





Key Learnings: Centering Borrowers' Voices

In 2016, Kiva and the Mastercard Foundation launched a five-year partnership to test, develop, and scale high-impact loans serving the unique needs of smallholder farmers and rural populations across Africa. This case study highlights key learnings from an external evaluation of the partnership conducted by The Research Base in 2020 - 2021 to identify approaches and products that are suitable to be replicated and expanded.

Kiva's lending partners have engaged with clients in myriad ways to better serve financially excluded populations and more thoroughly understand and maximize the impact of loan products. Borrower research studies, for example, have offered lending partners the opportunity to create robust feedback mechanisms to inform product development, as well as informing their broader organizational strategy. Survey data also have provided a rich evidence base that allows for the needs of underserved individuals and communities to be met more effectively, as well as removing barriers to access.

Kiva has supported its lending partners to ensure research studies support partners' strategic business growth as well as meet the needs of the communities that they serve. The two case studies below highlight how both longitudinal and rapid response surveys can be used to maximize impact for partners and their clients. Key achievements and areas of learning emerging from the program include:

-  **Inclusive and responsible lending:** Incorporating client feedback into organizational decision-making strengthens lending partners' strategic outlook and improves client relationships.
-  **Developing needs-led products:** Analysis of survey data allows lending partners to identify how loan products and other services can be adapted to the needs of existing and potential clients.
-  **Addressing barriers to access:** Tailored research questions provide insights into barriers to financial inclusion so that lending partners can develop effective strategies to break down these barriers.
-  **Creating buy-in:** Engaging with existing clients not only provides valuable data but also creates buy-in by placing a high value on client voice.

Case Study: ECLOF Kenya

ECLOF Kenya is a microfinance institution that offers loans for micro, small and medium sized enterprises across Kenya. In partnership with Kiva, ECLOF has developed and scaled up its loan products tailored specifically for dairy farmers. Agricultural loans now make up nearly a quarter of its overall portfolio compared with just two percent at the start of the partnership. ECLOF identifies Kiva's low-cost, risk-tolerant approach to finance as a major factor in their ability to expand access to rural dairy farmers, as well as in their ability to tailor their products in response to the needs of their customers.

In partnership with Kiva, ECLOF has designed and delivered a series of multi-year surveys across a number of geographical regions in Kenya in order to scale its agribusiness offerings and better serve the needs of its clients. Survey respondents included both existing ECLOF customers and target borrowers to better understand the range of financial and business support required. This research has provided valuable insights into how best to meet the needs of the target demographic that ECLOF serves, and has led to the introduction of the individual climate-smart loan product for dairy farmers. These loans are financial products that aim to transform and enhance agricultural development within the context of climate change.

Along with the introduction of a new product, survey findings also encouraged other changes, such as increases to maximum loan amounts and loan terms. Survey data has also been instrumental in shaping

ECLOF's business development, in particular establishing areas for staff skill development, targeting key geographical areas, and identifying how digital technology could help scale existing operations.

'Incorporating client voice in product development helps the organization come up with customer-centered products. This means a high uptake of the product, as well as transformation to the farmers.'

By reaching out to both existing and potential borrowers, ECLOF was able to build up a detailed picture of the ongoing barriers to financial inclusion. One key insight that emerged from the data was that many of the local dairy farmers were hesitant about taking out loans. In response, ECLOF improved the delivery of its marketing and training for local dairy farmers: *'our officers are able to demystify the whole issue of loans and because of that we have been able to realize a better uptake.'* ECLOF also partnered with local cooperatives to deliver the climate-smart loan product and further reduce barriers to financial inclusion.

Another area of impact has been with ECLOF's loan officers, who, equipped with a better understanding of client-centered development, have been empowered to receive and act on customer feedback. This in turn has enabled the product development team to incorporate client voice in both product development and service delivery, and has influenced ECLOF's relationships with other partners.

As well as using surveys to identify market trends, ECLOF has also benefitted from survey data to understand the impact of its climate smart product. ECLOF emphasizes, however, that it's not all about the data. Client voice also means hearing from customers how loans have transformed their lives - the value to farmers of having the means to acquire new assets or send their children to school: *'Customers say that yes my life has changed, I've been able to acquire more assets, I've been able to take my children to school.'*

Case Study: Assilassimé Solidarité

Assilassimé Solidarité offers financial support, financial literacy and business training, and broader social support for vulnerable individuals living in the Togolese Republic. Beneficiaries include individuals from very low income households, people living with disabilities, people living with HIV or AIDS, single mothers and other vulnerable women. Assilassimé's approach to financial inclusion allows vulnerable individuals who are traditionally unable to develop financial stability and gain access to credit.

Assilassimé is committed to engaging with its beneficiaries in order to understand the impact of its products and services. It uses focus groups to better grasp the potential to scale up new products. It has also developed a vulnerability level assessment (*'fiche d'évaluation au niveaux de vulnérabilité'*) to measure changes in the life and household welfare of its clients before and after a loan.

When the COVID-19 pandemic began, Assilassimé was keen to understand and respond to the impact on its borrowers. This required a rapid response in terms of collecting and analyzing survey data in order to adapt products and services to meet emerging needs during the crisis. With support from a consortium of partners including Kiva, Assilassimé conducted three surveys with a representative sample of clients across a six-month period. In response to emerging survey data, Assilassimé has adapted its loan products to allow credit to be established without a guarantee rather than limiting them to 20%. The survey tool used for this study is part of a wider global initiative, meaning that the data will also feed back into a sector-level understanding of the impact of the crisis on microfinance clients.

Assilassimé believes that integrating client voice is an important part of effective service delivery and client retention: *'if we are not listening to them, it will be very difficult to retain them - acquiring new clients costs more than the loyalty of existing clients.'* The benefits extend beyond this, however; at the core of a socially focused business sits the needs of the target demographic, needs which will only ever be in alignment with services offered if businesses are prepared to listen. *'By listening to the voice of customers, we will be able to offer suitable products, thus strengthening the bond of trust.'*