



Assessing the Impact of Microenterprise Services (AIMS)

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Client Monitoring Systems for Microfinance Institutions:

AIMS Assistance to the Workers Bank of Jamaica

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EXECUTIVE SUMMARY

Background

This paper reports on technical assistance provided by the AIMS¹ Project to the Jamaican Workers Bank in 1997 and 1998. The goal of the assistance was to aid the Workers Bank in developing a computer-based client monitoring system that was integrated into the loan application and review processes. In addition, the system – known as the Client Profiling System – provides the Bank and USAID/Jamaica with information about the impacts of program participation on the clients enterprise and household. Specifically, this report describes 1) steps in system design and implementation, 2) methodological considerations in selecting indicators of changes, 3) data collection procedures and standards, and 4) lessons learned through the technical assistance effort.

The Workers Bank is a financial institution that serves the poorer entrepreneurs in Jamaica. It provides a full range of banking services to a socially diverse client base through bank branches located in post offices throughout Jamaica. The bank has traditionally maintained a savings program geared towards low income savers. In 1996, USAID/Jamaica provided assistance to establish a microfinance program modeled on a traditional Jamaican form of ROSCA (rotating savings and credit association), known as the “Partner.”

The AIMS project provided a small team of experts to work with the Bank in designing, programming, and establishing the Client Profiling System (CPS). The team consisted of a monitoring specialist, a microenterprise development expert, a programmer, and a systems administrator. The last position was supported for two months through the AIMS budget, and later paid directly by the Workers Bank. Follow-up field visits indicated a high degree of satisfaction with the CPS on the part of Workers Bank and USAID/Jamaica.

Selection of indicators

A critical issue in designing a microfinance monitoring system is the selection of indicators for measuring change. The team drew on work done under the AIMS Project in defining hypotheses for impacts at the enterprise and household levels, and in selecting indicators to measure those impacts. It was also important to balance the costs of a rigorous analytical instrument with the resources available to a lending institution seeking commercial viability. The system designed appears so far to have achieved that objective.

In summary, the indicators selected for inclusion in the CPS were the following:

- # *Enterprise level:* value of sales (revenues), value of fixed assets of enterprise (all enterprise machinery and equipment), and number of employees by gender (paid, unpaid, and working proprietors).

¹ The goals of the Assessing the Impact of Microenterprises (AIMS) Project are to gain a better understanding of the processes by which microenterprise services strengthen businesses and improve the welfare of microentrepreneurs and their households and to improve the ability of USAID and its partners to assess the impacts of their microenterprise programs.

- # *Household level:* value of durable goods including major household appliances and vehicles, expenditures on food, level of income, and value of client savings.
- # *USAID Mission Strategic Objective level:* number of new and repeat loans by gender, size of new and repeat loans by gender, and number of jobs created by gender.

Computerization of the CPS

The CPS is structured around a central database, which receives input via modem from loan officers around the country. Loan officers utilize laptop computers to input client information directly during the application process. The system calculates a basic balance sheet on the business, gathers economic information on the client's household, and determines the client's seasonal "debt capacity" for carrying a Partner loan. The CPS manages both first-time and repeat loan applications. The CPS was programmed in Microsoft Access. Although the Bank maintains a separate financial package for tracking its microfinance loan portfolio, plans are underway to upgrade that system, and to share relevant information, such as client repayment history and other accounts held, across the two platforms.

It is interesting to note that, although there was some initial concern that the use of laptops might hinder the application process, both loan officers and clients indicated that the use of laptops in the CPS actually enhances the application procedure.

Lessons learned

Early experience with the client monitoring system developed for Workers Bank indicates that a practical monitoring system can be successfully integrated into a general database system; that staff and clients can quickly become comfortable with an automated loan processing system; and that the system enhances the efficiency of loan officers by improving organization and accuracy and by eliminating the time required for manual calculations. Some lessons have emerged from the process of developing the client monitoring system for the Workers Bank program:

- # The selection of monitoring indicators requires dialogue between the implementing agency, the donor, and the technical specialists. The AIMS Project hypotheses provided a theoretical foundation for the dialogue.
- # A few of the AIMS indicators may be difficult to measure as part of an ongoing client monitoring system, particularly those associated with income, expenditures on food, and value of assets. To increase reliability, indicators should be consistent with international practice and, where possible, with more rigorous in-country surveys. This allows cross validation with data from other sources.
- # The local coordinator overseeing the technical assistance effort must play two equally important roles: ensuring the quality of the system and maintaining the pace of system development.

- # It is important that all actors understand the capabilities of a client monitoring system relative to those of an impact evaluation. This is necessary to ensure that there are realistic expectations about the type of questions that can be answered by a client monitoring system.

- # Fully automated systems require procedures for data security. Special attention must be given to data security so that it does not “fall through the cracks.” Data back up and security procedures to be followed by loan officers and by the staff person responsible for operation of the monitoring system should be detailed prior to implementation of the system.

I. INTRODUCTION

A. Overview of the Paper

Tracking change in key indicators is one method that can be used by microfinance services to obtain information that suggests the impact of its program. The challenge for many microfinance institutions is to find a cost-effective yet methodologically sound way to report on impact. Institutions supported by donor organizations must frequently meet monitoring requirements that exceed “bottom line” considerations of profitability or loan-portfolio viability, and include such areas as income or employment changes at the enterprise level, or improved living standards in the entrepreneur’s household. Microfinance institutions also frequently want to incorporate market research into their monitoring systems, information that will aid in developing strategies for market expansion and product diversification.

These issues have prompted many organizations in the microfinance field to seek ways that client monitoring and impact assessment can be incorporated into the loan approval and tracking processes. This paper reports on such an effort: the establishment of a client monitoring system within Workers Bank of Jamaica. The work involved two closely linked activities:

- # Developing a database system for initial and repeat application forms for the Workers Bank microfinance program.
- # Programming a client monitoring system which is fully integrated with the general database system and focuses on a few key variables that indicate the impacts of participation in the program.

This paper discusses several steps in the creation and implementation of the Workers Bank Client Profiling System (CPS), information that may help inform other practitioners seeking to develop similar systems. Areas addressed in this report include the following:

- # The process used to design, program, and implement the CPS.
- # The indicators that were included in the monitoring system.
- # Methodological considerations related to the measurement of each indicator.
- # Data collection and analysis procedures instituted to measure changes in the indicators.
- # The lessons learned from the Jamaican Workers Bank experience.

B. Overview of the Workers Bank Postal Banking Program

Workers Bank provides a full range of banking services to a socially diverse client base through bank branches located throughout Jamaica. Traditionally, Workers Bank has operated a savings program geared primarily towards low income savers, through special windows in government post offices. A microenterprise loan program was introduced with USAID assistance in 1996. The loan program

is based on an informal source of savings and loan services, called the “Partner,” and is operated as part of the Postal Banking program.

The Partner is modeled on the rotating savings and credit association (ROSCA) model. ROSCAs are comprised of members who know each other. They agree to make periodic fixed contributions to a pool. Each member is entitled to receive the pool once. When each member has received the pool, the cycle is complete and the ROSCA disbands or reorganizes. ROSCAs are a form of forced contractual savings, especially for those who receive the pool towards the end of the cycle. Individuals who receive the pool early in the cycle are, in effect, borrowing. ROSCAs are the oldest savings arrangement in the world and still exist in most parts of the world. In Africa they are known as Tontine, in Trinidad as Susu, and in Jamaica as the Partner.

In the Jamaican Partner, what you contribute to the pool is called your *hand* (repayment) and your turn at the pool is called your *draw* (loan). The person who collects the contributions and pays out the pool is referred to as the *banker*. The Workers Bank program is based on this model and loans are referred to as *early draws*. The Workers Bank Postal Banking Program offers two products: the Early Draw and the Partner Savings Program. Clients are not required to participate in the savings program in order to access an Early Draw loan.

The Workers Bank provides individual and joint loans exclusively for small enterprises. These collateralized loans are targeted primarily to low-income individuals. The Workers Bank Partner program emphasizes quick disbursement of loans; a long-term, repeat relationship with borrowers; frequent contact between loan officer and borrower; quick turnover portfolios; and market rates of interest. As of February 1998, 1,828 loans had been disbursed with average loan size equal to approximately US\$480. Average length of loans is approximately 19 weeks. Also during this period, the delinquency rate, calculated in terms of loans over seven days late, was approximately five percent.

C. Objective of the Work and Intended Use

The objective of the work was to develop a database system and a client monitoring system. Workers Bank intends to use the general database system to process loans, automate credit decisions, and answer management questions as they occur. The client monitoring system will be used to assess changes in the selected monitoring indicators and to provide information on the level of achievement of USAID/Jamaica’s Strategic Objective.²

² USAID/Jamaica’s Strategic Objective is to increase participation for economic growth. This is to be achieved through increased economic opportunities for the poor, specifically expanded access to formal financial services for microentrepreneurs, especially women.

II. DESCRIPTION OF TECHNICAL ASSISTANCE PROVIDED

A. Technical Assistance Through the AIMS³ Project

In 1996, USAID/Jamaica prepared a scope of work to procure services through the AIMS Project. The purpose of AIMS assistance has been to

- # Advise in the design of a client monitoring system that provides information on economic changes in client enterprises and households over time,
- # Program a system to support intake and tracking of this information, and
- # Train program staff in the use of the system.

The system described in this report has been fully installed, and now forms the backbone of the Workers Bank loan process and monitoring system for its microfinance services.

B. The Process of Developing the Client Monitoring System

A three-stage process was used to identify and select impact indicators that would be included in the client monitoring system and to establish the system. First, discussions were initiated by AIMS with Workers Bank and USAID/Jamaica staff to identify a preliminary set of monitoring indicators. These discussions were guided by the theoretical framework of the AIMS Project, which includes a series of hypotheses about changes that can be expected at the enterprise, household, and individual levels as a result of participation in a microfinance program. Workers Bank and USAID/Jamaica selected outcomes most relevant to their monitoring needs.

During the second stage, the preliminary indicators were refined with assistance from AIMS and based on 1) continued discussions with Workers Bank and USAID/Jamaica staff and local and international experts; 2) a review of data collection procedures currently in place at Workers Bank; and 3) examination of Jamaican and international experience in the measurement of each indicator. The selection of the final set of monitoring indicators was guided by this review of measurement approaches. The final set of indicators is listed at the end of Section III (below).

Also during the second stage, technical assistance was provided to ensure that all actors understood the capabilities and limitations of a client monitoring system. USAID and Workers Bank had originally requested assistance to develop a system that could assess the impact of their

³ The goals of the Assessing the Impact of Microenterprises (AIMS) Project are to gain a better understanding of the processes by which microenterprise services strengthen businesses and improve the welfare of microentrepreneurs and their households and to improve the ability of USAID and its partners to assess the impacts of their microenterprise programs. The work in Jamaica on client monitoring systems was an AIMS mission technical assistance activity. The AIMS Project is sponsored by USAID's Office of Microenterprise Development. It includes a range of activities: large-scale impact assessments in Peru, Zimbabwe, and India; development of low-cost impact assessment tools for practitioners; and studies on specific topics relevant to microfinance impact. For more information on the AIMS Project, and to obtain copies of the AIMS publications, see the web site (<http://www.mip.org>).

microenterprise credit program. A client monitoring system can provide information to assess change in key monitoring indicators and can also generate some information on whether the loan program appears to be producing positive results. A comprehensive impact assessment, which includes longitudinal comparisons and control groups of non-loan recipients, would be required to assess the full extent of program impact.

The third stage involved establishment of the monitoring system. This stage included revision of the loan application form, development and installation of the database system, preparation of the data analysis plan, and preparation of a “Book of Values of Commonly Owned Assets” to ensure standardization in the valuation of enterprise and household assets. (See Annex 5 for an example from the Book of Values.)

During the development and implementation of the client monitoring system, the team also encountered unexpected events. Government intervention was deemed necessary when it became apparent that Worker’s Bank was facing financial difficulties. With this, a moratorium was placed on all loans (later lifted), causing some uncertainty about the future of the Partner program. These issues were addressed, however, and work resumed. This situation required that the team have not only the research and analytical skills necessary to develop the system, but also the management capability and flexibility to adapt to a changing set of circumstances.

Intermittent technical assistance was provided through December 1998 to monitor implementation of the system and to prepare the first report on operation of the system.

III. CLIENT MONITORING SYSTEM INDICATORS

Household and enterprise indicators identified for possible inclusion in the monitoring system were household income, household assets (durable goods, value of savings, value of fixed assets of other enterprises operated by household members), expenditures on food, enterprise profits (value of sales, volume of sales), value of fixed assets of enterprise, and employment (paid and unpaid). Each of these indicators and recommendations for measurement are discussed below.

A. Household Indicators

Household Income: Improvement in the welfare of poor households is a central goal of most microenterprise development projects, including the USAID/Jamaica Microenterprise Development Project. Increased household income is an important indicator of project success. Experience in Jamaica and in other countries indicates that direct measurement of household income frequently produces unreliable data. For example, when income data is collected as part of the loan application process, the situation is compounded by the fact that clients may deliberately misrepresent income to improve their chances of being approved for a loan. In spite of the above, Workers Bank requested that some measure of household income be included.

Decision: *Measure household income through a fixed response format question asking clients to select the income range which best reflects their total household income.*

Household Assets: Three indicators of household assets were selected by USAID/Jamaica and Workers Bank for inclusion in the monitoring system:

- # Durable goods, including major household appliances and transport vehicles,
- # Household savings, and
- # Fixed assets of household's non-target enterprises (household enterprises other than the client's).

Durable Goods: Most approaches to the measurement of household durable goods requires that the client identify all durable goods owned by the individual members of the household and by the household collectively and place a value on these goods, either the value at purchase or the current value. Clients are unlikely to know the purchase price for items they did not purchase or to be able to assess the current market value of assets. Further, clients may under-report assets on loan applications. Finally, collection of the data on the value of assets will significantly increase the time required to complete the application.

Decision: *Have clients identify the durable goods owned by the household, the number of each item owned and whether the item has been purchased in the past year. Do not collect data on the value of the good. Use the question format for household durable goods from the Government of Jamaica/World Bank Living Standards Measurement Survey to allow comparison of results with national survey data.*

Household Savings: In order to obtain an accurate picture of total household income, the client must supply information on savings of all household members, including the amount of savings that each has in banks and other financial institutions, bonds, certificates of deposits, home savings, and informal savings programs. The client is unlikely to have complete information and may be unwilling to provide this information.

Decision: *Do not include household savings in the set of monitoring indicators. Use the value of client savings as an indirect measure of household welfare. To enhance the reliability of savings data, collect information on savings in banks and other financial institutions, bonds, certificates of deposits, home savings, and informal savings program.*

Fixed Assets of Household's Non-Target Enterprises: Non-target enterprises include household enterprises other than the client's. Clients are unlikely to have complete information on the fixed assets of all non-target enterprises and the client may be unwilling to provide this information even if it is known. Further, collection of the data will add significantly to the time required to complete the application.

Decision: *Do not include fixed assets of non-target enterprises in the set of monitoring indicators.*

Expenditures on Food: Several issues affect measurement of food expenditures. Experience in Jamaica indicates that accurate measurement of household expenditures, including expenditures on food, requires detailed questions on each component of food expenditures, including valuation of food consumed at home and meals eaten away from home. Experience in Jamaica also indicates that attempts to collect expenditure data using short questionnaires underestimate household expenditure. Collection of detailed expenditure information as part of a loan application process is not practical. Per capita food expenditures provide a better measure of household welfare than total food expenditure. In order to calculate per capita food expenditures, it is necessary to determine how many members are in the household. Workers Bank would not allow this question to be included as they felt that it would be intrusive to ask the number of members in the household.

Decision: *The loan application includes a question on total household food expenditures for the preceding week as part of calculation of the client's debt capacity. Continue to collect information with new instructions to loan officers to ensure that meals consumed at home and away from home are included. Analyze initial data produced by the client monitoring system and compare results with data from the Government of Jamaica/World Bank Living Standards Measurement Survey to determine whether the question produces sufficiently reliable data to include it as a monitoring indicator.*

B. Enterprise Indicators

Enterprise Profits: Two potential indicators of enterprise profitability were identified:

Value of sales, and

Sales volume.

Value of Sales: The loan application collected information on the value of sales (revenues) for high, medium, and low periods. This format is consistent with internationally accepted practices.

Decision: *Collect sales data for high, medium, and low periods and annualize data .*

Sales Volume: In order to collect information on the volume of sales, it is necessary to collect information in units specific to each product and to collect information for more than one product in each enterprise. It takes considerable time to collect this information and the data are difficult to tabulate and analyze.

Decision: *Do not include sales volume in the set of monitoring indicators.*

Microenterprise Fixed Assets: The application collected the following information on all business machinery and equipment: description, serial number, condition, age, present value, and amount owed. Determination of the present value was done by the client and loan officer and did not follow a standardized formula.

Decision: *Collect information on microenterprise fixed assets by obtaining a listing of all enterprise fixed assets (machinery, equipment, hand tools, buildings, vehicles, and other assets) currently owned by the business, the date acquired, and present value. Determine present value through reference to a “Book of Values” compiled with technical assistance provided through the AIMS/Jamaica contract. (See Annex 5)*

Employment: The Workers Bank loan application collected information on the number of paid employees. However, a microenterprise frequently relies on the labor of one or more working proprietors and/or unpaid workers; therefore, asking about paid employees only may underestimate employment.

Decision: *Collect gender disaggregated data on number of working proprietors, number of paid workers, and number of unpaid workers in the business during the last week. Utilize the question format of the USAID-funded National Survey of Small and Micro Enterprises to allow comparisons with national survey data.*

C. Relationship of Indicators to USAID/Jamaica’s Strategic Objective

USAID/Jamaica’s Strategic Objective is to increase participation for economic growth. This is to be achieved through increased economic opportunities for the poor, specifically, expanded access to formal financial services for microentrepreneurs, especially women.

Decision: *Monitor program impact on USAID/Jamaica Strategic Objective through the following indicators: 1) new loans: number and average size by gender; 2) repeat loans: number and average size by gender; and 3) number of new jobs created by gender.*

D. Client Monitoring System Indicators

The final set of monitoring indicators is shown below. The loan application, which includes questions for each indicator as well as other information required by Workers Bank, is presented in Annex 3.

Characteristics of the Household

- S** Durable Goods (value, number, whether purchased in the last year)
- S** Expenditures on Food (in previous week)
- S** Level of Income
- S** Value of Client Savings

Characteristics of the Enterprise

- S** Value of Enterprise Sales
- S** Value of Fixed Assets of Enterprise
- S** Number of Employees by Gender (paid, unpaid, and working proprietors)

USAID/Jamaica Strategic Objectives

- S** Number of New and Repeat loans by Gender
- S** Size of New and Repeat loans by Gender
- S** Number of Jobs Created by Gender

IV. DATA COLLECTION, ANALYSIS AND USE

A. Data Collection

Loan application information is collected by loan officers and entered onto laptop computers as part of the application process. Loan processing and approval are automated. At present, all data are transmitted to the head office via modem. When the credit program expands, data will be downloaded to a network server based in each regional office and consolidated at the head office.

One point is worth noting in regard to the use of laptops for the loan application process. Before this system was put into place, several people involved in the program were concerned that the laptops would hinder the application process. In fact, on the contrary, both loan officers and applicants commented that it enhances the process, citing two reasons. It expedites the process by automating calculations that formerly had to be done by hand at a later time when the officer was not so busy. This has allowed “on the spot” assessments, giving the loan officers a better opportunity to discuss the viability of the business and the client’s ability to enter the program. Also, it adds an air of what the loan officers called “professionalism” to the process, showing the applicants that this is a credible and serious financial services operation. The AIMS technical assistance team observed this dynamic in follow-up field visits. The only problem reported by loan officers was the occasional power-outage, and the need by some to improve their typing skills. Yet, overwhelmingly, the Workers Bank staff reported a great deal of satisfaction with the computer-based CPS.

B. Data Analysis and Use

Routine data analysis and report preparation is performed by a systems administrator housed at Workers Bank. The system administrator oversees the operation of the system, provides technical support and general troubleshooting for hardware and software, provides training during the program expansion period, and prepares reports. The systems administrator was funded during October and November 1997 through the AIMS/Jamaica contract and was funded directly from the USAID/Jamaica Microenterprise Development Project between December 1997 and September 1998. Workers Bank has subsequently funded the position.

The database system can provide information for routine monitoring, to profile clients, to answer management questions, and to assess changes in key indicators. Data can be analyzed at any point in time to provide a profile of clients or for routine monitoring of clients (new and repeat). The database system also provides a flexible tool to answer management questions as they occur. Systematic procedures for establishing cohorts and measurement points were required because 1) applications are received on an ongoing basis throughout the year, 2) duration of loans vary, and 3) it is necessary to allow sufficient time between measurement points for real changes to occur.

The following procedures are being followed to assess changes in the monitored indicators. These procedures are based on a system start-up date of January 1, 1998.

1. All clients applying for a *first* loan during calendar year 1998 will be included in Client Cohort #1.⁴ Information from Cohort #1 clients who apply for a *repeat* loan during calendar year 1999 will be used to assess change in monitoring indicators. If a client applies for more than one repeat loan during 1999, only information from the last repeat loan application that the client makes in 1999 will be included in the analysis.
2. Only clients who remain active for at least twelve months, (i.e., who apply for a repeat loan at least twelve (12) months after applying for their initial loan) will be included in the analysis of change in monitoring indicators.
3. Analysis of change will be based on average differences between all first loan applications and all last repeat applications. Average values for each indicator will be calculated for the cohort and analysis will be based on the differences between cohort averages at the time of the first application and cohort averages at the time of the last repeat application.
4. All information reported in dollar values is to be converted to January 1998 prices and analysis of change will be based on constant dollar values.
5. All clients applying for a new loan in calendar year 1999 will be included in Client Cohort #2. Information from Cohort #2 clients who apply for a repeat loan in calendar year 2000 will be used to assess change. Data analysis will follow procedures outlined in Steps 2 and 3. Analysis of information reported in dollar values will be based on constant dollar values (in January 1999 prices).
6. Analysis of subsequent cohorts will follow the same procedures as those outlined for Cohorts #1 and #2.

Recommendations for the analytical approach to be followed with each indicator are presented in Table 1. The analysis of change will follow the schedule set out in Table 2. Suggested reporting formats appear in Annex 4.

C. Software and Hardware Requirements

The database system collects, records, and stores data in Microsoft Access for Windows 95 (Version 7.0). It is designed for Windows 95 or Windows NT operating systems.

The system utilizes laptops for data entry by loan officers. Minimum system requirements are as follows: IBM PC or compatible with 133 MHZ Pentium microprocessor; 16 MB RAM; hard drive with 50 MB free space; mouse. Recommended system requirements include greater than 166 MHZ Pentium microprocessor and 32 MB RAM.

⁴ A "cohort" is a group of new clients entering the Partner program.

V. LESSONS LEARNED

Early experience with the client monitoring system developed for Workers Bank indicates that a practical monitoring system that is also grounded in a theoretical framework about how changes occur as a result of participation in a microfinance program can be successfully integrated into a general database system. The Workers Bank experience also shows that staff and clients, even unsophisticated rural clients, can quickly become comfortable with an automated loan processing system. Experience to date indicates that the system enhances the efficiency of loan officers by improving accuracy and by eliminating the time required for manual calculations.

Workers Bank has expressed great satisfaction with the monitoring system. The Bank feels that the CPS improved loan officer efficiency and enhanced the interaction between loan officers and clients by reducing the amount of time required to fill out forms by hand and to perform manual calculations. Workers Bank is pleased with the ease with which loan officers and clients adapted to the system. Workers Bank is also pleased with the ease with which it can retrieve information and generate reports.

Some lessons have emerged from the process of developing the client monitoring system for the Workers Bank program:

- # Selection of monitoring indicators requires dialogue between the implementing agency, the donor, and specialists. The hypotheses generated by the AIMS project provide a theoretical foundation on which to base these discussions.
- # A few of the indicators derived from the theoretical framework of the AIMS project may be difficult to measure as part of an ongoing client monitoring system, particularly those associated with income, expenditures on food, and value of assets. To increase reliability, measurement of indicators should be consistent with international practice and, where possible, with more rigorous in-country surveys. This allows cross validation with data from other sources.
- # A local coordinator can play two equally important roles: ensuring the quality of the system and maintaining the pace of system development.
- # It is important that all actors understand the capabilities of a client monitoring system relative to those of an impact evaluation. This is necessary to ensure that everyone involved has realistic expectations about the type of questions that can be answered by a client monitoring system.
- # Fully automated systems require procedures for data security. Special attention must be given to data security so that it does not “fall through the cracks.” Data back up and security procedures to be followed by loan officers and by the staff person responsible for operation of the monitoring system should be detailed prior to implementation of the system.

TABLE 1**APPROACH FOR ANALYZING MONITORING INDICATORS**

INDICATOR	ANALYTICAL APPROACH
Household Durable Goods	Percent owning each type of good, percentage change in percent owning each type of good; average number of each type of good owned, percentage change in average number of each type of good owned, percent owning no durable goods; percentage change in percent owning no durable goods; percent purchasing each type of good during the preceding year; percentage change in percent purchasing each type of good during the preceding year
Client Savings	Average value of savings; percentage change in average value of savings (constant dollars)
Household Income	Average value of household income; percentage change in average value of household income (constant dollars)
Household Food Expenditures	Average value of food expenditures; percentage change in average value of food expenditures (constant dollars)
Value of Sales	Average value of sales; percentage change in average value of sales (constant dollars)
Enterprise Fixed Assets	Average value of fixed assets; percentage change in average value fixed assets (constant dollars)
Paid Employment	Number of paid employees by gender, average number of paid employees by gender; number of new paid employees by gender; average number of new paid employees by gender; percentage change in paid employment by gender
Unpaid Employment	Number of unpaid employees by gender, average number of unpaid employees by gender; number of new unpaid employees by gender; average number of new unpaid employees by gender; percentage change in unpaid employment by gender
Working Proprietors	Number of working proprietors by gender, average number of working proprietors by gender; number of new working proprietors by gender; average number of new working proprietors by gender; percentage change in working proprietors by gender
New Loans	Number and size of new loans by gender
Repeat Loans	Number and size of repeat loans by gender

TABLE 2

SCHEDULE FOR MONITORING REPORTS

<i>REPORT DATE</i>	<i>REPORT</i>	<i>PERIOD OF COVERAGE</i>	<i>COHORT</i>	<i>STATUS OF REPORT</i>
Feb 1998	Profile of New Clients	Jan 1998	1	Interim
July 1998	Profile of New Clients	Jan 1998- Jun 1998	1	Interim
Jan 1999	Profile of New Clients	Jan 1998 - Dec 1998	1	Final
Feb 1999	Analysis of Change in Monitoring Indicators	Jan 1998(new)/Jan 1999 (repeat)	1	Interim
July 1999	Profile of New Clients	Jan 1999 - Jun 1999	2	Interim
	Analysis of Change in Monitoring Indicators	Jan 1998 - Jun 98(new)/ Jan 1999 - Jun 1999 (repeat)	1	Interim
Jan 2000	Profile of New Clients	Jan 1999 - Dec 1999	2	Final
	Analysis of Change in Monitoring Indicators	Jan 1998 - Dec 1998 (new)/ Jan 1999 - Dec 1999 (repeat)	1	Final
July 2000	Profile of New Clients	Jan 2000 - Jun 2000	3	Interim
	Analysis of Change in Monitoring Indicators	Jan 1999 - Jun 1999 (new)/ Jan 2000 - Jun 2000 (repeat)	2	Interim
Jan 2001	Profile of New Clients	Jan 2000 - Dec 2000	3	Final
	Analysis of Change in Monitoring Indicators	Jan 1999 - Dec 1999 (new)/ Jan 2000 - Dec 2000 (repeat)	2	Final

ANNEX 1

INDIVIDUALS INTERVIEWED

SEEP Network

Elaine Edgcomb, Executive Director, (telephone interview)

Statistical Institute of Jamaica

Isbeth Bernard, Director of Surveys

Martin Brown, Senior Statistician

USAID/Jamaica, Office of Economic Development

Stephen Smith, Director

Hasan Hasan, Acting Director

George Smart, Acting Project Manager

Valerie Tate, Project Assistant, MDP

Doreen Cox, Financial Institutions Specialist

Workers Bank

Noel Watson, Assistant General Manager, Microfinance and Research

Norma Russell, Former General Manager, Post Office Division

Glenroy Bernard, Manager, Microbanking Unit

Sandor Panton, System Administrator, Microbanking Unit

Tracy Scott, Loan Officer

Sheryl Foster, Loan Officer

Janet Williams, Supervisor, Spanish Town Cluster

World Bank

Margaret Grosh, Senior Economist, PRDPH (telephone interview)

ANNEX 2

LIST OF DOCUMENTS CONSULTED

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ANNEX 3

WORKERS BANK LOAN APPLICATION

THE WORKERS BANK
EARLY DRAW PARTNER PLAN APPLICATION

Number of Loan: _____

Loan Officer:		Post Office:	
Date:	Client No.:	Loan No.:	
PERSONAL			
Name:		Nickname:	ID Type:
Date of Birth:	Sex:	M " F "	ID #:
Address:			No. of Dependents:
Ownership:	How Long:	Tel. No.:	
Name of Landlord/Mortgagor:			Comment:
Address:			Tel. No.:
Name of Spouse/Other Contact:			
Address:			
Relationship to You:			Tel. No.:
Name and Address of Spouse's Employer:			Occupation:
			Tel. No.:
YOUR EMPLOYER			
Name of Company:			
Address:			Tel. No.:
Occupation:			No. of Years:
BUSINESS OPERATIONS			
Name of Company:			Tel. No.:
Address:			Number of Employees:
Business/Activity:	Code:	Years:	
Who Are Your Clients? Neighbors " Retail Stores/Market "			
Other " Describe:			Working Proprietors: M ____ F ____
DESCRIBE SUPPLIERS and SUPPLY MECHANISM:			Paid Employees: M ____ F ____
DESCRIBE THE PRODUCTION and SALES PROCESS:			Unpaid Workers: M ____ F ____
Are There Any Threats To The Following?			
Client Base:	Yes " No "	Good Supply:	Yes " No "
Production:	Yes " No "	Sales:	Yes " No "
Explain:			
WHO RUNS THE BUSINESS WHEN YOU ARE SICK OR AWAY?			

THE WORKERS BANK
EARLY DRAW PARTNER PLAN APPLICATION

Number of Loan: _____

BUSINESS INVENTORY OF MACHINERY EQUIPMENT												
Description:	Condition:	Age:	Value (J\$):	Amount Owed:								
		TOTAL:										
BALANCE SHEET												
Assets						Liabilities and Net Worth						
Cash						Short-term Payables						
Bank						Machinery						
Accounts Receivable						Long-term Payables						
Raw Materials						Other Liabilities						
Work In Progress						Total Liabilities						
Finished Goods												
Business Machinery												
Business Real Estate												
Other Assets						Capital/Equity						
<i>Total Assets</i>						<i>Total</i>						
SALES TREND												
USE THE FOLLOWING CODE TO INDICATE TREND H = HIGH A = AVERAGE L = LOW												
Activity	J	F	M	A	M	J	J	A	S	O	N	D
STATEMENT OF REVENUE EXPENSES												
INCOME												
Business						Household						
	High	Average	Low									
Activity A												
Activity B												
Activity C												
Total												
EXPENSES												
Business						Household						
	High	Average	Low									
Purchases A												
Purchases B												
Purchases C												
Rent												
Telephone												
Light												
Water												
Transportation												
Salary and labor												
Total												
Net Income												

**THE WORKERS BANK
EARLY DRAW PARTNER PLAN APPLICATION**

Number of Loan: _____

CREDIT REFERENCES													
Previous Partner Involvement													
Years Involved:			Amount Thrown:			Frequency:							
Name of Banker:						Tel. No.:							
Address:						Comment:							
Supplier Credit/Loan/Hire Purchase													
Name of Supplier:						Date:			Amount:				
Address:													
Comment:						Phone No.:							
Bill Payments Current?													
Electricity:			Yes " No " N/A "			Telephone:			Yes " No " N/A "				
Water:			Yes " No " N/A "			Hire Purchase:			Yes " No " N/A "				
Cash Resources													
<i>Institution</i>						<i>Account</i>		<i>Deposit</i>		<i>Regularity</i>		<i>Balance</i>	
Savings:		Bank 1											
		Bank 2											
		Partner											
		Home											
		Other											
Checking:													
HOUSEHOLD ASSETS													
<i>Do the members of your household own any of the following?</i>													
						Last Year						Last Year	
		Yes No		How Many		Yes No						Yes No	
Sewing Machine													
Gas Stove								Stereo Equipment					
Electric Stove								Video Equipment					
Refrigerator								Washing Machine					
Freezer								TV Set					
Air Conditioner								Bicycle					
Fan								Motorbike					
Radio/Cassette								Car/Other Vehicle					
SCHEDULE OF ASSETS PLEDGED													
<i>(Owned by Applicant)</i>													
<i>Description</i>				<i>Serial #</i>				<i>Condition</i>		<i>Age</i>		<i>Value (J\$)</i>	
PURPOSE OF DRAW													
<p>The above assets are fully owned by me and I hereby consent to pledging them as security for my Workers Bank Early Draw Plan.</p> <p>I also hereby agree to participate in any evaluation study conducted by Workers Bank for the purpose of assessing the performance of the Post Office Partner Program.</p>													

Signature: _____
Applicant

Partner Banker

**THE WORKERS BANK
EARLY DRAW PARTNER PLAN APPLICATION**

Number of Loan: _____

WORKSHEET

DEBT CAPACITY

	<i>High</i>	<i>Average</i>	<i>Low</i>
<i>Net Business Income</i>			
Net Household Income- Applicant			
Net Income Co-Applicant			
Total Capacity			
<i>Repay Capacity %</i>	[]		
 <i>Due To:</i>			
<i>Lack of Confidence</i> "	<i>Threats</i>	"	
<i>Lack of Information</i> "	<i>Credit History</i>	"	
<i>Bank Policy</i> "	<i>Other</i>	"	
 <i>Adjusted Monthly Repayment Capacity</i>	<i>High</i>	<i>Average</i>	<i>Low</i>

GENERAL COMMENTS

Draw [] *Term* [] *Hand* []

Credit Committee Approval

Signature: _____
Partner Banker

Date: _____

Regional Supervisor

Date: _____

ANNEX 4

RECOMMENDED REPORTING FORMATS

	COHORT #1 1998			COHORT #2 1999			COHORT #3 2000		
	At First App.	At Repeat App.	% Change	At First App.	At Repeat App.	% Change	At First App.	At Repeat App.	% Change
Durable Goods (% Owning)									
Sewing Machines									
Gas stoves									
Electric Stoves									
Refrigerators									
Freezers									
Air conditioners									
Fans									
Radio/cassette players									
Stereo equipment									
Video equipment									
Washing machine									
TV sets									
Bicycles									
Motorbikes									
Cars, other vehicles									
Own None									
Durable Goods (Number Owned)									
Sewing Machines									
Gas stoves									
Electric Stoves									
Refrigerators									
Freezers									
Air conditioners									
Fans									
Radio/cassette players									
Stereo equipment									
Video equipment									
Washing machine									
TV sets									
Bicycles									
Motorbikes									
Cars, other vehicles									

	COHORT #1 1998			COHORT #2 1999			COHORT #3 2000		
	At First App.	At Repeat App.	% Change	At First App.	At Repeat App.	% Change	At First App.	At Repeat App.	% Change
Durable Goods (Percent Purchasing Last Year)									
Sewing Machines									
Gas stoves									
Electric Stoves									
Refrigerators									
Freezers									
Air conditioners									
Fans									
Radio/cassette players									
Stereo equipment									
Video equipment									
Washing machine									
TV sets									
Bicycles									
Motorbikes									
Cars, other vehicles									

REPORTING FORMAT

	COHORT #1 1998			COHORT #2 1999			COHORT #3 2000		
	At First App.	At Repeat App.	% Change	At First App.	At Repeat App.	% Change	At First App.	At Repeat App.	% Change
Household Income (\$)									
Household Expenditures On Food (\$)									
Client Savings (\$)									
Value of Enterprise Sales (\$)									
Value of Enterprise Assets (\$)									
EMPLOYMENT IN ENTERPRISE (Number)	M/F	M/F	M/F	M/F	M/F	M/F	M/F	M/F	M/F
Paid									
Unpaid									
Proprietors									

REPORTING FORMAT FOR USAID STRATEGIC OBJECTIVES

	1998	1999	2000	2001
	M/F	M/F	M/F	M/F
NUMBER OF NEW LOANS				
AVERAGE SIZE OF NEW LOANS				
NUMBER OF REPEAT LOANS				
NUMBER OF JOBS CREATED				

M/F = MALE/FEMALE

ANNEX 5

BOOK OF VALUES OF COMMONLY OWNED ASSETS

The Jamaica Workers Bank CPS Book of Values of Assets was prepared by a local accounting firm, Toplis and Harding Services Ltd. Its purpose is to provide standards of valuation that enable a more consistent and rigorous assessment of client wealth and changes in their wealth over time.

Presented in this annex is an example of a page from the Book of Values. The complete book is some thirty pages in length. In addition to the tables listing values for different types of assets, the book describes the method used for depreciation, which is based on the age and expected life of the asset. The Workers Bank is planning to modify the CPS data entry program to incorporate the Book of Values into drop-down menus, thereby eliminating the need for the paper copy. It is intended that the Book be updated on an annual basis.

AIR COMPRESSORS

		Dep. Code	Avg. New Price	Up to 1 yr. Old	2 yrs	3 yrs	4 yrs	5 yrs	6 yrs	7 yrs	8 yrs	9 yrs	10 yrs	11 yrs
Binks Airmate	1.5 HP	B	55,000	44,000	40,150	35,750	31,625	21,500	23,650	19,525	15,500	11,000	7,150	3,300
Ingersoll Rand	2.5 HP	B	38,000	30,400	27,740	24,700	21,850	19,000	16,310	13,490	10,640	7,600	4,940	2,280
Sears Craftsman		B	75,800	60,840	55,188	49,140	43,470	37,800	32,508	26,808	21,168	15,120	9,826	4,536

BARBER EQUIPMENT

		Dep. Code	Avg. New Price	Up to 1 yr. Old	2 yrs	3 yrs	4 yrs	5 yrs	6 yrs	7 yrs	8 yrs	9 yrs	10 yrs	11 yrs
Koken	Professional Chair	B	90,000	72,000	65,700	58,500	51,750	45,000	38,700	31,950	25,200	18,000	11,700	5,400
Other Brands	Barber Chair	F	35,000	26,250	21,000	12,250	5,250	2,625						
Oster	Professional Clippers	F	8,000	6,000	4,800	2,800	1,200	600						
Other Brands	Clippers	G	3,000	1,500	4,050	450	225							
Any brand	Shaver	G	3,000	1,500	4,050	450	225							

BLENDERS

		Dep. Code	Avg. New Price	Up to 1 yr. Old	2 yrs	3 yrs	4 yrs	5 yrs	6 yrs	7 yrs	8 yrs	9 yrs	10 yrs	11 yrs
Hamilton Beach	Blend-master	E	2,250	1,733	4,440	1,143	855	563	270					
Oster	14-Speed	E	2,200	1,694	1,408	1,122	636	550	264					
Sears Kenmore	12-Speed	E	1,500	1,155	980	765	570	375	180					
Waring	1-gallon blender	C	25,000	20,000	17,500	15,000	12,500	10,000	7,500	5,000	2,500			
	Electric Bar Blender	C	16,000	12,800	11,200	9,609	8,000	6,400	4,800	3,200	1,600			

NOTES:

- i) Values shown on this page are for items in Good Condition with usual degree of wear and tear associated with normal usage only.
- ii) For items in Fair condition - i.e. items which satisfactorily perform all their original functions but which show damage not associated with normal usage - values should be discounted by one-third.
- iii) Items which do not perform their original functions - whether due to damage, breakdown or other cause - should be valued at "Nil" until such time that they are satisfactorily repaired.
- iv) "Dep. code" identifies the depreciation method to be used, based on expected useful life of the asset.