

Enhancing Access Microfinance Services in Frontier Areas (TA 4544)
National Anti-Poverty Commission and Asian Development Bank

BACK TO OFFICE REPORT

1. BACKGROUND INFORMATION

Total No. of Respondents Interviewed

MFI:	Banks	<u>7</u>	Province/s:	<u>8</u>	Region/s:	<u>3</u>
	Coops	<u>8</u>				
	NGOs	<u>7</u>				
Clients:		<u>168</u>				

2. SURVEY PROPER

2.1 On the Survey Process

2.1.1 General Feedback on the Conduct of the Field Survey

As a whole the survey process was both challenging and tedious. Challenging and tedious in the sense that as a team you have to make your own initiative with the eleventh hour changes of the schedules and worked double time to catch up with the changes of the interview schedules, not to mention the inhospitality of the folks in some of the areas visited. Nevertheless, the survey was likewise enjoyable because the team were able to meet Filipinos from all walks of life with different cultures and points of view about microfinance services.

2.1.2 Facilitating Factors That Help in the Conduct of the Survey

- a. Most MFI staff were cooperative in facilitating the interviews of their respective clients.
- b. Familiarization of the loan product before conducting the client interview.
- c. Flexibility of the MFI in the changes of the interview schedules.
- d. Daily and regular team discussions on the results of the interview.
- e. Constant and unwavering assistance of the NAPC technical staff and the consultants.

2.1.3 Problems/Constraints Encountered

- a. Incorrect contact numbers and inaccurate directory of the MFIs and their respective contact persons.
- b. Dialect barrier on some non-Cebuano speaking respondents or clients.
- c. Some interviews for MFIs were scheduled on Saturdays even if their respective offices are closed during these days.
- d. Difficulty in finding place of abode.
- e. There were municipalities whose fare rates were not fixed due to routing schedules thus, drivers took advantage being strangers in their places.
- f. There were MFIs which were not accommodating.

- g. Travel time from one MFI to another were not given due consideration as the scheduling of MFI interviews were not strategic. Thus, it was burdensome on the part of the enumerators.

2.1.4 Actual Actions Taken To Address Problems/Constraints

- a. The team sought the assistance of NAPC technical staff to provide them with the correct/updated contact numbers aside from the team's own initiative to correspond with MFI contact persons.
- b. Sought the assistance of the loan officers/account officers/project assistants to interpret.
- c. The team contacted the MFIs to reschedule the interviews.
- d. The team took the initiative in finding a safe, comfortable yet affordable place to stay.
- e. Nothing done. The team had to bear with the adversities.
- f. Despite of the inhospitality, the team tried their best to be genial and courteous.
- g. The team worked double time as well as contacted the MFI to reschedule the interviews.

2.1.5 Recommendations

- a. Updated contact numbers and accurate directory should have been provided prior to the survey proper.
- b. None.
- c. As much as possible, avoid scheduling interviews during Saturdays since MFI offices are closed.
- d. Search out advance information about the places to be visited.
- e. The team should adjust to the situation.
- f. The making of schedules should be arranged accordingly with due consideration on the geographical location of the MFIs to be interviewed.

2.2 On the Survey Questionnaires

2.2.1 Feedback on the Structure of the Questionnaires

Clients

- a. Some of the problems enumerated were not appropriate in the respondents' individual businesses (page 11).
- b. Trainings enumerated seemed not applicable to the respondents kind of business. Respondents claimed that they can very well manage their business and knowledgeable enough even without the need for training.
- c. Column on WHO PROVIDES THIS TRAINING (page 13) should no longer be asked if the response in the column IS TRAINING AVAILABLE TO YOU IN THIS AREA is "No" or "Don't Know".
- d. Lack of choices in REASONS FOR FUTURE BORROWING (page 8)

- e. The enumerated REASON FOR NOT USING FINANCIAL SERVICES IF AVAILABLE (page 10) are not applicable to the present situation of the respondents.
- f. Improve table layout on pages 3 & 6. Tables on SOURCES OF INCOME and BORROWING EXPERIENCES ON THE LAST 12 MONTHS.
- g. On DWELLINGS (page2) multiple responses should be considered.

MFI

- a. Data on the financial statement should be included in the MFI questionnaire to further give an idea of the financial status of the MFI.
- b. On the GOVERNANCE of MFI, list of the names of the Board of Directors should be included to further reveal who are the people behind the MFI as this will basically reflect the management of the microfinance service.
- c. To countercheck if the MFI is telling the truth, a set of parameters should be likewise asked to the loan officers/account officers/project assistants. These parameters should fall under Module II.

2.2.2 Data / Information Relevant to the Survey That Were Not Captured by the Questionnaire

- a. Education of the children. This will further reflect the economic status of the respondent.
- b. Impact of the microfinance services from the respondent's point of view.

2.3 On the Respondents

2.3.1 Clients

- a. Some of the borrowers/clients were reluctant/hesitant to answer some questions.
- b. Some borrowers do not have existing business.
- c. The trend of the majority of the borrowers with sari-sari store was that as loan cycle was about to end, the stocks also tend to diminish.
- d. Though some of the MFIs claimed that they provided some training to their clients, most of them could not remember the trainings or claimed that they had not undergone any training at all.
- e. There were clients who do not really belong to the poorest of the poor.
- f. Because of too many microfinance players in the area, most of the clients are inclined to grab the opportunity offered to them to borrow from these microfinance players without considering their capacity to pay.

2.3.2 MFI

- a. Some MFIs just offer microfinance services just to satisfy the requirements imposed to them by the funding agency so that funds be released. This is true with some of the cooperatives organized by DAR. These coops further claimed that they did not ask for funding. It was voluntarily offered to them by the funding agency (NLSF) through the effort of the DAR personnel in the area.

- b. Not all MFIs are sincere in their services.
- c. There were MFIs which were financially sufficient but lacked the necessary training and education.
- d. There were also MFIs which were both financially sufficient with the corresponding trainings but their staff, specifically the loan officers/account officers/project assistants were not committed to their jobs.
- e. There were MFIs which were provided well by the funding agencies in both the financial and technical aspects but they did not make the most of these opportunities in serving the clients.
- f. Most of the MFIs that were ran by a family do not perform well.
- g. There were MFIs that were not particular with PAR.
- h. Most MFIs allowed multiple borrowings.
- i. If the microfinance staff is well-supported by the management and its BOD, most likely the field staff is motivated to perform their best.
- j. MFI staff as well as the BOD should also be educated about microfinance.

3. LESSONS LEARNED

During the course of the survey when some of the unexpected things happened, the team learned to cope with the intricacies of the situation, thereby making them resourceful and flexible. Moreover, the team was able to get hold of first hand information from the MFIs regarding how effective they extend the microfinance services to the clients. Likewise, the team learned that the success of any microfinance service lies primarily on the commitment of the field staff in addition to the dedication of the MFI management.

4. OVER-ALL ASSESSMENT OF THE SURVEY (Pre/Proper/Post Survey)

There should have been ample time in the preparation of the survey questionnaires to avoid confusion in the interpretation of some questions. As a whole, the survey was done with much effort from both of the NAPC staff and the enumerators. Though there were discrepancies met in the field (as previously mentioned), they were readily addressed to and given immediate attention to avoid delay in the interviews.

The format of the terminal report should have been given earlier to provide the team with ample time in the preparation of the said report.

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Date: November 24, 2005