received \$500 to improve the quality of their products and bought electric scissors. Afterward she received a second loan of \$1000, and a third loan of \$1,500. She sought to buy fabric in bulk at a cheaper price in order to face rising competition. Although these loans were helpful to purchase the fabric at competitive prices, Intisar said that the amount of the loan was not sufficient. However, Intisar is seeing functioning results in their business and she complies with the repayment schedule. "The received services were essential to avoid losses and enabled us to withstand the sharp competition. They helped us a lot. It would be great if they could help us in more soft loans." She estimated that the project increased the value of their business by at least 300%."

She spoke positively of ASALA's staff who helped her in the application process and provided follow-up support. Though her husband still has a role in business management, Intisar feels the loans enhanced her position as a managing partner and put her in a more influential position in the family decision making. She also commented that the whole process opened more opportunities for her pursue further training and to interact with people outside her home, both male and female.

Regarding the level of engagement in the business' management, the study findings show that ASALA Clients are actively engaged in decision-making process on a business level, as the survey findings in Gaza show that 75.4% of all women have taken the decision to borrow from ASALA by themselves or after the consultation of a male relative; which partially indicated that women themselves have acted as agents in the process of change as is shown in the table below.

The previous findings show that the women in West Bank are generally more involved at different levels in managing their businesses, but a significant percentage of Gazan women were also found to have prominent roles, with 42% managing projects on their own.

Table 37: Decision makers regarding the loans

Who decided to take a loan from ASALA	% of the respondents
My self	17.4%
Myself after my Husband/Brother/Father acceptance	58.0%
Husband/Brother/father	21.8%
Other	2.7%
Total	100.0%

B.2. Socio-cultural empowerment

As mentioned before, the socio-cultural impact of ASALA services was measured mainly by examining changes in women’s participation in different events including capacity-building activities and public occasions. The respondents were asked to self-assess the degree of changes they experienced in several pre-selected categories. As in other cases throughout this study, the absence of the baseline data made it difficult to draw definitive conclusions.

The survey findings (Table 38) reflect the perspective of clients interviewed in Gaza, where a majority reported significant changes in various areas. The biggest category of women (53.5%) reported that they started to have greater social appreciation by the community after they took the loan and launched their project. 44.7% of women indicated increased participation in women clubs and workshops and public meetings.

Table 38: Findings on the socio-cultural empowerment

Aspect in question	Scale				Total
	Positive Change	No effect	Don't know/ could not evaluate	Not applicable	
Increased my participation in women clubs, workshops and women public meetings	44.7%	54.6%	-	0.7%	100
Increased my participation in the joint men & women clubs and public meetings	28.3%	70.3%	-	1.0%	100
New memberships in different organizations	11.2%	81.6%	-	7.2%	100
I have better social appreciation of myself after the loan/project	53.5%	45.4%	1.0%	-	100

B.3. Familial / Interpersonal empowerment

The survey findings (Table 39) indicate strong evidence for women empowerment on a familial level. For instance, over half of the respondents (85%) confirmed a positive change in their status in the family, indicating that they felt more respected and appreciated by their family after beginning their financial venture.

More than 76% of the women reported that after taking the loan, they had more freedom to purchase their own needs. 76.8% felt that the loan enhanced their ability to secure the health services for the household members, and another 62.4% reported enhanced ability to get health care for themselves, without impediments from male family members.

- 56% of women have obtained more control over the household’s assets after getting the loan from ASALA. Furthermore, 44% of the women reported having control of their own income from the project and other sources, without relying on permission from male family members. The survey findings of the impact on the familial and personal levels are shown in table 39:

Table 39: Impact on the family and personal levels

Aspect in question	Positive Change	No effect	Could not evaluate	Not applicable	Total
More freedom in leaving the home without permission of my husband/brother/father	50.6%	49.1%	-	0.3%	100%
More participation in controlling the household's assets	56.0%	44.0%	-	-	100%
I can control my own income from the project and other sources without permission of my husband/brother/father	44.0%	39.6%	-	16.0%	100%
I can purchase my own needs freely	76.8%	22.5%	-	0.7%	100%
I can contribute to securing the household's needs without impediments from the husband/brother..	65.8%	33.4%	-	0.7%	100%
Increased my ability to get the health care once needed without impediments from the husband/brother.	62.4%	37.2%	-	0.3%	100%
Enhancing the ability to participate in decisions about the kids' education	44.4%	26.3%	-	29.4%	100%
Enhancing the ability to secure the health services for my household's members	76.8%	22.5%	-	0.7%	100%
Enhancing the ability to participate equally in the family planning "birth control"	27.3%	52.6%	0.3%	19.8%	100%
I became a core member in my family	85.0%	14.7%	-	0.3%	100%

B.4. Male Participation

The survey findings indicate positive changes in the field of male participation in the housekeeping 33.6% and child-care 31.1%, as shown in the following table:

Table 40: Impact on Male Participation

Aspect in question	Positive Change	No effect	Could not evaluate	Not applied	Total
Increasing the participation of the male family members in housekeeping and looking after kids	33.6%	61.8%	-	4.4%	100
Increasing the participation of the male family members in helping the kids with schoolwork	33.1%	43.0%	-	23.9%	100

B.5. Changes in Violence

Many of the surveyed women reported "no effect" or "not applicable" for violence variables, as many felt they had not faced violence even before taking the loan.

Table 41: Impact on Domestic violence

Aspect in question	Too much	A little	No effect	Could not evaluate	Not applied	Total
Decrease verbal violence against me	14.3%	14.0%	69.6%	-	2.0%	100
Decrease in the psychological violence against me	14.3%	14.0%	69.6%	-	2.0%	100
Decrease in the physical violence against me	12.6%	5.1%	78.2%	-	4.1%	100
Decrease the sexual violence against me	3.4%	4.1%	70.3%	-	22.2%	100

B.6. Psychological empowerment

Similar to the findings in the West Bank, the greatest perceived positive changes were in the women's self-assessment on the level of personal development as a result of new experiences enabled by the ASALA loan. The overwhelming majority of all women said they had become more self-confident, while 85% started to feel safer. Half of the surveyed women indicated that they had begun to break traditions and started dealing with males from outside the household. 76.8% of the women indicated a strengthened conviction of the woman's right to work (Table 41).

Table 42: Impact on the Psychological level

Aspects in question	Scale					Total
	Too much	A little	No effect	Could not evaluate	Not applied	
Enhanced self- confidence, self actualization	58.0%	27.3%	14.7%	-	-	100
Improved my spirits, and feel more safe	52.2%	32.8%	15.0%	-	-	100
Break the traditions to deal with males from outside the household	28.7%	19.8%	50.5%	-	1.0%	100
Courage to make decisions	55.3%	24.9%	19.8%	-	-	100
Proud of myself after having a project	39.6%	17.1%	16.0%	-	27.3%	100
Feel I inspire other women to follow me	43.0%	29.4%	26.6%	0.7%	0.3%	100
Increased my participation in training and professional development activities	23.2%	24.2%	51.2%	-	1.4%	100
Continue my education	8.2%	3.1%	75.8%	0.7%	12.3%	100
Believe in women's right to work	52.9%	23.9%	23.2%			100



Client Tracer Survey in West Bank and Gaza



This section presents the main findings of a tracer survey of a representative sample of clients of ASALA in West Bank & Gaza. The main objectives of the survey are to assess the extent to which this group of clients has succeeded in sustaining their projects and to measure the impact of these ventures on the lives of Palestinian women. The survey has been undertaken as part of the overall impact assessment of ASALA in the areas of women empowerment and capacity building opportunities.

I. Economic context & Size of Financial services

A. Context

It is necessary to bear in mind that Palestinian economy is a small economy with a number of malformations due to the restrictions and siege imposed by years of occupation. These challenges are compounded by a lack of competitive advantage in local markets due to scarcity of land and natural resources, the high cost of inputs and transactions, and a lack of technological innovation. Together these factors create an environment which is less than conducive to economic prosperity. In addition, the political instability of the West Bank and Gaza continually upset the economic trajectory.

The economic conditions in Gaza are much worse than in the West Bank, where citizens have faced a siege for over five years. Israeli policies have crippled the economy and reduced the absorption capacity of the economic sectors vis-a-vis the growing labor force. Since 2007, the Gaza Strip has suffered from stringent restrictions on the movement of people and goods, and economic activities remained confined within the small local market. Pre-blockade figures indicate that Israel and the West Bank constituted important markets for Gaza products, with 90 percent of garments, 76 percent of furniture products, and 20 percent of food products being marketed in Israel and the West Bank¹¹. Since the institution of the siege in Gaza, however, it has become virtually impossible to achieve sustainable development or economic independence.

Bearing the above in mind, we see that, although building expertise and encouraging entrepreneurship is an important means towards women's empowerment, the population of Gaza faces unique and often crippling challenges to such progress.

B. Size of Financial Services

According to the latest version of the database in December 2012, over the past five years ASALA has been provided an estimated 14,345 loans to Palestinian women (Table 43). Since 2007, ASALA increased the number of annual loans from about 740 loans in 2007 to more than 5,067 loans in 2012 50%. The growth was most noticeable in the Gaza Strip¹², where the number of loans has increased 9 times (from 360 to about 3,345) 250%. In the West Bank, during the same period, the number of loans has increased 4.7 times (from 360 to 1722).

Table 43: Number of Asala loans (2007-2012)

Year of getting the loan	Total number of loans per year		
	West Bank	Gaza Strip ¹³	Palestinian Territories
2007	360	354	740
2008	628	507	1134
2009	829	960	1784
2010	719	1803	2519
2011	612	2593	3110
2012	1722	2491	5067
Total	4870	8700	13,570

11 UNITED NATIONS Office for the Coordination of Humanitarian Affairs occupied Palestinian territory-Special focus, March 2011.

12 Taking into consideration the group lending and micro loan sizes in Gaza, as the value of total loans in WB is much bigger than the total value of loans in Gaza.

13 Taking into consideration the group lending and micro loan sizes in Gaza, as the value of total loans in WB is much larger than the total value of loans in Gaza.

II. Size & utilization of the Loans of the Clients

A. Size of the Loans

Small loans (between \$500 and \$5,000) represent the most dominant loan sizes, with over 98% of all former clients having borrowed funds in this range. Micro loans of up to \$ 5,000 seem to have the lowest demand, as only 2.2% of the former clients have borrowed in these small amounts.

Table 44: The value of the last loan used to start up/develop the project (in US\$)

Loan groups (\$)	% distribution with respect to the size of the loan
Up to 500	0.6%
501-1000	3.7%
1001-2000	25.3%
2001-3000	37.8%
3001-5000	22.0%
5001-10000	9.8%
More than 10000	0.8%
Total	100.0%

B. Usage of the Loans

The majority of the former clients (women entrepreneurs) used the loans to start or develop their own business, while less than one fifth used the loan to start or develop a family business. The following table indicates the survey findings:

Table 45: Usage of ASALA loans

Purposes on which the loan was spent	% of respondents usage of loan (completely or Partially)		
	West Bank	Gaza	Palestinian Territories
To start up or develop my own project	81.8%	42.8%	69.8%
To start/develop a project managed by the head of the household	13.6%	27.0%	17.6%

As observed in the above table, the overwhelming majority of former clients in the West Bank used the loan for business development purposes, while 70% of clients in Gaza used the loan for business-development purposes. A small percentage of clients used the loan fully or partially to improve the living conditions of their households.

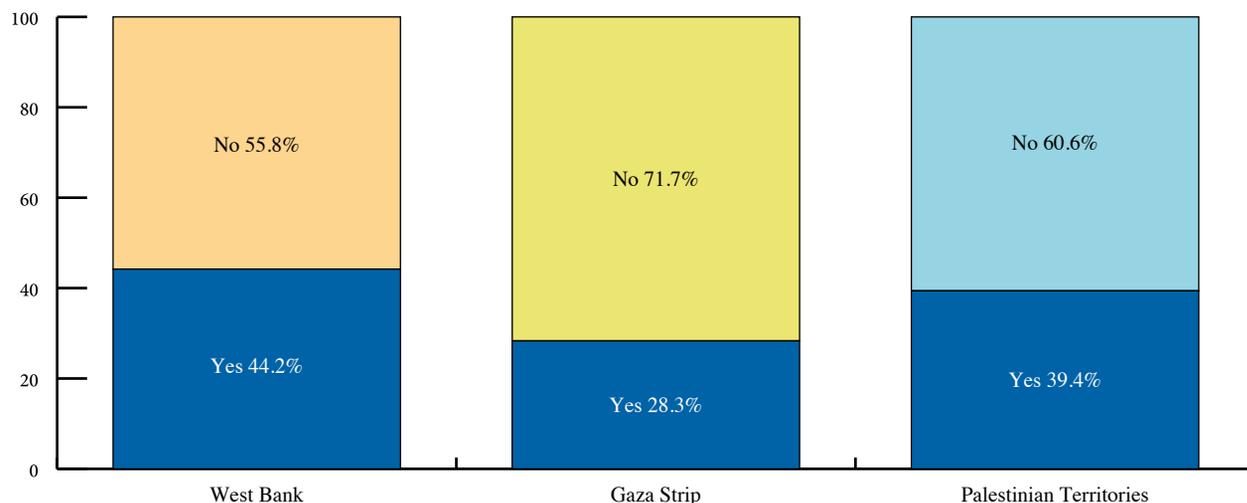
III. Status of the projects

A. Survival rates of the project

The survey findings also revealed that after years high percentages (44.2%) of former clients' projects were still operating¹⁴ at the time of the survey, and decreases to 28.3% in Gaza

¹⁴ The management research shows even in advanced countries 80% of the newly established projects fail in the first years.

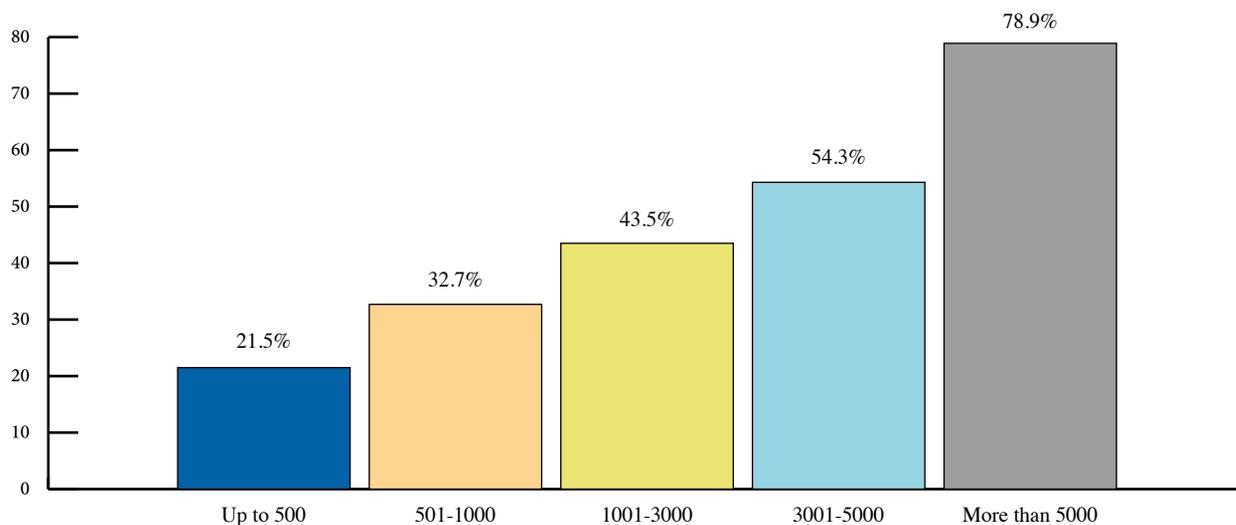
Figure 19: DID THE PROJECT exist at the time of the survey



As the above chart shows, the surviving rates in West Bank are significantly higher than in Gaza due to the successive political and security crises which have occurred in Gaza.

The survey findings show a positive correlation between the projects’ surviving rates and the size of the loan, as it is shown in the following chart:

Figure 20: Cross tabulation between the loan size and THE PROJECT existence at the time of the survey



The findings summarized in the above chart show a strong direct correlation between the size of the loan and the projects’ survival rates. It appears that larger loan amounts correlate to higher sustainability. More than 79% of the projects established with ASALA loans of more than \$5000 are still functioning, while 21.5% of the projects with loans of \$500 are still functioning.

This may be attributed to the economies of scale, or the borrowers of bigger loans are more likely to have knowledge of business management. In addition, smaller loans are less likely to generate sufficient income to cover the repayment installments and beneficiaries’ needs.

B. Reasons for Projects Closures

Among those who failed to sustain their projects, accumulated debts, difficulties in acquiring the raw material, and inability to sell at profitable prices were the most often reported reasons for the projects’ failure in the West Bank. In the

Gaza Strip, the most frequently-reported reasons for the project's failure were difficulties in acquiring the raw materials and difficulties with working capital (Table 46). Notably, a relatively low percentage of borrowers have attributed their projects' failure to their inability to pay the loan installment (11.4% in the WB and 4.7% in the GS)

Table 46: Reasons for Closure of projects established with ASALA loans

Reasons for project's closure	Percentage of closed projects influenced by the reasons		
	West Bank	Gaza Strip	WBGS
Not able to market our products	16.1%	10.1%	13.9%
Accumulated debts because the clients did not pay	30.6%	9.2%	22.8%
Difficulties in the working capital (to buy raw material, to pay workers)	15.0%	18.3%	16.2%
Social impediments, due to the refusal of the husband or brother/father	2.1%	.9%	1.7%
Not able to pay the loan installment	11.4%	4.6%	8.9%
Destruction of the products because of security measures	.5%	7.3%	3.0%
Loss, because of the Difficulties in acquiring the raw material	24.9%	20.2%	23.2%
Not able to sell at profitable prices, Loss because of competition	23.8%	9.2%	18.5%
Absence of the person who supervise the project	7.8%	-	5.0%
Lack of experience	9.8%	2.8%	7.3%

C. Registration of the projects

In principle, Palestinian owners of micro and small businesses tend to avoid the registration in order to escape the burden of high taxes and other fees. However, a fifth of all existing projects (in WB and GS) are registered with official institutions (21.4%). In the West Bank, the number is 23.5%, versus 14.0% in the Gaza Strip (Table 47).

Table 47: Status of the projects' registration

Project registration	West Bank	Gaza Strip	Palestinian Territories
Yes	23.5%	14.0%	21.4%
No	76.5%	86.0%	78.6%
Total	100.0%	100.0%	100.0%

Regarding the registration type, nearly half of the West Bank projects are registered with the tax department (this is a strong indicator of the owner's intent to continue this business). As to Gaza, none of the respondents are registered with the tax department due to the very micro nature of the projects there. (Table 48).

Table 48: Places of the projects' registration

Type of registration	West Bank	Gaza Strip	Palestinian Territories
Tax department	50.0%	-	42.9%
Chamber of Commerce	47.2%	16.7%	42.9%
Relevant ministry	16.7%	-	14.3%

IV. Growth of the Projects

With respect to the capital growth generated by the established projects, the survey findings are shown in table 49,

Table 49: changes on the projects valuation (in US\$)

Indicator	West Bank	Gaza Strip	Palestinian Territories
	Mean	Mean	Mean
The estimated establishment capital for the new project ¹⁵	4214	1808	3678
The estimated current estimated capital for the project	10120	2293	8358
The estimated annual revenue from the project (in US\$)	8522	3474	7329
The estimated annual net income (profit) from the project	3408	1514	2952

As concluded from the above table, the average¹⁶ current value of a project established with an ASALA loan is more than twice as large as the average of the initial capital invested in the projects, signifying that ASALA loans have often led to doubling of economic assets. In the West Bank, the average annual revenue of a project established with an ASALA loan is US\$ 8,522, while the average annual net income is US\$ 3,405. In the Gaza Strip, these indicators are significantly less, with an average US\$ 3,474 for the annual revenue and US\$ 1,514 for the annual net income.

In the same context, the majority (71.2%) of the beneficiaries reported that the current value of the projects is higher than the initial capital invested in these projects, which means that 71.2% of the projects launched with ASALA loans have added value to the national economy. About 10% of all projects appeared to maintain their value (their current value equals the starting capital); while about 18.8% of all projects are struggling (their current value is less than the starting capital). Evidently, the projects in West Bank are in a better position where 77% have gained in their capital, while in Gaza projects showed less optimistic results: about 30% of the Gaza projects are struggling, and about 18.6% of the projects merely cover their costs. The survey findings in this regard are shown in the table below,

Table 50: changes on the projects valuation

Indicator	Percentage of the projects with respect to changes in capital		
	West Bank	Gaza Strip	Palestinian Territories
The current capital is greater than the initial invested capital	77.0%	51.2%	71.2%
Starting capital equal to the current project's value	7.4%	18.6%	9.9%
The current capital is less than the initial invested capital	15.5%	30.2%	18.8%
Total	100.0%	100.0%	100.0%

Finally with regard to the annual turnover, the table below presents the survey findings, where in both the West Bank and Gaza Strip, the revenue level between \$1,001 and \$3,000 is most common. Remarkably, 9.8% of the projects in the West Bank and 7% of the projects in the Gaza Strip were found to be generating gross sales of more than US\$ 15,000, bringing an even greater contribution to the national income.

15 It should be noted here, it is not necessarily the initial capital is financed only by the loan, in many cases the project could be financed partially or fully by the loan, as beside the loans other sources could be used to finance the project.

16 Average was calculated as an arithmetic mean of all relevant values.

Table 51: Annual turnover from the projects established with ASALA loans

Annual revenue	West Bank	Gaza Strip	Palestinian Territories
Up to 1000	15.7%	30.2%	18.9%
1001-3000	26.1%	46.5%	30.6%
3001-5000	9.8%	7.0%	9.2%
5001-7000	6.5%	2.3%	5.6%
7001-11000	7.2%	-	5.6%
11001-15000	7.9%	-	6.6%
More than 15000	9.8%	7.0%	9.2%
Don't know	17.0%	4.7%	14.3%
Total	100.0%	100.0%	100.0%



Conclusions and Recommendations



I. Conclusions

In assessing the gender and social impact of ASALA services it is essential to view these ventures within the context of social issues like poverty, local culture, educational systems, institutional infrastructure, business methods and organizational management. With these in mind, the study findings revealed clear, positive economic impact on clients. ASALA services have contributed to generating new (part or full time) jobs, contributed to the national income, and relatively accumulated capital. In addition to the obvious direct impact on women's economic situation, with more than half of ASALA clients reporting an increase in income, some of the women found new jobs after engaging in business and undertaking the REEWP trainings.

The survey findings show that ASALA services have contributed to gender empowerment. Women interviewed reported that they became more core members in their families, obtained more freedom to purchase for their own needs, obtained more control over the household's assets. Even more significant for many was the development they experienced in their personal character. More than half of the women reported that they became more self-confident, started to feel more safe, and felt an improvement in their decision-making ability. They feel more conviction in women's rights to work, and are actively engaged in business management. About three fourths of all the women have taken the decision to borrow from ASALA by themselves or after consultation with a male family member, and the majority of the projects established with ASALA loans are managed by the women.

Furthermore, ASALA loans have significantly contributed to the increase the clients' income and therefore, economic independence: The vast majority of the active clients in the West Bank have invested the whole or a part of the loan into the establishment or development of income-generating projects, and 72% of these projects are still in operation with 73% of the existing projects generating revenues. The survey results in Gaza showed high positive indicators as well, but at lower levels in comparison to the West Bank due to a worse economic situation, stringent border closures, and periodic Israeli military actions¹⁷, despite this more than 57% of the projects are still functioning.

Regarding the REEWP services, women who participated in the training activities conducted within the REEWP initiative have evaluated the experience positively: (i) 89.9% have found the training beneficial; (ii) 95.5% indicated that the trainers were competent; (iii) 95.5% reported that the benefits from the training were "excellent" or "good"; (iv) 72.5% of women owning a business felt that they were able to apply the skills acquired in the training to their businesses; and (v) more than 92% of the training participants noticed positive changes in their ability to manage the business after the training. The majority of all surveyed respondents (i.e., those who attended the training and those who did not) feel that they feel the training they received is sufficient to manage their projects and that they don't need further training in project management.

they do not need further training to manage their projects.

Regarding former clients, the tracer survey findings show that the overwhelming majority in the West Bank used the loan for business development purposes, while a majority of 70% in Gaza also used the loan for business-development purposes. A small percentage of the clients used the loan fully or partially to improve the living conditions of their households. Furthermore, in terms of capital valuation, the findings showed that the average current value of the projects established with ASALA loan is more than twice as large as the average of the initial capital invested in the projects. Even more interesting is that the majority (71.2%) of the beneficiaries reported that the current value of the projects is higher than the initial capital invested in these projects, which means that 71.2% of the projects launched with ASALA loans have an added-value to national economy.

Much of ASALA's achievements are owed to the commitment of its staff. The study team congratulates ASALA for providing its planned services in an integrated and consistent manner. In the past five years the number of loans has increased, and ASALA has managed to build a loyal clientele, where most of the surveyed clients indicated that they would get another loan from ASALA and more than two thirds of the respondents have directed a relative / friend to get a loan from ASALA. In the same context, the findings showed remarkably high satisfaction with the ASALA staff in relation to client treatment, communication with clients and answering the clients' queries. Moreover, a majority of the clients felt highly satisfied or satisfied with lending processes and procedures (clarity of the loan conditions and the repayment schedule

17 For example, in 2006 there was the salary crisis, in 2008 there was Operation Cast Lead, and in 2012 The Pillar of Defense War...plus Gaza is completely shut off to the entire world.

the procedures to get the loan and the required collaterals). On the other hand, the clients demonstrated dissatisfaction with interest rates, with 55% in the West Bank and 51% in Gaza reporting that they were dissatisfied with the interest rate on their loan. In addition, lower levels of satisfaction were reported regarding the staff's ability in assisting the clients in marketing and business management, as in addition to loaning funds, the provision of consulting services in marketing and business management to ASALA clients represents a unique challenge. One difficulty lies in the fact that the vast majority of the loan recipients are engaged in traditional businesses, where markets are saturated and stagnated. Due to these challenges, ASALA fieldworkers need to possess contextual knowledge and solid experience in business management and marketing, especially in the particularities related to micro and small businesses.

However, on the overall level, 88% of active clients reported satisfaction with their experience of borrowing from ASALA, a remarkably high level of satisfaction for a lending institution.

With respect to targeting, the findings present strong evidence that ASALA, precisely in accordance with its mission, has been successful in delivering its services to the most poverty-stricken women such as large households, households with limited income sources, households headed by females, and households that do not have adequate productive resources. Although the severity of the socio-economic conditions as a parameter for the interventions is logical and consistent with ASALA's objectives, it is recommended that the selection of the clients should include greater consideration of the women's capacities for starting up a business.

II. Recommendations

The women entrepreneurs who participated in the focus groups and case studies reported various recommendations that mainly related to the following:

- Decrease the interest rate, increase the grace period (it was even suggested that ASALA start the repayment process once the project starts to generate income).
- Increase the loan size (this concern was raised mainly in Gaza).
- Some of the beneficiaries asked to reduce the collateral requirements for the individual loans. Among the suggestions were to skip the condition of guarantors and instead use the existing projects as a loan guarantee (which would be very manageable in the case of trusted clients); others suggested to reduce the number of guarantors, where one guarantor is sufficient.
- Some of the participants requested loans for housing and for educational purposes besides the income generating projects, however these services are generally provided by ASALA.
- Some suggested making ASALA more flexible regarding the installments and to postpone the repayment in the case of bad market situations or family crises. Others asked for increasing the number of installments without increasing the interest rates.
- An increased sensitivity to women's privacy, and to stop ASALA staff's inquiries about the women in the village
- A suggestion for ASALA to make market screening studies and to provide women with promising business ideas.
- Provide specialized training according to the type of the projects, i.e. to provide training in food processing for food projects. Again it is known that these services are provided by ASALA.
- To provide field counseling services by specialized persons (for example to contract with a vet to provide inspections for livestock projects, food processing expert to provide advice for food projects, and so). Again it is known that these services are provided by ASALA.
- Provide technical and counseling support for the failed projects to revive or to save them.
- Provide practical support in marketing the women's products. For example ASALA should make agreements with big companies/establishments to buy from the women's projects, ASALA should publish/promote and publicize about the women projects, help the women in networking with other organizations that may support women products, initiating local and regional fair-trades.
- Hold regular open meetings between the beneficiaries to share experience and support each other.
- Open more branches, and to consider re-allocating some of the branches to be in the center of the cities like in Jenin. (Jenin office was moved to center while writing this report).

In addition to the above clients' recommendations, however, the survey findings have convinced the assessment team that in order to build ASALA's achievements and experience as reported here, future support could consider the following:

- Recognizing that ASALA's strategy focuses on enabling their clients by establishing income generating projects, which have proven to be the most effective for women empowerment, enhancing their wellbeing and improving their households' livelihood. Therefore, in addition to the vulnerability attributes, the selection criteria should focus as well on assessing the capacity to realization of empowerment results, rather than strictly on assessing the poverty levels.
- In order to further realize ASALA's objective of promoting women's economic empowerment it is recommended to focus more on the sustainability of projects established with ASALA loans. Technical and managerial know-how, combined with hard work, competent leadership, and enthusiastic employees, are all crucial to maintaining a profitable venture. Since it is not possible to assume that all the clients will naturally thrive in the entrepreneurial environment, the personal strength of the recipients needs to be supported and fostered. Therefore, the field staff needs to develop a deep understanding and adequate skill set which they are able to communicate to clients in useful and creative ways.
- Marketing support: Consulting services in marketing and business management is a challenging task as the vast majority of the women are engaged in traditional businesses (agriculture and retail business). These represent markets which are saturated and stagnated. Thus, the ASALA fieldworkers must possess deep knowledge and solid experience in business management and marketing, especially in the particularities related to micro and small businesses. In addition, it is strongly recommended to sub-contract a pool of local-based experts, who have **solid practical** marketing, management and business experience to play the role of business mentors for the clients. It is the consultants' opinion that one major concern is to provide the technical support through persons who developed their competencies through training, and other in-class activities.
- Adopt purposeful activities to establish solid networking for cooperation with relevant interventions in the country, especially with other organizations that target women and provide business counseling services or research. This would allow ASALA to effectively demonstrate its performance and participate in information sharing. It is also possible for ASALA to benefit and learn from the capacity-building initiatives implemented by other local NGOs. Networks can be established and may allow ASALA clients to benefit from business-related trainings and consultancy services.
- Additionally, it is deemed that ASALA can further improve its targeting process by utilizing pinpointing initiatives such as.
 - Establishing long-term partnership/cooperation with girls' vocational schools, training centers and community colleges (both types serve mainly girls from marginalized families). Many of such educational institutions have integrated into their curricula the entrepreneurship modules / trainings. ASALA experts can make presentations for the graduates on entrepreneurship and ASALA services in assisting women to establish their own businesses. In addition, ASALA can participate in open days or career days organized by these institutions, to promote ASALA services to the students and graduates.
 - Organizing short orientation workshops in women centers and women associations. Many donor-funded projects have developed such centers. These sessions can highlight entrepreneurship and outline how to screen the market to find successful business ideas.
 - Establishing partnerships with NGOs engaged in entrepreneurship development and capacity-building. Presentations about ASALA services can be integrated into the training activities targeting existing and potential entrepreneurs. Moreover, it is recommended to present ASALA services to public and male groups as well, because, as the study findings show, in many cases male family members encourage their spouses /sisters to borrow from ASALA for new or existing family projects.
- Besides the information relevant to the loan repayment, it is essential to widen the scope of collected/stored information about the clients, including the base and end line data on the clients' socio-economic parameters and data on variables that track their progress, technical support, project performance, and others. These data should be documented electronically in an accessible way. Various tools/questionnaires could be designed to measure the changes in different phases for women who receive support from ASALA. The accumulated data can be a valuable source of information on the status of the main effectiveness and impact indicators so future progress and evaluation can be measured in a professional manner.
- It is highly recommended to add further financial training into ASALA's technical support package. As the findings of this study revealed and other studies conducted about local SMEs, many businesses fail due to financial incompetence of starters up. Many new business owners cannot calculate the cost of their operations and size of the working capital required for operation, or set appropriate prices that are both competitive and profitable, etc. They often do not understand the cost associated with selling on credit, cannot collect debts and do not know when to close the

credit lines to avoid bankruptcy. Such financial trainings can be introduced as an integral part (i.e., a prerequisite for getting the loan) of the lending package targeting clients applying for relatively large loans (US\$ 3,000 and more), and should be enhanced by coaching and follow up in the field.

- As was revealed in the present survey, male family members play active roles in many of the projects established with ASALA loans. Hence, for ensuring sustainability of these projects, it is recommended to involve spouses / brothers of women clients in capacity-building activities, advisory sessions, and, if possible, in gender training. The field-workers, who manage loans for the projects where males obviously play leading roles, can nominate the candidates for such trainings. These do not necessarily need to be delivered by ASALA, but, as was suggested above, can also be delivered by other cooperative NGOs.



