



USAID FIXED OBLIGATION GRANT:AID-OAA-F-13-00018

*"Enhancing Productive Firm Assets:  
A Field Experiment on an Innovative Savings-Loan Product"*

**A Report on Milestone 1**

February 15, 2013

## Overview

This is a report on the actions that have occurred and the deliverables (with associated narrative) that are required to ensure the fulfilment of Milestone 1: Award date + 14 days.

The report outlines: (1) the finalized intervention design for this project; (2) an updated evaluation strategy (including a list of indicators necessary to track progress of the project and measure impact); (3) an updated project implementation plan; and (4) an implementation timeline. Updates are provided as needed, however, very few substantive changes have been made from the original proposal submitted to USAID for this grant.

## Finalized Intervention Design

*[Note: There are no substantive changes to report at this juncture.]*

We address our research questions by designing and promoting a hybrid savings-loan product that locks in an entrepreneur's capital investment ex ante to a productive firm asset, e.g. savings linked loan products for acquiring equipment, inventory, etc. This product has been designed in collaboration with Financial Republic, a microfinance institute in Ghana ([www.financial-republic.com](http://www.financial-republic.com)). To assess the effectiveness of our solution, however, we will introduce both an untied version and a tied version of this new savings-loan product.

Participants assigned to the control group will be offered a generic savings-loan product. This product will be marketed using a one-page promotional brochure that is distributed by Financial Republic's field officers (i.e. sales agents). These field officers will also follow a standard sales script when promoting and explaining the product to ensure consistent marketing quality. There will be no restrictions on how the savings or loan proceeds can be used by the customer. However, before applying for a loan the customer will be required to save approximately 30% of the desired loan amount.

Participants in the treatment group will receive an otherwise identical intervention except the promotional brochure will offer a savings-loan product 'tied' to four assets: equipment, vehicle, construction, and inventory. Customers offered this tied financial product would have to choose ex ante which asset they would like to save towards and (eventually) obtain a loan for. The asset will be made available to the entrepreneur as soon as the loan is approved, but a 'research officer' acting as a representative of Financial Republic will purchase it. In this way, the loan funds will be locked in to the business investment. The customer will continue to make micro deposits until the loan is repaid, transitioning from being a saver to an investor in her business.

## Evaluation Strategy

*[Note: There are no substantive changes to report at this juncture.]*

We will launch our innovation solution and evaluate its impact using a randomized-controlled trial (see discussion below on Implementation Plans). The main rationale for using such an experimental 'evaluation design' is that this approach explicitly addresses potential omitted variables bias, reverse causality and self-selection problems by randomizing the two product offers to Financial Republic customers (n=3,600). Such a rigorous design helps us to identify the true

effects of our hybrid savings-loan product. In comparing the effects of our tied versus untied savings-loan products, we address the following evaluation objectives and measures.

*Adoption:*

Which product is more effective in encouraging adoption of formal financial services?

- a) Measure: take-up rates
- b) Timeframe: product launch period (Months 2-4)
- c) Source: bank administrative data

*Savings:*

Which product will result in more consistent savings behavior and a greater ability to raise substantial lump sums?

- a) Measure (i): frequency of savings deposits
- b) Measure (ii): total amount saved
- c) Timeframe: client savings period (Months 2-6)
- d) Source: bank administrative data

*Investment:*

Which product will lead to greater investment in productive firm assets?

- a) Measure (i): Total stock of firm assets
- b) Measure (ii): Change in 'productive' firm assets
- c) Timeframe: client investment period (Months 5-7), then the firm's regular operations (Months 7-18)
- d) Source: midline survey (Months 10-11); endline survey (Months 17-18)

*Firm Outcomes:*

Which product best enhances productivity and growth outcomes for micro enterprises?

- a) Measure (i): Revenues
- b) Measure (ii): Profits
- c) Measure (iii): Employment
- d) Measure (iv): Return on investment
- e) Measure (v): Loan repayment success
- f) Timeframe: firm's regular operations (Months 7-18)
- g) Source: midline survey (Months 10-11); endline survey (Months 17-18); administrative data

*Household Outcomes:*

Which product will result in greater social and welfare improvements for an entrepreneur's household members?

- a) Measure (i): Food
- b) Measure (ii): Education
- c) Measure (iii): Clothing
- d) Measure (iv): Medical
- e) Timeframe: firm's regular operations (Months 7-18)
- f) Source: midline survey (Months 10-11); endline survey (Months 17-18)

*Heterogeneous Treatment Effects:*

In addition to the main effects of our intervention (e.g. adoption, savings deposits or firm performance outcomes), we will also examine heterogeneous treatment effects. One of our aims is to better understand the type of entrepreneur for whom the proposed intervention (tied savings-loan product) will be most effective in increasing productivity and growth outcomes. Thus, some of the variables that we may use to study impact heterogeneity are listed below.

- a) Business Characteristics: e.g. type of industry (need for lumpy assets), debt level (degree of leverage).
- b) Individual Characteristics: e.g. myopic (versus forward looking), risk averse (versus risk seeking), self-control (versus easily tempted).
- c) Family Characteristics: e.g. married, number of children, education expenses, recent income shocks/emergencies.

Overall, we will measure the impact of this intervention on product take-up and investment in firm assets, as well as on the entrepreneur's savings behavior, loan repayment behavior, business performance and household welfare. We will also study which product option results in greater market penetration, lower default and higher customer retention for Financial Republic. Insights from this research should therefore assist managers and policy makers with their marketing efforts in designing and promoting new financial products that can enhance the productive assets of micro enterprises and, in turn, increase their ability to scale operations.

## **Implementation Plan**

*[Note: The only substantive change is that the product launch will now be carried out in combination with the baseline survey (sequenced one branch at a time). This decision was made to improve the compliance activities of the research team, minimize the potential for contamination by participants, and to enhance the quality of surveying activities.]*

To launch our hybrid savings-loan product and evaluate the impact of our solution on micro entrepreneur productivity and growth, we will implement a field experiment that randomly offers Financial Republic's existing customers (n=3,600) one of two product options. We will then track the entrepreneurs' adoption, repayment behaviour and changes in firm practices and performance. Over the next 18 months (i.e. the grant period) our goal is to implement all of the steps outlined below. (For further details and dates, please refer to the Implementation Timeline in the next section.)

### *Sampling Strategy:*

Financial Republic has given us access to their clients at four branch locations, a total of roughly 6,000 customers. Given our research objectives we will focus on entrepreneurs who have the greatest likelihood of adopting one of the new savings-loan products. As such we consider only Financial Republic customers who are: (1) existing savers with a minimum balance; (2) active clients who have deposited regularly in the past three months; and (3) owners of micro or small businesses. Ideally, this should result in an initial sample of 3,600 entrepreneurs.

### *Randomization:*

Immediately before the baseline survey is conducted, we will randomly assign half of the customers to the control group (~1,800) and half to the treatment group (~1,800). We will stratify by branch location, field officer and prior loan success so that the treatment group and

control group are balanced across these factors. Implementing such a randomized control trial design helps us to address selection bias and minimize the chance that confounding factors (i.e. omitted variables) are driving the results – instead of our proposed intervention.

*Baseline:*

When Financial Republic is ready to launch our new savings-loan products in four of its existing branches, we will conduct a baseline survey– on the 3,600 entrepreneurs in the initial sample – to measure features of the business (e.g. industry, size, revenues) and entrepreneur characteristics (e.g. psycho-metrics, demographics, financial literacy). Collecting these pre-treatment covariates can assist us in controlling for potential confounds and examining heterogeneous treatment effects to identify potential change mechanisms. Moreover, we can use pre-treatment covariate measures to examine the extent to which randomization is successful.

- Given the technical complexity of our electronic survey instrument (designed specifically to reduce measurement error in firm outcomes such as sales and profits), we have decided to use a smaller survey team. This team will be highly trained and experienced in administering the baseline survey tool.
- Thus, rather than implementing the baseline survey simultaneously in all four branches (with a team of over 30 enumerators), we will implement it sequentially in one branch at a time (with a team of 10-12 highly skilled enumerators).
- This will increase the time duration of the baseline to approximately eight (to ten) weeks, but improve its effectiveness and the accuracy of the data.

*Product Launch:*

The product launch will be carried out in combination with the baseline survey. Over the eight-week “Baseline and Product Launch” period, we will launch our new ‘business savings-loan’ products (both the tied and untied versions) using an intense marketing campaign that includes product brochures, sales scripts, promotional flyers, radio adverts, etc. Field officers will market the new products during their daily visits to the entrepreneur’s business location through the printed brochures and in their personal sales interactions. Extensive monitoring and compliance activities – conducted on the ground by Innovations for Poverty Action research officers and project managers – will assist in addressing potential spill-over effects that could lead to contamination issues.

- Essentially, after the enumerator completes the baseline survey, he will provide a product brochure to the client and read a brief sales script. This is to ensure that we (research team) control the initial product offer made to all clients. Further, a Research Officer will control the subsequent distribution of all marketing materials by Field Officers to clients.
- The product brochure will specifically match the group into which the client was randomly assigned: treatment group (clients offered green brochure with ‘tied’ product option) versus control group (clients offered yellow brochure with ‘untied’ product option). This brochure will also have the client’s name attached via a color-coded sticker (green sticker = treatment; yellow sticker = control).
- In addition to the initial product offer stage, the research team will also be taking extensive measures in each branch – throughout the adoption, savings and loan disbursement stages of the project – to minimize the chances for spill-overs (e.g. a client in the control group is assigned to receive the yellow ‘tied’ product option, but accidentally gets exposed to the green ‘untied’ product).

### *Savings Period & Loan Approvals:*

For three months, customers who have signed up for one of our new hybrid savings-loan products will make savings deposits with the goal of reaching the target amount required in order to apply for a loan. On an individual basis, Financial Republic will then carry out its credit process and determine if a given micro entrepreneur is approved for a loan. Once all loans have been processed and approved, Financial Republic will either release the funds (customers in control group) or purchase the pre-specified firm asset (customers in the treatment group).

### *Outcome Measurement:*

We will track the deposit and repayment behavior of all customers for 18 months (baseline to endline). However, six months after the loan approval period, we will also implement a midline survey on all customers that measures the same business and entrepreneur characteristics as per the baseline survey, as well as any additional ‘change mechanism’ questions. After another six months (~12 months from the end of the savings and loan approval period), we will conduct an endline survey. This approach lets us rigorously measure the impact of our solution using the survey responses and the partner's administrative data on bank account and deposit activity. These data will provide lessons regarding the effectiveness and scalability of our solution.

- a) Entrepreneurs: enhanced productivity and growth outcomes.
- b) Households: improved social and household-level outcomes.
- c) Partner: adoption of financial services, repayment behavior, customer sustainability, cost/benefits of the product versus marketing effort required, and feasibility of scaling our solution across all current and new branches.

## **Implementation Timeline**

*[Note: The only substantive change is the start date (Month 1) to coincide with the USAID Award Date which has just now been finalized.]*

<b>Item</b>	<b>Target Start Date</b>	<b>Target End Date</b>
<b>Finalize design of intervention (savings-loan product) and baseline</b> [IPA & LBS] <ul style="list-style-type: none"><li>• Includes piloting of:<ul style="list-style-type: none"><li>○ Product Brochures and Product Packages</li><li>○ Research Officer roles/responsibilities and Sale Scripts</li><li>○ Baseline Survey</li></ul></li></ul>	<b>2013/02</b> <i>(Award Date: Month 1)</i>	<b>2013/03</b> <i>(Month 2)</i>
<b>Implement baseline survey</b> [IPA & LBS] <ul style="list-style-type: none"><li>• Confirmed for implementation (n = 3,600 entrepreneurs).</li></ul>	<b>2013/03</b> <i>(Month 2)</i>	<b>2013/05</b> <i>(Month 4)</i>
<b>Launch intervention</b> [FR, with IPA monitoring/compliance] <ul style="list-style-type: none"><li>• Intervention to be launched in combination with baseline survey.</li></ul>	<b>2013/03</b> <i>(Month 2)</i>	<b>2013/05</b> <i>(Month 4)</i>
<b>Savings period</b> [FR clients, with IPA monitoring/compliance] <ul style="list-style-type: none"><li>• The savings period will be 8 weeks (per client) from the sign up date. However, since the product offers will be made one branch at a time, this will be a rolling period that could last up to 5 months in total (across all study branches).</li></ul>	<b>2013/03</b> <i>(Month 2)</i>	<b>2013/07</b> <i>(Month 6)</i>

<b>Loan disbursement and firm investment</b> [FR, with IPA monitoring/compliance] <ul style="list-style-type: none"> <li>• Release of funds in cash (control group) – Investment <u>not</u> ‘locked in’.</li> <li>• Asset purchase (treatment group) – Investment ‘locked in’.</li> </ul>	<b>2013/06</b> <i>(Month 5)</i>	<b>2013/08</b> <i>(Month 7)</i>
<b>Loan repayment period</b> [FR clients, with IPA monitoring/compliance]	<b>2013/06</b> <i>(Month 5)</i>	<b>2013/12</b> <i>(Month 11)</i>
<b>Midline survey</b> [IPA & LBS] <ul style="list-style-type: none"> <li>• Confirmed for implementation (n = 3,600 entrepreneurs).</li> </ul>	<b>2013/11</b> <i>(Month 10)</i>	<b>2013/12</b> <i>(Month 11)</i>
<b>Analyze data</b> [IPA & LBS] <ul style="list-style-type: none"> <li>• First attempts at analyzing data to obtain initial insights. <ol style="list-style-type: none"> <li>a. Baseline Survey Data.</li> <li>b. Bank Admin Data (take-up, deposit and savings behavior).</li> <li>c. Midline Survey Data.</li> </ol> </li> </ul>	<b>2014/01</b> <i>(Month 12)</i>	<b>2014/03</b> <i>(Month 14)</i>
<b>Endline survey</b> [IPA & LBS] <ul style="list-style-type: none"> <li>• Confirmed for implementation (n = 3,600 entrepreneurs).</li> </ul>	<b>2014/06</b> <i>(Month 17)</i>	<b>2014/07</b> <i>(Month 18)</i>
<b>Analyze data and construct report</b> [IPA & LBS] <ul style="list-style-type: none"> <li>• Finish analyzing dataset, once updated with endline data.</li> <li>• Write up report with results and lessons learned.</li> </ul>	<b>2014/08</b> <i>(Month 19)</i>	<b>2014/10</b> <i>(Month 21)</i>



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**A Report on Milestone 2**

March 1, 2013

## Overview

This is a report on the actions that have occurred and the deliverables (with associated narrative) that are required to ensure the fulfilment of Milestone 2: Award date + 1Month.

The report outlines: (1)the completed development of marketing materials for the intervention and project; (2)the hiring of research staff and training of field officers; and (3)baseline survey written, tested and ready to be administered (paper version of baseline survey included as an attachment).

## Development of Marketing Materials for the Intervention

### *Branding Strategy*

The name of this product/program is Financial Republic's new "Business Savings-Loan Product". In order to identify this program, we have used consistently the standard Financial Republic (FR) logo for all materials (i.e. it will be identical for those in the treatment group and those in the control group). For example:



### *Program Communications and Publicity*

The primary audiences for this project are the existing Financial Republic (FR) clients who already have a savings account opened and who are regularly serviced by a FR field officer on a daily basis. These clients are also the owners of their own micro or small enterprise and have a minimal amount of money saved with FR when the project starts (i.e. they will be both entrepreneurs and active savers with FR).

The secondary audiences for this project are other micro entrepreneurs operating businesses in the areas surrounding each of the four FR branch locations where our new innovative product

will be launched. While these individuals are not yet FR clients, they could become clients based on the new product's marketing campaign.

We have developed multiple channels to promote the new product.

One set of channels will promote a generic message that is meant to raise awareness about Financial Republic and its overall portfolio of "Business Savings-Loan Products". These channels include:

- Radio advertisements: The project together with Financial Republic has already established contacts with local radio stations within the vicinity of their operations. The project is therefore going to use this medium during the marketing campaigns.
- SMS messaging campaigns: This will be carried out to all existing clients in the FR database. We have commenced updating the FR client database. Therefore during the marketing campaigns, generic and specific messages would be sent to clients through their phone contacts in the FR client database.
- Large posters: These will be displayed in the participating FR branches and in the high traffic areas close to a local FR branch (e.g. taxi ranks, bus stops, restaurant stands, markets). Locations to display these posters have already been identified awaiting the launch of the new products. (Refer to Attachment 1A for an example including stickers of different sizes.)
- FR "2013 Wall Calendar": This calendar will be given out to all participants during the baseline survey and initial product launch. About 6,000 of these calendars have already been printed. (Refer to Attachment 1B for an example.)
- Promotional giveaways: Implemented during marketing/PR events, such as FR-branded aprons to shop keepers and FR-branded t-shirts or pens to other micro entrepreneurs.
- Sales Scripts: To be used by the FR field officers who visit clients on a daily basis and who regularly make sales pitches to attract new clients. These sales scripts have been developed, printed, laminated and bound together.

A second set of communication channels include messages that vary and are tailored to either the treatment group participants (e.g. those receiving the tied product offer) or the control group participants (e.g. those receiving the untied product offer). These marketing materials essentially represent the key components of our proposed intervention:

- Product Brochures: These are the glossy promotional flyers that will be given to customers in each group (green background for the treatment group and yellow background for the control group). 12000 pieces have already been printed. (Refer to Attachment 1C for an example.) The photos and small differences in text will differentiate the tied product offer from the untied product offer.
- Savings-Loan Packages: These are the end-to-end packages that a customer in either group will have to complete as they move along in the qualification process (from initial sign up and loan application stages to the credit interview and loan approval stages). These have also been piloted with FR loan clients and a final version is now complete.
- Research Officers: These are the IPA managed "research officers" who will work in each FR branch to ensure a high quality of marketing efforts and to carry out adoption, monitoring and compliance activities. On the research team, these individuals are called "Research Officers"; however, on the partner team (in branch at FR), they are referred to as "Development Officers" to maintain ecological validity and focus their attention on developing new savings-loan sign ups during the study's product launch

and development phase. Four (4) research officers have been hired and each of them is working at one of the four branches. (Refer to Table 3 for details.)

### *Program Messages*

For the generic marketing campaign, the messages are generally:

- “Are you interested in saving towards the future expansion of your business?”
- “Would you like to obtain a loan that you can use to grow your business and increase sales?”
- “If yes... then the Financial Republic Business Savings-Loan Product is for you!”
- “Combine your savings and loan funds for the same business goal.”
- “Reach your financial target faster.”

For the more specific promotions targeted at participants receiving the ‘untied’ savings-loan product, the messages are focused on:

- “Use your money to achieve this goal later on after you sign up.”
- “Financial Republic gives you the loan funds directly, so you decide how to invest in your business.”

For participants receiving the ‘tied’ savings-loan product, the messages are more targeted towards:

- “Dedicate your money to achieve this goal in advance when you sign up.”
- “Financial Republic makes the purchase for you, so the loan funds are always invested in your business.”

### *Marketing Plan*

Tables 1 and 2 below describe the communications and program materials that have been produced as part of the grant agreement, and which do or do not visibly bear the USAID Identity.

**Table 1: Program Deliverables Marked with USAID Identity**

<b>Deliverable</b>	<b>Type of marking and material(s) used</b>	<b>When and where marking will occur</b>
Radio advertisements	“...in partnership with USAID” message	Spring 2013
SMS messaging campaigns	“supported by USAID”	Spring 2013
Large poster boards	USAID logo “...in partnership with USAID” message	Spring 2013
FR “2013 Wall Calendar”	USAID logo “supported by USAID” message	Spring 2013
Promotional giveaways (e.g. aprons, t-shirts)	USAID logo “...in partnership with USAID” message	Spring 2013
Sales script of the FR field officers	“supported by USAID”	Spring 2013

**Table 2: Program Deliverables Not Marked with USAID Identity**

Deliverable	Rationale for not marking deliverable
Product Brochures	To maintain ecology validity (realism), to lower suspicion of participants, to avoid changing participant behaviors or likelihood to repay loans (if they view them as USAID grants); and to protect the integrity of Financial Republic’s existing product offers, credit processes and loan approval steps.
Savings-Loan Packages	To maintain ecology validity (realism), to lower suspicion of participants, to avoid changing participant behaviors or likelihood to repay loans (if they view them as USAID grants); and to protect the integrity of Financial Republic’s existing product offers, credit processes and loan approval steps.
Research Officer: clothing, scripts, responses	To maintain ecology validity (realism), to lower suspicion of participants, to avoid changing participant behaviors or likelihood to repay loans (if they view them as USAID grants); and to protect the integrity of Financial Republic’s existing product offers, credit processes and loan approval steps.

## Hiring of Research Officers and Training of Field Officers

The project staff members have been designated into one of two categories: Permanent (core) and Temporary (contract) research and field officers.

First, the core of the project team has been hired, trained and are already working on the project. These are permanent staff hired and trained by IPA to work full time on the project. (Refer to Table 3 below for details and Attachment 2 for copies of their CVs.)

Second, the contract staff are individuals (referred to as “field officers”) who have already been selected and who will be starting in March 2013 on a contract basis. (Refer to Table 4 below for details.)

These contracted field officers are also trained by IPA to further enhance local capacity building activities. The training of field officers is two-fold: (1) Classroom training; and (2) Field Training. The classroom training covers areas such as key rules and guidelines for surveyors (e.g. “Dos and Don’ts “in the field, locating respondents, consenting, performing surveys, and editing surveys), general and specific questionnaire instructions, surveyor instructions, netbook training, etc. Moreover, the field officers are provided with field training that allows them to administer the baseline survey with respondents (on real “micro/small business owners” operating businesses in the Greater Accra Region of Ghana) while they are being observed and assessed by IPA training staff and supervisors. There is a debriefing session after every field session where experiences are shared and mistakes corrected. This rigorous training is meant to ensure that we have the finest quality of field officers and guarantee the quality of data obtained for the project.

**Table 3: Core Team Members with Roles/Responsibilities**

<b>Name</b>	<b>Title</b>	<b>Location</b>	<b>Description</b>
Augustine DampheyOwusu	Project coordinator(IPA)	Accra, Ghana	Manages all facets of the evaluation project full time(working with the PIs) such as: study design, instrument design, data collection, surveyor/team leader management, monitoring and compliance, data preparation, and preliminary analysis
Janet Adjabeng	Team leader (IPA)	Accra, Ghana	Manages piloting of intervention and survey instruments. Coordinates team of 5-7 surveyors during data collection (baseline, midline, endline). Leads monitoring and compliance activities, also works with EC and PIs during piloting of survey instruments
Mavis Amponsah	Team leader/Data Coordinator(IPA)	Accra, Ghana	Supervises data audit and management process, including training and support to data entry team. Coordinates team of 5-7 surveyors during data collection (baseline, midline, endline). Also works with EC and PIs during piloting of survey instruments.
Sebastian Quansah	Research Officer(Santa Maria Branch of FR)	Accra, Ghana	Coordinates all in-branch activities related to the intervention (at Santa Maria), including product adoption, loan applications, compliance, monitoring and loan disbursement.
Abigail Aseye Ackuayi	Research Officer(Tetegu Branch of FR)	Accra, Ghana	Coordinates all in-branch activities related to the intervention (at Tetegu), including product adoption, loan applications, compliance, monitoring and loan disbursement.
Prince Awartey	Research Officer(Darkuman Branch of FR)	Accra, Ghana	Coordinates all in-branch activities related to the intervention (at Darkuman), including product adoption, loan applications, compliance, monitoring and loan disbursement.
Patrick Gariba	Research Officer(Agbogbloshie Branch of FR)	Accra, Ghana	Coordinates all in-branch activities related to the intervention (at Agbogbloshie), including product adoption, loan applications, compliance, monitoring and loan disbursement.

**Table 4: Contracted Team Members with Roles/Responsibilities**

<b>Name</b>	<b>Title</b>	<b>Location</b>	<b>Description</b>
<u>Team 1</u> 1. Donkor Gifty Sena 2. Manubea Ohene Menya 3. Ethel Frimpong-Mansoh 4. Shirley Dedewuba Tiah 5. Daniel Nii Amoo	Surveyors	Accra, Ghana	Administer respondent questionnaires, handle data with care, accurately collect consent, find correct respondents
1. Michael Kwarteng	Editor	Accra, Ghana	Scrutinize surveys Track all surveys in team
2. Jennifer Quarshie	Back check Auditor	Accra, Ghana	Conduct back-checks on all team members, scrutinize surveys, conduct spot checks, conduct surveys as necessary
<u>Team 2</u> 1. Monica Kofi Maku 2. Jennifer Quarshie 3. Agnes Otwiwaa Yeboah 4. Calina Apraku 5. Philip Agana	Surveyor	Accra, Ghana	Administer respondent questionnaires, handle data with care, accurately collect consent, find correct respondents
1. Kudoto Kweku Maxwell	Editor	Accra, Ghana	Scrutinize surveys Track all surveys in team
2. Phoebe Ama-Ekyi Annan	Back check Auditor	Accra, Ghana	Conduct back-checks on all team members, scrutinize surveys, conduct spot checks, conduct surveys as necessary

## **Baseline Survey**

The baseline survey is programmed in Blaise and will be run on netbooks. Several pilots of the questionnaire have already been done with respondents who are similar “micro/small business owners” operating their businesses in the Greater Accra Region of Ghana. The final version is therefore an updated and ready to be administered version incorporating all the feedback from the previous pilots. (Refer to Attachment 3 for a paper version of the baseline survey.)



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**A Report on Milestone 3**

May 1, 2013

## Overview

This milestone requirement is considered fulfilled when the following actions have occurred and the deliverables and/or associated narrative have been submitted to the AOR for review/concurrence:

- Baseline survey has been conducted and must include, at a minimum, the aforementioned indicators (as in Milestone 1). The milestone is considered complete when all baseline data has been collected and analyzed, which can be verified to DIV through a baseline data report summarizing the process of data collection and findings.
- The microfinance intervention has been launched.

These are the requirement to ensure the fulfilment of Milestone 3 (award date + 3 months).

## Baseline Survey and Launch of Micro Finance Intervention

In the Milestone 1 report, we explained that (for the purposes of research design and compliance/monitoring) we would combine the "baseline survey" stage with the "microfinance/product launch" stage. Subsequently, we updated our timeframe (as in the Milestone 1 report) to reflect this plan.

Thus, we will submit Reports 3 and 4 at the same time – when all baseline data are collected and the product has been offered (intervention launched) to 3,600 entrepreneurs. In this way, our Report 4 submission (coinciding with the end of our product launch) will continue to coincide with the agreed upon milestone timing. All components of the new product have been completed and are ready for the launch (e.g. marketing materials, sales scripts, promotional brochures, product sign up forms, loan application and interview documents, etc). At present, we are taking additional care in completing the study's sampling frame to ensure all resources are focused on improving access to finance only for the target beneficiaries (entrepreneurs running micro and small businesses).

Below is the implementation timeline as included in the Milestone 1 report.

## Implementation Timeline

Item	Target Start Date	Target End Date
<b>Finalize design of intervention (savings-loan product) and baseline [IPA &amp; LBS]</b> <ul style="list-style-type: none"> <li>• Includes piloting of:               <ul style="list-style-type: none"> <li>○ Product Brochures and Product Packages</li> <li>○ Research Officer roles/responsibilities and Sale Scripts</li> <li>○ Baseline Survey</li> </ul> </li> </ul>	<b>2013/02</b> <i>(Award Date: Month 1)</i>	<b>2013/03</b> <i>(Month 2)</i>
<b>Implement baseline survey [IPA &amp; LBS]</b> <ul style="list-style-type: none"> <li>• Confirmed for implementation (n = 3,600 entrepreneurs).</li> </ul>	<b>2013/03</b> <i>(Month 2)</i>	<b>2013/05</b> <i>(Month 4)</i>
<b>Launch intervention [FR, with IPA monitoring/compliance]</b> <ul style="list-style-type: none"> <li>• Intervention to be launched in combination with baseline survey.</li> </ul>	<b>2013/03</b> <i>(Month 2)</i>	<b>2013/05</b> <i>(Month 4)</i>
<b>Savings period [FR clients, with IPA monitoring/compliance]</b> <ul style="list-style-type: none"> <li>• The savings period will be 8 weeks (per client) from the sign up date. However,</li> </ul>	<b>2013/03</b> <i>(Month 2)</i>	<b>2013/07</b> <i>(Month 6)</i>

since the product offers will be made one branch at a time, this will be a rolling period that could last up to 5 months in total (across all study branches).		
<b>Loan disbursement and firm investment</b> [FR, with IPA monitoring/compliance] <ul style="list-style-type: none"> <li>• Release of funds in cash (control group) – Investment <u>not</u> ‘locked in’.</li> <li>• Asset purchase (treatment group) – Investment ‘locked in’.</li> </ul>	<b>2013/06</b> ( <i>Month 5</i> )	<b>2013/08</b> ( <i>Month 7</i> )
<b>Loan repayment period</b> [FR clients, with IPA monitoring/compliance]	<b>2013/06</b> ( <i>Month 5</i> )	<b>2013/12</b> ( <i>Month 11</i> )
<b>Midline survey</b> [IPA & LBS] <ul style="list-style-type: none"> <li>• Confirmed for implementation (n = 3,600 entrepreneurs).</li> </ul>	<b>2013/11</b> ( <i>Month 10</i> )	<b>2013/12</b> ( <i>Month 11</i> )
<b>Analyze data</b> [IPA & LBS] <ul style="list-style-type: none"> <li>• First attempts at analyzing data to obtain initial insights. <ol style="list-style-type: none"> <li>a. Baseline Survey Data.</li> <li>b. Bank Admin Data (take-up, deposit and savings behavior).</li> <li>c. Midline Survey Data.</li> </ol> </li> </ul>	<b>2014/01</b> ( <i>Month 12</i> )	<b>2014/03</b> ( <i>Month 14</i> )
<b>Endline survey</b> [IPA & LBS] <ul style="list-style-type: none"> <li>• Confirmed for implementation (n = 3,600 entrepreneurs).</li> </ul>	<b>2014/06</b> ( <i>Month 17</i> )	<b>2014/07</b> ( <i>Month 18</i> )
<b>Analyze data and construct report</b> [IPA & LBS] <ul style="list-style-type: none"> <li>• Finish analyzing dataset, once updated with endline data.</li> <li>• Write up report with results and lessons learned.</li> </ul>	<b>2014/08</b> ( <i>Month 19</i> )	<b>2014/10</b> ( <i>Month 21</i> )