



FINCA Client Assessment Report

Team Egypt: Jon Bernt, Saba Nasser, Debra Stein

JUL-2007

Acknowledgements

FINCA Team Egypt would like to thank the entire staff of the DBACD for their support and warm hospitality.

Special thanks to Hassan Faried, Amani Ali and Dalal Takla.

We greatly appreciate the assistance that we received from all of the branch managers and loan officers with whom we had the pleasure to work.

Many thanks to the DBACD's clients who welcomed us into their homes and businesses and generously shared their time and thoughts with us.

Additional thanks to Ahmed Maraby, Mahmoud Mowafy and Hussein for translating our survey and traveling with us throughout Dakahlya.

TABLE OF CONTENTS

1.0 Executive Summary 4

 1.1 Methodology 5

 1.2 Approach..... 5

 1.3 Key Findings..... 5

2.0 FINCA Program Summary..... 6

 2.1 FINCA Background Info 6

 2.2 FINCA Client Assessment Research Fellowship 6

 2.3 FINCA's role in the industry 7

 2.4 Social Performance Measurement 7

 2.5 FINCA-DBACD Partnership 8

3.0 FCAT Methodology 8

 3.1 FCAT Description..... 8

 3.2 FCAT Technology and Process 8

 3.3 Sampling Process 8

 3.4 Challenges and Limitations..... 9

4.0 DBACD Overview..... 10

 4.1 History..... 10

 4.2 Products and Services 10

5.0 Country Summary 11

 5.1 Demographics 11

 5.2 Economics..... 11

 5.3 Poverty 12

6.0 Client Demographics 12

 6.1 High-Level Demographics..... 12

7.0 Loan Demographics..... 12

8.0 Poverty Status 13

 8.1 Statistical Description 13

 8.2 Client Expenditures..... 14

9.0 Business Characteristics..... 14

 9.1 Business Overview..... 14

 9.2 Statistical Description 15

10.0 Assets..... 15

 10.1 Statistical Description 16

11.0 Social Metrics 17

 11.1 Overview..... 17

 11.2 Statistical Description 17

12.0 Conclusion 21

Appendices: 22

 A: FINCA Client Assessment Survey..... 22

 B: Branch Schedule..... 22

 C: Loan Purpose..... 22

 D: DBACD Client Assessment Research 23

 E: Loan Information..... 24

 F: Client Demographics 24

FINCA Client Assessment

G: Poverty Tables 25
H: Client Expenditures..... 25
I: Client Business Job Creation..... 26
J: Client Business Category Table 26
K: Assumptions..... 27

1.0 Executive Summary

1.1 Methodology

Using the FINCA Client Assessment Tool (FCAT), this survey aimed to measure the quality of life of the DBACD's clients by obtaining information about a wide variety of financial, social, and demographic indicators. The FCAT included questions that covered client demographics, businesses, education, health, assets, and expenditures. The survey was designed to learn more about the institution's clients in order to serve them more effectively in the future.

1.2 Approach

FINCA Fellows randomly selected a sample of 450 clients that was proportionate to DBACD's overall client base with respect to both region and type of loan (individual vs. group). Once appropriate numbers of clients were selected for each different group, then a random number generator was used to randomly select loan officers. Fellows then randomly selected ten clients per loan officer as well as five alternate clients in case any of the original ten could not be reached. Fellows used Sony Cliés (handheld computers) to record survey responses in the field, and a preliminary statistical analysis was conducted on the data using MS Excel.

1.3 Key Findings

- Established clients, on average, tend to be less poor than new clients. Clients with DBACD over six months have an average DPCE of 9.85 LE, while clients with the organization for less than six months have an average DPCE of 9.54 LE.
- DBACD appears to be reaching the lowest-income entrepreneurs in the Dakahlya Governate. 35.8% of total clients live on less than US \$1 per day, and 74.2% of clients live on less than US \$2 per day.
- Long-term clients who have been with DBACD for 36 months or more have a DPCE that is over 1.5 LE higher than newer clients.
- Established clients spend approximately 300 LE less annually on healthcare than new clients.
- Education levels varied greatly and do not appear to have a direct correlation with clients' well-being in other areas, such as health or food security.
- Housing, piped water, sewage systems and modern medical facilities appear to be accessible to clients in all seven of the regions surveyed.

2.0 FINCA Program Summary

2.1 FINCA Background Info

Founded in 1984, FINCA International is a recognized leader in microfinance and the pioneer of the village banking methodology. Working throughout Latin America, Eurasia, and Africa, FINCA's geographic reach is among the widest of the leading microfinance networks.¹

FINCA's mission is to provide financial services to the world's lowest-income entrepreneurs so they can create jobs, build assets and improve their standard of living. FINCA has a 20 year institutional history of serving the poor and has become a leader in microfinance services for post-conflict societies.²

- At the end of 2006, FINCA was providing micro loans valued at more than \$450 million.
- Loans averages \$433 with a repayment rate of 93 percent.
- Active in 21 countries, FINCA has nearly half a million active clients; 76 percent are women.
- Clients participating in the program on average spend more on food, housing and the health and education of their children than other members of their community.³

2.2 FINCA Client Assessment Research Fellowship

In 2003, FINCA initiated a research effort to measure the client poverty levels of its affiliates and the poverty alleviation impact of FINCA services on these clients. The purpose of the assessment was to measure FINCA's social performance and to develop and test an inexpensive, user friendly, reliable research tool for measuring the social impact of microfinance services.⁴

Over the past six years, FINCA has sent nearly 70 fellows to its country programs to conduct client assessment research. Generously supported by the Templeton Foundation, Research Fellows use FINCA's Client Assessment Tool (FCAT) to conduct 30-60 minute interviews with clients to gather information on:

- Client demographics
- Loans
- Money metrics (household expenditures)
- Asset accumulation
- Social metrics (health, housing and education)
- Business metrics
- Client satisfaction
- Program departure questions

The Client Assessment response data has helped FINCA to determine poverty levels, program impact, show the economic and social benefits received by clients, to better know and understand clients Feedback loop and improve products and services. Through research and outreach activities, FINCA hopes to cultivate the next generation of leaders dedicated to poverty.⁵

2.3 FINCA's role in the industry

Recently there has been a focus in the microfinance industry on measuring the social performance of microfinance institutions. Most microfinance institutions strive to meet both financial and social goals, managing a *double bottom line*. FINCA is dedicated to the cause of contributing to literature and dialogues about the importance and applicability of social indicators and poverty assessment. FINCA's field research is primarily used to measure poverty using information on employment, education, health and housing which allows for analysis on the different aspects that affect quality of life.⁶

FINCA is at the forefront of the industry in setting the standard of client assessment and social performance measurement. In updating FINCA's Client Assessment Tool and methodology (in keeping with industry best practices and rigorous assessment methods). FINCA aims to provide the industry with a comprehensive, open-source tool which covers client poverty level, satisfaction with their participation in the program, and departure that can be used with a high degree of confidence for: client targeting, defining depth of outreach, tailoring appropriate products/services and increased client retention.⁷

2.4 Social Performance Measurement

Definition: Social Performance is a broad term that is commonly used in the microfinance community to include all components associated with measuring the social side of operations including: adherence to mission, client poverty levels and outreach, monitoring and evaluation, client, poverty and impact assessments as well as social ratings and audits.

- Process: actions and corrective measures
- Results: reaching target clients, meeting client needs, change
- Values: relations with employees, clients, community and the environment

Social Performance	
Main Goal	Benefits for clients, their families and the wider community
How is it Assessed	Routine monitoring of scope, outreach of services and changes in client conditions, plus periodic more in-depth understanding of the reasons behind patterns and trends observed through monitoring
How is it Used	To influence decisions about prices, products, service delivery systems & strategies
How is it validated?	Internal cross-checks and external reviews

Benefits of Social Performance Measurement (SPM):

SPM helps to depict an in-depth picture of clients' lives from a social, economic and financial perspective, so that organizations are better able to serve them. In addition, according to Microfinance Gateway, SPM helps:

- Provide indicators of achievement which can help to garner support for an organization's work, as well as attract funding from donors and social investors.

- Establish industry-wide benchmarks and compare social performance between institutions, contexts, and countries.
- Measure an MFI's "blended-returns"- financial and social returns combined and create a more holistic picture of the organization's total return.

2.5 FINCA-DBACD Partnership

As FINCA continues to expand its global network and provide financial services to the world's lowest-income entrepreneurs, its strategy is to expand into newer markets, create regional partners, and learn from key leaders in the industry. This is FINCA's first partnership in the MENA region (Middle East and North Africa).

3.0 FCAT Methodology

This section provides a high-level overview of the FCAT, its technology and process, challenges and limitations.

3.1 FCAT Description

The FINCA Client Assessment Tool (FCAT) is a comprehensive survey that measures the standard of living of a microfinance institution's clients. The tool aims to measure poverty by obtaining information about a wide variety of financial, social, and demographic indicators, including a client's education, health, assets, and expenditures. Conforming to industry best practices, the FCAT uses a detailed series of questions about expenditures to approximate the client's income level. The survey is designed to learn more about clients and their needs in order to better serve them.

3.2 FCAT Technology and Process

The FCAT survey was conducted in over 20 countries around the world during the summer of 2007 by 36 FINCA Client Assessment Fellows, both with FINCA affiliates and with partner MFI's. Since none of the Fellows in Egypt were fluent in Egyptian Arabic, they were aided by three local translators at each interview. All of the translators had previous experience doing fieldwork with the DBACD and were familiar with microfinance. Responses to FCAT surveys were recorded using Sony Clié portable computers and the data was uploaded nightly to an MS Excel spreadsheet. MS Excel was also used to perform descriptive statistics on the data to obtain a social and economic profile of DBACD's clients.

3.3 Sampling Process

FCAT surveys were conducted in all 7 regions that the DBACD serves, with a target number of 450 interviews. Every effort was made to interview a client sample that was both proportional to and representative of DBACD's overall client base with respect to overall numbers as well as to the proportion of clients in individual and group loans. The number of loan officers in each region was used as a proxy for the overall number of clients, and the number of clients to be interviewed at each branch was chosen to be proportional to the overall number of clients served there. All loan officer and client data was supplied by DBACD.

For logistical reasons, each Fellow worked with only one loan officer per day, and each Fellow also had a target of ten interviews per day. With these considerations in mind, it was first necessary to randomly select 45 loan officers. The number selected from each region was proportionate to the total number of clients there. Since each loan officer specialized exclusively in group or individual lending, loan officer selection was also conducted in a way to proportionately represent the numbers of group and individual clients in each region. After the appropriate number of loan officers for each region and type of loan was determined, loan officers were selected randomly using a random number generator in MS Excel.

For individual loan officers, ten clients from each loan officer were then randomly selected in the same manner and five alternative clients were also randomly chosen just in case the original clients could not be reached. Since DBACD Headquarters only carried the names of group loan leaders, ten group leaders and five backup group leaders were selected from each loan officer randomly. After this selection, loan officers at each branch provided the names of all group members and one was selected at random in the field from each group. In this way, a sample was obtained that was both representative and random from which generalizations about the DBACD client base could be made.

3.4 Challenges and Limitations

One major limitation of the FCAT process was the difficulty of reaching the pre-determined random sample in the field. Despite a high level of cooperation from loan officers, at times it was nearly impossible to reach a large number of clients because of the difficulty of transport in the more rural areas served by DBACD. Client replacement was a difficult process that depended on the infrastructure of the region served by the loan officer as well as by local events such as weekly markets, etc.

Several of the questions on the FCAT survey were also highly problematic. For example, when clients were asked to rate their happiness on a scale of 1 to 10, most simply responded with the phrase "Praise be to God!" A large majority of clients believed that their situation in life had been decided by God and that to be unhappy with their lives would show ingratitude for all that God had given them. Religious concerns also caused most clients to be wary of revealing the amount of money given to charity in the past 12 months and a large majority simply refused to answer the question.

4.0 DBACD Overview

This section provides an overview of DBACD history and products and services.

4.1 History

The Dakahlya Businessmen’s Association for Community Development (DBACD) was founded as an NGO in March 1995. The main objective is to provide financial and non financial services to low income families; in a sustainable and better quality manner, to contribute to improving clients’ standard of living in the Dakahlya Governorate. The DBACD currently serves seven regions: East Mansoura, West Mansoura, Manzalah, Sinbelawin, Shirbeen, Mit Ghamr and Dikirnis.

4.2 Products and Services

DBACD offers two major lending programs:

- **Small and Micro Enterprise (SME) Individual Lending Program:**

In cooperation with USAID, DBACD established an efficient and effective SME lending program in 1998. The individual loans have significantly higher loan sizes at disbursement. The average SME loan at disbursement is 402 USD or 44% of GNP per capita. Individual loans are 63% in trade, 14% in manufacturing, 17% in services and 4% other.⁸

Individual Lending (SME)	
Initial Loans Disbursed	9 September 1998
No of Loans Disbursed	135,029
Amount of Loans Disbursed (LE)	376,811,000
No of Clients who received Loans	63,994
Outstanding Portfolio	61,401,602
No of Active Clients	32,866
Average Loan Size	2,791
Average Repayment Rate	99.78 %
No of Loan Officers	127

Table Courtesy of DBACD

- **Poverty Lending (Bashayer El-Kheir):**

In June 2001, DBACD launched the Poverty Lending program directed to female-headed households, in the poorer areas. This program has helped women on a neighborhood level to start income-generating activities, or expand existing businesses. It was designed to help women who were unable to enter the formal business sector, due to social and economic barriers. The average Bashayer loan at disbursement is 45 USD or 5.5% of GNP per capita.⁹

Most women that participate in Group loans primarily live in the same neighborhood, and in several cases there are one or more relatives from the same household that participate as part of the same group. DBACD has a restriction of two household members per group. Groups generally comprise five clients, and by consensus a leader is elected and

the group is generally denoted by the leader's name. If a Group client were to default on a loan, they have a 24 hour time period to make the payment.

Group Lending (Bashayer El-Kheir)	
Initial Loans Disbursed	4 June 2001
No of Group Disbursed	51,720
No of Loans Disbursed	258,600
No of Clients who received Loans	23,253
Amount of Loans Disbursed	105,975,090
No of Active Clients	41,880
Average Repayment Rate	100%
Outstanding Portfolio	11,700,134
Average Loan Size	410
Number of Loan Officers	184

Table Courtesy of DBACD

5.0 Country Summary

This section provides a brief-overview on the Country Demographics, Economy and Poverty.

5.1 Demographics

Egypt is a country in Northern Africa that includes the Sinai Peninsula, a land bridge to Asia. The country covers an area of about 1,001,450 square kilometers (386,540 square miles), and it is bordered by Libya to the west, Sudan to the south, and the Gaza Strip and Israel to the east. The northern coast borders the Mediterranean Sea and the eastern coast borders the Red Sea.¹⁰

Egypt is the most populous country in the Middle East and the second-most populous on the African continent, with about 78 million people. The population has continued to increase in the past few decades, though census results show that there has been a decrease in fertility levels. The population growth rate reached 2.1% in 1996 -2001.¹¹ Almost all the population is concentrated along the banks of the Nile (notably Cairo and Alexandria), in the Delta and near the Suez Canal. Approximately 90% of the population adheres to Islam and most of the remainder to Christianity, the Coptic Orthodox Church.

Egyptians are by far the largest ethnic group in Egypt at 97-98% of the total population. Ethnic minorities include the Bedouin Arab tribes living in the eastern deserts and the Sinai Peninsula, the Berber-speaking Siwis (Amazigh) of the Siwa Oasis, the ancient Nubian communities clustered along the Nile in the southernmost part of Egypt, with interspersed communities of Beja concentrated in the south-eastern-most corner of the country, and a number of Dom clans mostly in the Nile Delta and Faiyum who are progressively becoming assimilated as urbanization increases.¹²

5.2 Economics

Occupying the northeast corner of the African continent, Egypt is divided by the Nile valley, which is the center of most economic activity. Egypt's economy depends mainly on agriculture,

media, petroleum exports and tourism. More than three million Egyptians work abroad, mainly in Saudi Arabia, the Persian Gulf and Europe.¹³

5.3 Poverty

Although Egypt's economy has been growing recently, the country remains poor. According to 2000 statistics, 17.9% of the population that year lived in extreme poverty with less than \$2 US per day. As of 2005, 17% of the population remained below the national poverty line, and the average per capita GNI was \$1260 US. Economic growth for 2005 in per capita GNI was modest at 2.9%.¹⁴

6.0 Client Demographics

287 Group and 149 Individual Interviews were conducted respectively in seven branches.

6.1 High-Level Demographics

Location: 47.9% of total clients reside in Rural areas, while 38.1% reside in a Peri-Urban areas, and the remaining 13.9% reside in Urban areas. These distinctions were based on FINCA's definition of urban (regional capital), peri-urban (outskirts of regional capital) and rural (remote areas that are heavily reliant on home-grown food and livestock).

Household Size: Household size did not differ greatly among client groups. The total average was 4.79 individuals per household. Examining client type, the new client average was lowest with 4.56 individuals per household, while current clients were 4.82. Individual clients' average was 4.72 individuals per household and group clients had 4.87 on average per household.

Literacy: Literacy rate for the household head is 48%. 85.36% of clients in the sample could read and write. (Read refers to reading a newspaper or book of scripture, and Write refers to writing a letter to a family) The national literacy rate for those 15 years old and over is 71.4%, significantly less than the survey sample.¹⁵

Education: The average education was 5.52 years for all household members. Education level does not appear to be a reliable indicator for literacy. There were many cases of clients with few years of schooling who could read and write, as well as clients with several years of schooling who could not read or write.

Marital Status: 85.1 % of total clients are married, 10.3 % are widowed, 2.2 % are divorced/separated, 2% are single, and the remaining 0.6% are married with a migrant spouse.

7.0 Loan Demographics

Loan Amount: Loan amounts range from 100 LE to 1000 LE for Group loans, while Individual loans were in the range of 1000 LE to 20,000 LE. The average loan size for a Group loan was 697.2 LE, while the average loan size for an Individual loan was 4300.9 LE. Three of the women interviewed had graduated from Group Lending to Individual Lending.

Loan Rate: Loan rates are based on the length of clients' current loans. 32.3 % of Clients were not aware of the current interest rate percentage. However, 67.7 % of clients were aware of the interest payments made in addition to the principal amount.

Loan Purpose: 54.1% of total clients used the loan for their existing business, while 37.3 % used it to start a new business. The remaining 8.1% used it for purposes such as marriage, home repair, repay business debt, purchase household items, etc.

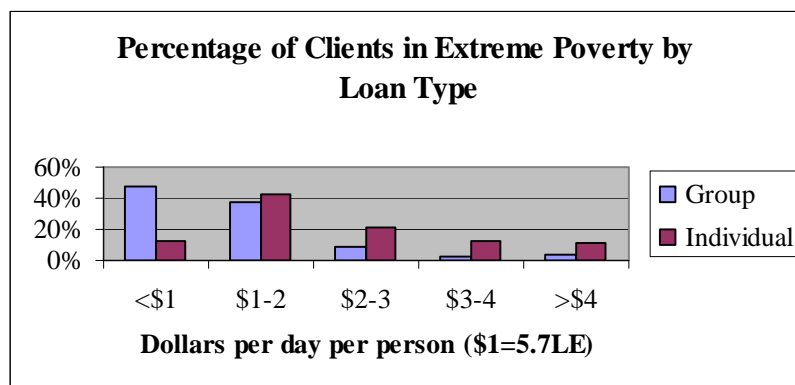
Repayment Rate: DBACD maintains 100% repayment rate on Group and Individual loans in all of its seven branches. Group Loans are repaid on a weekly basis, while individual loans are repaid on a monthly basis.

8.0 Poverty Status

One of the most important sections of the FCAT questionnaire concerns its questions of client expenditures to determine their level of poverty. The FCAT provides a variety of questions on possible household expenditures, such as food, utilities, and transportation. These responses allow for the calculation of the Daily Per Capita Expenditure (DPCE) for the members of each household. The DPCE is the total household expenditures divided by the product of the number of members in the household and 365. In short, it is the amount of money spent per person per day in each household. This calculation is the primary factor used to determine a particular client's poverty level.

8.1 Statistical Description

The average DPCE among all clients is 9.80 LE. However, poverty rates vary greatly across different client groups. Among group clients, the average DPCE is 7.90 LE with 84.7% of clients earning less than \$2 per day (11.4 LE per day). Among individual clients, the average DPCE is 13.48 LE with only 55.1% of clients earning less than \$2 per day. Overall, DBACD is reaching a large number of poor clients, as 35.8% of all clients live in extreme poverty of less than \$1 per day, and 74.2% of clients live with \$2 or less per day. The following graph shows income levels in relation to individual and group clients:



The length of time that clients have been with DBACD has some effect on expenditure levels. Clients who have been receiving loans for less than 6 months have an average DPCE of 9.54, while clients who have been with the program for more than 6 months have an average DPCE of

only 9.85. This trend is further reinforced when the DPCE of clients who have been in the program for 36 months or more is examined; these long-term clients have a DPCE of 11.18.

8.2 Client Expenditures

In addition to providing the total sum of client expenditures, the FCAT also allowed the analysis of client expenditures by different relevant categories. A breakdown of these expenditures for all clients is presented below. Expenditure patterns between the two different groups do not vary widely. However, new clients tend to spend a greater percentage of their income on health than current clients, while they spend less on “Other” expenditures such as special events, leisure, and charity.

All Client Expenditures		
Items	Average	Percentage of Total
Food	6371	41.9%
Transport	1062	7.0%
Education	769	5.1%
Hhd. Products	629	4.1%
Utilities	1060	7.0%
Health	1039	6.8%
Home	1135	7.5%
Rent	413	2.7%
Clothing	738	4.8%
Furniture	448	2.9%
Other	1557	10.2%
Total	15221	100%

9.0 Business Characteristics

This section describes the different businesses that clients had and is further broken out by Individual and Group loans.

9.1 Business Overview

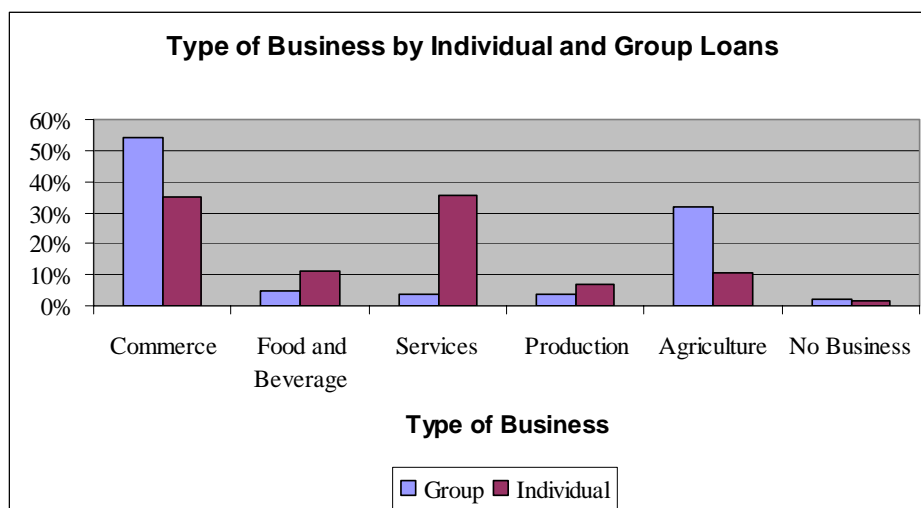
Since the vast majority of the DBACD’s loans go to support small businesses, a working knowledge of the types of businesses that clients own could help the organization to respond to client needs more effectively. The FCAT questionnaire collected detailed information on types of client businesses as well as job creation. Clients had a wide range of business that they were able to develop with their loans. This report divides these businesses into five main categories:

- 1) Commerce (sells groceries, clothing, etc.)
- 2) Food and Beverage (bakery, café, etc.)
- 3) Services (auto repair, taxi driver, etc.)

- 4) Production (tailoring, crafts, etc.)
- 5) Agriculture (livestock, crops, etc.)

9.2 Statistical Description

The businesses owned by individual and group clients varied significantly, with group clients owning more commerce and agriculture oriented businesses, and individual clients owning a much larger percentage of service oriented businesses. The following graph illustrates these differences in business ownership:



In addition to these differences in the types of business, there was also a wide disparity in the number of jobs created by businesses owned by individual and group clients. In this report, number of jobs created includes the client’s job in his/her own business. Group clients’ businesses employed on average 1.32 workers, while individual clients’ businesses employed on average 2.20 workers. Overall employment figures can be seen in the following table:

Job Creation of Clients’ Businesses								
All Clients			Group Clients			Individual Clients		
No. of Workers	Businesses	% of Total	No. of Workers	Businesses	% of Total	No. of Workers	Businesses	% of Total
1	361	76.0%	1	272	87.7%	1	87	57.3%
2	56	11.8%	2	28	9.0%	2	28	17.3%
3	29	6.1%	3	3	1.0%	3	26	16.0%
4	5	1.1%	4	1	0.3%	4	4	2.5%
5	8	1.7%	5	2	0.6%	5	6	3.7%
6+	15	3.2%	6+	4	1.3%	6+	11	6.8%

10.0 Assets

The purpose of this portion of the FCAT is to gain a clearer picture of clients’ economic security. It is important to ask clients about their assets as they are a good representative for their ability to maintain their economic well-being in the face of future economic burdens.

10.1 Statistical Description

This portion of the FCAT profiles the types of assets that clients own by asking about the following:

- **Financial Accounts** (savings account)
- **Agriculture:** land, farm equipment (cart, thresher, tractor)
- **Livestock:** chickens, ducks, other birds, sheep, goats, buffalo, cows, donkeys/mules, bullocks, horses, and other livestock not included.
- **Communication:** phone (landline and mobile) and internet
- **Transportation:** bicycle, motorcycle, moped/scooter, boat, car or truck
- **Electronics:** stereo, radio, camera, black and white television, color television, video, DVD player or computer
- **Appliances:** metal cooking pots, electric food mixer, washing machine, refrigerator, freezer or rice cooker.
- **Furniture:** chairs/stools, bed/cot or table.
- **Other:** watch, clock, sewing machine

Due to the number of questions regarding assets, a selection of survey results will be highlighted.

Assets: Savings Accounts

Of the total 436 clients interviewed, 40 (10.1%) possessed savings accounts at a formal financial institution.

Assets: Livestock (Chickens)

As discussed in the Business Characteristics portion of this report, a large number of clients' main businesses were raising poultry. Of the total clients surveyed, 44.9% own chickens.

Assets: Mobile Phones

With the rapidly increasing global presence of mobile phones and the advancement of technology— mobile phones have become a central topic of discussion in the microfinance industry. Mobile phones have the ability to increase outreach to clients in remote areas, improve loan officer-client relations and can even serve as a tool for financial transactions and loan payments. Over half (53.2%) of DBACD's clients interviewed possess at least one mobile phone in their household.

Assets: Color Television

An overwhelming majority of clients interviewed (78.2%) own a color television in their household.

Assets: Refrigerator

As far as major household appliances are concerned, 75.7% of the households that participated in this survey own a refrigerator.

11.0 Social Metrics

Social aspects as well as income affect clients' well-being. The descriptive questions in the FCAT are used to depict a clear picture of clients' living conditions.

11.1 Overview

The FCAT measures the following social metrics to help understand clients' health, housing and access to basic services:

- Housing
- Health (General)
- Women's Health
- Food Security
- Quality of Water
- Quality of Sanitary Facilities
- Fuel/Lighting

11.2 Statistical Description

Housing: Home Ownership

The majority of clients own their homes. Of the 436 clients interviewed, 71.3% own their homes, 16.7% lease their living space and 10.1% live in privately rented spaces. The remaining clients reside in either government rented or rent free homes.

Housing: Floor Material

The majority of clients (69.9%) reside in dwellings with cement flooring, 18.6% have ceramic tile flooring and 8.1% of clients live in homes with flooring made of natural materials such as earth or sand. The remaining clients' flooring consisted of carpeting, mud bricks or natural flooring made of dung.

Housing: Roof Material

The majority of clients' roofs (82.8%) are made of cement. After cement, wood (11%) and natural roofing made of palm leaves (3.7%) were the main sources of roof material. The remaining clients' roofs consisted of metal, ceramic tiles, roofing shingles or mud brick.

Housing: Exterior Walls Material

Cement appears to be the main source of material used for exterior walls as well. 85.3% of homes' exterior walls were made of cement. Of the clients surveyed, 8% lived in homes with walls made of brick. Rudimentary walls made of stone with mud were in 4.4% of clients homes.

Profile of Housing: Water Source

Piped water into the dwelling was the most common water source for clients (88.7%). Of the alternatives, piped water into the yard (6.9%) and a public tap (1.2%) were the other most common options.

Housing: Toilet Type

The majority of clients had toilets that flushed to a piped sewer system. 88.0% of clients had this type of toilet, 7.1% of clients had toilets that flushed to a septic tank, and 10.8% of clients had other types of toilets.

Housing: Cooking Fuel

Butane gas was by far the most common type of cooking fuel for clients. Butane accounted for the cooking fuel of 96.6% clients. The only other fuel used by multiple clients was kerosene, which was used by 2.5% of clients.¹⁶

Housing: Light Source

The vast majority of clients used electricity as their main source of light. 98.6% of clients' homes used electricity as a source of light. Only 0.9% used a kerosene or oil lamp, 0.2% used a battery lamp, and 0.2% used candles.

Health (General)

The FCAT profiles clients' health in order to gauge clients' access to medical care, and assess the obstacles that clients face in maintaining their families' health. The percentage of households with illness and the average number of days of work lost due to illness indicates the level of vulnerability among clients if they face medical problems. The percentage of clients who sought medical treatment as well as where they sought treatment provides information on the quality of care that clients have access to. Health expenditures account for 7.7% of clients' total annual expenditures. The average yearly health expenditure per household is 1037.29 LE.

Health: Insurance

Of the clients' interviewed, 17.6% had at least one household member enrolled in an insurance program. These households reported the following types of insurance:

The majority of households with a member in an insurance program were households that had children enrolled in school. Egyptian schoolchildren are automatically eligible for insurance coverage at a reduced cost. Insurance payments are combined with other school fees such as books and supplies.

Type of Insurance	Percentage of Clients
Other (School)	44.2%
Social Security	22.1%
Employer	19.5%
Mutual Health Organization/Community-Based Health Insurance	12.9%
Privately Purchased Commercial Health Insurance	1.3%

Health: Household Illness

Of the 436 clients interviewed, 242 (55.5%) reported an illness in their household within the past thirty days. The average number of days of work lost due to illness was 5.3 days. Of the households reporting an illness, 97.5% of clients sought treatment. Of these households, 47.2% visited a private physician for medical care. The second most common source of treatment was hospitals (37.4%). Dispensaries were the source of treatment for 6.8% of households. Community health centers, pharmacies and mobile/outreach clinics were the remaining source of treatment for households that reported an illness in the previous thirty days.

Women's Health: Antenatal (Prenatal) Care

In order to measure women's well-being, female clients were asked about pregnancy and related medical care, as pregnancy is a serious health concern. Antenatal (prenatal) care is an important indicator of the accessibility of women's health services. Profiling women's use of health services for antenatal care as well as childbirth helps to gain insight into the medical facilities available to women, both in terms of women's willingness to go and proximity to villages. This portion of the FCAT relates specifically to the UN Millennium Development Goals. Development Goal Number Five aims to improve maternal health by reducing the world's maternal mortality ratio by three quarters by the year 2015.¹⁷

Of the total clients interviewed, 65.8% were women. Among female clients, 34.1% were pregnant in the past five years. Of these women, 86.7% sought antenatal care from a doctor. The remaining women received care from a nurse/midwife, auxiliary midwife or traditional birth attendant (3.8%). On average, women were 2.9 months pregnant upon their first visit for antenatal care. In addition, these women made an average of 6.2 visits for antenatal care during their pregnancies.

Women's Health: Childbirth

During childbirth, 74.3% of clients received assistance from a doctor. Nurse/midwives, auxiliary midwives and traditional birth attendants assisted in 24.8% of client's deliveries. Less than 1% of clients delivered without any skilled attendants present during childbirth. In comparison, the World Bank reports that 69% of total births in Egypt in 2004 were attended by skilled health staff.¹⁸

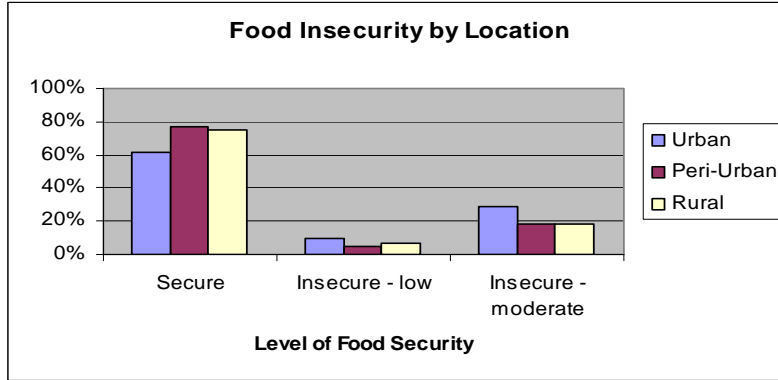
Food Security

To determine levels of freedom from hunger, clients were asked to choose the statement that best described the food consumed in their household:

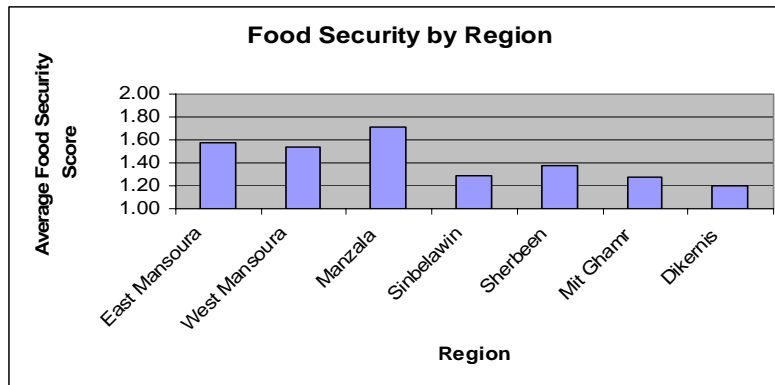
- *We always ate enough of what I wanted (food secure)*
- *We had enough food but not always the kinds I wanted (food insecure-low)*
- *Sometimes we did not have enough food (food insecure-moderate)*
- *Often we did not have enough food (food insecure-severe)*

Of the clients interviewed, none reported severe food insecurity. In urban areas, 61.9% of the clients were food secure. Of the clients residing in peri-urban areas, 76.7% were food secure.

In rural areas, 75.3% reported food security. Clients in urban areas were the most likely to report moderate food insecurity.

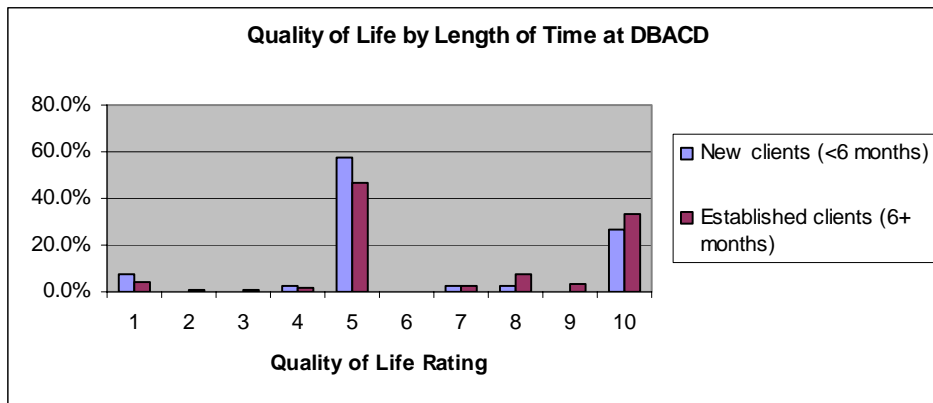


When examining food security based on region, Manazalah reported lowest food security, while Dikernis reported highest food security.



Quality of Life Rating

As mentioned previously, most clients would not answer this question directly, responding only by saying “Praise be to God!” The answer “Praise be to God!” was subsequently scored as a neutral 5. The following graph contains an overview of the quality of life of new vs. established clients. There are few differences, though the established clients have a wider range of answers as well as a greater number of 10s.



12.0 Conclusion

Basic infrastructure is widely accessible to DBACD clients. Housing, piped water, sewage systems and modern medical facilities appear to be accessible to clients in all seven of the regions surveyed. A large percentage also had more expensive assets such as color television sets and washing machines.

Although DBACD’s clients were well-educated and had higher literacy rates than the national average, this high level of education does not seem to translate directly into material well-being. Education levels do not appear to have a direct correlation with clients’ well-being in other areas, such as health or food security.

Overall, the results of the survey show that established clients tend to be less poor than new clients on average. Based on client poverty levels, DBACD appears to be reaching the lowest-income entrepreneurs in the Dakahlya Governate and improving their well-being.

By reaching the lowest-income entrepreneurs and having a 100% repayment rate, DBACD is clearly skilled at client outreach and relations.

Appendices:

A: FINCA Client Assessment Survey

Attached is the FINCA Client Assessment Survey that was used to conduct interviews.



FCAT Survey

B: Branch Schedule

Attached is a high-level Branch Schedule that provides a breakdown of branches visited, along with loan officer and client names.



Master Branch
Schedule.xls

C: Loan Purpose

Loan Purpose	Number of Clients
New Business	163
Existing Business	236
Repay Business Debt	1
Buy Household Items	2
Purchase goods for Household	2
Home Construction	3
Home Repairs	6

FINCA Client Assessment

Temporary Difficulty	9
Unemployment	1
Health (Household Member)	3
Marriage	8
Acquire New Assets	1
Refuse to Answer	1
Grand Total	436

D: DBACD Client Assessment Research

Attached is a high-level Client Assessment Research Presentation with findings and metrics.



DBACD Client Assessment

FINCA Client Assessment

E: Loan Information

All Clients	Mean	Median	Current Clients (>6 mons)	Mean	Median	New Clients (< 6 mons)	Mean	Median
Loan Size	1807.5	800	Loan Size	1869.3	800	Loan Size	1494.2	500
Loan Duration (months)	9.5	6	Loan Duration (months)	9.6	6	Loan Duration (months)	8.8	5
Payment Frequency (days)	14.8	7	Payment Frequency (days)	14.6	7	Payment Frequency (days)	24.03	30
Interest Rate	12.48	10	Interest Rate	12.4	10	Interest Rate	9.2	10

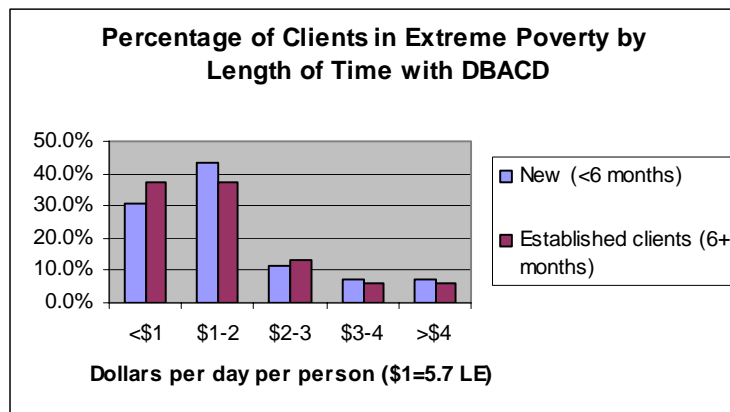
F: Client Demographics

All Clients	Mean	Median	Current Clients (>6 months)	Mean	Median	New Clients (< 6 months)	Mean	Median
Age	44.7	44	Age	45.1	45	Age	42.5	42
Education (Yrs)	6.4	7	Education (Yrs)	6.2	6	Education (Yrs)	7.7	7
Family Size	4.7	5	Family Size	4.8	5	Family Size	4.5	4
Gender	16.1% (Female)	83.9 % (Male)	Gender	83.8 % (Male)	16.1% (Female)	Gender	84.2% (Male)	11% (Female)

FINCA Client Assessment

	All Clients	New Clients	Current Clients
Single	2%	4.3%	1.5%
Married	85.1 %	85.5%	84.9%
Married, Spouse Migrant	0.6 %	0%	0.2%
Divorced/ Separated	2.2 %	1.4 %	2.6%
Widowed	10.3%	10.1%	10.5%

G: Poverty Tables



H: Client Expenditures

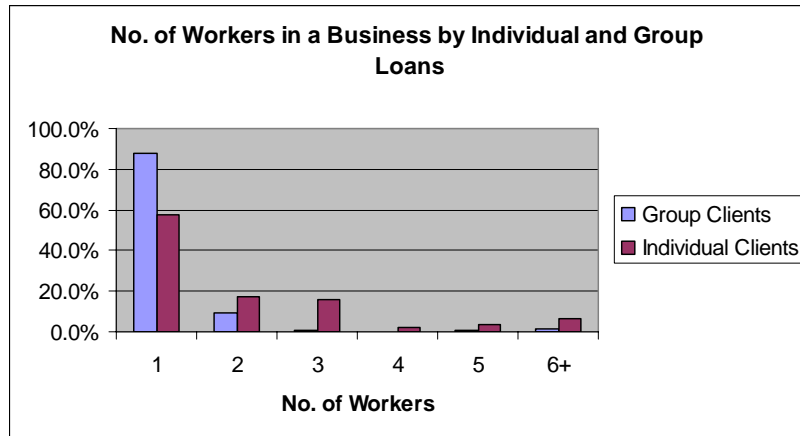
New clients (<math>< 6</math> months)		
	Average	% of Total
Food	5878	41.9%
Transport	960	6.8%
Education	729	5.2%
Hhd. Products	622	4.4%
Utilities	886	6.3%
Health	1278	9.1%
Home	864	6.2%

FINCA Client Assessment

Rent	222	1.6%
Clothing	706	5.0%
Furniture	830	5.9%
Other	1051	7.5%
Total	14026	100.0%

Established clients (6+ months)		
	Average	% of Total
Food	6464	42.0%
Transport	1083	7.0%
Education	778	5.0%
Hhd. Products	632	4.1%
Utilities	1094	7.1%
Health	994	6.5%
Home	1166	7.6%
Rent	419	2.7%
Clothing	743	4.8%
Furniture	378	2.5%
Other	1657	10.8%
Total	15408	100.0%

I: Client Business Job Creation



J: Client Business Category Table

All Clients	Businesses		Jobs	
	Number	% of Total	Number	% of Total
Commerce	226	47.5%	301	38.6%
Food and Beverage	33	6.9%	108	13.8%

FINCA Client Assessment

Services	68	14.3%	138	17.7%
Production	22	4.6%	36	4.6%
Agriculture	118	23.9%	197	25.3%
No Business	9	1.9%	NA	NA
Total	476		780	
Group Clients				
	Businesses		Jobs	
	Number	% of Total	Number	% of Total
Commerce	171	54.3%	195	46.8%
Food and Beverage	15	4.8%	18	4.3%
Services	11	3.5%	13	3.1%
Production	11	3.5%	15	3.6%
Agriculture	101	32.1%	176	42.2%
No Business	6	1.9%	NA	
Total	315		417	
Individual Clients				
	Businesses		Jobs	
	Number	% of Total	Number	% of Total
Commerce	57	34.8%	90	25.0%
Food and Beverage	18	11.0%	90	35.0%
Services	58	35.4%	126	35.0%
Production	11	6.7%	21	5.8%
Agriculture	17	10.4%	33	9.2%
No Business	3	1.8%	NA	
Total	164		360	

K: Assumptions

1. Target number of interviews is 450
2. Interviews will be conducted at all 7 branches
3. 10 interviews per day per fellow
4. Fellows will work with 1 loan officer per day for all 10 clients
5. Target loan officers is 45 for all 7 branches
6. Majority of Members in Group lending are women
7. Loan officers specialize in either group or individual loans
8. DBACD (Partner MFI) refers to solidarity loans (FINCA definition) as group loans, with five members per group
9. Total number of loan officers and client preliminary data by branch for Individual and Group lending was provided by DBACD
10. Random Sampling was conducted for the loan officers and clients by using a random number generator
11. Translators have previous MF field experience and done several such translations before

12. Group member names were provided by each individual branch, DBACD HQ's does not carry the data. Loan officers provided the names of the group members, and they were randomly selected for interview purposes
13. If a randomly selected loan officer is unavailable, another loan officer is selected through a random selection process

¹ www.villagebanking.org

² IBID

³ IBID

⁴ IBID

⁵ IBID

⁶ IBID

⁷ IBID

⁸ www.dbacd-eg.org

⁹ IBID

¹⁰ www.cia.gov/worldfactbook/2006CIA World Factbook

¹¹ Egypt Human Development Report 2003

¹¹ http://www.aucegypt.edu/src/wsite1/references/referencesA_Menglish.htm

¹² www.britannica.com/egypt/facts/population

¹³ IBID

¹⁴ www.web.worldbank.org

¹⁵ IBID

¹⁶ After contacting Ahmad Taha, Head of Testing at Misr Petroleum, it has been confirmed that the cooking fuel used by the majority of clients is Butane Gas.

¹⁷ www.un.org/millenniumgoals

¹⁸ <http://devdata.worldbank.org/genderstats/genderRpt.asp?rpt=profile&cty=EGY,Egypt,%20Arab%20Rep.&hm=home>