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COVID-19 RAPID CLIENT SURVEY RESULTS

BRAC INTERNATIONAL MICROFINANCE
(BI MF)



BRAC INTERNATIONAL MICROFINANCE (BI MF)

Mission Statement

“To provide a range of financial services responsibly to people at the bottom of the pyramid.

We particularly focus on women living in poverty and in rural and hard to reach areas to create self-employment opportunities, build financial resilience and harness women’s entrepreneurial spirit by empowering them economically.”

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Countries

647,219

Active Clients

98%

Women

57%

Rural



Background of the Survey

- BRAC International (BI) has been conducting periodic assessment in the ten countries where BI has been implementing development and humanitarian programmes
- BI MF conducted its own survey on the microfinance clients in the six countries during the period it had suspended operations to inform the best way to support them during and after the crisis
 - To identify the impact of COVID-19 on our clients' households and businesses
 - To assess how the operation suspension has affected our clients
 - To ensure operation resumption activities are guided by data driven approach and considers specific clients' need and preferences

Over March and April, all BI MF companies had suspended their operations (collections, disbursement, and interest accrual) for various durations. These remote rapid surveys were conducted to understand the impact of the crisis on the clients and to inform the best way to support them during and after the crisis.

Country	Total cases	Death	Operations suspended (2020)	
			Start Date	End date (tentative)
Tanzania	509	21	20 th April	31 st May
Uganda	821	0	26 th March	30 st June
Rwanda	850	2	23 rd March	31 st May
Liberia	681	34	10 th April	7 th June
Sierra Leone	1381	56	10 th April	14 th June
Myanmar	293	6	1 st April	17 th May

COVID-19 infection as of 26 June source: [WHO COVID-19 Dashboard](#)

Methodology

- Data collection and entry were implemented within one week (11th to 15th May)
- Majority of the surveys focused on our group loan clients who make up about 95% of our clientele
- Sample sizes and methods were decided based on the number of clients and capacity of staff
- Entirely over phone interviews
- By either the Credit Officer (CO) or by a team formed at the field level
- Used Kobo Toolbox for data entry and analysis

Limitations

- In-person training was not possible and preparation time was limited.
- Insufficient time for testing the questionnaire and of the Kobo Toolbox
- Some of the target clients could not be reached due to various reasons including lack of network in rural areas
- Data collection was conducted by the microfinance staff who have a transactional relationship with their clients, leading to a possibility of biased responses

Survey Demographic

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Countries in Africa

37,546

Total Respondents

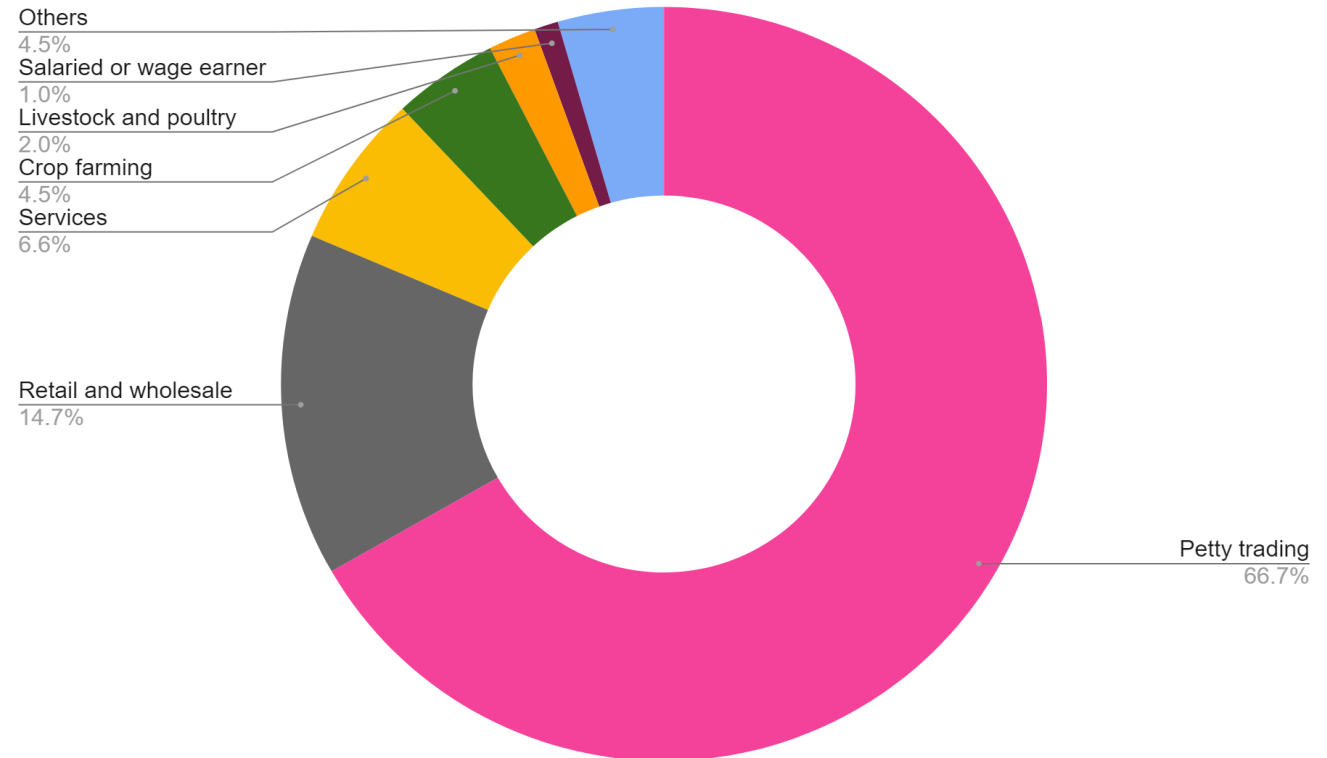
95%

Women

35%

Rural

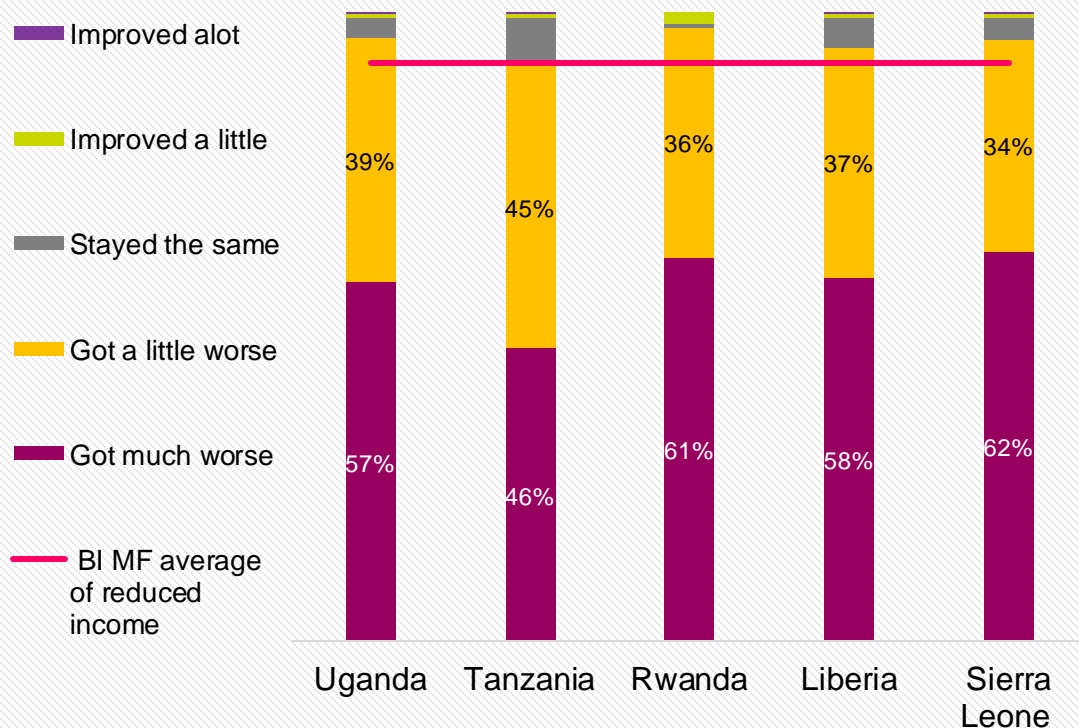
Uganda	10,885	5%
Tanzania	10,265	5%
Rwanda	856	22%
Liberia	7,087	17%
Sierra Leone	8,453	15%



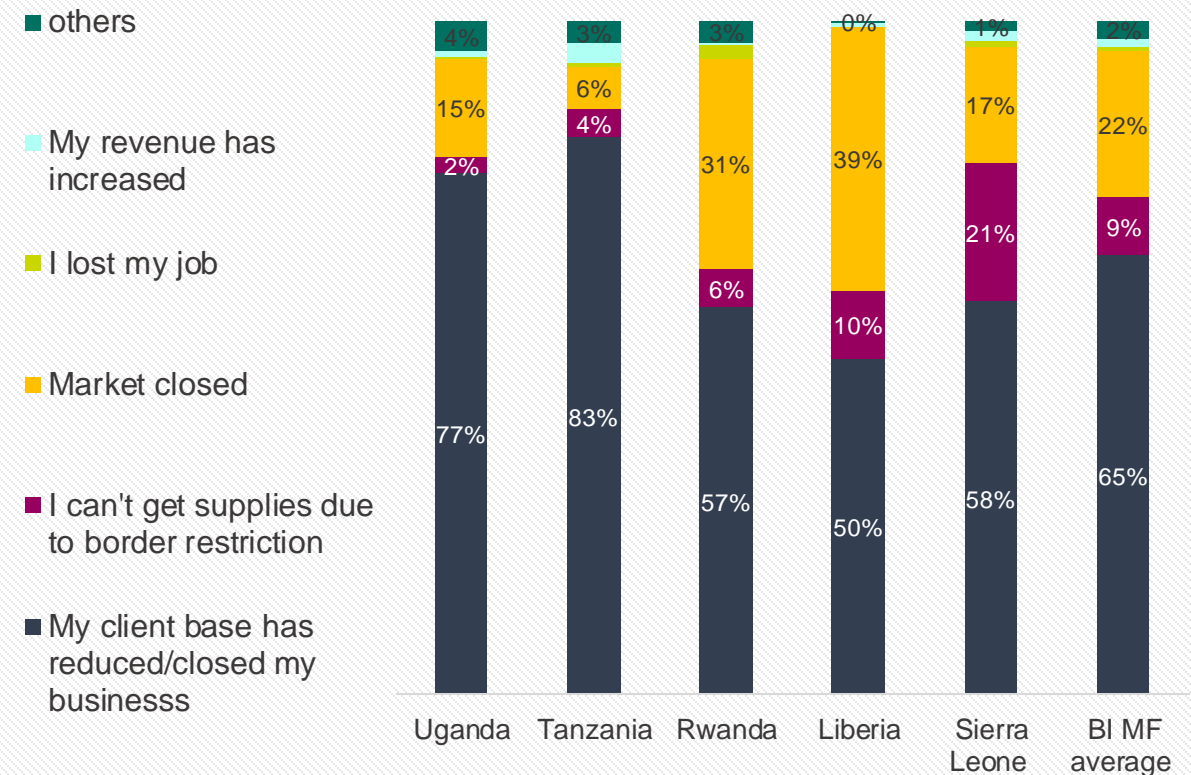
Impact on Income and Businesses

- Over 90% of all respondents in African countries suffered loss of income to some extent
- Respondents whose HH income had increased or at least remained the same- crop farming, livestock, and poultry, salaried, or selling food supplies

Impact of COVID-19 on HH income



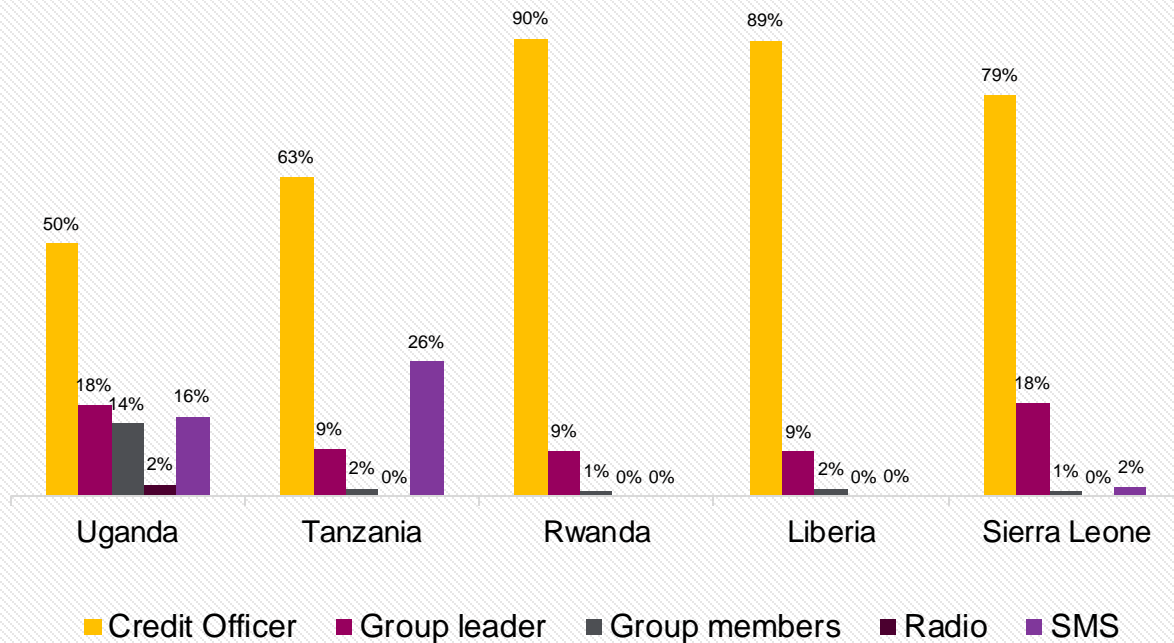
Ways COVID-19 Has Affected Businesses



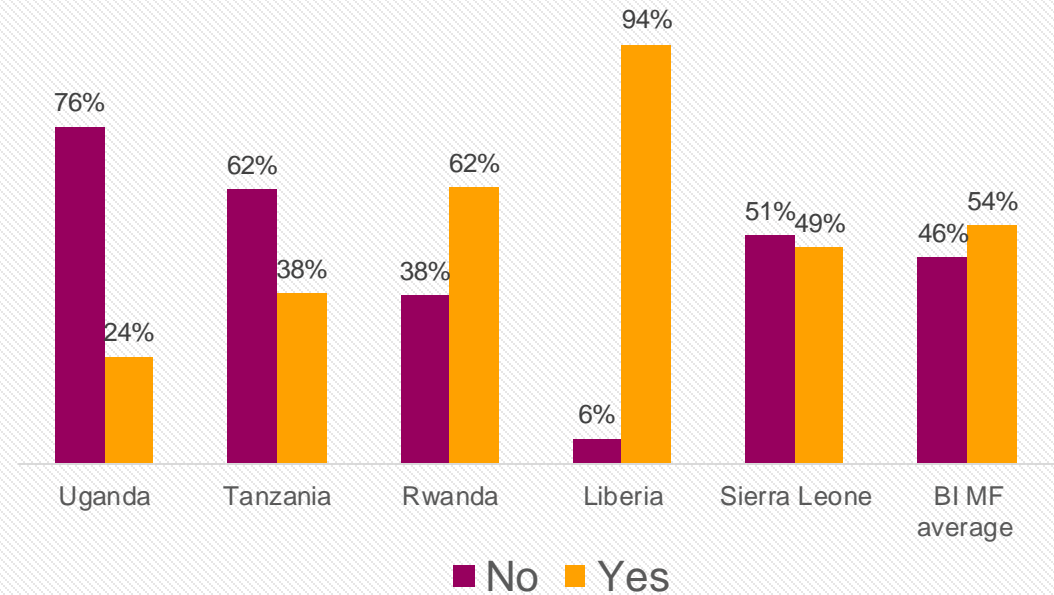
Impact of Operation Suspension

- 97% of the respondents were aware of operational changes that came to effect
- 95% of the respondents know how to contact BRAC in case they have any questions, concerns or feedback
- Most common challenge reported was the inability to access new loans due to the suspension

Effectiveness of communication channels



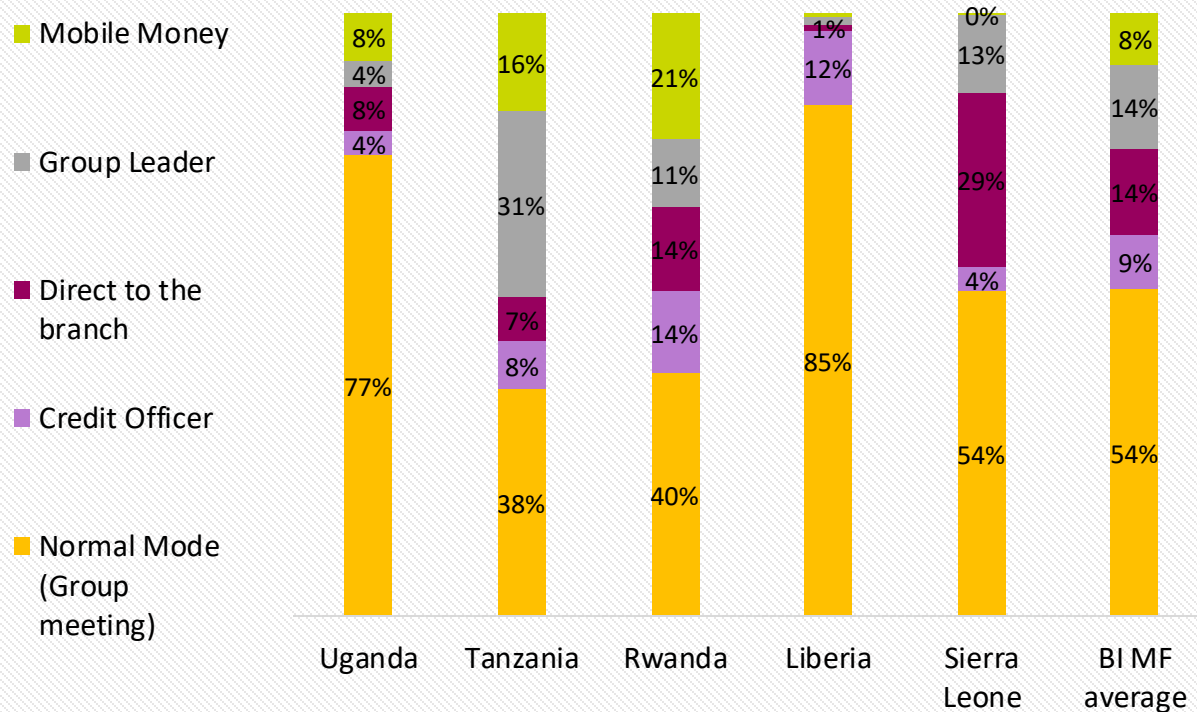
Clients experiencing challenges due to suspension of operations



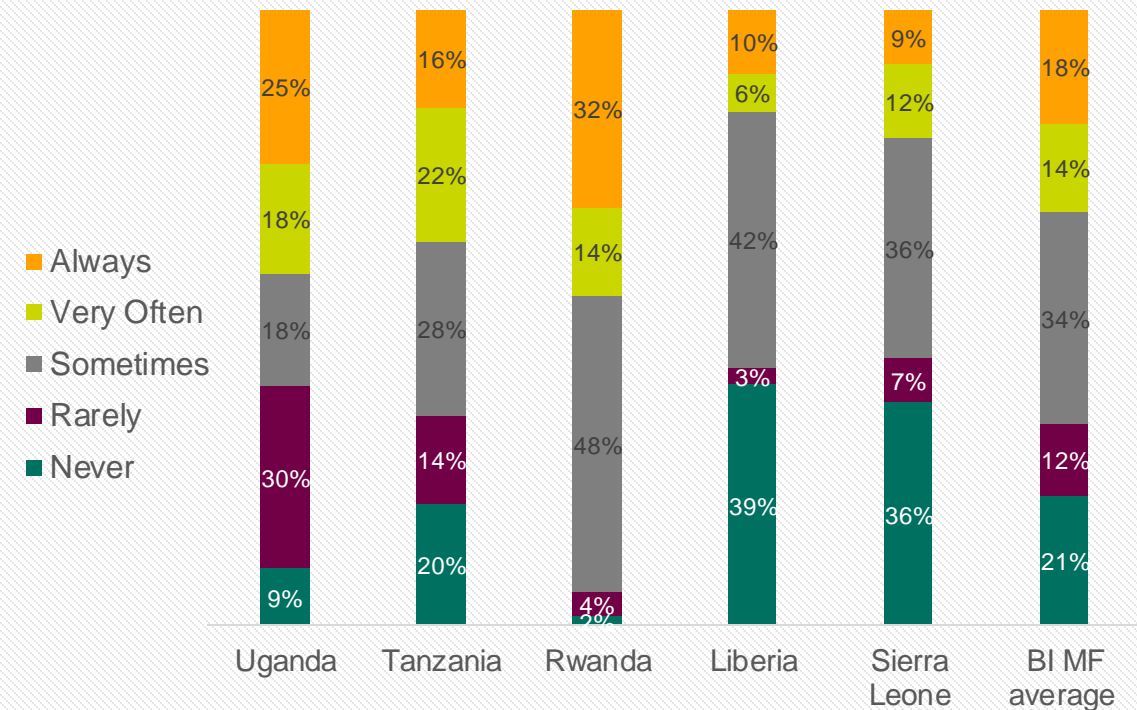
Suggestion for Resumption Activities

- Although over 80% respondents have some experience using mobile money, the preference to use mobile money for loan repayment remains quite low at 8% overall
- Among the respondents who prefer mobile money for loan repayment, only 24% are from rural areas

Preferred Mode of Repayment



Frequency of digital payment usage



Suggestion for Resumption Activities

	Uganda	Tanzania	Rwanda	Liberia	Sierra Leone
High frequency	Top up / new / emergency loan	Top up / new / emergency loan	Top up / new / emergency loan	Top up / new / emergency loan	Top up / new / emergency loan
	Food Supplies	Reschedule of existing loan	Reschedule of existing loan	Food supplies	Reschedule of existing loan
	Reschedule of existing loan	Resume operations as usual	Grace period/ loan holiday/	Grace period/ loan holiday/	Food supplies
Moderate	Grace period/ loan holiday/	Grace period/ loan holiday/		Reschedule of existing loan	Grace period/ loan holiday/
	Resume operations as usual	personal protective equipment			Hand sanitizers
Low	mobile money	Reduce interest rates mobile money			Resume operations as usual

- The most common request is for a new loan (by paying back the old loan) or for a top-up or emergency loan (44%)
- Frequently for repayment period to be extended to pay smaller instalments i.e. rescheduling (18%)
- To delay the start of repayment after lockdown is relaxed i.e. longer grace period (11%)

Insights

This crisis is essentially more of an economic crisis for our clients

- Over half the clients reported facing challenges that our operations are suspended
- The majority demanded for new loans and emergency loans

Clients must buy-into the new modes of operation

- Most respondents still prefer using group set up for loan repayment which increases the risk for COVID-19 infection

Need for further analysis on clients' preference for mobile money

- Very few clients prefers using digital payments for repayments

Actions

We must be prepared to quickly put liquidity in our clients' hands

- Refinancing and rescheduling product development
- Orient staff and clients to understand the new products
- Carefully assess risk of over-indebtedness

Continued sensitization on COVID-19 causes, prevention, social distancing measures

- New standard operating procedure (SOP) for maintaining adequate social distancing
- Orient both clients and staff on the new modes of operation before resumption

Accelerate and promote digital channels responsibly

- follow-up surveys and/or FGDs to understand clients' preference, willingness to pay and value proposition for mobile money