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Carter Garber and Brian Beard

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Summary

Microenterprise provides a vital form of employment and economic survival for the vast majority of Latin Americans. Over the past 15 years, specialized financing agencies, called microfinance institutions (MFIs), have developed to provide a range of microfinance services to some of the region's 50 million microenterprises. Client assessment, composed of impact evaluation, market research, and client satisfaction, is now receiving increased attention among MFIs and their supporting institutions, donors, and investors.

This Agenda Paper examines the recent progress of Latin American MFIs in assessing their effects or impacts upon clients. It first examines the rapidly growing microfinance industry in the region and the evolving role of evaluations. If MFIs are to grow and meet the strong demand for their services in an increasingly competitive market in Latin America, they are going to need to become increasingly sophisticated in gathering useful feedback regarding the impacts of their services on clients' businesses, their standard of living, and their families. The second section of the paper examines the growth of evaluation activities and techniques among MFIs in the region during the last five years. There are two major sets of tools, AIMS-SEEP and MicroSave, which are emerging as industry standards along with other evaluation efforts. The third section is an examination of the emerging themes from recent client assessments. The fourth and final section looks at policy changes that will be necessary if this type of client assessment in microfinance and microenterprise development will be able to meet the rapidly growing demand over the next five years.

Microfinance Evaluations

Microfinance and Its Evaluations in Latin America

Microenterprise offers a vital form of employment and economic survival for the vast majority of Latin Americans. Over the past 15 years, specialized financing agencies, called microfinance institutions (MFIs), have developed to provide a range of microfinance services to some 50 million microenterprises in Latin America and the Caribbean. Eighty percent of the region's businesses fit the Inter-American Development Bank's (IDB's) definition of microenterprises: having fewer than 10 employees. These small businesses employ some 130 million Latin Americans. Microenterprises account for up to one-third of the gross domestic product (GDP) in some countries. Despite the rapid growth of MFIs in providing financing to entrepreneurs, estimates of the number of microenterprises with access to institutional credit remain below 10 percent.¹

The number, sophistication, and complexity of microfinance institutions have grown rapidly. Most MFIs began as nonprofit organizations that included credit as one of their programs. Some of the specialized programs and institutions have converted to for-profit status, but most of the MFIs continue to function as nonprofit organizations. In addition, a growing number of banks and other commercial institutions are now serving the needs of microentrepreneurs in Latin American countries. The growth of the new "industry" has brought with it an increasing demand for external and internal evaluations of these new and maturing MFIs — on the part of a variety of stakeholders, including do-

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Brian Beard has taught microfinance organizations and provided technical assistance in the implementation of the AIMS-SEEP Impact Assessment Tools on four continents. He is now working as a Technical Analyst for the Opportunity International Network and is implementing a client impact monitoring system for many of their partner MFIs.

nors, investors, managers, boards of directors, governments, and international supporters.

Most evaluations of microenterprise programs look at the microfinance institution (MFI) itself. They compare repayment rate, portfolio at risk, and other financial ratios with accepted benchmarks in order to determine the soundness of the institution. Many have assumed that if the institution is sound and the loans are being repaid on time, then the clients must be improving their lives and lifting themselves out of poverty. Thus, the indicators that determine the soundness and success of the MFI have been used as proxies for the success of the program in helping the poor clients improve their standard of living.

However, these proxy indicators of institutional success do not necessarily correlate with the progress of a program's clients. This is true for four main reasons. First, with the rapid growth in the numbers and types of MFIs, many urban clients in Latin America have found easy availability of loans, a situation that can allow a client to take a new loan from a different institution to pay off a previous debt. Thus, while payments are up-to-date with the MFI, they do not necessarily indicate progress of the client's business. Evaluations are finding that many mature clients often have multiple financing sources. Second, some clients do not have the business acumen or potential market to be able to take advantage of a loan and expand their businesses and incomes. If a loan is used for something other than boosting income earning potential, then the burden of paying it off could require selling what little assets a family has, leading them to fall even further into poverty. Third, in Latin America, there is a high level of remittances. Often the clients use these money transfers from relatives in other countries to make their monthly loan payments. Thus, there may be little or no business activity to justify the increasing loan amounts. The situation of the family as well as the loan portfolio may take a major dive if the income earner making the remittances is thrown out of work, as has happened during recessions in the northern countries where many relatives have been working. Fourth, recent evaluations of MFIs have found a strong turnover of clients. They have high rates of attrition but even higher rates of new clients to compensate. The new clients are more expensive and do not generate as much revenue (smaller loan amounts bring in less interest per transaction), but the financial ratios may look good. Unfortunately for short-term clients, their participation has little impact on alleviating their

poverty. All these situations have led microfinance practitioners to be wary of thinking that institutional stability is a proxy for improvement of their clients' impoverished conditions.

Impact Assessment — Proving and Improving

As illustrated above, an institutional assessment of an MFI is not necessarily indicative of subsequent changes in the lives of its clients; therefore, an evaluation of the actual impact of participation in the loan program on the lives of the clients must be carried out. Impact assessment can play an important role in the field of microfinance by proving that a particular MFI is working effectively, thus providing accountability to donors and other stakeholders and helping program management to improve its provision of products and services. MFIs often must prove that their donors' funds are helping to accomplish the institution's objectives of improving income and reducing poverty, while managers are interested in determining whether their current mix of products and services are responsive to their clients' needs. Both want to increase the positive impacts and decrease negative impacts that their services might have on the lives of clients.

Traditionally, impact assessment in microfinance — if done at all — has been funded by donors and carried out by policymakers and independent researchers. Before the last half decade in Latin America, most impact assessments have been large-scale, rigorous, and often very expensive. In contrast, some studies were low cost and done with questionable methodology, yielding data with limited validity and credibility.

The Small Enterprise Education and Promotion (SEEP) Network began working in the mid-1990s to develop a third intermediate alternative for carrying out impact assessments. The SEEP Network, the professional association of private voluntary organizations in the United States and Canada promoting microfinance in developing countries,² formed a client impact evaluation working group and later hired four consultants under a contract with Assessing the Impact of Microenterprise Services (AIMS), a six-year project of the U.S. Agency for International Development (USAID) that broke new theoretical and research ground in client assessment.³ Based on an understanding that most impact occurs in the household of the microentrepreneur, the consultants developed hy-

potheses and indicators that were common to several types of MFIs. From that work and their understanding of the types of information that clients could provide that MFIs need, the consultants created five AIMS-SEEP Tools in mid-1997 to provide a mid-range approach to impact assessment that is cost-effective, useful, and credible.

The AIMS-SEEP Tool set includes a combination of two quantitative and three qualitative tools to assess the impact and client satisfaction of a microfinance program. With surveys, in-depth qualitative interviews, and focus groups, an MFI's impact is measured on four different levels: the client as an individual, the client's family, the microenterprise, and the community. Due to the problems with early longitudinal surveys in the microfinance field, the tools adopted a cross-sectional approach, with the aim to provide analyzed data with recommendations to management within a three-week period.

While much of the early emphasis focused on impact assessment, as the tools were being constructed, there was a conscious effort to build in measures of client satisfaction with products and processes into both the quantitative and qualitative tools. Later, as the tools were being used, the evaluators and MFIs began to see the need to interface market research with the studies. During the last five years, the language has evolved so that now the term "client assessment," is being used to reflect the combination of impact evaluation, client satisfaction, and market research. This combination has attracted more attention among MFIs and their supporting institutions, donors, and investors than any of the topics have individually. Together they are complementary. All of these tools come under the heading of listening more carefully to one's clients, ex-clients, and potential clients to learn from them what is working well and how an MFI's products and processes should be changed. Appropriately, the AIMS-SEEP tool manual that emerged from a process of testing the tools was named *Learning from Clients: Assessment Tools for Microfinance Practitioners*.⁴

The Evolution of Client Assessment in Latin America

The first test of the AIMS-SEEP Tools was carried out in Honduras in September 1997. The group to be evaluated, the Women's Economic Development Organization (Organización de Desarrollo Económico Feminino — ODEF),

headquartered in San Pedro Sula, Honduras, actively participated in the evaluation process along with two consultants from the SEEP Network and two staff members from an allied regional organization, Katalysis, which is a member of SEEP and an entity supportive of ODEF. The results of the evaluation validated the usefulness of the tools and led to a further refinement, followed by a tools test the following year in Mali to determine the universality of the tools. One of the hallmarks of the mixed method approach was the relative ease of being able to triangulate results from the different qualitative and quantitative tools. This gave evaluators much more confidence, even when sample sizes were small in comparison with more rigorous, academic studies.

The tools were first tested in Honduras, as was the methodology of using MFI practitioners as evaluators. At first, this methodology was somewhat controversial among academics and others, who believed that evaluations must be carried out by objective outsiders and that the presence of insiders would bias the results. However, the methodology proved successful. By carefully training microfinance staff in techniques to increase their objectivity in interviewing and analysis, the outside consultants found that loan officers and their supervisors were able to make the transition and become good interviewers. This success gave impetus to SEEP and its members to begin making plans to adapt and use the tools elsewhere in the world.⁵

First AIMS-SEEP Tools Implementation

Latin America also has the honor of being the site of the first full-scale implementation of the tools. In November and December 1999, the first implementation using the AIMS-SEEP tools was carried out in a client assessment (CA) of the FINCA/Peru program in Lima, Peru. The objectives of the CA were to 1) evaluate impact and client satisfaction in two districts of Lima; 2) use the findings to recommend how to improve impact and satisfaction; 3) adapt the AIMS tools to the country and program context; 4) teach personnel of FINCA/Peru how to use the tools and methods at that time and for future evaluations; 5) train volunteers from other local MFIs that were members of COPEME, the national network of Peruvian MFIs, in this impact assessment methodology, so that they could replicate it elsewhere; and 6) train volunteers from other countries in the AIMS-SEEP methodology to encourage replication in the hemisphere.

For the practitioner-based impact assessment, a team was assembled to perform the evaluation, with most of the 30 participants coming from FINCA/Peru or other Peruvian MFIs. The CA was combined with a training component to obtain volunteers from the other MFIs interested in learning the process for their own impact assessments.

The Peru impact assessment involved 331 individual interviews and 13 focus groups with clients of the FINCA/Peru program in Lima. The main impact survey employed a cross-sectional comparison of 128 longer-term clients (28–40 months in the program) with 94 incoming clients (comparison group). The Exit Survey sampled 63 ex-clients to determine their experience with the program and why they left.⁶ Later impact assessments covering a country-wide program were in the range of 600 to 800 interviews.

While the main impact survey and exit survey are quantitative and use questionnaires with answers that are coded and entered into a statistical program for analysis, the other three tools are qualitative in nature. In Peru, the Loan and Savings Use Tool involved in-depth individual interviews with 17 longer-term clients. The interviewers used open-ended and probing questions about the clients' use of loans, profits and savings during different loan cycles. The Client Satisfaction Tool uses a focus group format to determine the clients' likes and dislikes about specific policies and to solicit clients' suggestions for improving the program. The Empowerment Tool used 29 in-depth individual interviews or interviews conducted in a small group. The client first draws a picture of her life before the program and then a current one. The interviewer uses the drawings, along with open-ended and probing questions, to delve into the clients' past and present behaviors and attitudes, looking for changes.

Emergence of a Technical Entity Doing Regional Training

Out of the 1999 Peru evaluation grew a nucleus of experienced professionals who were called upon by AIMS and the SEEP Network to conduct trainings on the AIMS-SEEP tools and lead evaluations elsewhere in the world. This team of consultants and trainers later became a formalized entity called the Institute for Development, Evaluation, Assistance and Solutions (IDEAS).⁷ The IDEAS Team led major evaluations in Asia and Africa to find out whether the AIMS-SEEP evaluation tools

and techniques have applicability outside Latin America. The tools were found to be successful in varied settings and in different types of credit and savings methodologies. In the Philippines, the IDEAS Team assisted the MFI, ASHI, along with the network of Grameen Bank⁸ replicating institutions, PHILNET, and the Asian network of institutions that use the Grameen Bank methodology, CASHPOR, to conduct the first assessment in Asia.⁹ Due to the success of the effort, CASHPOR has assisted other large MFIs, such as SHARE in India, to conduct similar client assessments. In Africa, IDEAS worked with Sinapi Aba Trust, a member of the Opportunity International network, to conduct a major impact assessment in 2002. It was the largest evaluation of this type to date, involving 60 people from 10 countries in an effort to train evaluators in these techniques.

Despite the worldwide beginning use of the AIMS-SEEP tools in Honduras and Peru, the use of the tools in Latin America was at first limited due to a scarcity of training materials in Spanish. In 2001, IDEAS began holding a series of regional training sessions in Latin America with the support of AIMS and SEEP. These occurred in Nicaragua, El Salvador, Peru, and Honduras. There was an overwhelming demand for the training; participants came substantial distances to attend. As a result of these and other IDEAS workshops, more than 300 Latin American MFI representatives have been trained in client assessment techniques. In the same years, a new international program of support to client assessment, called the Imp-Act Program, was created by three British universities in collaboration with the Ford Foundation.¹⁰ Representatives of the Latin American grantees under the Imp-Act Program all attended these regional workshops as basic skills trainings not only in the AIMS-SEEP tools but in the general techniques of client assessment. The Client Assessment Working Group of the SEEP Network also facilitated this effort and shared common lessons.

The participants in these training sessions began a series of evaluations in South and Central America within their MFIs. The evaluations were planned and implemented locally and were directed to study questions of particular interest by the institutions being evaluated. However, the fact that the methodologies and tools were similar meant that there were some common findings that began to emerge. A nascent network of Latin American MFIs interested in sharing their findings and techniques developed. IDEAS responded by publishing a regional bulletin, called MicroEval.¹¹

The Imp-Act grantees and others in Latin America began networking.¹² In the next section of this paper, some of the preliminary findings and themes will be shared.

National Associations of MFIs Support the Effort

An implementation of all five of the AIMS tools in one three-week period, as was done in Peru, the Philippines, and Ghana, requires a significant number of people and can temporarily strain the human resources and normal loan operations of an MFI. In many countries, MFIs have banded together to form national associations for mutual learning and collective action. IDEAS worked with the national associations in Peru, the Philippines, and Ghana to recruit volunteers to assist the MFI being evaluated. These peers provided volunteers during the weeks of evaluation in exchange for the opportunity to learn the techniques so that they could apply them in their own organizations. Given the competitive nature of microfinance in these three countries, some of the volunteers came from MFIs that compete for clients. The process of building objectivity has allowed competitors to work alongside each other, as they learn how to listen to clients more effectively. The national microfinance associations in these three countries¹³ and others should be credited for building maturity into the learning environment.

National MFI coalitions have been hosts of regional training workshops in Latin America. A variation to hosting a one-time training session was introduced by the Fundación COVELO network in Honduras in 2001, in which one tool at a time was taught to representatives of various MFIs that all belong to the same network. The innovation was spurred by ODEF, which had used the AIMS-SEEP tools earlier and wanted its peers to learn how to use them gradually. IDEAS provided a week-long workshop focusing primarily on one client assessment tool, giving participants an opportunity to learn all the parts of the process, from interviewing clients, to analyzing the results, to creating a report and presenting it to the management of the MFI that had provided the clients. Then the representatives of each institution return to their organizations, train their own personnel, and carry out the interviews and analysis. They return to the next training session approximately six months later with their data, and a national report is created. Then they learn a new tool and repeat the process

in the next six months. The nine participating institutions collectively surveyed over 1,200 ex-clients nationwide in the first six months and then conducted 93 focus groups with 960 current clients in the second six months.¹⁴

The model of Honduras was cited as exemplary in an international conference of the Imp-Act Program and has been written up in the literature. There are several lessons that can be drawn from the experience. The network must be clear about building a self-critical learning culture among its members for evaluations to improve their programs. The national network not only must plan and coordinate well for the workshops, but also is responsible for supervising members and helping them carry out their evaluations between workshops. Sufficient time must be allotted for members to perform their own evaluations and for the network to coordinate a synthesis. (Synthesis refers to the process of finding common themes and lessons learned, applicable to all or most of the MFIs that are members of the national network.) For this, a staff person at the network needs to be designated as coordinator of the activity.¹⁵

The process of a workshop every six months worked so well in Honduras in 2001 that PROMIFIN-COSUDE and later the Nicaraguan MFI network, ASOMIF, adopted the pattern in 2002. Both Honduras and Nicaragua are continuing with periodic trainings with IDEAS every six months in 2003-2004. In 2003, PRODESARROLLO of Mexico is planning to join the pattern of periodic trainings in its network.

In Bolivia, a different model has been tried by the rural MFI network, FINRURAL, representing nine leading MFIs. Instead of training its members to conduct their own studies, FINRURAL is offering impact assessment as one of its services, with the aim of establishing its reputation as an impartial evaluator that provides credible results. In Bolivia, where microcredit has a tarnished image due to debtors' unions having denounced MFIs, an objective outsider who is familiar with the sector may serve a useful purpose.¹⁶

Complementing Impact Tools with Market Research Tools

In 2002, IDEAS was eager to expand the set of impact and client satisfaction tools with complementary tools on market research. A set of 18 tools developed by MicroSave-Africa had emerged as an industry standard in Africa, Asia, and Eastern Eu-

rope. The qualitative tools utilize either focus group or participatory rapid appraisal techniques. A variety of tools allow the researcher to explore how clients rank elements within the financial products as well as to compare their relative preference for products of different competitors. One of the tools looks at seasonality of uses of credit, savings, income, and expenditures. Others look at wealth ranking and examine the time series of clients' crises or asset accumulation. Several of the tools are designed to help the MFI understand how the clients view the financial services available over time and to draw implications for taking a more competitive stance. Finally, there are three tools that help the MFI to examine a gender perspective on the clients' use of financial resources.¹⁷

IDEAS joined forces with MicroSave-Africa to replicate the tools in Latin America by sending two Spanish-speaking trainers to Uganda to be trained in the techniques. The effort was encouraged by Microfinance Opportunities, a U.S. nonprofit organization that supports client assessment. Part of the accessibility barrier was overcome by the translation of part of the materials to Spanish. In August 2002, the IDEAS trainers and the founder of MicroSave-Africa were co-trainers in an international bilingual workshop sponsored by the SEEP Network. Participants from Latin America and elsewhere then supplemented their classroom learning with field work in one of a variety of countries. IDEAS team members have participated and served as mentors in assisting MFIs to do client assessments in El Salvador, Guatemala, Mexico, Colombia, Jamaica, and Nicaragua.¹⁸

In each of these evaluations of MFIs, the Latin American evaluators have determined that they need to use a variety of different tools to achieve their client assessment research objectives. They have found that significant benefits derive from using tools in the MicroSave-Africa set, which was originally designed for market research, and combining them with tools of the AIMS-SEEP set, which are more oriented toward impact evaluation and client satisfaction. For example, in research conducted in July 2002 by ENLACE, an MFI in El Salvador, evaluators used five tools from MicroSave-Africa and two tools from the AIMS-SEEP set. This blended approach is now being actively promoted by MicroSave-Africa and an ally U.S. nonprofit, Microfinance Opportunities, in designing a series of CD Roms with training videos to teach tools from both sets. IDEAS has been collaborating in the project, which will increase the number of people who are able to use the tools

without attending a formal training session.¹⁹ The videos will be translated into Spanish to aid in their dissemination.

Themes Emerging from Evaluations

As various studies have been done in Latin America, some common impacts have been found and some repeated themes have emerged in the microenterprise markets studied. This third section of the paper lays out several recurring themes that are emerging from different studies. The authors, who also have experience in Africa and Asia, have selected themes from Latin America that reflect the microfinance assessment experience in many parts of the world. These themes are not universal, but they are appearing in multiple countries and contexts, and the authors have confidence that researchers will find them again as they study elsewhere in the Latin American region.

These findings and themes have already offered important lessons for practitioners at the staff and board levels, and as they reoccur in a variety of settings, they will offer more lessons to donors, governments, investors, researchers, and other stakeholders. The policy implications from these themes that can be generalized for larger audiences are offered in the fourth section of the paper.

Given the limited space herein, we have chosen only a few themes. Under the broader themes, there are several findings. After a brief description of each finding, we have laid out some practical "management responses" by some MFIs in Latin America. This section demonstrates that the client assessment research findings have practical implications for management.

The themes in this section have been organized into the following six main categories:

Theme 1. The need for the microfinance institution to obtain more accurate information to assess clients and their needs leads to management responding with

- more comprehensive management information systems,
- listening more to front line staff who are working with clients,
- impact monitoring to supplement periodic assessments, and
- development of specialized units of research and development.

Theme 2. The importance of program context and services when understanding impact and clients leads to management responding with

- changing the program to deal with the changing macroeconomy,
- thinking more carefully as to hypotheses and indicators to measure change at client level, and
- more targeted programs.

Theme 3. The need for targeted services in order to impact certain populations leads to management responding with

- targeted approaches to reach clients in lower levels of poverty, and
- targeted approaches to empower women.

Theme 4. How clients use loans leads to management responding with

- studying how the loans and profits are used so as to design innovative products,
- developing prototypes of new products and testing them before launching each new product,
- short term loans, and
- seasonal approaches to lending.

Theme 5. Determining whether clients are building assets leads to management responding with

- changing loan policies to facilitate the purchase of assets by the clients, and
- allowing withdrawal of lump sum savings and encouraging asset purchase.

Theme 6. Determining why clients leave the services leads to management responding with

- slowing the attrition rate by making changes in the program, and
- encouraging ex-clients to return to the program.

Theme 1. Development of Useful Information about Clients

Findings: Something that often quickly emerges during research is that microfinance institutions have relatively poor information about their clients or do not have an easy way of retrieving that information to assist researchers and managers. MFIs obviously keep track of a certain amount of infor-

mation about their clients so that they can function as financial institutions. Basic information such as name, gender, address, and type of business are recorded along with essential financial data, such as loan amount, term, payment frequency, interest rate, and amount in arrears, if any. However, many MFIs do not have additional biographical information in their databases that tells them what types of clients they have. Specific, accurate information about level of education and a profile of all sources of income for the household, for example, can help an MFI better understand what its clients want and need.

Even basic demographic information can prove to be quite useful and surprising to MFI management. Like most microfinance programs, FINCA/Peru has a large majority of women as clients. Prior to their client assessment, FINCA had been assuming that the majority of its clients in Lima, as in rural regions, were female heads of household. The impact survey showed that 82 percent of its clients were married or living with a partner; this information forced management to reassess the characteristics and needs of its client base.²⁰

Many MFIs capture certain data during the loan application or renewal process that is used to determine whether a client will qualify for a loan and what loan size that client can handle. Indicators that assess the allowable loan size vary among institutions; however, anticipated average monthly income from the microenterprise and the amount of the client's total assets are usually included. Yet, many MFIs do not make full use of this information, which is written on the loan application form, used by a supervisor in the loan approval process, and filed away. In Honduras, evaluators of one MFI found that the information was filed in a separate place for each loan cycle for an MFI they were evaluating. They were told it would take too long to assemble the loan forms for each cycle. Thus, monitoring of clients' progress was blocked from being done by evaluators on a one-time basis and management on an ongoing basis. Unfortunately, this situation is not unique. In the Philippines in a major evaluation, much of the longitudinal information was missing or not accessible because the files had gotten wet or had been eaten by rodents.

When basic client information is entered into a computerized management information system (MIS), the institution will know more about their clients and be better equipped to assess how clients are affected by their participation in the microcredit program. Yet, the most modern sys-

tems do not work if employees are not properly trained to use them. For example, an institution in El Salvador spent hundreds of thousands of dollars to buy, set up, and run a sophisticated MIS of the type used by banks. In 2002, evaluators found that this institution's managers were rarely using the system's capacity for evaluative purposes because they were unfamiliar with its capabilities for processing data. Needless to say, this MIS was of no use to the evaluators. A similar situation was found in a recent evaluation of the largest credit union in the Caribbean.

Management Response: Many MFI managers in Latin America have realized that they need to gather and maintain more accurate information about their clients.

Finding: An assumption that the loan officers already know their clients' characteristics, tendencies, needs, and perceptions because they work closely with the clients is not necessarily true. Even if the loan officers do know some of this information, it is not systematized, nor is it provided to management in a usable form. One of the consistent findings in the microfinance field is that rarely does management have a systematic way to listen to its front line officers who are most frequently in contact with the clients.

Management Response: A major benefit of these evaluations is that the information that the field officers have been hearing daily is finally being heard by the senior management. Also, field officers may find in analyzing results that their own view was not representative of the population of clients.

Finding: When we arrived to do an impact evaluation of Sinapi Aba Trust, a national MFI in Ghana, we discovered that the program had a great wealth of information recorded on paper that quantified the assets of the clients, with a ranking to assess relative poverty level, an estimation of monthly income, the type of business, education level, and other information that had not been entered into the computerized MIS. With a great deal of effort, all these handwritten documents were collected from various branch offices for the clients that had been sampled for the impact assessment, and this wealth of information proved to be quite useful in tracking longitudinally the changes in the clients' lives since joining the loan program.

Management Response: Sinapi Aba is in the process of computerizing an MIS that will store not

only the essential financial data, but also biographical information and impact indicators that will be used to monitor the MFI's effects on its clients, which will help the program managers to adapt continually to the clients' needs.²¹ This MFI's system will serve as a model for the whole Opportunity International Network, which has many affiliates in Latin America. Many MFIs are realizing that, in addition to periodic evaluations, they need to do regular impact and client monitoring. The key indicators for that monitoring can be determined by a prior assessment.

Finding: There is the question of who in management will take the initiative to monitor or periodically assess clients. AGAPE, based in Baranquilla, Colombia, benefited from its use of the AIMS-SEEP tools. A staff member attended an IDEAS training session on the AIMS-SEEP tools in El Salvador and then implemented the Exit Survey to address a serious problem of attrition. AGAPE then decided to start a Research and Development Department, and the same staff member attended another training, this time on the MicroSave tools. AGAPE sponsored an evaluation in October 2002 on one of its products, individual lending, which was not in as much demand as anticipated. Through using a mixture of MicroSave and AIMS-SEEP tools, this MFI was able to identify key problems with the product and its delivery mechanism and procedures. The presentation of the results to management and the board of directors was so convincing that management not only enacted the recommendations but insisted that a similar study be done for the other products.

Management Response: To assign responsibility for regular research and development activities to certain staff members or create an internal unit. The AGAPE Research and Development Unit has been asked to assist another Opportunity International affiliate in Colombia. Acción International, a network with affiliates in most of the Latin American countries, has recently stressed market intelligence and has endeavored to build this function.

Theme 2: The Importance of Program Context and Type of Services in Analysis

Finding: A second emerging theme from the results of client assessments is that context makes a big difference in terms of impact. Differences in macroeconomic conditions, types of microenterprise services, and types of clients who

participate can lead to very different types of impacts. At first, evaluators and program planners in large international agencies supporting MFIs in dozens of countries, such as World Vision or Opportunity International, expected to see the same types of impacts arising from microfinance institutions operating in very different country contexts. In another component of the AIMS project, three long-term longitudinal studies in Peru, India, and Zimbabwe found that program context makes a difference in impacts.²² Surprisingly, there was not a single strong microfinance impact that was common in the three settings extensively studied.

In the impact assessment, using AIMS-SEEP tools, done for the FINCA/Peru program in Lima in 1999, differences in the impact survey indicators between clients and nonclients were not dramatic — presumably due to the strong economic recession in Peru. It was found that the established, “mature” clients tend to 1) maintain better business records, 2) make more improvements to their housing and businesses, 3) have higher average monthly sales and profits, and 4) have fewer of their children working in their family business. However, in the context of the prolonged economic recession occurring at the time, this indicated that the “positive impact” of the program was indeed helping the program’s clients to maintain their status quo situations. Those who had not been in the program for an extended period of time expressed that they were worse off at the current time than they had been, while the established clients had been better able to stay at the same level in spite of the recession.²³

In the same city of Lima during the same recession, ACP/MiBanco’s study of larger commercial sector microenterprises between 1997 and 1999 found that, despite the stagnant enterprise revenues and falling total employment in the recession, clients’ enterprises experienced higher revenues and higher fixed assets.²⁴

Management Response: In a number of Latin American programs, management has changed its program model and services to respond to the changing times and macroeconomy.

Finding: The types of program services make a difference in what types of impacts will be found. In conducting training on three continents, IDEAS has found that very few board or staff members of MFIs have thought through how their programs’ services are going to lead to specific changes in clients’ households or businesses. One of the first

steps before conducting a study has been to help these professionals to think through the hypotheses of how their current mix of services should impact the clients. After they formulate their hypotheses and the study is conducted, the results do not always bear out their assumptions. However, the results can be quite useful tools for brainstorming how they might change their programs’ mix to achieve the results that they do seek.

Management Response: Management and other stakeholders are becoming more aware that any form of microfinance is not a magic bullet for ending poverty. They are thinking out the hypotheses and indicators of how change occurs.

Theme 3: To Reach Specific Populations, Services Need to Be Targeted

Finding: The microfinance industry is finally moving beyond its initial assumption, that simply offering access to credit to the general population will create positive, inevitable impacts, enabling clients to move out of poverty. Studies such as the AIMS-SEEP research in the Philippines and elsewhere have shown that movement out of poverty occurs, but it is not as rapid as originally thought.²⁵

A recent study of wealth ranking in Bolivia and three other countries found that clients in different MFIs were quite heterogeneous in terms of their socioeconomic outreach. Rather than working with the destitute or extremely poor, many MFIs are concentrated on the moderately poor and the vulnerable non-poor. This latter category comprises people who lack insurance and other safeguards and are in danger of falling back into poverty when emergencies occur. Research has found that in order to meet the needs of the destitute and extremely poor, innovative targeting approaches must be taken.²⁶ USAID has had to abandon loan size as a proxy for poverty outreach and is now developing and implementing much more rigorous, internationally comparable measures of poverty outreach.

Management Decision: This targeting is prevalent in certain programs and almost wholly absent in many MFIs in Latin America. Before, it had been assumed that targeting would distract an MFI from reaching sustainability and profitability, but recent research shows that MFIs, like CRECER in Bolivia, can reach the very poor while maintaining a financial sustainability of 100 percent.²⁷ A number of MFIs are using the new CGAP poverty assessment tool to assess poverty outreach more rigorously,

and the Imp-Act Program is relating locally defined measures to national poverty statistics and internationally defined poverty statistics.²⁸

Finding: Similarly, claims have routinely been made that microfinance assists in women's empowerment just because a program lends to women. Using a combination of the Empowerment and the Loan and Savings Use tools, FINCA/Peru found that many of the women with four years and more in the credit program commented that the minimalist financial services provided by FINCA/Peru were not enough, especially during the recession. Many said that they had been forced by the country's economic situation to reduce their borrowing from FINCA and were not able to use the amount of credit for which they were currently eligible. They suggested that FINCA should arrange for nonfinancial services, such as training (business administration), market studies, feasibility analyses of nontraditional businesses, organized wholesale input buying, collective marketing, as well as training in human relations to overcome group conflicts.²⁹ For many longer-term clients, such Business Development Services (BDS) were seen as necessary.

Management Decision: While extremely hesitant at first to consider providing BDS, FINCA/Peru has attained a level of financial self-sufficiency whereby it can offer training and still cover its operating costs. It now provides business management training to some of its women clients as part of its overall lending methodology and is looking into including other training topics, as well.³⁰ Use of the AIMS-SEEP Empowerment tool and other gender tools have found an improvement in women's access to credit; however, if major changes are to take place in gender roles, management needs to provide more substantial targeted services.

Theme 4: Clients' Uses of Loans

A number of the client assessment tools allow the MFI to learn how its clients are using the loans. The Loan and Savings Use tool of AIMS, complemented by others, have allowed MFIs in Bolivia, Nicaragua, El Salvador, Guatemala, Honduras, Peru, and elsewhere to understand how their clients are using the loan funds, profits, and other financing. A recurring theme is that the MFI funds are just one of the many sources of household financing of clients.

Finding: Microfinance loans help clients to protect themselves against emergencies and other times of higher cash flow needs. In addition to variations in amounts of money needed, microentrepreneurs often experience inconsistent levels of income with seasonal variations in demand and sales. Even in programs that try to restrict the use of loan funds to business needs, the loan is often directly used to cover these spikes in demand for money, such as school fees, clothing, special events, and medical emergencies.

Management Response: As clients use the funds for multiple purposes, managers must accept that clients are making rational choices about their household economies and should not be hostile about "diversion of resources from the business." As managers learn how and why the loans are being used, new products and services may be designed.

Finding: The sales generated by the loan investment can be used or saved for peak times of need, or loans can be used to capitalize an additional microenterprise that is only carried out while the primary business is experiencing its "low season." However, since there are spikes in demand for funds to pay for things such as school fees and medical emergencies, the cash flow generated by business sales is usually inadequate, even during the "high season," and clients need larger inflows of cash that can be used to meet these needs.

Several recent studies in Latin America have found that when household emergencies occur or opportunities to purchase business inputs in volume at discounted prices arise, even the best MFI clients turn to moneylenders, due to their speed and flexibility. A clear example of the institution listening to its clients' demand for shorter-term loans can be seen in El Salvador. A microfinance institution called ENLACE worked with IDEAS to use MicroSave-Africa tools, including Seasonality and Life Cycle analysis. By using these tools, they learned that many clients needed loan terms as short as four to six weeks.

Management Response: In El Salvador, researchers designed a prototype of the short-term product, and a series of focus groups were held to gain potential clients' feedback. Later there was a full-fledged prototype of testing and development leading to the new product. Researchers also applied two of the AIMS-SEEP tools along with MicroSave tools. As a result of the findings, they made a series of recommendations to management

for the reform of their older communal bank product and even recommended an update of their relatively new solidarity group product.

Other Management Responses: Many programs have learned that their clients' demands for credit are seasonal. If they would incorporate an option to facilitate leaving the program and coming back on a seasonal basis, they would not lose as many clients. Increased flexibility with loan amounts and loan terms also can keep more clients happy. An important implication of the potential income smoothing effect of microfinance is that even if the loan program's long-term effects on business and overall income growth are not significant, the ability to even out the income and expenditures over the year can greatly help the poor to survive tough times.

Theme 5: Do MFIs Help Clients to Build Assets?

Investing in household assets, such as adding a room, upgrading sanitation or utilities, or even buying a new refrigerator or stove can raise a family's standard of living and also raise the value of the house. Investing in business assets not only raises the value of the business, but also helps to increase production and/or quality, thereby increasing income. One of the ways that a person moves out of poverty is by building assets.

Finding: In far too many microfinance programs, evaluators have found that clients are not able to buy significant assets for business or home due to the short term of the loan. To buy a piece of business equipment would require at least one year to amortize payments, and maximum loan terms from many MFIs are only six months. This obviously affects the client's productivity and profits, not to mention the ability to move out of poverty. Also, studies have shown that these same loan policies work against the MFI itself. In two programs studied in 2002, one in Ghana and one in Colombia, microentrepreneurs were not graduating from the group loan programs into the individual loan program that would have allowed larger loan amounts and longer terms. In each, researchers found that requirements to enter the individual loan program included having sufficient assets to serve as collateral for the loan. Yet, borrowers who had been in the group lending program for several years were not able to accumulate sufficient assets to qualify for the next level of lending in the same MFI, even though they had proved themselves to be reliable clients.

Management Decision: Some MFI managers are realizing that they must modify their loan policies to facilitate asset accumulation, which will help clients to graduate to other loan products and to move out of poverty. In Colombia, management pledged to remove a number of internal obstacles that were discouraging clients from graduating.

Finding: In many assessments, there is little evidence of clients being able to accumulate significant assets unless the MFI has addressed the situation proactively.

Management Response: Due to the recession and subsequent higher risk of maintaining savings in communal banks, FINCA/Peru decided not only to allow, but also to encourage its clients to withdraw accumulated savings. Many of these clients invested their lump sum savings in expanding their businesses or buying business equipment, which helped their businesses and served as assets that could be used in case of emergencies.³¹ Of the FINCA/Peru clients interviewed using the Loan and Savings Use Tool, 35 percent spent the majority of their savings on housing construction or improvements, 15 percent bought household appliances, and 21 percent purchased fixed assets for their businesses.³² Many FINCA clients, as well as some interviewed in ODEF in Honduras, added rooms to their houses in order to be able to rent them and diversify their sources of income.

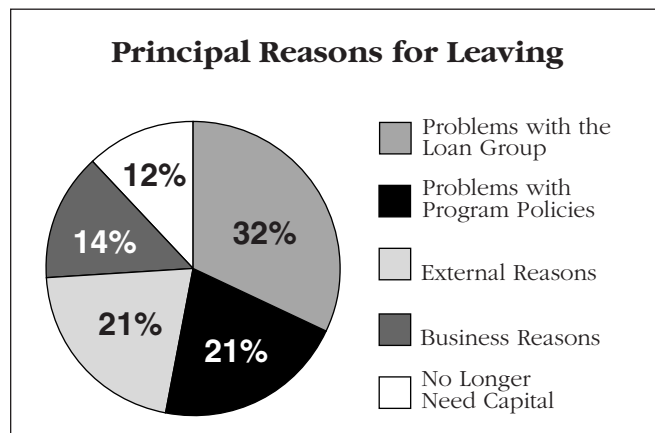
Theme 6: Why Clients Leave and How to Slow Attrition

Finally, as expected, studies find that the longer the client experiences the program's intervention, the greater the program's impact is. The AIMS study of ACP/Mibanco in Peru found that length of program participation is "significantly related to increases in household income, net profits from all household enterprises, enterprise fixed assets, incidence of premise ownership, and incidence of municipal licensing."³³ If the benefits of participating in microfinance are so great, then one must ask, "Why do clients leave?"

In some Andean countries, the annual rate of attrition from urban microfinance programs has reached as high as 50 percent. In East Africa, there are more ex-clients than current clients. In Honduras, the problem was so serious that the national network of MFIs selected the Exit Survey tool as the first tool to implement jointly with other member institutions of the Fundación COVELO net-

work. After the training in July 2001, these nine institutions carried out 850 interviews of their ex-clients over the next four months to investigate their reasons for leaving and level of satisfaction with the program. In December 2001, these same participants attended a workshop on the Client Satisfaction tool while another member of their MFI attended a parallel course in which the statistical data from their own Exit Surveys were analyzed and put into a final presentation. To illustrate the richness of information that can be obtained from the use of these practitioner-led impact assessments, a few of the COVELO Honduras Exit Survey results are described below.

What were the main reasons ex-clients left? The following graph illustrates the Principal Reason for Leaving, as stated by the 758 ex-clients who answered this survey question.³⁴ Over half the reasons related to the management of a loan program: 21 percent left for reasons related to the requirements or policies of the program, and 32 percent left due to problems related to the communal bank (internal conflicts, pressure or expulsion from the group). Twenty-one percent of the ex-clients left due to problems outside their control (personal reasons such as health, death in the family, and so on); 14 percent left for reasons related to their businesses' health; and only 12 percent left because they did not need capital for their businesses.³⁵



Management Decision: If one examines the first two reasons, 53 percent left because of problems related to the program. Similarly, in the FINCA/Peru study, it was found that 27 percent left for reasons related to the requirements or policies of the program, and 28.6 percent left due to problems related to the communal bank (internal conflicts, pressure or expulsion from the group, and so on).³⁶ Combined, some 55.6 percent of the reasons related to the policies or procedures of the institution. Thus, there is good news for management

that in both of the studies in very different parts of Latin America, management could make changes in response to the majority of the reasons that clients leave the program.

Findings: Sixty-three percent of the ex-clients in Honduras used their last loan to buy merchandise for their business. The next most frequent use of their last loan was to improve the business (10 percent), followed by 8 percent who used their last loan to initiate a new business, and 4.5 percent who bought tools.

When are the clients leaving? The Exit Survey data can reveal how soon they are leaving, their principal reasons for leaving, as well as what changes some of the ex-clients would like to see before they would consider returning. In the Honduras example, 50 percent of the ex-clients left their program in the first year, and another 31 percent left during their second year.³⁷ With 81 percent of the ex-clients in Honduras leaving before completing two years in their respective loan programs, they are not staying long enough to actualize the long-term benefits of utilizing the loan capital to improve their microenterprises and the lives of their families. Yet, a vast majority of the ex-clients (96 percent) stated that the loans had helped them and their families personally. Thirty percent noted an improvement in nutrition/food, 17 percent mentioned an improvement in education, while 13 percent mentioned both housing improvements and better health. Better clothing and furniture/household utensils accounted for 10 percent and 7 percent, respectively.³⁸

Are clients leaving because they are dissatisfied with the program? Of the ex-clients surveyed in Honduras, 71 percent of those interviewed stated that the loans helped them a lot, and 27 percent that their loans helped them a little. Only 0.5 percent claimed that the effect of the loan was negative or very negative.³⁹

Of the ex-clients from nine different Honduran MFIs, 96 percent of those interviewed stated that the loans had helped them and their families, and 85 percent said they would or probably would return to the program in the future.⁴⁰

Management Decisions: Many find that the above results are surprisingly positive, but these findings are similar to those found in other countries. Ex-clients are recommending the program, and many hope to return. In a number of countries, managers reported that participating in the exit survey caused some ex-clients to inquire about returning because they were glad to be remem-

bered and asked their opinions. Management has correlated the results of dissatisfaction with those of the dislikes of current clients from the Client Satisfaction focus group tool and has been able to zero in on program areas to change in order to lower the attrition rate. Many MFIs have found that this systematic view of who leaves when and why has provided them many areas to address. Keeping a client is much cheaper than trying to replace one.

Wider Policy Implications

As has been illustrated in the previous section, client assessment findings in Latin America and elsewhere have proved to be immediately useful to the management and boards of MFIs in changing products, services, and processes. However, the policy implications for promoting more effective microfinance programs reach far beyond the local level. As more client assessments can be done, there will be a steady flow of information to assist Latin Americans in helping poor entrepreneurs to help themselves. Proof that these programs can provide economic development and alleviate poverty will attract further investment into microfinance, both public and private. An increase in the number of successful programs will not only help the poor, but also assist the majority of economically active citizens in the entire region, thereby improving the national and regional economies. These additional producers and consumers can help their own country's economy and subsequently increase international trade in the global marketplace.

Based on the evaluations and the experience of the stakeholders in Latin America to date, the following policy prescriptions have been developed. In some cases, the recommendation is an endorsement of current efforts, while in many cases it is a call to go much further.

Table 1. Recommendations for Governments

Governments should

1. Recognize the relative importance of microentrepreneurs to their national economies and place more emphasis on supporting training, marketing, and collateral services being provided by microfinance institutions, especially those committed to serving the poor;
2. Create a public climate supporting MFIs and other microenterprise development entities that support poor entrepreneurs and their families' economies;

3. Create a regulatory environment that stimulates rather than stifles the efforts of MFIs to innovate and to serve their clients better;
4. Create a regulatory environment for MFIs that takes into account the variety of institutional models of MFIs;
5. Develop mechanisms for deposit insurance for clients' funds and MFIs' certificates of deposit in order to stimulate savings;
6. Promote public policies within the financial sector regulatory framework encouraging reinvestment and involvement with MFIs, such as the U.S. Community Reinvestment Act;
7. Support and encourage donors to fund new initiatives and innovations before they are financially and commercially viable.

Table 2. Recommendations for International Donors

International private and public donors should

1. Be clear about their hypotheses as to what changes and impacts should occur by intervention in the financial sector so that researchers and others can measure the effectiveness of the interventions. Need to move away from the idea that untargeted microfinance alone is a magic bullet against poverty;
2. Support the building of financially sustainable, well-managed microcredit institutions that have proven, active mechanisms to listen to their clients and determine impact;
3. Continue grants and subsidies, where needed, in training and business services, as credit alone is insufficient to get most microcredit clients out of poverty;
4. Donate during the MFI's institution-building stage, when it not only has a clearly articulated projection of institutional sustainability but also is focusing on the sustainability of the businesses of its clients;
5. Support MFIs, which are poverty-targeting, in their approach to private capital markets by offering initial guarantees and other credit enhancements;
6. Invest donors' portfolios in MFIs through program-related investments;

7. Place a greater priority on rural credit, credit to production, and those other areas that have not been a priority for the profit-driven microfinance entities;
8. Fund loan loss reserves initially to allow MFIs to take more risks in innovative strategies to reach poorer entrepreneurs;
9. Support and subsidize new initiatives in the field that are targeting poorer clients;
10. Support NGOs that are training and providing technical assistance to MFIs and their national associations to improve practitioners' techniques and use of tools in client assessment;
11. Support common learning programs, such as Imp-Act, that are trying to assist MFIs to innovate and develop new initiatives in client assessment;
12. Support NGOs and academics that are developing new tools that are practitioner-friendly.
13. Continue to support the efforts of CGAP, USAID, and others in developing their poverty outreach measures.

**Table 3. MFI Practitioners —
A Proactive Approach**

MFI practitioners should

1. Build not only strong administrative and financial controls but also strong mechanisms for an on-going audit of social impact;
2. Take advantage of opportunities to train staff in new tools and techniques to do client assessment and provide rapid feedback to management;
3. Open and fund specialized staff units for Research and Development, which can assist the institution to listen more carefully to and be more creative in addressing the needs of current and potential clients. The MFIs that have done so are becoming leaders in innovation;
4. Target lower income clients if they have a mission of reducing poverty;
5. Resist the pressure to scale up when the MFI's methodology does not promote moving clients out of poverty or satisfying the clients' needs;

6. Maintain flexibility and creativity in responding to clients' needs despite the pressure for standardization by regulators, some donors, and international technical assistance providers;
7. Devote a similar level of attention to financing rural and production lending as that devoted to urban and retail microenterprise;
8. Work with other members of their national or sub-regional MFI associations to encourage research and development of new approaches to meeting clients' needs.

**Table 4. Recommendations for MFI
Associations**

Associations of MFIs should

1. Host a series of trainings for member institutions to improve their skills in evaluation and monitoring techniques;
2. Encourage members to build not only strong administrative and financial controls but also strong mechanisms to have on-going auditing of social impacts;
3. Work for a collective national solution to research and development needs for smaller institutions that cannot afford their own R&D units to listen to and address the needs of current and potential clients more effectively;
4. Unify standards of reporting so that commercial and socially responsible investment (SRI) lenders and donors can more easily understand the "double bottom line" of economic and social rewards when making investment decisions;
5. Continue to give input to those attempting to set "best practices" standards, as the associations have done recently on regulation;
6. Work with the new regional Forum of Rural Credit to put a renewed emphasis on techniques for improving rural lending in Latin America.

Table 5. Recommendations for Researchers and Academic Institutions

Researchers and academic institutions should

1. Adopt research methods that provide information to assist not only in proving but improving the practice of microenterprise development, including finance;
2. Assist the medium-sized MFIs that have chosen to open specialized units for research and development with methodologies and instruments to assist the MFI to listen to and address the needs of current and potential clients more effectively;
3. Train students in research methodologies and then make them available to MFIs for field work to measure impact, client satisfaction, and aspects of market research;
4. Assist the MFI or NGO to measure whether a financial or nonfinancial service methodology is moving clients out of poverty and assist them in trying to measure client impact;
5. Study those institutions that are able to maintain flexibility and creativity in responding to clients' needs despite the pressure for standardization by regulators, some international donors, and institutions;
6. Study the trends in the country or region and give input to those attempting to set "best practices" standards;
7. Assist the national networks and the new subregional networks of microfinance institutions to do national level studies of the industry, using participatory techniques and the labor of MFIs and local students to lower the cost.

Table 6. Recommendations for Individuals and Investors

Individual and institutional investors should

1. Become more educated about the variety of investment alternatives that combine economic and social returns;
2. Become educated on the need to take greater risks with investments to get the social returns and poverty reduction desired;
3. Visit and monitor MFIs to appreciate the successes as well as difficulties of poverty lending;
4. Become committed to supporting rural enterprise development and credit to production, even if less financially profitable, in order to get the social returns;
5. Become clear that women's empowerment does not automatically happen by giving women entrepreneurs access to credit but requires MFIs, lenders, and allied organizations to have a much more comprehensive strategy to empower women;
6. Understand that it is not just the enterprises but the entrepreneurs' families that need financial services and that impact is found in financing beyond the traditional enterprise boundaries, including housing and medium-term strategies, like education.
7. Develop a campaign to request financial managers and institutional trustees to invest a certain percentage of their portfolios in MFIs.

The last decade has witnessed a tremendous increase in the support of microfinance and microenterprise development activities in Latin America. There is a substantial policy and action role for many sectors of the society in supporting this burgeoning industry and in meeting the Microcredit Summit's ambitious goal of reaching 100 million of the world's poorest families with credit and other services.⁴¹ The response to this challenge will require much greater commitment to listen to clients and to design creative ways of addressing their needs within the context of sustainable institutions and developing economies.

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10. See <www.imp-act.org> for more information.
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12. The Imp-Act Programme grantees in Latin America have a Spanish-language website at <www.finrural-bo.org/impact>.
13. National associations participating were COPEME in Peru, PHILNET in the Philippines, and GHAMFIN in Ghana.
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17. For more information, see <www.MicroSave-Africa.com>.
18. For a list of the recent evaluations, see <www.ideasnet.org/pseminars.htm>.
19. For more information on the VCDs, contact Moniquec@MicrofinanceOpportunities.org.
20. Pait 1999, 31.
21. For more information, see a Powerpoint presentation by the authors on <www.seepnetwork.org/pres/Garber-Hishigsuren-Beard.ppt>.
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30. Brian Beard, January 2003, interview with

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31. Pait 1999, 59.
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33. Snodgrass and Sebstad 2002, 63.
34. Brian Beard, ed., 2001, "Resultados de la Encuesta de Salida — Red Covelo, Utilizando Epi Info 2000," PowerPoint Presentation, Slide 29.
35. Pait 1999, 53.
36. Pait 1999, 53.

37. Beard 2001, Slide 43.

38. Beard 2001, Slides 31, 33, and 34.
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APPENDIX: INTERNET RESOURCES ON MICROFINANCE CLIENT ASSESSMENT

Previous issues of the Spanish language bulletin, "MicroEval: El Boletín de Evaluación de Impacto e Investigación del Mercado de Microfinanzas en América Latina," are available on the web site of SEEP Network, the association of North American private and voluntary organizations that support micro and small enterprise programs and institutions in developing countries, at <www.seepnetwork.org/boletin-list.html>. To be included on the electronic mail list, write to cgarber@ideasnet.org.

Client Impact Working Group (CIWG) of the SEEP Network has a section on the SEEP Network page, <www.seepnetwork.org>.

The AIMS-SEEP Manual and tools can be downloaded free of charge in Spanish, English, or French from <www.mip.org/componen/aims/pubs/english/toolsmanual-eng-fr-sp.htm>. Carter Garber was the associate editor and authored parts of the manual, *Learning from Clients: Assessment Tools for Microfinance Practitioners*. Brian Beard wrote the sections on EPI Info 2000 and was assistant copy editor for the 2001 version.

The AIMS Project background papers are available at <www.mip.org>. Carter Garber contributed to some of the publications.

The Imp-Act Programme has a Bulletin in Spanish, French, and English. It can be found along with other valuable publications at <www.imp-act.org>.

The Imp-Act Programme has set up a joint page with CGAP (Consultative Group to Assist the Poorest). This Impact Assessment Centre, designed for practitioners, donors, and academics, can be found at <www.microfinancegateway.org/impact/index.htm>. It has information on current issues, methodological advice, reports from experts, and resources.

The Imp-Act Project grantees in Latin America have set up a Spanish-language website at <www.finrural-bo.org/impact>.

MicroSave-Africa has an important website for those interested in market research and Microfinance, <www.MicroSave-Africa.com>. MicroSave-Africa promotes the development of savings and other more client-responsive financial services among microfinance institutions. It has developed 18 tools and a curriculum, which the IDEAS team is helping to share in Spanish in Latin America.

Each June, the Microenterprise Development Institute of Southern New Hampshire University brings about 100 leaders in microfinance from around the world to take three weeks of courses in specialized areas of microfinance and business development services. Dr. Garber is the current chair of the Advisory Board, and other IDEAS members, Dr. Puneetha Palakurthi and Gaamaa Hishigsuren, serve on the Board and teach in the Institute. IDEAS is an Institute sponsor and is assisting in the formation of a similar training in Latin America. For a list of courses and instructors, see <www.mdi-nh.org>.