OUTREACH PERFORMANCE AND SUSTAINABILITY OF AFRICAN MICROFINANCE SYSTEMS: REVIEW OF EVIDENCE FROM THE WEST AFRICAN MONETARY UNION COUNTRIES.

Dr. Youssoufou Congo,
Senior Researcher & Director
Institut de Recherche, Formation, Actions pour le Developpement (IRFAD)
01 B.P. 4365 Ouagadougou 01 (Burkina Faso)
E-mail: ycongo@hotmail.com

Prof. Kassoum Zerbo
Agricultural economist,
Associate Professor & Researcher
UFR des Sciences Economiques et Gestion
Universite de Ouagadougou
03 B.P. 7021 Ouagadougou 03 (Burkina Faso)
E-mail: kassoum_zerbo@univ-ouaga.bf

Mr. Kouenkoun Millogo
Socioeconomist, Junior Research Fellow
Institut de Recherche, Formation, Actions pour le Developpement (IRFAD)
01 B.P. 4365 Ouagadougou
01 (Burkina Faso)
E-mail: kcmillogo@hotmail.com

Ms. Honorine Hilla
Economist, Doctoral student
UFR des Sciences Economiques et Gestion
Universite de Ouagadougou
03 B.P. 7021 Ouagadougou 03 (Burkina Faso)
E-mail: honorine.illa@univ-ouaga.bf

Abstract
Sustainable microfinance systems is viewed as one of the essential tool for improving the living conditions of the poor and very poor, particularly in African countries where the incidence of poverty is very high and where the issues of inadequate financial systems appear the most severe. Therefore, an increased interest by local communities, governments, the private sector and donors emerged in recent years for investing in African microfinance systems. In spite of the enthusiasm for microfinance, urgent questions need to be addressed. How far microfinance systems can reach the target clientele and be sustainable is one of these urgent questions. This research will evaluate African microfinance systems with respect to outreach performance and sustainability. The focus will be on the West African Monetary Union countries.

Context of the Research

In Africa, as in other developing continent, access to financial services (savings, credit, and insurance) is severely limited for the poor (people who live with less than 2 dollars per day) and very poor (people who live with less than 1 dollar per day), i.e., the majority of the population[1]. Reasons for the lack of access to financial services for poor and very poor people in Africa can be grouped into two major categories: formal and informal financial market failures, and the collapse of the majority of state-owned banks and credit projects following financial sector reforms.

In the first place, the majority of people have a limited access to financial services for reasons that are closely linked to formal and informal financial market failures. In African countries, the formal financial sector, especially the private banking sector, is poorly developed. In addition, commercial banks target mainly high-income urban households. Because poor and very poor people are slightly more expensive to serve, commercial banks avoid doing business with them. On the other hand, state-owned banks and credit projects as well as state-controlled credit co-operatives-most of these institutions are designed and built with the objective of targeting the poor-have never consistently achieved deep outreach.

Because of the absence of commercial banks in rural and peri-urban areas and the scarce availability of public banking services, the poor use extensively informal financial institutions. They borrow from informal lenders, such as friends, relatives, or local moneylenders. But if informal lenders successfully provide small and short-short loans to the poor with little or no collateral, they do not offer medium and long-term lending facilities. In addition, the interest rates they charge are generally higher than those of the formal sources.

Beyond the reason related to formal and informal market failures, the lack of access to financial services for the poor is largely caused by structural adjustment policies, particularly financial sector reforms (interest deregulation, elimination of direct and subsidized credit, bank restructuring, withdrawal of governments from direct intervention in banking operations, and so on), implemented during the last 20 years in African countries. One of the keys to these reforms is to build a stable, competitive and efficient financial system. Indeed, financial market liberalization efforts have helped many African countries to strengthen the stability and the efficiency of financial markets. At the same time, financial reforms led to the bankruptcy of the majority of subsidized state-owned development banks and credit projects. Because the latter were often the only source of formal loan and deposit facilities for the rural and peri-urban populations, their failure resulted in a significant reduction in financial services to the poor.

The substantial and persistent gaps in the formal and informal financial markets gave rise to the emergence of innovative microfmance institutions (member-managed credit unions and co-operatives, village banks, peer-lending microcredit institutions, and credit nongovernmental organizations and associations, and so forth) to provide the poor and very poor (small-scale farmers, urban micro-entrepreneurs, women, and so forth), with sustainable financial services. Most of the microfmance institutions (MFIs) have emerged with the support of local communities, government, and donor organizations.

The microfinance industry has flourished a lot all across the African continent during the last decade, and has become an important savings and credit delivery mechanism as well as a powerful tool for poverty alleviation. However, if the rapid proliferation of MFIs in African countries undoubtedly shows the will of microfinance promoters to create alternatives means to fill the financial services gap, it raises many questions and issues currently debated by microfinance experts, public authorities, and donors. One of the hottest debates on the booming microfmance business has centered around the provision of services to the poor on a sustainable and broader basis. How to make financial services accessible to large numbers of poor people while also ensuring that the microfinance institutions remain viable and sustainable?

This question is indisputably more relevant in Africa than in other developing continents not only because of the high incidence of poverty and uncertainty, but also because the issues of inadequate microfinancial systems appear the most severe and MFIs are faced with competitive pressure and increased-performance demand from donors and investors. Many MFIs are caught on the one hand by their will to mobilize local financial resources in order to ensure their self-reliance and on the other hand by their concern to find new sources of external funding to increase their performance. At the same time many MFIs try to reconcile their economic objective (i.e., focus on poor households' income-generating activities and/or charge high interest rates in order to be self-sustainable) and their social objective (i.e. take into account people's social demand and/or charge low interest rates).

This led microfmance experts to argue that the future development of the microfinance sector is significantly conditioned by the ability of MFIs to take up the challenges they face. However, not many empirical studies have been undertaken on the performances of the microfinance sector, especially the performances of the booming African microfinance industry. As a result, microfinance has often found itself entangled in a variety of misconceptions and myths. Evaluating the performances of the African microfinance systems not only has implications on the debates on the success of MFIs in improving the living conditions of the poor and very poor, but also on policy options to support the development of the African microfinance sector. For this reason, more empirical research and case studies are needed in order to add the existing body of knowledge about the role of microfinance, and help African policymakers, microfinance practitioners and donors in their will to try microfmance in the continent development process. This research proposal by evaluating microfinance systems in the West African Monetary Union countries with respect to outreach performance and sustainability meets this need.

Objectives and Research Questions

The objective of the present research is to evaluate microfinance systems in the West African Monetary Union countries with respect to outreach performance and sustainability. In concrete terms, this research seeks to answer the following questions:

a. Given the context of high poverty, do microfinance systems succeed in providing effective financial services to the poor on a large scale? In other words, do microfinance systems clientele and activities grow rapidly or stagnate over time?

b. Given the unfavorable socio-economic context, do microfinance systems succeed in reconciling the objective of achieving deep outreach and the objective of reaching self-sustainability? In sum, are microfinance systems competitive and of service to the poor at the same time?

Literature Review

In developing countries, the lack of access to savings, credit and insurance services is among the main constraints facing low-income households and the poorest. This lack of financial services contributes to limit the ability of the poor to finance their activities, improve their incomes, and have access to basic services such as food, education, medical services, clothing, housing, etc. (Teller and Sharma 1998, Sharma and Schrieder 1998, Congo 2002a 2002b). Because commercial banks neglect to provide savings and credit services to them, the poor, at least until the 1950's, almost exclusively borrowed from informal lenders (Adams and Vogel 1986, Germidis and al. 1991, Adams and Delbert 1994, Congo and Schmidt 1997).

In order to mitigate the imperfections of financial markets, microcredit projects were established after the Second World War thanks to support from governments and donors. The objective was both to reach the greatest number of poor people and to provide them with financial services at a low cost. Since it was widely believed that the key determinant of the poor demand for credit was its costs, these microcredit programs were largely subsidized. Governments and donors then designed microcredit as part of an integrated program of poverty alleviation and improvement of economic and social situation of the populations. Their approach was considered as a "welfarist approach" or "directed credit approach". Based on logic of subsidization, this approach led to high-unpaid rates and transaction costs, resulting in the failure of many microcredit programs (Von Pischke and al. 1983, Adams 1992, World Bank 1989, Yaron, 1994, Hoff and Stiglitz 1996).

Economists from Ohio State University and experts in rural finance such as Adams, Cuevas, Graham, Vogel, Von Pischke, and so on, were among the first to show that most of these credit programs launched in developing countries have failed. They blame this failure on the fact that programs are based on faulty conceptions: (1) the poor are neither creditworthy nor able to save; (2) credit should be cheap in order to allow small farms and urban micro-activities to be profitable enough; (3) subsidized microcredit may decrease the role of informal lenders which charge high interest rates; (4) financial transactions on informal financial markets would not be significant; (5) commercial banks would not operate in rural areas because transaction costs are higher. According to rural finance experts, each of these assumptions led to "worst practices" which resulted in inefficient and costly policies: (1) low interest rates had often led to gross distortions and mistargeting in services; (2) subsidized credit constantly encouraged borrowers to engage in less productive activities, and contributed to increase significantly loan losses; (3) cheap formal credit benefited only to rich households, i.e. a tiny proportion of the population; (4) finally, low interest rates did not allow to cover all transaction costs, and severely affected the performance of financial institutions.

These findings lead to a new approach characterized by the will to liberalize financial markets. This new approach strongly influenced financial reforms implemented in developing countries. Considered as an "institutionalist approach" or "financial market approach", it insists above all on the fact that subsidies lead to a worst allocation of financial resources, and to sustainable institutions. The defenders of this approach (Adams 1985 1992, World Bank 1989, Gurgand, Pederson and Yaron 1992a, 1994, 1996) are seeking first of all to establish institutions, which offer savings and credit services on sustainable and commercial bases. MFIs designed in such a way put the emphasis on financial self-reliance and viability. They charge high interest rates, because of high lending costs. The objective aims not only to reach large numbers of the poor, but also to do it on a sustainable manner (Gurgand, Perderson and Yaron 1996, Yaron and Charitonenko 1998, Gibbons and Meehan 1999).

This contrasted opposition between these two approaches, i.e. the "welfarist approach" and the "institutional approach", constitutes what Murdoch (1998) named "Microfinance schism". This schism is also characterized by the methods to evaluate microfinance institutions. The "Welfarist", i.e. the defenders of "Welfarist approach", measure the performance of MFIs on the basis of "welfare studies" or "household studies". They are interested in MFIs impact on beneficiaries. "Welfare studies" are strongly criticized the "Institutionalist" because of then-subjectivity, their cost and the methodological problems they introduce. They would rather deal with "institutionalist studies". They are interested in market variables, such as the repayment rate, transactions costs, the degree of financial self-reliance, etc. The "Welfarist" in turn object to the "Institutionalist" their failure to take into account the outreach performance as well as MFIs effects on clients. Therefore, they suggest other performance criteria: the number of savings accounts or the number of loans, the improvements in productivity, incomes, capital accumulation, food expenditures, and social services (education, health, housing, etc.).

As a result, there is not a widespread definition of a well performance microfinance institution. Performance criteria and indicators used vary significantly from one author to the other, or from one organization to the other, since they depend on the methodologicalapproach, which, in turn, depends on the will to give priority to the supply side or to the demand side of the financial intermediation.

Methodology

Analytical framework

Since no definition of a successful (or a poor-performing) microfinance systems and no performance criteria have been approved unanimously, we will adopt an approach based on methods and performance criteria introduced by Yaron (1992b, 1997) and Schreiner and Yaron (1999) and those proposed by CGAP[5] (1996): outreach and self-sustainability. Contrary to most existing methods that use various performance indicators and have to be adapted to the local socio-economic context, those proposed by Yaron (1992b, 1997), Schreiner and Yaron (1999), and CGAP (1996) are centered one some key indicators that are supposed to be "universal".

Outreach is defined as the ability of a microfinance institution to provide high quality financial services to a large number of clients. Indicators are changes over the time in the number of clients, percentage of female clients, the amount of savings deposits, the value of outstanding loan portfolio, the average amount of savings deposits, and the average value of loans.

Self-sustainability requires MFIs to cover all transactions costs with the return on equity (net of any subsidy received), and consequently to function without subsidies. It is measured by indicators such as the "viable" interest rate, the quality of loan portfolio[8], and the degree of dependence on subsidies.

In this research, microfmance institutions "viable" interest rate will be estimated on the basis the model suggested by CGAP (1996).

R= [(FG + CI + CR + K)/(l - CI)] - PP
R = the "viable" interest rate
AE = administrative expense rate
LL = loan loss rate
CF = cost of fund rate
K = capitalization rate
H = investment income rate

Dependence to subsidies will be measured by the subsidy dependence index (SDI) developed by Yaron (1992b, 1997) and Schreiner and Yaron (1999). The SDI indicates the percentage by which an MFI lending interest rate would have to increase to make it break even without subsidies. It is calculated on basis the following formula:
IDS = S/(LP x i) = S/A (m – c) + [(E x m) – P] + K
S = Total subsidy
A = Subsidy on concessional rate borrowing
m = Market (reference) interest rate
c = Concessional interest rate
E = Annual average equity
P = Profit (losses)
K = Miscellaneous grants and benefits
LP = Annual average loan portfolio
i = Lending interest rate

This analytical framework will be confronted with data from a sample of Benin-based MFIs, Burkina Paso-based MFIs, and Niger-based MFIs that represent different institutional models and countries. Because of their geographic situation, these three countries selected as focus countries, i.e., Benin (a coastal country), Burkina Faso (a semi-arid country), and Niger (an arid country) are representative sample of the West African Monetary Union countries.

Case studies will be chosen randomly within MFIs officially registered[16]. However, the latter will be selected on basis four criteria: (1) data availability, (2) MFIs mobilizing local savings and those that do not, (3) MFIs focusing on profitable income-generating activities and those providing both economic and social loans, (4) MFIs focusing on solidarity group credit and those providing both on individual loans, and (5) MFIs charging low interest rates and those lending at highly competitive interest rates.

Data

This research will use three data sources. On the one hand, the analysis will be based on database set up by *Banque Centrale des Etats de I'Afrique de I'Quest* as well as on data compiled by various sources (e.g., notebooks published by some national institutions on various facets of the microfmance sector). At the same time, we will collect data from reports published by MFIs selected. On the other hand, additional qualitative data will be gathered in the field in Benin, Burkina Faso, and Niger, using in-depth qualitative interviews with staffs of MFIs, leaders of the sector, and microfmance experts. Of course, a general bibliography on the topic will be compiled. Documents, research reports and other information on the microfinance sector, the financial sector, and the macro-economic framework will be also collected.

Hypotheses

The guiding hypotheses of research are that:

a. In a context of poverty, demand for rnicrofinancial services is so high that microfinance systems are experiencing high increase in clientele and activities.
b. Even in a context of high poverty, the poor and very poor save, and local savings are a source of funds with comparatively low financial costs so that deposit-takers are more successful in attracting large numbers of clients and more financially sustainable than non-deposit-takers.
c. Social loans are more risky than economic loans so that microfmance systems focusing on profitable income-generating activities are more financially sustainable than microfmance systems providing both economic loans and social loans.
d. Group credit mechanisms and group-based liability contribute to minimizing loan losses and administrative costs so that peer-lending microcredit systems are more financially sustainable than microfmance systems that provide individual loans and focus on traditional loan guarantee schemes.
e. Microfinance systems lending at competitive interest rates are financially sustainable whereas microfinance systems charging low interest rates are not.

Results
It is our hope that this research will contribute to providing interesting results about the outreach performance and sustainability of the African microfinance systems and, therefore, will add to the existing body of knowledge about the success of the growing microfmance industry.

The research will not only contribute to overcoming the lack of knowledge about the performances of the African microfinance systems, but also to supply material for adequate policy-making measures.

The research will also complement results drawn from the team's past and current research activities in the areas of microfinance and micro-enterprise promotion and contribute to strengthening the team research capacity as well as the partnerships between Institut de Recherche, Formation, Actions pour le Developpement (IRFAD) and UFR des Sciences Economiques et de Gestion/University of Ouagadougou.

Finally, findings will naturally lead to other relevant new research questions and will be a key starting point for the team's future empirical research on the African microfinance systems impact on poverty alleviation.

Dissemination
We intend:

a. To give a seminar presentation on the results of the research at *UFR des Sciences Economiques et de Gestion* of University of Ouagadougou. The seminar will convene policymakers, microfmance practitioners, scholars, graduate students, and representatives of donor organizations. It will be an opportunity to present and discuss the results of the research with them.
b. To make a presentation on the results of the research at a regional or an international conference on microfinance.
c. To produce a final report for publication in the AERC Research Paper series.
d. To write two articles with the goal of publication in *Revue Economique et Sociale Burkinabe* and in an international journal.

8. TIMETABLE AND DURATION

ACTIVITIES	DURATION																		COUNTRY
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
Library research, review of literature	■	■	■	■															Burkina Benin Niger
Data collection & analysis																			
• Preparation				■	■														Burkina Faso
• Data collection						■	■	■	■										Burkina Benin Niger
• Data recording & analysis								■	■	■	■								Burkina Faso
Writing up																			
• Interim draft											■	■	■	■	■	■			Burkina Faso
• Final draft																	■	■	Burkina Faso

BUDGET

Summary (CFA francs/US$)

	CFA francs	US$
A. Personnel expenses	7 740 000	11 057
B. Field research expenses	2 453 000	3 504
C. Other research expenses	2 190 000	3 129
D. Administrative expenses	1 500 000	2 143
Total Amount	**13 883 000**	**19 833**

Detailed Budget (CFA Francs/US$)

	CFA francs	US$
A. Personnel expenses		
- 2 Senior researchers (honorarium): 630 000 F x 2	1 260 000	1 800
- 2 Research assistants (salary): 180 000 F x 2 x 18 months	6 480 000	9 257
Total	**7 740 000**	**11 057**
B. Field research expenses		
- Travel expenses		
* 1 research assistant (Ouaga-Niamey-Ouaga): 1 x 138 000 F	138 000	197
* 1 research assistant (Ouaga-Cotonou-Ouaga): 1 x 175 000 F	175 000	250
* Local travels (Burkina Faso, Benin, Niger)	250 000	357
- Library research & data collection, Benin, Niger (Per diem)		
* 1 research assistant (Niger, 21 days): 25 000 F x 21	525 000	750
* 1 research assistant (Benin, 21 days): 25 000 F x 21	525 000	750
- Library research & data collection, Benin, Niger (Hotel)		
* 1 research assistant (Niger, 21 days): 20 000 F x 21	420 000	600
* 1 research assistant (Benin, 21 days): 20 000 F x 21	420 000	600
Total	**2 453 000**	**3 504**
C. Other research expenses		
- Documentation (books, copies)	250 000	357
- Computer time	1 440 000	2 058
- 1 workshop	250 000	357
- Publication and dissemination	250 000	357
Total	**2 190 000**	**3 129**
D. Administrative expenses (small equipment, phone...)	**1 500 000**	**2 143**
TOTAL AMOUNT	**13 883 000**	**19 833**

References

Adams, Dale W., "Comment fitablir des marches financiers ruraux durables", in Cuevas Carlos and Benoit-Cattin Michel (eds.), *Finance et developpement rural en Afrique de I'Ouest* (Montpellier: CIRAD/OSU, 1992).

Adams, Dale W., "L'epargne financiere rurale a-t-elle un role a jouer dans le developpement?", in Caisse des Depots et Consignation, Centre National des Caisses d'Epargne et de Prevoyance et Swedish Savings Bank Association (eds.), *Epargne et Developpement* (Paris: Economica, 1985).

Adams, Dale. W., and Graham Douglas. H., "A Critic of Traditional Agricultural Credit Projects and Policies", in Staaz and Eicher {eds.), *Agricultural Development in the Third World* (Columbus, The Johns Hopkins University Press, 1984).

Adams, Dale W., and Delbert A. F., *Finance informelle dans les pays en developpement* (Lyon: Presses Universitaires de Lyon, 1994).

Adams, Dale W., and Vogel Robert C., "Rural Financial Markets in Low Income Countries: Recent Controversies and Lessons", *World Development* (14) 4 (1996): 477-487.

Banque Mondiale, *Rapport sur le developpement dans le monde 1989: systemes financiers et developpement* (Washington D C: Banque Mondiale, 1989).

BCEAO (Banque Centrale des Etats de 1'Afrique de I'Ouest) et BIT (Bureau International du Travail), *Banque de donnees sur les Systemes Financiers Decentralises: 2000 -UMOA* (Dakar: BCEAO, 2002).

BCEAO (Banque Centrale des Etats de 1'Afrique de I'Ouest) et BIT (Bureau International du Travail), *Banque de donnees sur les Systemes Financiers Decentralises: 1999 -UMOA* (Dakar: BCEAO, 2001).

BCEAO (Banque Centrale des Etats de 1'Afrique de I'Ouest) et BIT (Bureau International du Travail), *Banque de donnees sur les Systemes Financiers Decentralises : 1996-1997 -UMOA* (Dakar: BCEAO, 1998).

BCEAO (Banque Centrale des Etats de 1'Afrique de I'Ouest) et BIT (Bureau International du Travail), *Banque de donnees sur les Systemes Financiers Decentralises 1994-1995 -UMOA* (Dakar: BCEAO, 1996).

Consultative Group to Assist the Poorest, "Microcredit Interest Rates", *Occasional Papers* 1(1996).

Congo, Youssoufou, "Challenges and Opportunities for African Micro-financial Organizations in the Context of Globalization", paper to be presented at ARNOVA's 31st Annual Conference on "Accountability and the Public Trust - Nonprofits and Community", Montreal (Canada), November 12-16, 2002b.

Congo, Youssoufou, "Performance of Microfinance Institutions in Burkina Paso", *World Institute for Development Economics Research Discussions Paper,* No. 1, 2002a.

Congo, Youssoufou et Schmidt David, *Le role du credit agricole dans le developpement rural et Amelioration de la securite alimentaire en Afrique : le cos du Burkina Faso* (Liege: Centre d'Economie Sociale, 1997).

Gibbons, David S., and Meehan Jennifer W., "Le defi du Sommet du Microcredit: comment obtenir 1'autonomie financiers institutionnelle tout en preservant 1'engagement d'agir aupres des families pauvres?", in Microcredit Summit (ed.), *Rapport final de la reunion des Assemblies de la Campagne du Microcredit* (Washington DC: Maicrocredit Summit, 1999).

Gurgard, Marc, Pederson Gleen, and Yaron Jacob, Rural Finance Institutions in Sub-Saharan Africa: Their Outreach and SustainabiHty, *Savings and Development* (20)2 (1996): 135-169.

Gurgand, Marc, Pederson Gleen, and Yaron Jacob, "Outreach and SustainabiHty of Six Rural Finance Institutions in Sub-Saharan Africa", *World Bank Discussion Papers,* NO. 248 (1994).

Hoff, Karla, and Stiglitz, Joseph E., "Imperfect Information and Rural Credit Markets: Puzzles and Policy Perspectives", in Hoff Karla, Braverman A., and Stiglitz Joseph E. (eds.)i *The Economics of Rural Organization. Theory, Practice, and Policy* (Washington DC: The World Bank, 1993).

Murdoch, Jonathan, "The Microfinance Schism", *Development Discussion Paper* NO. 626, Harvard Institute for International Development, Cambridge, Mass., USA.

Schreiner, **Mark, and** Yaron Jacob, "The Subsidy Dependence Index and Recent Attempts to Adjust it", *Savings and Development* (23)4 **(1999); 375-405.**

Sharma, Manohar, and Schrieder Gertrud, "Impact of Finance on Food Security and Poverty Alleviation: A Review and Synthesis of Empirical Evidence", in Zeller Manfred and Sharma Manohar (eds.), *Innovations in Microfinance for Rural Poor: Exchange of Knowledge and Implications for Policy* (Washington D C: JPPRI, 1998).

Von Pischke J. D., Adams Dale W., and Donald Gordon, *Rural Financial Markets in Developing Countries: Their Use and Abuse* (Washington DC: EDI/World Bank, 1983).

Yaron, Jacob, "Performances des institutions de financement du developpement-methodes d'evaluation", in Schneider H. (ed.), *Microfinance pour les pauvres* (Paris: OCDE, 1997).

Yaron, Jacob, "What Makes Rural Finance Institutions Successful?" *The world Bank Research Observer* (9)1 (1994): pp. 49-70.

Yaron, Jacob, "Rural Finance in Developing Countries", in Anderson J. R. and De Haan C. (eds.), *Public and Private Roles in Agricultural Development* (Washington DC: The World Bank, 1992a).

Yaron, Jacob, "Successful Rural Finance Institutions", *World Bank Discussion Paper* 150 (1992b).

Yaron, Jacob and Charitonenko Stephanie, "Improving the Outreach and Sustainability of State-Owned Rural Finance Institutions: Issues and Policy Implications", in Teller Manfred and Sharma Manohar (eds.), *Innovations in Microfinance for Rural Poor: Exchange of Knowledge and Implications for Policy* (Washington D C: IFPRI, 1998).

Zelfer, Manfred, and Sharma Manohar, "Demand for and Access to Financial Services by the Rural Poor. A Multicountry Synthesis", in Zeller Manfred and Sharma Manohar (eds.), *Innovations in Microfinance for Rural Poor: Exchange of Knowledge and Implications for Policy* (Washington D C: IFPRI, 1998).