



# **Microfinance Impact Assessment and Market Research Survey**

**UNRWA – Microfinance Department - Syria**

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## Glossary

<b>ACB</b>	Agricultural Cooperative Bank
<b>ACU</b>	Agency for Combating Unemployment
<b>AKAM</b>	Aga Khan Agency for Microfinance
<b>AKDN</b>	Aga Khan Development Network
<b>CB</b>	Central Bank
<b>CMC</b>	Credit and Monetary Council
<b>BIDAYA</b>	Boosting and Inspiring Dynamic Youth Achievement
<b>DEC</b>	Development and Employment Commission
<b>FIRDOS</b>	Fund for Integrated Rural Development of Syria
<b>FMFI-S</b>	First Microfinance Institution-Syria
<b>IA</b>	Intermediary Agency
<b>IKM</b>	Impact -Knowledge - Market
<b>MAWRED</b>	Modernizing and Activating Women's Role in Economic Development
<b>MEC</b>	Microenterprise Credit
<b>MENA</b>	Middle East and North Africa
<b>MFI</b>	Microfinance Institution
<b>MFP</b>	Microfinance Provider
<b>MIS</b>	Management Information System
<b>NGO</b>	Non-Governmental Organization
<b>RCDP</b>	Rural Community Development Project
<b>ROSCA</b>	Rotating Savings and Credit Association
<b>SB</b>	Saving Bank
<b>SFBI</b>	Social Financial Banking Institutions
<b>SME</b>	Small and Micro Enterprise
<b>SYP</b>	Syrian Pound
<b>UNDP</b>	United Nations Development Program
<b>UNRWA</b>	United Nations Relief and Works Agency
<b>UNRWA MD</b>	UNRWA - Microfinance Department
<b>USD</b>	United States Dollar
<b>WHC</b>	Women Household Credit
<b>YBI</b>	Youth Business International
<b>YBP</b>	Youth Business Program

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## Foreword

This Impact Survey focuses in particular on the impact of financial services provided by UNRWA Microfinance Department to Palestine refugees and Syrian microentrepreneurs.

The survey was conducted from October 2008 to December 2008.

The PlaNet Finance research team was composed 4 people involved in the data collection, analysis and report drafting.

<b>Research Team</b>	
<b>Position</b>	<b>Name</b>
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Research Analyst	François Cajot
Research Analyst	Nathalie Jonkers
Field Coordinator	Benjamin Sellé

A team of 10 fieldworkers conducted the survey in Damascus and Aleppo. 710 people were interviewed.

The UNRWA MD Team was actively involved in the conduct and supervision of this research exercise, their precious assistance has been highly appreciated by the research team.

PlaNet Finance would like to thank the UNRWA MD team as well as the fieldwork team in Syria for their invaluable support which has made this research possible.

## I. Executive Summary

From October to November 2008, PlaNet Finance carried out an Impact Assessment and Market Survey focusing on the impact of financial services provided by UNRWA Microfinance Development (MD) to Palestine refugee and Syrian microentrepreneurs. The main objective of the project was to assist UNRWA in order to evaluate its operation in Syria.

The specific objectives of the survey were to:

1. Improve the impact of microfinance services on UNRWA's beneficiaries with useful insights related to understand the impact of UNRWA's interventions on their clients;
2. Gain better understanding about the reasons for clients' drop-outs, especially those who left due to unsuitable conditions for micro-credit in Syria;
3. Deliver more appropriate client-focused demand-driven products;
4. Provide a strategy to improve UNRWA's social performance.

As a result, the outcomes of the study were to provide:

1. Detail concerning the socioeconomic characteristics of microentrepreneurs' households and activities.
2. A measure of the end-user/borrower/client perception of the impact of microfinance on the economic activities, the household, and the individual, including the empowerment and on the accumulation of assets.
3. Statistics on client satisfaction as well as reasons for client drop-out.
4. Market research on existing UNRWA's clients and potential clients

### Methodology

This research has been conducted using PlaNet Finance's IKM Methodology (Impact-Knowledge-Market). This methodology is a training and action-research program which uses qualitative and quantitative methods as part of a participative and multidisciplinary approach to identify client characteristics, research market demand, and assess impact.

PlaNet Finance conducted a survey among a sample of 710 Palestine Refugee and Syrian microentrepreneurs with an expected error margin of 4%. In addition, six focus group discussions were held in Damascus with UNRWA MD clients.

The sample was composed of three groups of active clients: New clients (UNRWA MD Clients since up to six months), Medium clients (6–36 months), and Old clients (over three years). In addition, the research included a fourth group, Drop-Out clients, who had left a microfinance programme at least six months prior to the study. The samples were selected at random from the client base of UNRWA and it reaches areas where UNRWA is already working and areas where UNRWA is planning to reach in the coming year.

## **Summary of Results**

### **Profile of Socio-Economic Characteristic**

The sample collected for this survey provides a general overview of the profile of UNRWA clients and highlights some of their socio-economic characteristics. 73% were men and 27% were women. The average client profile is that of a male 39 years old, married, whose household is composed of two adults and two dependants under the age of 18. Most people had not completed preparatory school education but all were able to read and write. The majority of clients interviewed were in the trade business including wholesale and retail. Mostly they have been running their business for over 2 years and these businesses are typically non-registered.

### **Impact on Economic Activities**

The analysis of the investment impact shows that 80% of the borrowers noticed a positive impact on their investment, 48% of the respondents have noticed an increase in their sales and 48% of them noticed the increase of their profit. These results highlight that the UNRWA's programme had a moderate impact at the individual level on both client sales and profit.

### **Impact Perception on the family household**

On the section of client perception about and estimation of the impact of microfinance on a set of specific social indicators which relates to level of poverty and quality of life, it shows that:

- 55% of respondents declare a positive impact on their sense of autonomy as a result of participation in a microfinance programme.
- Up to 25% of the respondents have noticed a positive change in their quality or quantity of food, health and children education since they start of their participation in the UNRWA's programme.

### **Impact on Empowerment**

Which regard to the effects of the projects on the planning of microentrepreneurs at the household level, the result shows that 47% of clients state that their business has positively changed their daily life in terms of responsibilities and tasks.

### **Client Satisfaction and Drop Out**

When rating UNRWA's MD programme on specific aspects related to the MFI-Client relationship and to the financial conditions and services proposed, the result shows that 46% of respondents are most satisfied with UNRWA's convenient procedures and 46% satisfied with their relationship with their loan officer/branch manager, then 43% of those surveyed listed this as the most positive aspect of their MFI performance and services.

On the other hand, through the interviews with clients who have left UNRWA MD programme, the results shows that 59% of respondents feel that UNRWA's financial products and services were not adapted to their expectations and the majority found the amount of their loans was insufficient to fit their needs (48%).

### **Market Research Survey**

As a general overview of potential clients, the surveys indicated that 83% of the respondents need loans and 65% of the potential clients would like to become UNRWA MD borrowers.

20% of potential clients have already applied for loan in a different bank or MFI and only 51% of potential clients who applied for credit were financed.

On average they would like to borrow 241.336 SYP (the median being 100.000 SYP) and repay on average 285.215 SYP at the end of the loan period (median 125.000 SYP).

Moreover, the majority of the respondents will use their loan for productive activities: expand their business and start a new activity with the loan.

Regarding other financial services, the survey shows that they would be most interested in (excluding loans): Health Insurance, Credit Insurance and Property Insurance. Over 60% of respondents stating that they would be interested in such products. In addition, clients would also be interested in a retirement safety fund and education loans, with more than 50% of respondents expressing their interest in such a product.

In terms of specialized loans, 48% of respondents stated that they would be interested in consumption loans while 39% expressed their interest in money transfer services.

Finally, 55% of respondents state that they would be interested in Islamic lending products, yet this figure drops to 40% of respondents interested if the loan proved to be more costly than a conventional product.

## II. Introduction

Microfinance is a relatively young and underdeveloped industry in Syria when compared to other countries in the Middle East region. One of the reasons for this situation has been the lack of legislation regulating microfinance activities and facilitating investment. Thanks to the Microfinance Decree passed in February 2007, the Syrian Government has made a significant step in creating an enabling environment to foster the development of the microfinance sector. This decree, the first of its kind in the MENA region, establishes a legislative framework for the development of the microfinance industry, authorising the establishment of Social Financial Banking Institutions (SBFI). These institutions are allowed collect savings, provide micro-credit and offer other microfinance services to clients including micro-insurance.

Currently, the demand for microfinance products and services in Syria is far from being satisfied. The industry, still in its first developmental stage, was serving a total of 41,500 active clients by end of 2007. The new legislation will be instrumental in helping Syrian MFIs to meet the estimated current demand of at least one million clients.

Microenterprise credit is the primary product offered by all providers, due to their current legal status which restricts them from collecting savings. Some microfinance providers, such as AKAM/FMFI-S, offer non-enterprise loans including housing and rural development loans. In addition most providers offer non-financial services, such as business development services (BDS) and vocational training.

Most MFPs operate in rural areas, where more than 40% of the Syrian population resides, and the highest concentration of poverty is found. Enterprise loans are mainly used for agricultural purposes. Operating in the urban centre of Damascus, UNRWA is a clear exception in the Syrian microfinance industry.

There is a limited number of MFPs in Syria:

- The main international donor programmes are run by UNRWA and UNDP.
- The only non-profit, Syrian NGO providers are FIRDOS and BIDAYA.
- The country's current market leader is AKAM, an independent international NGO.
- ACU, a state-owned and state-subsidized MFP, was transformed by legislative Decree in 2006 to become the Development and Employment Commission (DEC), and will no longer provide loans.

Among the public banks, the Savings Bank and Agricultural Cooperative Bank offer the smallest loans and deals most closely with potential microfinance clients.

There are no commercial entities offering microfinance services in Syria today, most likely because the commercial financial sector itself is a relatively new development in the country. But recent legal and regulatory changes in the financial sector and investor interest are likely to foster the emergence of new microfinance providers. With the development of the Industry, the Central Bank of Syria will have to clearly differentiate among subsidized, charitable efforts and commercially viable institutions serving micro, small and medium enterprises, and apply appropriate regulation and supervision to each segment.

Competition is currently non-existent in Syria's microfinance market. This is mainly a consequence of the geographically fragmented coverage of the market by local players.

Due to a largely unmet demand for microfinance in Syria, informal money lenders are highly active. They offer credit at exorbitantly high interest rates. According to CGAP<sup>1</sup>, it is estimated that they provide up to 73% of credit to the poor at an average 77% annualized interest rate.

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<sup>1</sup> CGAP, Policy and Regulatory Framework for Microfinance in Syria, January 2008, p.18

## Institutional framework for microfinance in Syria

Several laws have been passed since 2000 as part of the Syrian government's plan to reform, modernize, and liberalize its financial sector, ending four decades of state monopoly over banking services. These laws relaxed a number of controls that had previously constituted major barriers for the growth of the industry.

In Syria, banks are permitted provide all banking services defined in the Credit and Monetary Council Law No 23 (2002), including microfinance activities. Licensed private (Law no 28 on Private Banking, 2001) and Islamic (Law no. 35 on Islamic Banking, 2005) banks may conduct all banking activities, which include microfinance. Non-Syrians are not allowed to own more than 49% of the equity capital of either a private or Islamic bank

Institutions responsible for the regulation of the financial sector:

- The Central Bank.

Agent of the government's monetary and fiscal policy, the Central Bank, created in 1953, is the main regulatory institution within the Government of Syria. It has the authority to control credit and supervise all banks, both private and state-owned.

- The Credit and Monetary Council

The CMC is charged to regulate banking operations and the financial market. It is a policy group headed by the CB governor (created through the law No. 23 of 2001) whose task is of drawing up monetary policies and orienting them in accordance with the State's strategy and the needs of the national economy.

Financial institutions:

- State banks:

Owned by the Ministry of Finance but supervised by the Central Bank. Public banks focus primarily on short-term commercial lending and trade financing.

- The Commercial Bank of Syria:

Strongly backed by the government, the Commercial Bank of Syria is the largest state-owned bank in terms of assets. Public sector lending constitutes 90% of its portfolio. According to the Central Bank statistics of 2006, the bank has about 50% of the market share in terms of both private and public sector lending<sup>2</sup>.

- Specialized banks:

These banks are authorized to make loans in their respective sectors (with the exception of the Saving Bank lending across various sectors). The main specialized banks are the Agricultural Cooperative Bank and the Savings bank. They provide small loans and deal mainly with potential microfinance clients:

- The Agricultural Cooperative Bank: is the only State Bank that lends in rural areas, but it doesn't operate enough branches to serve adequately the rural working poor. It provides financing of agricultural inputs and other related needs. It also finances transactions between the government and the farmers (the government buys produce directly from the farmers and pays through the ACB). The ACB operates more like an input trading company than a bank.
- The Savings Bank: was only a deposit-taking bank until 2000, when lending operations started. It began lending to small businesses in 2000 and individuals in 2005. The Savings Bank wishes to incorporate microfinance services in its portfolio, but faces two critical barriers: interest rates restrictions, and central hiring and remuneration policies imposed on state banks.

Other specialized banks are the Industrial Bank, the Popular Credit Bank and the Real Estate Bank.

- Private Banks.

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<sup>2</sup> CGAP, Policy and Regulatory Framework for Microfinance in Syria, January 2008, p. 8.

Following the numerous laws, policies and regulations passed since 2001 aiming at liberalizing the financial sector, the first private banks started operations in 2004. They have enjoyed good market opportunities in the last years. Most of them are subsidiaries of regional banks (Jordanian and Lebanese) and majority-owned by Syrian investors.

Private Banks have contributed to an overall improvement in the quality of financial services increasing competitive pressure on state banks.

- Islamic banking

The Legislative Decree No. 35, passed in 2005, allows the establishment of Islamic banks in order to respond to the needs of the community. Previously local Islamic financing institutions were absent from the Syrian market and many companies didn't request bank loans for religious reasons. The annual growth rate of the Islamic banks is 20% per year, with estimated assets worth over US\$ 265 billion in 2006<sup>3</sup>.

## Microfinance Decree

Syria's General Microfinance Decree no. 15, enacted by a presidential order in February 2007, is the first law exclusively dedicated to microfinance. It gives to the CMC the authorization to grant licenses to financial, banking and social institutions which aims at providing small and micro finance, in addition to other financial and banking services. These services include micro-lending, deposit-taking and micro-insurance. This law allows actual MFIs to transform into a SBFI and the creation of new SBFIs.

Article 13 of the Decree states that SBFIs are governed by the rules of the Commerce Law no. 149. SBFIs are registered as commercial companies and must have the legal form of a joint stock company (JSC) to be recognized as a deposit-taking microfinance institution (MFI)<sup>4</sup>. In case of conflict between the Commerce Law and the Microfinance Decree, the provisions of the Microfinance Decree take precedence. For a JSC, the Commerce Law requires a minimum of five founding shareholders; which can be either private individuals or legal entities.

The Executive Instructions of the legislative Decree define what is understood by small and micro finance, financial, banking and social institutions, and micro insurance services.

- Small and micro finance: *"the financial services as providing loans, deposits, in addition to other finance and banking services to poor citizens in order to help the families to possess and increase the assets and to control consumption"*.
- Financial, banking and social institutions: *"the institutions that provides small and micro finance in addition to other banking and financial services in accordance with the Provisions of the related regulations"*. The term *"social"* only reflects the social objectives of the institutions: providing financial services to the low income population that microfinance institutions typically serve. It doesn't mean that they must be non-profit or charitable entities. Neither the Decree stipulates maximum amount to qualify as a microfinance loan.
- Micro insurance services: *"provides insurance cover to small loans against instalments to be paid regularly and is proportional to potential risks and their costs, taking into account the needs of poor people to provide protection against such potential risks at an accepted cost"*.

To establish a financial social institution, the candidates must submit a detailed application to CBS (Directorate of Government Legislation and Banks). Licensed SBFIs can be launched by Syrian, Arab or foreign institutions, including international NGOs. There are no limitations on foreign ownership of SBFIs, but the foreign party needs the pre-approval of the Prime Minister Office to work in Syria. Public Banks are allowed to contribute to the foundation of such institutions, also with the pre-approval of Prime Minister Office (based on a proposal from the Minister of Finance and endorsement by the Credit and Monetary Council).

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<sup>3</sup> CGAP, Policy and Regulatory Framework for Microfinance in Syria, January 2008.

<sup>4</sup> The Commerce Law of 1949 includes five types of commercial companies (general partnership, implied trust, limited partnership, limited liability company, joint stock company).

The CMC is responsible for establishing rules and prudential regulations in order to ensure the continuity and soundness of the SFBIs' operations. It also has the authority to approve SFBIs' proposed interest rates.

The minimum capital for SFBIs is SYP 250 millions (US\$ 5 million). The institution must deposit an amount equal to 5% of the paid capital to the Central Bank. This deposit will be reimbursed only in case of liquidation.

An audited balance sheet and a profit and loss statement must be submitted to the Central Bank according to the International Accounting Standards.

## NGO legislation framework

The Microfinance Decree does not affect operations of NGOs active in the Syrian microfinance sector, as they may still operate under the Associations and Private Institutions Law. This law identifies an NGO "as a group of persons, whether natural or legal, with non-profit objectives"<sup>5</sup>.

- NGOs must be registered at the Ministry of Social Affairs and Labour in order to operate in Syria. No restriction in the law refers to foreign affiliation of NGOs.
- Since they are not supervised by the Central Bank, NGOs are not allowed to collect savings or provide any other financial services besides micro loans.
- In order to operate in Syria, NGOs must be registered under NGO law 42 as Syrian NGOs. Syrian law does not allow for international NGOs to operate through a representative office.
- NGOs do not need to follow any prudential or non prudential financial norms.
- NGOs may not charge interest rates above the 9% ceiling stipulated in the Civil Code.
- NGOs must obtain pre-approval from the competent government authority to accept foreign aid and donations.

Because NGOs are non-profit and charitable entities, they are not allowed to transfer their operations to a local commercial company. This would be considered as a way to distribute profits to the members of the NGO by transferring its portfolio to the commercial company. However one local NGO managed to transfer its operations to an existing commercial company: some MFPs (like AKAM), established by special decree, may be able to transform their loan portfolios to newly established SFBIs under special circumstances.

## II.1 UNRWA Microfinance Department

UNRWA's Microfinance Department (MMD) is a multinational microfinance operation with a network of 17 branch offices and four field offices in West Bank, Gaza, Syria and Jordan, with its headquarters in East Jerusalem. From 1991 until December 2008 it has invested US\$181 million in 166,000 microfinance loans, some 88,893 loans worth US\$93.11 million had been financed in Gaza, 42,830 loans worth US\$55.75 million financed in the West Bank, 18,646 loans worth US\$12.95 million financed in Syria and 15,594 loans worth US\$19.56 million financed in Jordan.

By the end of May 2008, the department had a portfolio of 17,494 active loans with an outstanding balance of US\$16.54 million. This is regionally distributed, with 6,891 active loans in the West Bank with an outstanding portfolio of US\$7.01 million, 2,303 active loans with a balance of US\$3.84 million in Gaza, 4,587 active loans with an outstanding portfolio of US\$2.04 million in Syria and an active portfolio of 3,713 loans with an outstanding balance of US\$3.65 million in Jordan.

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<sup>5</sup> CGAP, Policy and Regulatory Framework for Microfinance in Syria, p. 28.

In 2003 UNRWA has established microfinance operations in Syria. Although still small, it is now the second largest best practice microfinance organisation in Syria, where the market for microfinance is now opening. The department's operations in Syria is now operating in a very stable market with strong government support and a robust enabling environment, which is fuelling portfolio growth and operational self-sufficiency. The programme has three branch offices in Syria, all located in Damascus. By the end of 2009 UNRWA Microfinance Department intends to double its outreach capacity through the opening of three additional branches (two in Aleppo and one in Damascus).

## Product framework

In addition to being the largest lender in the oPt, UNRWA has developed a diverse range of credit products to meet the needs of young businessman, family-run businesses and women microentrepreneurs through its main microenterprise products, i.e. its microenterprise credit and solidarity group loans. Such microenterprise loans constitute the core business activity of the programme with more than 90 percent of its lending directed to working capital loans for microentrepreneurs who constitute just less than 95 percent of the Palestinian business sector. The microenterprise credit (MEC) product finances short-term working capital loans to microenterprises, while the programme's solidarity group lending (SGL) product finances working-capital loans to women-owned microenterprises. In 2008, the MD redesigned its SGL product in Syria into a women's household credit (WHC) product to meet the needs of the home-based women microentrepreneurs.

The programme also offers a third business lending product for small and medium size industrial and service enterprises. Its small-scale enterprise (SSE) product provides longer-term investment and working capital loans of US\$3,000 to US\$70,000 to these business, although like most MFIs and banks its has reduced its lending to this sector during the *intifada* as these businesses have been most at risk as many have gone bankrupt, lost market share and laid off workers.

UNRWA MD recently developed a fourth business lending product, MEC+, which provides longer-term loans to microenterprises (MEC and SGL) that already received more than four loans from the programme but are now looking for larger loans over longer terms to meet their business needs. This product was launched in early 2008 with the support of the Grand Duchy of Luxembourg.

Consumer and personal lending to working class and low-income families is another product that was launched in Gaza in 2002, in the West Bank in 2007 and in Jordan and Syria in late 2008 to help young married couples start out in life and help poor families build household assets, cope with hardship and emergencies. The consumer lending product (CLP) finances consumer loans to low-income families to purchase consumer durables and meet the medical and educational needs. Such low-income households are unable to access personal loans from the banking sector. This product is currently retailed in Gaza and the West Bank, and this product will be extended to Jordan and Syria later in 2008.

Microfinance Loan Products					
Loan Product	Terms and purpose	West Bank	Gaza	Jordan	Syria
Microenterprise loan	Working capital loan. Graduated lending. First loan up to \$1,000 to be repaid over 4-6 months. Loan size at 11 <sup>th</sup> loan cycle up to \$10,000. Men only in Gaza, men and women in West Bank, Jordan and Syria. Formal and informal enterprises	√	√	√	√
Microenterprise Plus	Working capital or investment loan. Graduated lending. First loan up to \$1,000 to be repaid over 4-6 months. Loan size at 11 <sup>th</sup> loan cycle up to \$10,000. Men only in Gaza, men and women in West Bank, Jordan and	√	2009	√	2009

Solidarity group loan and women's household credit	Syria. Formal and informal enterprises Working capital loan. Graduated lending. First loan up to \$600 to be repaid over 4-6 months. Loan size at 12 <sup>th</sup> loan cycle up to \$8,000. Women only. Formal and informal enterprises. To be piloted in Syria in 2004.	na	√	na	√
Small-scale enterprise loan	Capital investment and working capital loans. To be repaid over 12-30 months. Loans range from US\$3-70,000. Men and Women.	na	√	na	Na
Consumer loan	Formal enterprises Loans for household assets, education, medical and other household expenses or emergencies. Loans of up to \$900 to be repaid over 6-9 months. For working class and low-income families	√	√	√	√
Housing loan	Loans for home improvement, repair and construction. Piloted in Gaza in 2006 and thereafter extended to West Bank, Jordan and Syria.	2009	√	2009	2009
Safe-Savings	Savings products to the un-bankable poor to help them save for the future and cope with emergencies	2009	2009	2010	2010

In addition to these products, the Microfinance Department developed a housing microfinance product in 2006 to enable refugee families to build and improve their dwellings. To date UNRWA has provided 717 housing microfinance loans to Palestine refugees worth US\$4.64 million. Housing microfinance will be launched in the West Bank in early 2009 and in Jordan and Syria in late 2009.

Thus, inclusiveness, adaptability and diversity is the most salient feature of UNRWA's approach to developing microfinance, as it tries to fill in the gaps that the banking sector and other formal finance institutions are not willing or able to meet. In 2004, the programme produced a new 5-year Medium Term Plan (MTP) to be implemented during the period 2005-2009. This plan is an ambitious strategic vision of what a fully capitalized microfinance institution can achieve in regional development, economic growth, business improvement and rehabilitation, poverty alleviation and social protection. Incorporated in this vision is the goal to raise the MD beyond its present position as the foremost microfinance institution in the oPt to that of the leading institution in the region. With the microfinance industry still woefully underdeveloped and falling short of its potential in the Middle East, UNRWA is in a unique position to pioneer the fruits of sustainable and self-sufficient microfinance throughout Jordan and Syria, in addition to the oPt, over the next half decade.

## III Methodology

As a general definition, an Impact Assessment “*measures the impact of services offered by a microfinance institution on the life of its clients within specific domains such as of employment, revenue, nutrition, education, health, or women’s empowerment. It is the principal means by which the efficiency of microfinance as a tool to fight poverty is determined*”.

The various methodological tools used to measure the impact of microfinance can be grouped into two categories: quantitative approaches and qualitative approaches (which can in turn be subdivided into participatory and non-participatory methodologies).

### Methodology Selected

The methodology selected for this impact assessment has been a quantitative approach based on a standardized questionnaire in which each response was assigned a numeric value that could then be counted and compared. This approach was selected in order to cover a relatively large and representative sample of UNRWA clients. In addition, the quantitative approach was used in order to be able to optimize the survey and conduct simultaneously an impact assessment as well as a market research, thereby providing quantifiable information to UNRWA MD on both potential new products and desired product characteristics. In addition, and in order to complement the quantitative research and verify results, six qualitative focus group discussions were conducted during this research.

This impact assessment was conducted using a quasi-experimental, non-longitudinal approach which compares clients of microfinance programs with respect to the duration of their participation in the Microfinance programme. The sample was divided into three groups of active clients:

- New clients (up to six months in the Microfinance programme)
- Medium clients (6–36 months)
- Old clients (More than three years)

In addition, the study included a fourth group, Drop-Out clients, who had left UNRWA MD microfinance programme at least six months prior to the survey.

The inclusion of Drop-Out clients in the research sample has the positive effect of limiting bias relative to comparing clients only with respect to the duration of their participation in the program. It is presumed that clients who remain in a microfinance programme will demonstrate different characteristics than those who drop-out: they could be either the best clients who no longer need a loan, or conversely those who benefited the least from a microfinance programme. By including them in the study, potential biases related to the types of clients who remain in a microfinance programme could be further reduced.

### III.1 Research implementation

PlaNNet Finance has been appointed by UNRWA MD as project leader and implementer of this Impact Assessment and Market Research Survey. This exercise has been conducted using PlaNNet Finance’s Impact-Knowledge-Market methodology and has benefited from the experience of PlaNNet Finance in assessing impact and market demand in microfinance in the Arab region.

PlaNNet Finance was also responsible for the planning and coordination of every aspect of the survey from sampling to data collection. This included raising awareness among UNRWA staff on the methodology and goals of the impact assessment and market research exercise, adapting and testing the questionnaire, recruiting and training the data collection team on interviewing skills and the questionnaire to be used, ensuring an accurate and randomly-selected sample in terms of proportional distribution, and guaranteeing the quality of results. Stakeholders’ participation and guidance was critical to the success of this effort.

## Data Collection Team

PlaNNet Finance recruited trained and directed the work of the data collection team. In order to conduct this survey:

- 11 surveyors were recruited from Damascus universities; they were responsible for the collection of quantitative data through the completion of 767 questionnaires, during November 2008.
- 2 supervisors managed the group of surveyors in the field.
- 1 PlaNNet Finance officer was in charge of the quality control of the data.
- 1 data entry clerk was responsible for filling the database used by PlaNNet Finance for data analysis.

## Objectives of the Survey

PlaNNet Finance has conducted an Impact Assessment and Market research Survey in order to evaluate UNRWA's Microfinance operations in Syria. The survey results intend to highlight the impact of microfinance services on the beneficiaries, allowing UNRWA MD to:

- 1) Understand the impact of its interventions on its clients;
- 2) Gain a better understanding about the reasons for clients' drop-outs, especially those who left due to unsuitable conditions for micro-credit;
- 3) Deliver more appropriate client-focused demand-driven products;
- 4) Provide a strategy to improve its social performance;

## Area of operation

This survey was conducted in Damascus (in the areas of Yarmouk, Al-Ameen and Sayeda Zeynab) and Aleppo.



### III.2 Sampling

The sample size for this survey was set at 767 clients with an expected margin of error of 4%. In constructing the sample, three initial requirements were taken into consideration and used to create the sample distribution:

- The survey includes three different types of clusters: Active clients, drop-outs, and potential clients.
- The Sample of clients consists of three groups: new, medium and old

The survey has been conducted in areas where UNRWA MD is already present and areas where UNRWA MD is planning to operate in the near future.

The following tables show the distribution of the sample by client category, location and type of survey.

<b>Research sample</b>		
Current clients		379
Drop-Outs		46
Potential Clients		342
Total		767

Impact Assessment		New	Medium	Old	Drop-Out	Total
	Yarmouk	70	77	96	28	271
Al-Ameen	27	34	0	13	74	
Sayeda Zeynab	25	49	1	5	80	
Total	122	160	97	46	425	

Market research	Yarmouk	60
	Al-Ameen	40
	Sayeda Zeynab	41
	Doma	92
	Aleppo City Branch	109
	Total	342

### III.3 Data Collection

This research used both quantitative and qualitative methods for collecting, qualifying and classifying data. The quantitative data was obtained through the administration of a survey questionnaire divided into nine sections, including a large quantity of information: (1) demographic and household information, (2) economic activity, (3) evolution of the demand for financial services, (4) investments, (5) perception of impact on the household and enterprise, (6) perception of impact on women's empowerment, (7) training, (8) perception of asset ownership, and (9) reasons for drop-out.

The questionnaire used was reviewed by both PlaNet Finance and UNRWA MD staff in order to adapt the questions to the local context and obtain results that are both relevant in terms of impact assessment and useful to UNRWA MD in the development of new products. A team of 11 interviewers and 2 supervisors were trained by PlaNet Finance and deployed in the field over a three week period, supervised throughout by PlaNet Finance and UNRWA MD Staff.

The choice of clients to be interviewed was conducted via a random selection according to the survey criteria.

In addition, qualitative data was gathered through six focus group discussions held in Damascus, each lasting approximately one hour and involving 5-8 microentrepreneurs. The discussion guide focused on questions related to the economic situation, borrower financial strategy, savings and other services, non-financial services, employment creation, and the perception of impact on the business, household, and individual levels.

### **III.4. General Framework for the Impact Evaluation**

The impact assessment exercise is based on specific hypotheses, indicators and control variables.

#### **Hypotheses**

This research is structured around a series of hypotheses that have determined the methodological framework and approach used. These hypotheses are as follow:

- Participation in a microfinance programme has a positive effect on a series of variables related to the economic activity and standard of living level. These positive effects increase with the duration of participation in a microfinance programme (which generally implies a larger number of loans in increasingly larger amounts).
- The level of impact can vary based on external factors such as: the environment in which the client operates, the household size and the capacity of the micro entrepreneur to build and/or expand an income- generating activity.
- The intensity of impact will vary according to the target clientele of the microfinance institution (meaning that different MFIs may target different types of clients, which will influence the results).
- The impact of participation in a microfinance programme could be negative in cases of over-indebtedness of the client or poor use of the microcredit.
- There are likely gender differences in the use, application and impact of microfinance.

#### **Indicators for Measuring Impact**

The assessment of the impact of microfinance is measured against a series of indicators related to the economic activity, the household, and the client itself.

- At the level of the economic activity, the assessment considers indicators related to the microenterprise (sales, profits, investments, number of employees), access to markets, and diversification.
- At the household level, the assessment examines the impact on household income and consumption, the accumulation of assets, and the education of children.
- At the individual level, the impact is assessed as the contribution to household budget, perception of empowerment, overall feeling of financial security, and living conditions (home, nutrition, health).

#### **Participation and Control Variables**

The evaluation of impact with respect to participation in a microfinance programme is assessed through a series of quantifiable variables: the number of loans obtained, the credit amounts, the accumulated loan amount, duration of participation in the microfinance programme, etc.

It is important to note, however, that the degree of impact is affected by control variables related to the household, the activity and the environment. These variables are gender, degree of education, household size, type of activity, location, the MFI, etc.

### **III.5 Specific Framework for the Impact Evaluation**

As previously stated, the principal objective of the impact study is to assess the effect of participation in a microfinance programme on a series of economic, social, and poverty indicators (monthly profit, food consumption, etc...). The economic modelling used in analyzing survey data and the methodologies are described in more detail in Annex 15.1.2.

It is important to mention here that it is not possible to isolate completely the effect of microfinance from other factors not related to financial services' access: the most difficult task of any impact evaluation is to filter out the causal role of the project (in this case, the injection of microfinance).

Indeed, to know exactly the impact of a specific programme, ideally two identical groups should be compared which differ only in one characteristic: a group receiving the programme - the “treated” group, and a group not receiving the programme - the “non-treated” group.

Nevertheless, experimental longitudinal comparisons require substantial time and budget. The methodology described proposes a cost-effective approach in order to ensure the achievement of the desired objectives.

### **Methodological risks**

**Attrition bias:** The comparison between “new”, “medium” and “old clients” assumes as a hypothesis that the characteristics of people interviewed who enter into the microfinance programs are unchanging over time.

Ability and entrepreneurship of clients are factors that affect their business performance and that are not the same for all people.

Furthermore broader economic and social changes may occur during the time of participation in the program affecting new, medium and old clients.

**Drop-out bias:** the use of drop out clients as a control variable presumes that they could be either the best clients who no longer need a loan, or conversely those who benefited the least from a microfinance programme.

Applying the same logic to active clients, in particular new clients, these may have the positive qualities to stay in the program, however need still to be tested overtime. New clients may benefit from participating in the program or inversely drop-out over time.

Assuming that those who stay in the programme benefit more than drop outs, may also mean that only those who have the financial means to start with, remain clients over time.

The proposed methodology intends to take these issues into account, however the possibility of bias, remains a risk that needs to be considered when reviewing the findings of this research.

## IV. Impact Assessment

This section provides a general overview of the profile of surveyed UNRWA MD clients and their socio-economic characteristics. The first part highlights general demographic information (age, formal education, household/family structure), while the second part focuses on the client’s wealth according to the index of asset ownership developed through for this assessment and its household expenses. The third part provides information on the clients’ economic activities.

### IV.1. General Information

#### Demographics

The average age of respondents is 39 years old. The majority range between 31 to 40 years. 73% are male, 80% are married, and 25% are Palestinian.

16% of respondents have completed higher education; 16% secondary education; 32% less than secondary schooling; 32% less than preparatory schooling and 4% received no formal schooling.

Nearly all persons interviewed considered themselves literate or able to read a letter.

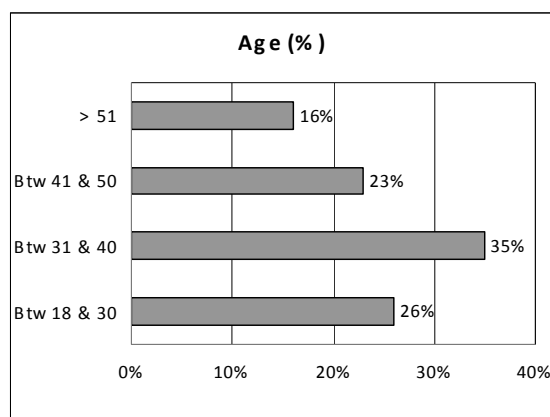


Chart 1: Age (%)

The level of education has been further analyzed in terms of the gender. The proportion of women who have not completed secondary school is 77% versus 64 % for men.

Only 8% of the women have a level higher than secondary school, versus 18% of men.

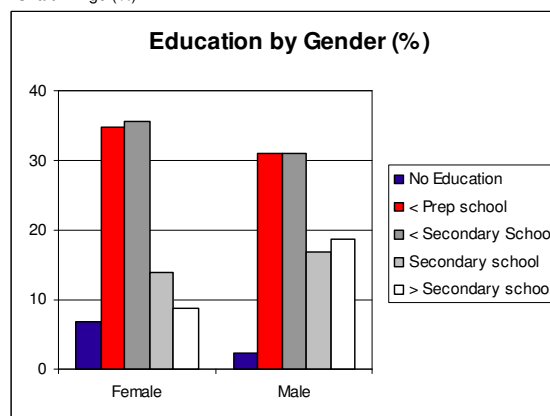


Chart 2: Education by Gender (%)

On average, a micro entrepreneur’s household, is composed of 4.4 members. 2.6 adults (18 years of age or older) and 1.8 dependents (under 18 years old) per household. More than a 28% of the sample does not have any children.

67% of the respondents do not pay rent on their homes, indicating that they are either home owners or have other family arrangements.

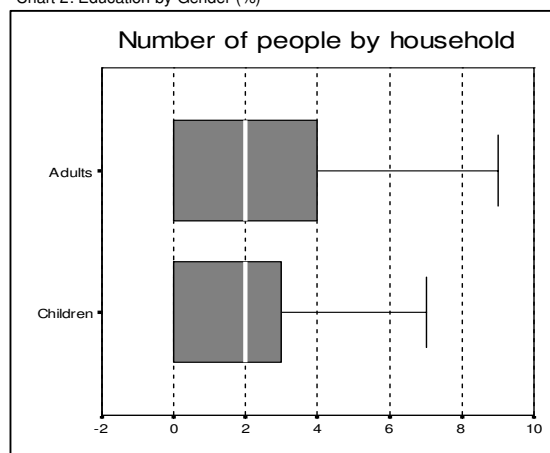


Chart 3: Number of people by household

## Comparative Index of Asset Ownership

In order to evaluate poverty (in the sense of standard of living), an asset ownership index was developed with respect to the degree of asset ownership. Each individual or household included in the sample was assigned a score, based on the accumulation of 10 assets<sup>6</sup> owned by the household (see methodology explanation in annex). This index has been used to divide the sample into five “quintiles” or groups of equal size.

According to this division Group 1 is the poorest quintile and Group 5 is the wealthiest. These groups do not represent a poverty index for Syria as a whole, but an index for the sample used for this survey.

In general, Groups 1 and 2 microentrepreneurs have the most basic income-generating activities while Groups 4 and 5 have the most formal micro or small enterprises. These groups should be kept in mind when attempting to analyze any of the data. The objective is to determine the differences between the microenterprises of poorer clients and wealthier clients and to determine the relationship between level of asset ownership and impact on business development and improvement of quality of life.

### Distribution of Asset Ownership by Gender

Chart 4 shows the gender dimensions of the asset ownership index (male and female). From left to right, bars are represented from poorest to wealthiest (1 to 5).

The comparison between male and female respondents shows significant differences between the two groups in terms of asset ownership.

The majority of women are concentrated in category 1 that represents those with fewer assets (poorer). Inversely, in the case of men, the distribution is more homogenous on categories 2 to 5 which own more assets.

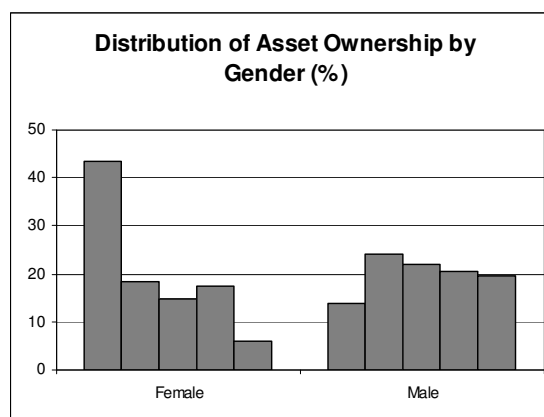


Chart 4: Distribution of Asset Ownership by Gender (%)

### Distribution of Asset Ownership by Type of product

In terms of Microfinance product the gender division is also clear. Most of the clients taking WHC product are woman and the majority falls in the lowest Asset Ownership group.

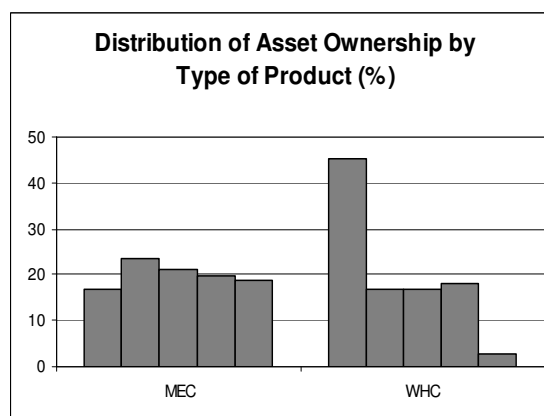


Chart 5: Distribution of Asset Ownership by type of product (%)

<sup>6</sup> Tap water, electricity, sanitation, colored TV, cell phone, more than one cell phone, washing machine, fridge, air conditioning, and finally, car.

### Distribution of Asset Ownership by Location

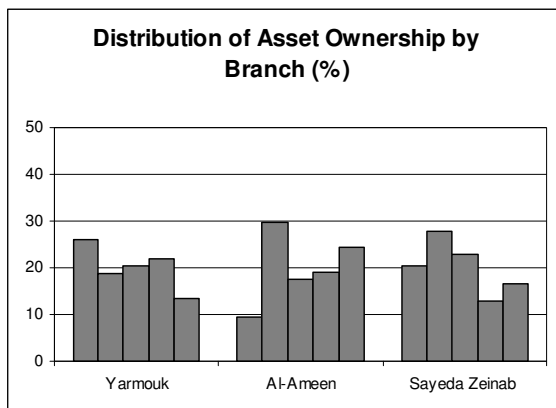


Chart 6: Distribution of Asset Ownership by Branch (%)

Asset ownership of microentrepreneurs varies also by location. There is a concentration of poorer clients in Yarmouk while the proportion of relatively wealthier respondents is higher in Al-Ameen.

### Distribution of Asset Ownership by participation

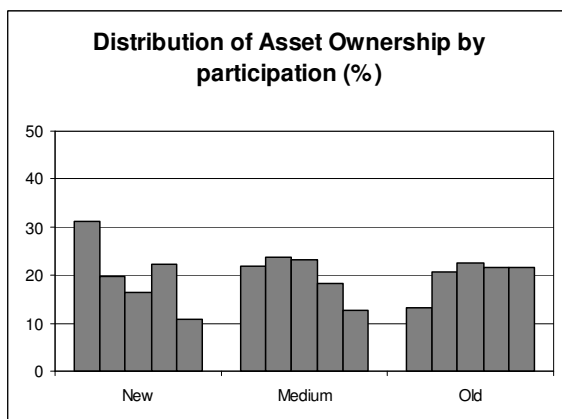


Chart 7 : Distribution of Asset Ownership by participation

Considering Asset ownership in terms of the duration of participation in the microfinance programme, the proportion of relatively wealthier respondents is higher for old clients.

Inversely there is a higher concentration of respondents in the poorer quintiles among new clients.

## Household Expenses

Most respondents quoted their UNRWA MD instalments as their second most important household expense (20%), only after Food (40%). General expenses were the main third priority (10%) followed by others such as: participation in a ROSCA, Rent, Transportation, health, educational services, etc.

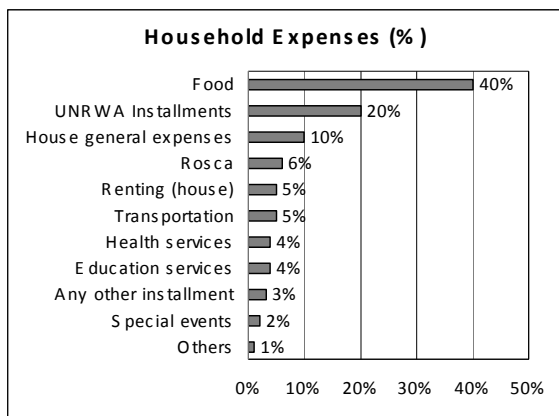


Chart 8: Household Expenses (%)

Food is the most important household expense, at a median value of 10,000 SYP per month.

Lending instalments for the current loan that respondents have with UNRWA comes in as the second most important monthly expense, at 5225 SYP per month.

House general expense is the third most important monthly expense, with a median of 3217 SYP per month.

## IV.2. Information on Economic Activities

### Economic Activity

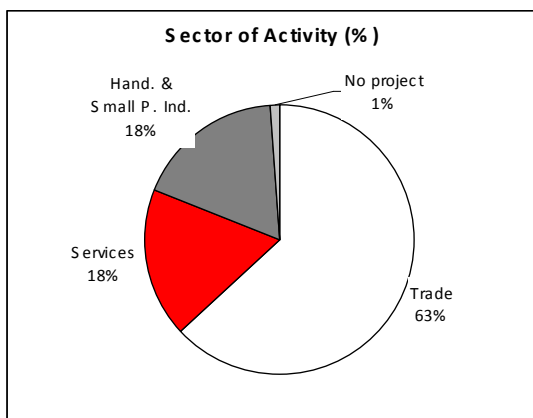


Chart 9: Sector of Activity (%)

The majority of survey respondents work in trade: 63% of the sample, 18% in production activities sector (handicraft and small industries) and 18% in services.

Trade includes both wholesale and retail, as well as those enterprises that combine whole sale and retail as grocery, vegetables/fruits, or stationary.

Services businesses included activities like plumber, car maintenance, electrical appliances and mobile repairs, while handicraft and small industry included businesses such as metal welding, tailoring, leather or wood workshops.

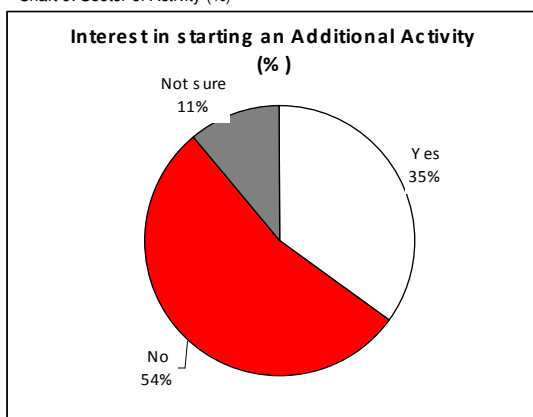


Chart 10: Interest in starting an additional Activity (%)

54% of respondents are not interested in starting a new activity versus 34% of the clients who are interested or 11% uncertain.

Furthermore, only 5% of respondents have changed their activity or launched a new one in the last 3 years.

Only 17% of those interviewed have a second economic activity. Of these, 37% have another business, 30% are private sector employees and 20% civil servants.

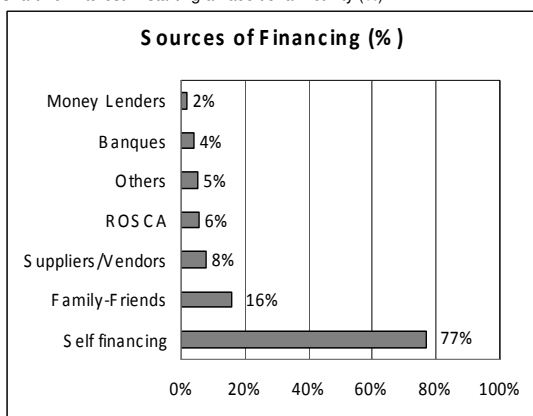


Chart 5: Sources of Financing (%)

In terms of their first source of financing, the majority of microentrepreneurs (77%) are self-financed, followed by family and friends (16%).

8% declare that they are financed by vendors or suppliers, followed by ROSCA (6%).

4% declare Banks and 2% money lenders as a source of financing.

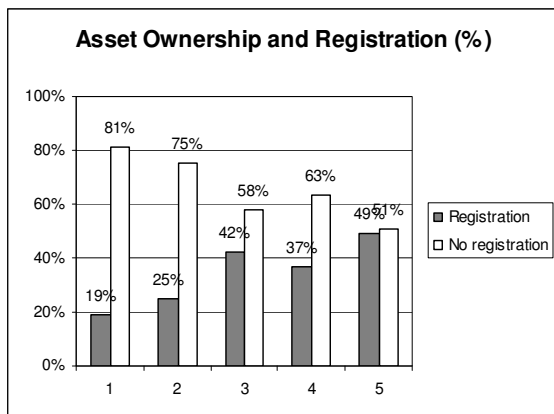


Chart 12: Asset Ownership and Registration (%)

The majority of microenterprises are informal businesses. Only 33% of respondents have formal tax cards.

Gender of the business owner also affects registration status. Only 15% of businesses that are run by women are registered versus 42% for men.

Formal business registration is directly related to the level of wealth of UNRWA clients. Not surprisingly registration is lower for the poorer quintile and augments subsequently with the wealth ownership category.

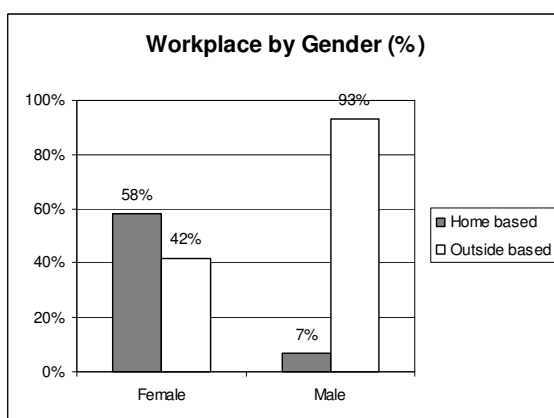


Chart 13: Workplace by Gender (%)

20% of the microfinance clients run home-based businesses

As in other countries in the Middle East region, these businesses are mainly run by female clients. Within the sample 75% of home-based enterprises are run by women.

The frequency of home-run businesses is also dependent on variables such as the level of asset ownership of the microentrepreneur. The proportion of respondents working at home increases significantly as their level of asset ownership decreases. 47% of Group 1 microentrepreneurs work at home while only 6% of Group 5 entrepreneurs run a home-based business.

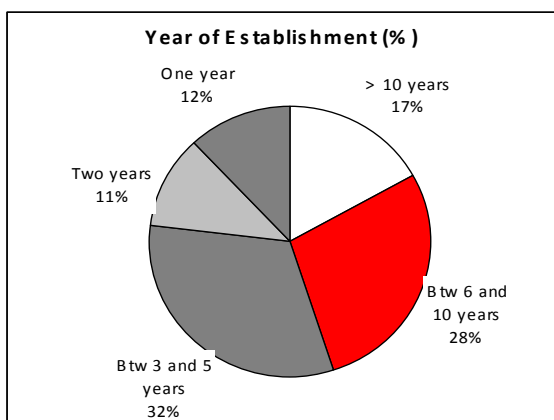


Chart 14: Year of Establishment (%)

The majority of businesses surveyed exist since at least 3 years (60%).

These businesses have also had more access to financing than relatively new ones.

This reinforces the idea that most clients do not consider new activities since their businesses have been established for a number of years.

## Seasonality

This survey examined seasonality of the economic activity and clients' credit needs through the year.

Respondents were asked to rank each month's level of activity according to the following criteria: 0: No activity; 1: Low activity; 2: Average activity; 3: Strong activity.

The seasonal variability of economic activities is high for the majority of respondents. Activities are higher during the summer season (from June to September) with the highest month of activity in July and the lowest during the winter months.

In order to evaluate the seasonality of credit needs respondents were asked to rank each month's need according to the following criteria: 1: need for credit; 0: no need.

Credit needs increase when the activity level increases, in particular during the summer months, with the highest credit need in September. This result shows the need to purchase stock and equipment in order to meet the higher level of activity in the summer and during Ramadan. There is also a significant drop in the need for credit from February to May.

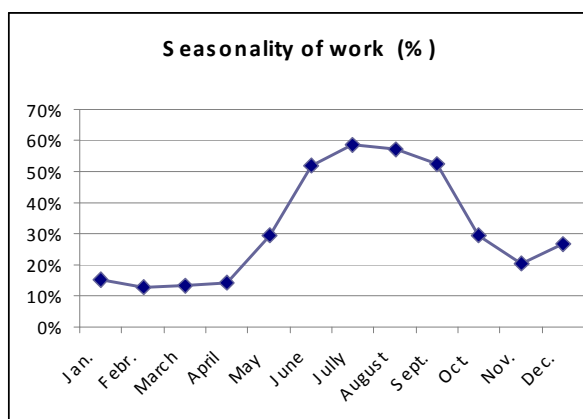


Chart 15: Seasonality of Work (%)

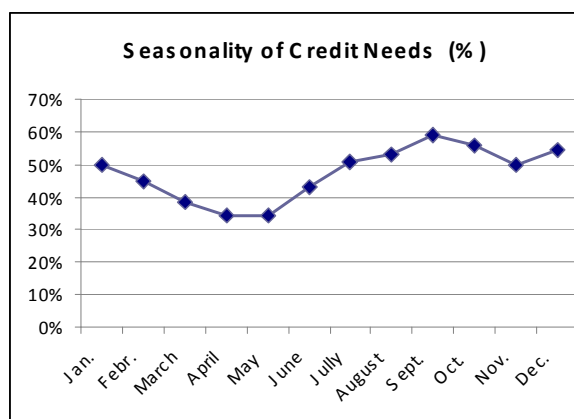


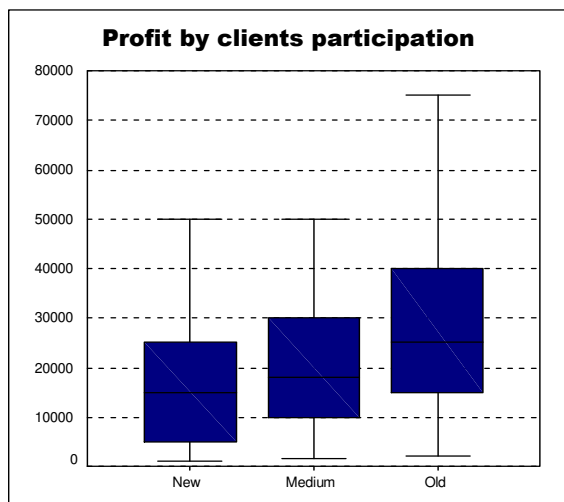
Chart 16: Seasonality of Credit Needs

### IV.3 Impact Evaluation

#### Profit

When analysing the impact of microfinance on the economic activity, the main hypothesis of the impact assessment is confirmed. “Old clients” have higher monthly profits indicating that their microenterprises perform better than those of “New and Medium clients”.

There is therefore a positive relation between the level of participation in the programme and the profits of the microentrepreneurs.



The median amount of monthly profit for “old clients” is around 25,000 SYP. This median decreases to about 19,000 SYP for medium clients and to 15,000 SYP for the new clients.

By comparing the median monthly profit of respondents with their duration of participation in a microfinance programme, it is possible to establish a correlation between the two.

The survey sample shows that old clients’ average monthly profit is higher than that of new clients. The average difference (12,858 SYP) is significant at the level of 5%.

Chart 17: Profit by client participation

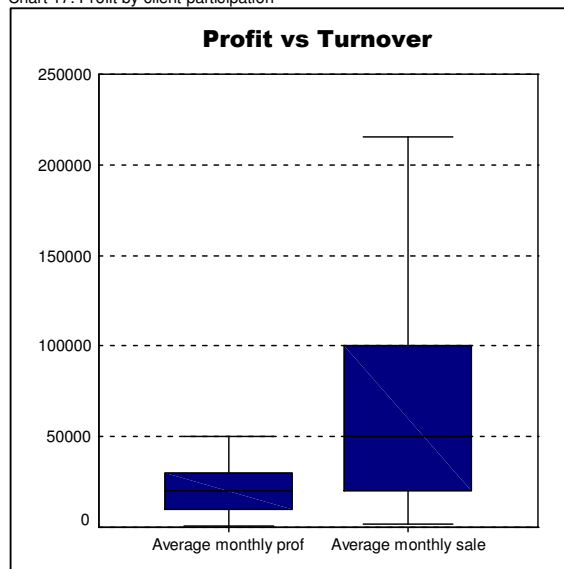


Chart 18: Profit vs turnover

In addition, 50% of the interviewees sell on average 50,000 SYP per month and earn less than 25,000 SYP monthly.

25% make an average monthly sale of between 20,000 and 30,000 SYP with a profit between 10,000 and 20,000 SYP.

Only 25% of our sample sells more than 100,000 SYP and earns over 30,000 SYP in monthly profit.

Furthermore, the econometric analysis of the impact of UNRWA MD programme on the monthly sales and profit, shows that there is a statistical significant difference (at the level of 0.01) between male and female regarding the profit but not for the monthly sales even if men’s sales are higher than women’s.

Actually, men make on average about 13,404 SYP more profit and about 102,565 SYP more sales than women. (See table in annex).

As the variables related to duration (old, new), gender, neighbourhood, age, wealth group and to the number of employees are all statistically significant, it can be stated that UNRWA MD programme has a positive impact on client profit, this impact being higher for male respondents.

Impact on profits is also higher for clients from Al Ameen and Sayeda Zeynab compared to Yarmouk and in particular for younger entrepreneurs without any employee and in wealth group 4 and 5 (see annex).

## Investment

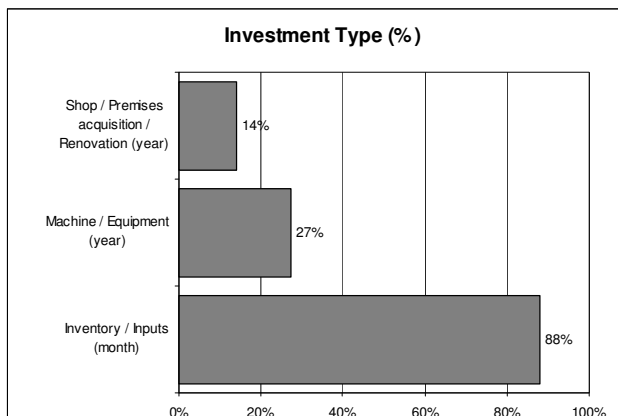


Chart 19: Investment Type

Microenterprises invest mainly to buy stock (88%). Investments in equipment and shop premises are a minority (27%). Furthermore, only 14% invest on the acquisition and renovation of shop/premises.

However, there is no significant correlation between the nature of investments and duration of participation in a microfinance programme. In other words, no significant differences were observed in the types of investments made by Old, Medium, and New clients.

In terms amount invested in stock and inputs the median was 35,000 SYP, 12,000 SYP for premise improvement and 9,000 SYP for machinery and equipment.

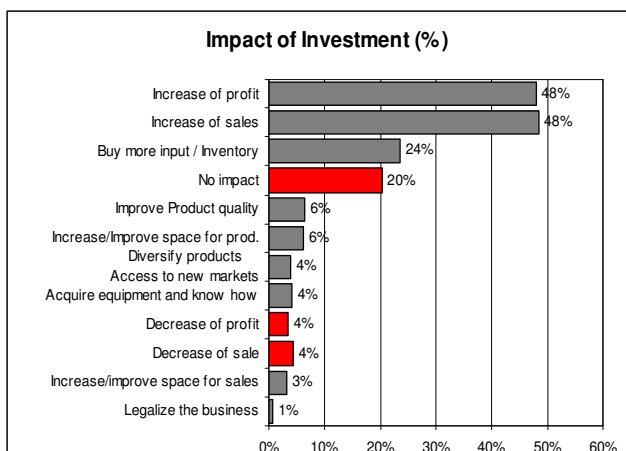


Chart 20: Impact of investment (%) – Multiple answers by respondent

The analysis of the investment impact shows that the majority of UNRWA MD borrowers perceived a positive impact on their investment. Only 20% did not.

The impact on investment shows mainly in terms of an increase of sales, increase of profit and inventories.

48% of the respondents have noticed an increase in their sales and also 48% of them noticed an increase of their profit.

## Employment

32% of the respondents employ workers in their business. 63% of these employers have full-time and paid men, 17% have full-time and paid women, 15% have full-time and unpaid men and 6% have full-time and unpaid women. Among employers, 78% employ men and 22% employ women. Among employers, 79% employ full-time and paid workers and 21% employ full-time and unpaid workers.



Chart 21: Employed workers

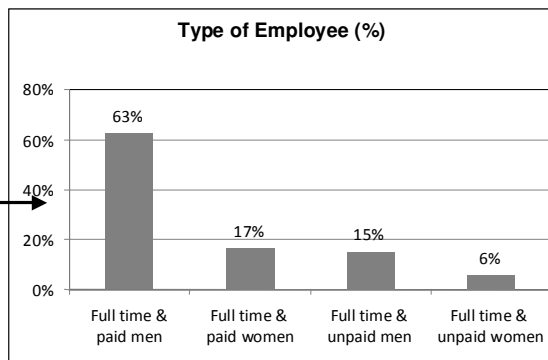


Chart 22: Type of Employee (%)

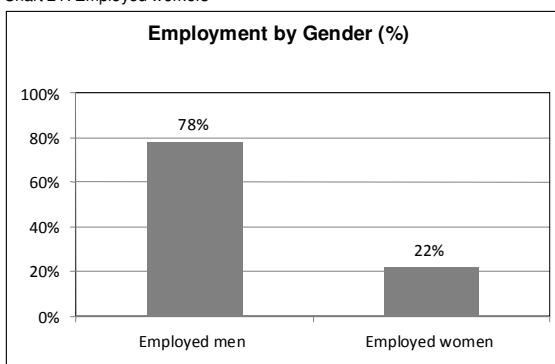


Chart 23: employment by Gender (%)

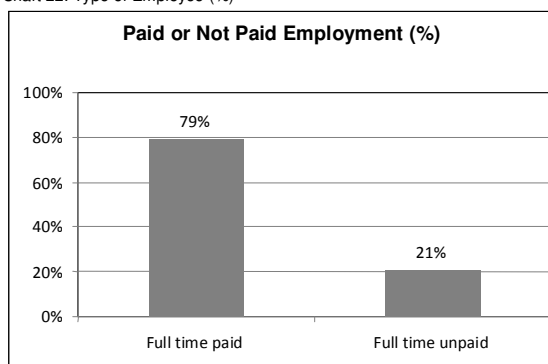


Chart 24: Paid or Unpaid Employment (%)

The proportion of the respondents employing workers decreases when the number of employees increases. In other words, the number of microenterprises employing, for example, more than three persons is less than the number of micro enterprises employing one person.

On average, more than 65% of the respondents are self-employed without any other employees. About 32% employ one full-time and paid man, 6% employ two full-time and paid women and less than 3% employ three full-time and unpaid man.

Most of the respondents (80%) don't want to hire more employees.

The probit analysis of the impact on employment shows that the probability of a male client hiring an employee is higher than the probability of a female client hiring an employee. (See the annex). The clients of wealth group 4 are most interested in having more employees.

## IV.4. Impact on Household

### Contribution to Household Monthly Expenses

A large number of the respondents (57%) declare that they participate up to 100% in household expenditures. Men are the majority in this category (72%). The proportion of women respondents is higher (27% of the women in the sample) where both genders co-finance the household budget.

The results from data regression show the following significant variables: client participation in the programme, age, gender, marital status, length of the client activity, and the wealth of the client three years ago.

Regression results highlight the fact that the longer you are in the programme, the higher your contribution to the household is. Showing the positive impact of participation in the programme. In addition it must be noted that active clients participate more to the household budget than drop-outs.

On average, when the clients' activities are old (more than 10 years), their contribution to the household budget is more important. We also observe that men contribute more than women to the household budget. Unmarried clients contribute less than married persons to the household budget

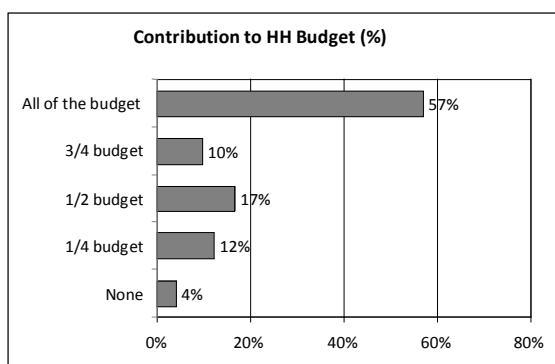


Chart 25: Contribution to household Budget (%)

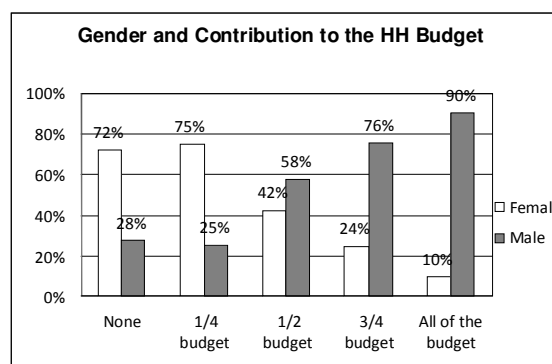


Chart 26: Gender and Contribution to the Household Budget (%)

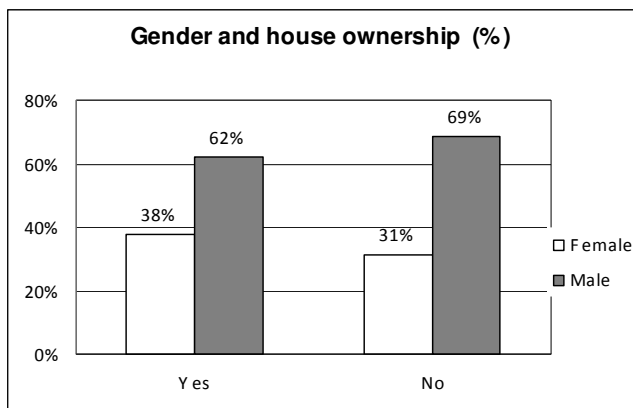
### Consumption

The monthly expenses of respondents to this survey include mainly “food” with an average amount of 12,112 SYP. Followed by “general expenses” (2,871 SYP) and “transportation” (2,173 SYP).

Statistically speaking, the total amount spent monthly by active clients is higher than the amount spent by drop-outs. The longer you stay in the programme, the higher your monthly profit is, allowing clients to spend more on consumption.

Another noticeable difference is the mean amount spent by a client in Al Ameen which is higher than the other places. In addition, clients with less than secondary education and those without employees tend to spend less on consumption (See annex).

### Housing Conditions



When considering home ownership, 67% of respondents live in their own house.

73% of men are the owners of the house.

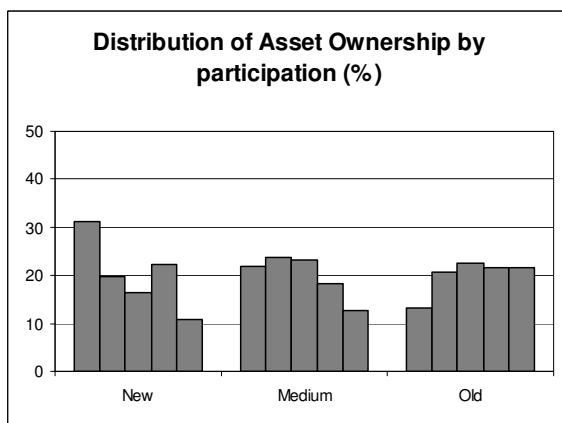
Chart 27: Housing Conditions

### Asset Ownership

The regression analysis of asset ownership in relation to the characteristics of the clients and their participation in the programme, shows the following variables as significant: client duration, neighbourhood, age, gender, grade education, duration of the client activity (See Annex).

The proportion of clients in wealth groups 3-5 increases progressively for medium and old clients. Which become relatively wealthier (have more assets) the longer they stay in the microfinance programme.

Inversely when looking at gender differences in asset ownership, it is no surprise that more appear in the wealthier categories compared to women.



The probit estimation shows that the probability of an old client and a drop out who was wealthier three years ago being rich currently wealthier is higher than that of moderately wealthy or poor client. (See Annex).

It also shows that male clients and Al Ameen clients have a high probability of being wealthier.

However, age, the years of business activity and a low grade education adversely affect the probability of moving up in asset ownership.

Chart 28: distribution of Asset Ownership by client participation

### Savings and Debt

48% of UNRWA MD clients find that participation in the program has had a positive change in their debt level, while 47% see no change.

A similar trend is perceived in terms of savings. 38% of clients have noticed a positive change in their savings, while 59% stated no change.

The probit analysis on savings and debts does not allow us to estimate the probability of an UNRWA client having a positive change in his savings and debts. The results show no significant value except for male clients who show more of a positive change in savings than female ones.

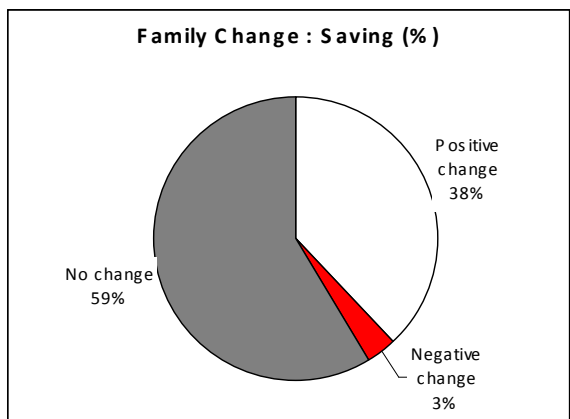


Chart 29: Family Change: Saving (%)

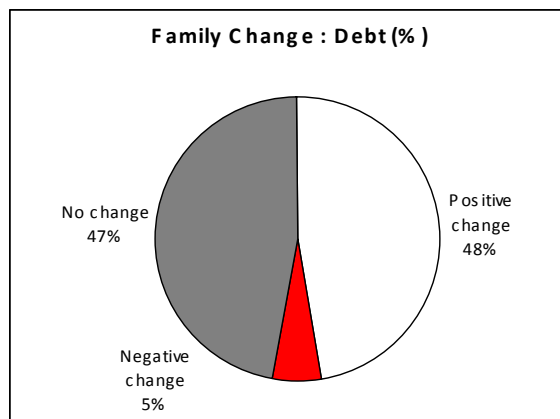


Chart 30: Family Change: Debt (%)

## IV.5. Impact Perception

This section consists of the analysis of UNRWA MD client perceptions of the impact of microfinance on a set of specific social indicators. These indicators provide insight as to their level of poverty and lifestyle. The indicators can be divided into two categories: intangible indicators (autonomy, respect from partner, respect from children, stress, conflicts and tension in family) and tangible indicators related to the household and family lifestyle (food, children’s education, health, leisure).

### Intangible Indicators

The perception of respondents to changes in the family in relation to their autonomy since becoming an UNRWA MD client is positive for 55% of clients.

In terms of respect from their partner, 79% see no change, while 20% see a positive change in their partners’ respect for them since becoming UNRWA MD clients.

Data regression shows that the probability of a client noticing a positive change in his autonomy is very low for “old clients” and for Sayeda Zeynab clients. In any case, a client is likely to be more respected by his partner when he is in wealth group 5 (See Annex).

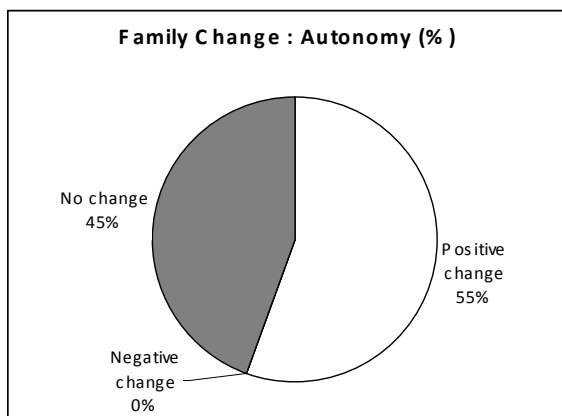


Chart 31: Family Change: Autonomy (%)

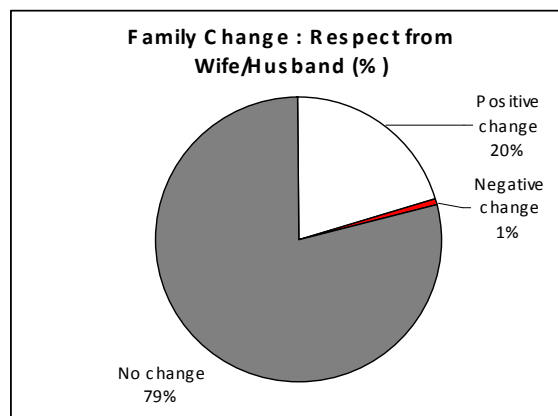


Chart 32: Family Change: Respect from Wife/Husband (%)

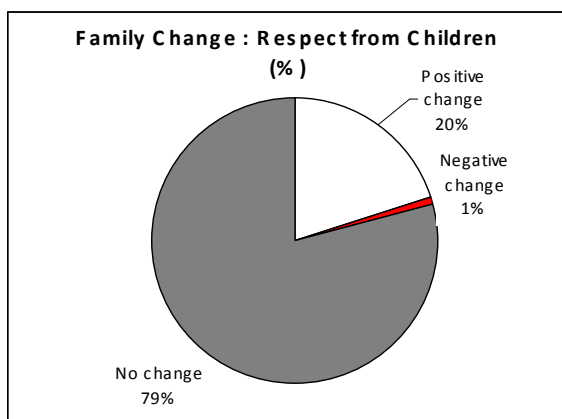


Chart 33 : Family Change : Respect from Children

79% of respondents have not perceived any change in the way they are regarded by their children. 20% finds that their children respect them more than before they started benefiting from UNRWA MD loans.

The probit estimation shows that the medium clients are more likely to have a positive change in children’s behaviour toward parents. However this positive change is less perceived by males and by wealth group 5.

One third of the borrowers (33%) consider UNRWA MD programme as positive in terms of stress reduction, while 15% of the respondents think they suffer more stress now than in their previous situation.

Regarding stress, the probit analysis indicates that clients from Sayeda Zeynab and of wealth group 4 have higher probability in having a positive change. (See annex).

The analysis of the loan's impact on conflicts and tension in the borrowers' families shows that there is a positive change for 12% of clients, while 85% noticed no change.

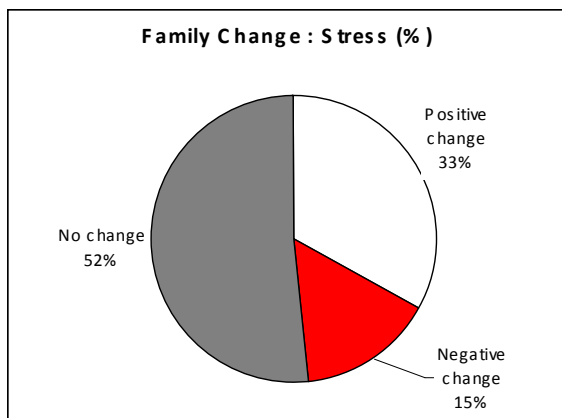


Chart 34 : Family Change : Stress

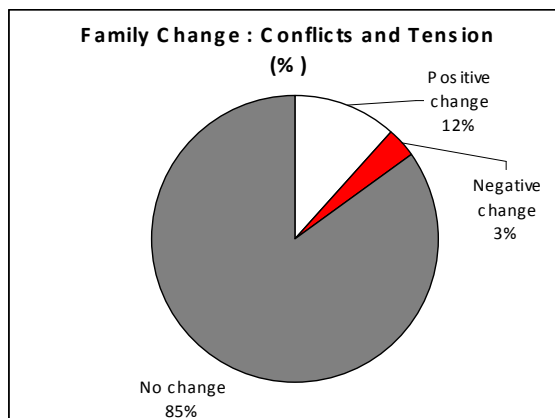


Chart 35: Family Change: conflicts and Tension (%)

### Tangible Indicators

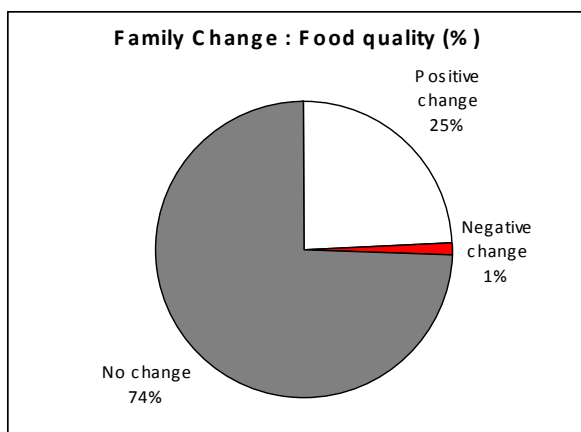


Chart 36: Family Change - Food quality (%)

25% of respondents state a positive impact in terms of food quality since their participation in the microfinance programme. 74% of clients have not noticed any change.

The probit analysis shows that the probability of Sayeda Zeynab client having a positive change in food quality is slightly higher than in other locations (See annex).

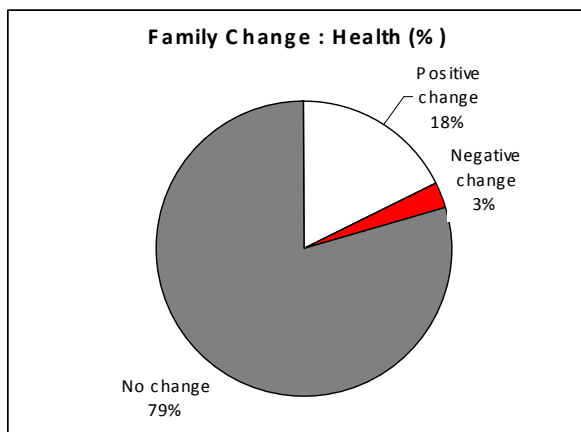


Chart 37: Family Change - Health (%)

18% of clients state a positive change in relation to health conditions. 79% have felt no change.

The probit analysis shows the importance of participation in creating positive changes for health conditions. However, the results also show that only the wealthier clients at present are likely to have a positive change in their health conditions, particularly those of Sayeda Zeynab.

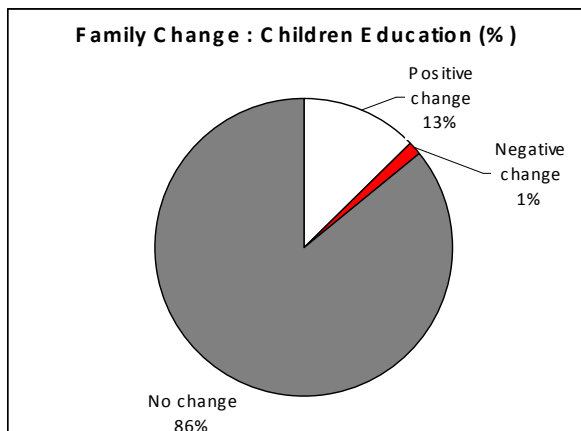


Chart 38: Family Change - Children Education (%)

The impact of the MD programme on children’s education is positive for 13% of clients. 86% of clients perceived no change.

The data regression shows that when participation in the program is long, the client is likely to have a positive change in his children’s education. But this is significant only for medium clients.

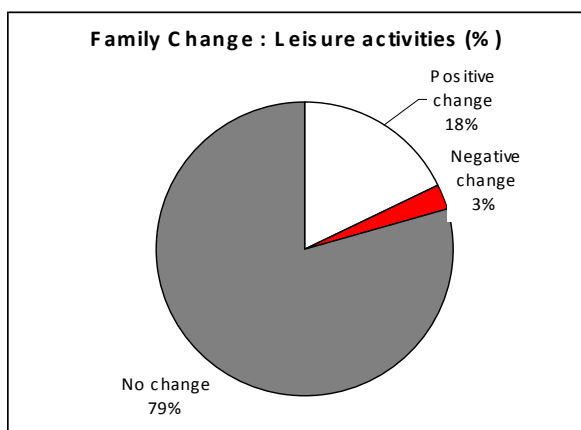


Chart 39: Family Change: Leisure activities (%)

18% of respondents consider that the impact of participating in the MD programme has been positive regarding their family’s leisure activities. 79% have noticed no change.

The probit estimation shows that the positive change has been observed significantly in the wealth group 5 (level 0.01), wealth group 4 (level 0.10) and wealth group 3 (level 0.05).

## IV.6 Empowerment

### Daily Activities and Organization

Several indicators have been selected to understand the effects of the projects financed by micro credit on the planning of microentrepreneurs at the household level.

First, clients were asked which kind of impact (positive, negative, or neutral) their participation in UNRWA MD microfinance programme had on the following indicators: organization of daily life in terms of responsibilities and tasks, household duties (the question was adapted for the time they spend at home for men), time spent with their children and entertainment/trips.

Second, time spent by the microentrepreneurs at work and at home<sup>7</sup> has also been measured. Third, how families organized themselves at the household level to adapt to the clients' professional activity.

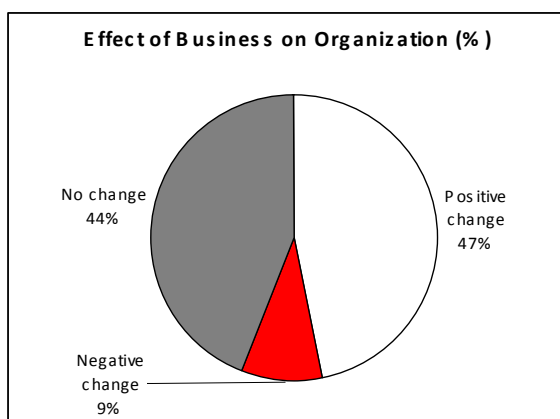


Chart 40: Effect of Business on Organization

47% of clients state that their business has positively changed their daily life in terms of responsibilities and tasks. 44% of the respondents have not noticed any change in their daily organization.

In comparing these results by gender, 58% of women versus 40% of men noticed a positive change in their daily life.

On average, 42% of clients falling into Group 1 have noticed a positive change in their daily life. This increases to 45% for clients falling into the third group and it goes up to 51% for clients falling into the wealthier group.

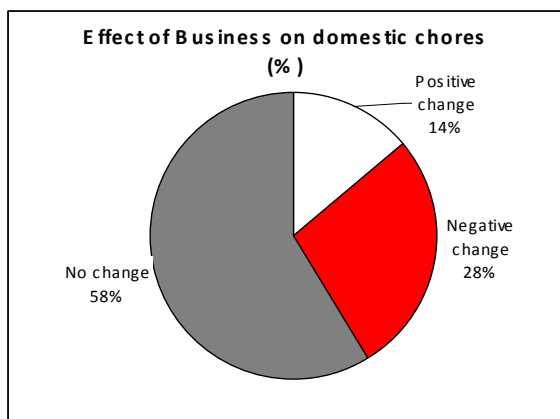


Chart 41: Effect of Business on domestic chores

Regarding domestic chores, such as cleaning, laundry, cooking, or shopping, 14% of the respondents have noticed a positive change. 58% of clients perceived no impact.

28% of the clients think that the impact on domestic chores has been negative.

23% of women clients versus 9% of men clients have noticed that their businesses have a positive effect on domestic tasks.

Not surprisingly, the sense of empowerment in this domain is stronger for women than men.

In terms of the impact of microfinance projects on time for children and leisure, 20% of respondents reported positive effects on increasing time for children, but only 12% for leisure. 65% and 79% of clients respectively have not noticed any change. 8% of respondents noticed a negative effect of their business on their leisure and 15% of respondents stated that they do not have enough time for children.

<sup>7</sup> The question about time spent at home has been asked without going in details on sharing of household tasks by gender, even if it is known that in Syria men do not normally participate in cleaning, clothes washing, and such activities.

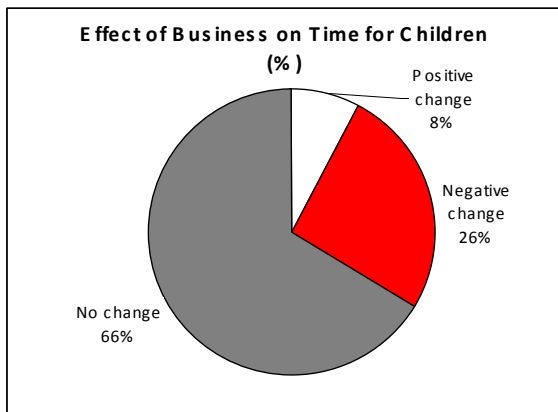


Chart 42: Effect on Business on Time for Children

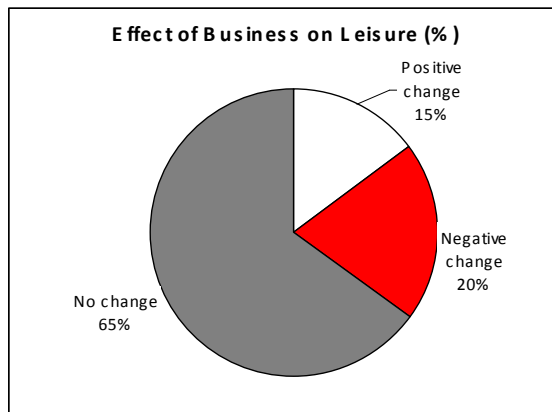


Chart 43: Effect of Business on Leisure

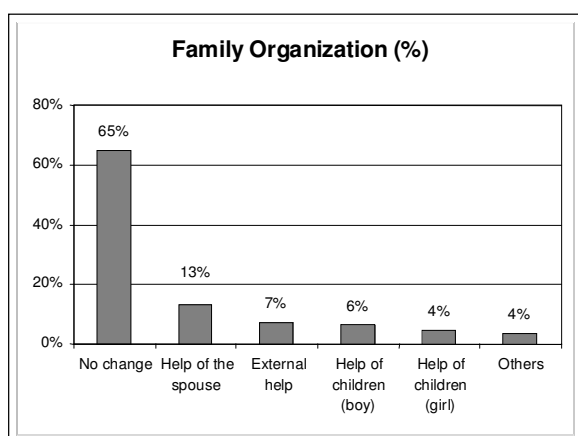


Chart 44: Family Organisation

13% of clients were able to adapt their household life to their professional activity thanks to the help of their spouses. 65% have not noticed any change.

10% of those interviewed evoked the help of children (6% from girls and 4% from boys) as the means by which their household adapts to their professional activity.

### Decision-making capacity

Respondents were asked to rank how their professional activity gave them more influence in decision-making within their couple, their family, and their community using the following scale: 1: no influence ; 2: a little bit of influence, 3: noticed influence, 4: strong influence.

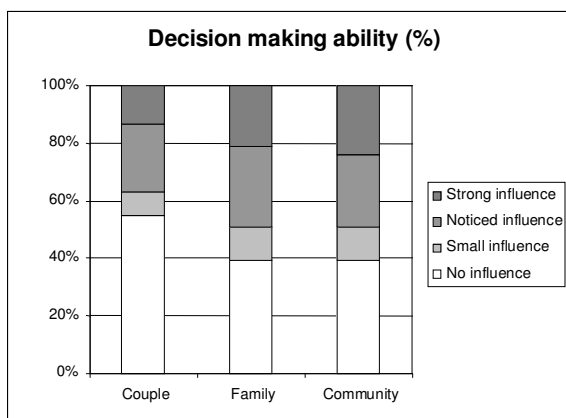


Chart 45: Decision making ability (%)

A professional activity gives a majority of clients more influence in decision-making within their couple, family and Community.

Within their couple, 58% of respondent think that their professional activity gives them more strength (10% a strong influence, 18% noticed an influence and 6% a small influence).

The trend is even stronger (65%) when considering microentrepreneurs' decision-making in their family and in their community in which they are living (20% a strong influence, 24% noticed an influence and 10% a small influence).

In addition to this 95% of clients states that the fact of participating in UNRWA MD programme and having a professional activity increases their feeling of self esteem.

### Support and Perception of Others

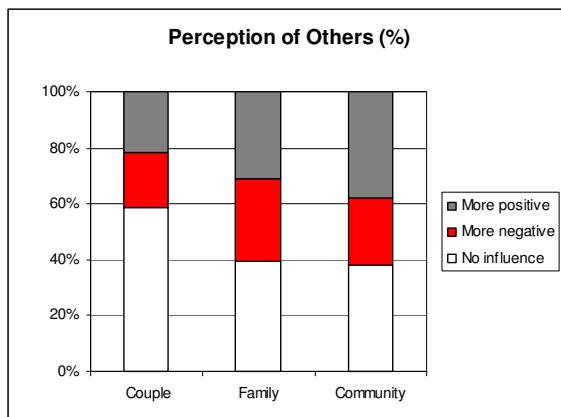


Chart 46: Perception of Others (%)

Almost all clients interviewed stated that their families supported their decision to borrow from an MFI (95%).

The reasons not to support the client are justified by answers such as: *“there is no need of additional income”*, or *“it is not the role of women to earn money but rather to work on household duties”*.

Surprisingly, 10% of clients stated that their spouse does not know about the UNRWA MD loan. A breakdown by gender doesn't reveal difference between men and women. This figure is worth noting as there is a common notion that women clients must often hide the fact that they are borrowing loans from their families and husbands.

### Asset Ownership and Wealth perception

Clients were asked to rank their perception of personal asset ownership on a scale from 0 to 9. 30% of them consider themselves as neither rich nor poor.

Chart 47 compares the clients own perception of wealth versus the previously calculated asset index (each bar represents a breakdown of the distribution between quintile of level of asset ownership (Group 1 as the poorest to Group 5 as the richest). This shows how clients that rate their personal wealth higher belong to wealth groups 4 and 5. The general trend of wealth perception reflects somewhat reality in terms of asset ownership.

Chart 48, in a similar fashion shows how old clients perceive themselves as wealthier than new or medium ones.

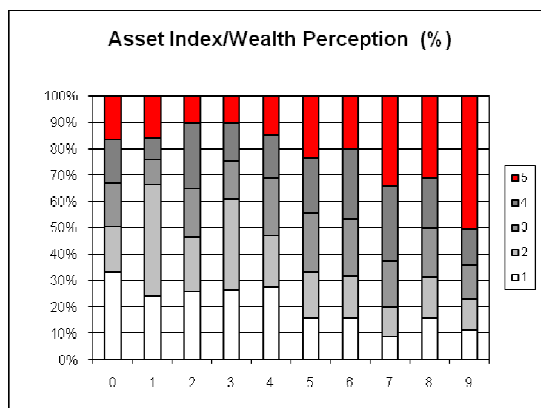


Chart 47: Wealth Perception by Asset Index group (%)

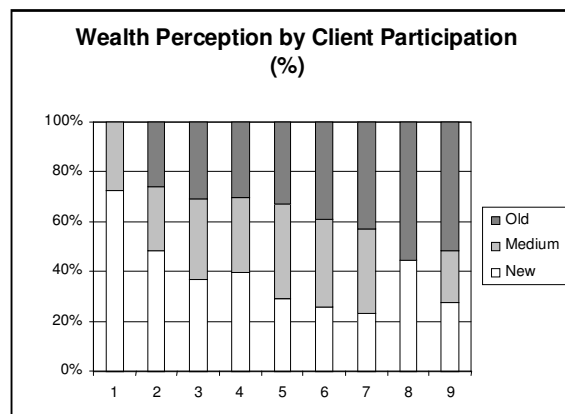


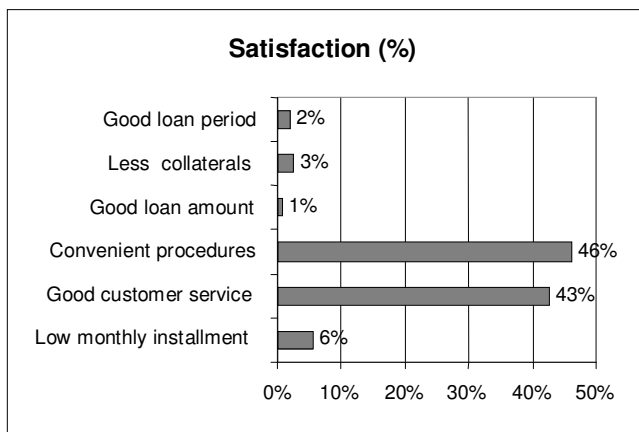
Chart 48: Wealth Perception by client Participation (%)

## IV.7 Client Satisfaction

Participants were asked to rate UNRWA MD on specific aspects related to the MFI-Client relationship and to the financial conditions and services proposed. These responses provide more insight into client satisfaction and the lack of it.

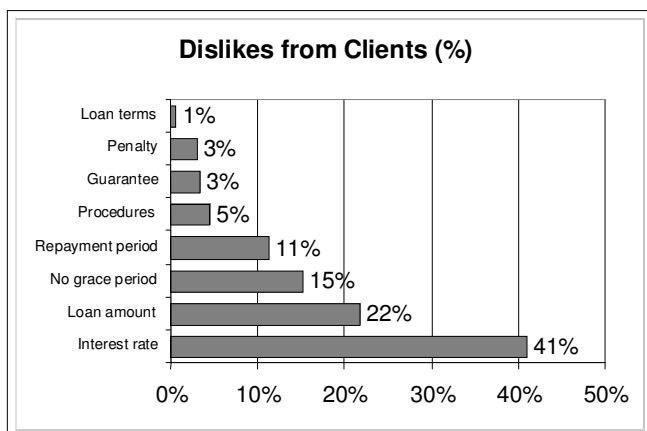
### General remarks

When asked open-ended questions about the qualities or aspects of their microfinance institution that they found positive and negative, microentrepreneurs provided the following responses.



Respondents are most satisfied with UNRWA's convenient procedures (46%) and good customer service (43%).

Chart 49: Satisfaction (%)



In terms of dislikes, 41% are mainly dissatisfied with interest rate and 22% with loan amount. 15% would prefer to have a grace period, and 11% dislike the repayment tenor.

Chart 50: Dislikes from clients (%)

Following this exercise, participants were asked to rate individually each aspect of their relationship with UNRWA MD and its products.

### Relationship between UNRWA and its Clients

Respondents were asked to rank their relationship with their MFI using the following scale:

1: Excellent; 2: Good; 3: Average; 4: Bad; 5 Very Bad. An average score has been calculated accordingly.

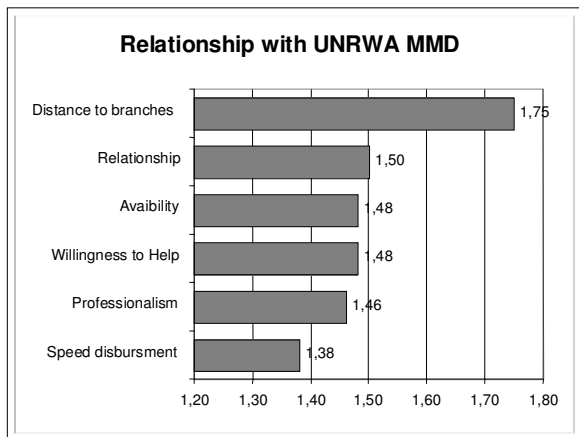


Chart 51 : Relationship with UNRWA MMD

On average, respondents rate their relationship with the UNRWA MD very highly. Between excellent and good on all accounts.

Best scores apply to speed of the disbursement followed by the professionalism of the institution, availability of the organisation when clients need to contact staff, willingness to offer better services to clients and understand their problems, an excellent relationship between credit officer and client and finally the distance between their house and the institution office.

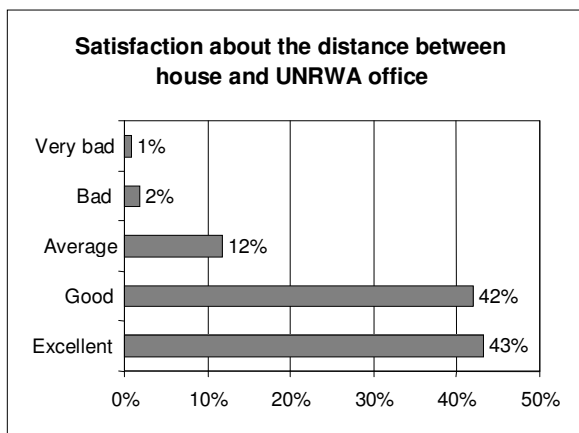


Chart 52: Satisfaction about the distance between house and UNRWA office

85% of respondents rate the distance to their UNRWA as either excellent or good

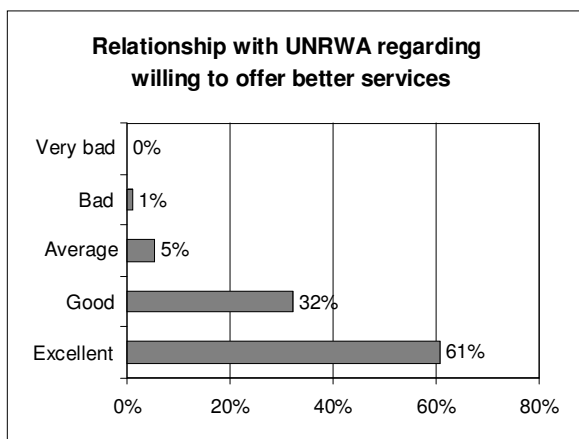


Chart 53: Relationship with UNRWA regarding willing to offer better services

93% of respondents rate consider UNRWA as either excellent or good in its ability to understand their problems and provide them with better services

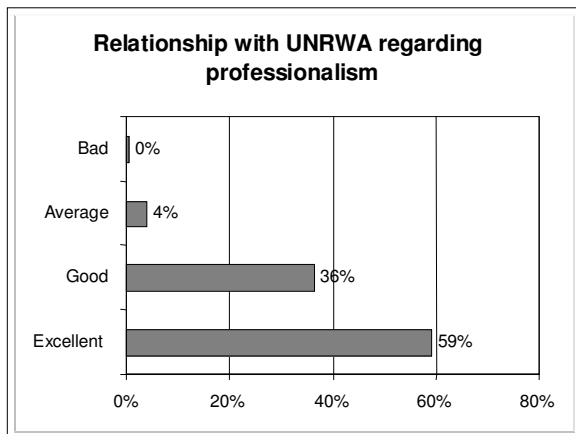


Chart 54: Relationship with UNRWA regarding professionalism

95% of respondents rate UNRWA as either excellent or good for its professionalism

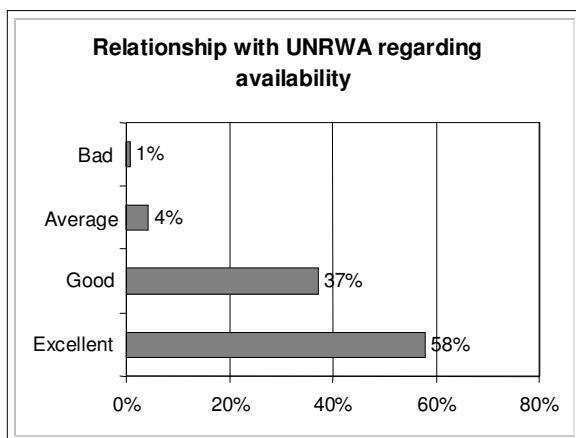


Chart 55: Relationship with UNRWA regarding availability

95% of respondents rate UNRWA as either excellent or good regarding the availability of its staff.

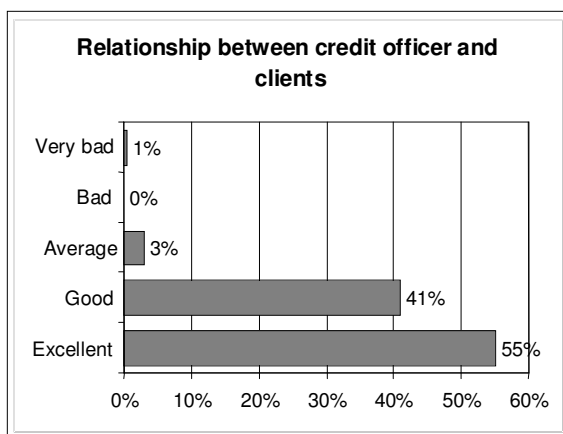


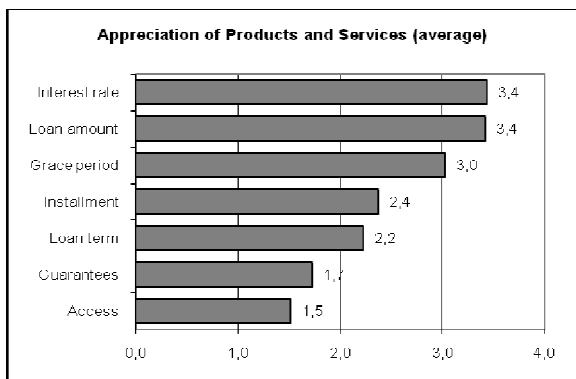
Chart 56: Relationship between credit officer and clients

96% of respondents rate the relationship with their credit officer as either excellent or good.

## Appreciation of MFI Products and Services

Respondents were also asked to rank their appreciation of UNRWA MD products using the following scale: 1: Excellent; 2: Good; 3: Average; 4: Bad; 5 Very Bad. The average score was calculated accordingly.

Chart 57 shows how financial conditions and services proposed are rated generally as lower than the MFI-Client relationship. On average, respondents rate their appreciation of products and services of their Institution as either good or excellent on nearly most accounts except interest rate, loan amount and to a lesser extent grace period. Charts 58 to 64 show individually the appreciation of each loan product attribute.

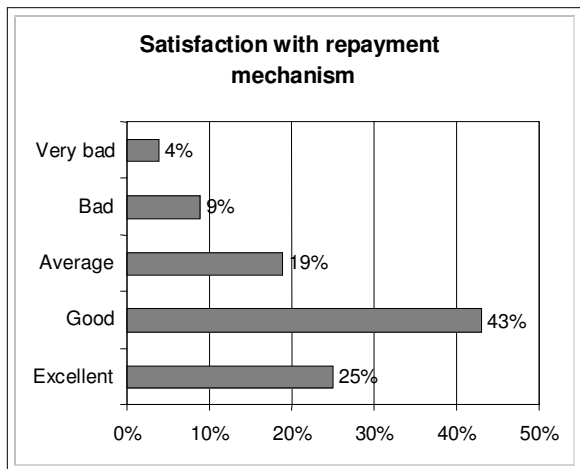


The most appreciated attributes are access conditions and guarantee demanded both rated as excellent.

Loan term and instalment frequency are rated, as good.

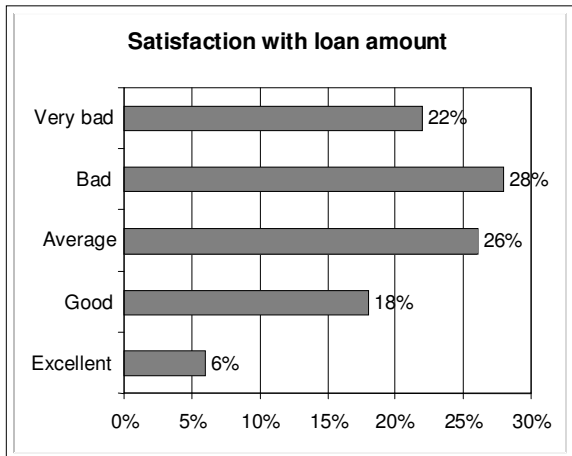
Interest rate, loan amount and grace period all fall within the same range of appreciation, around average.

Chart 57: Appreciation of Products & Services



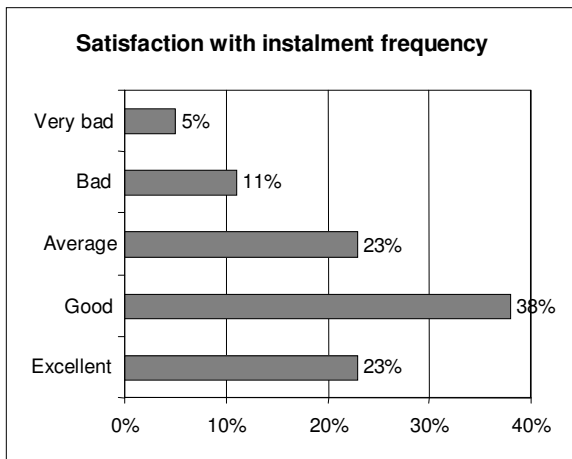
68% of respondents rate UNRWA as either excellent or good regarding in terms of repayment mechanism

Chart 58: Satisfaction with repayment mechanism



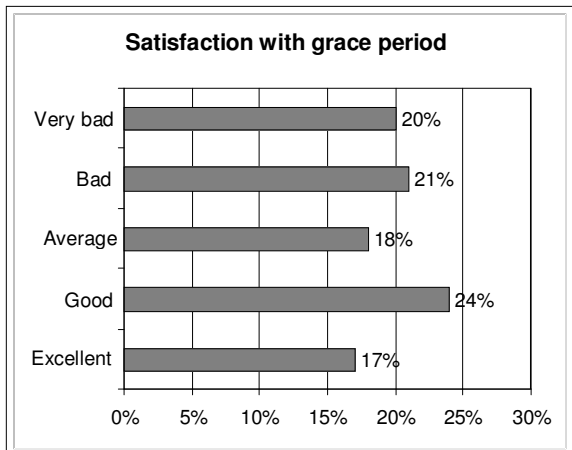
50% of respondents rate UNRWA MD as very bad or bad in relation to the loan amount granted.

Chart 59: Satisfaction with loan amount



61% of respondents rate UNRWA as either excellent or good regarding instalment frequency.

Chart 60: Satisfaction with instalment frequency



41% of respondents rate UNRWA MD as either very bad, or bad or average, showing their dissatisfaction with the loan grace period.

Chart 61: Satisfaction with grace period

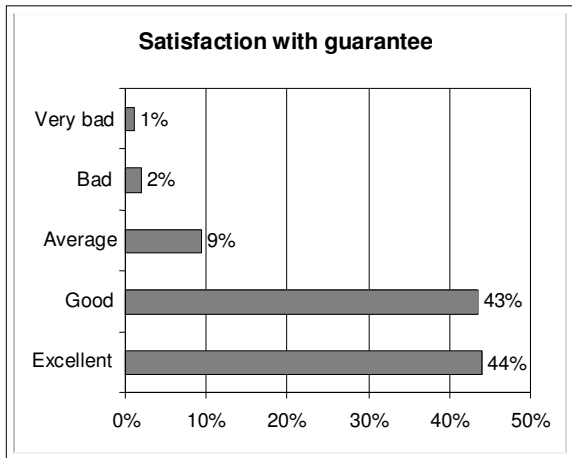


Chart 62: Satisfaction with guarantee

87% of respondents rate UNRWA MD as either excellent or good, in terms of guarantees requested.

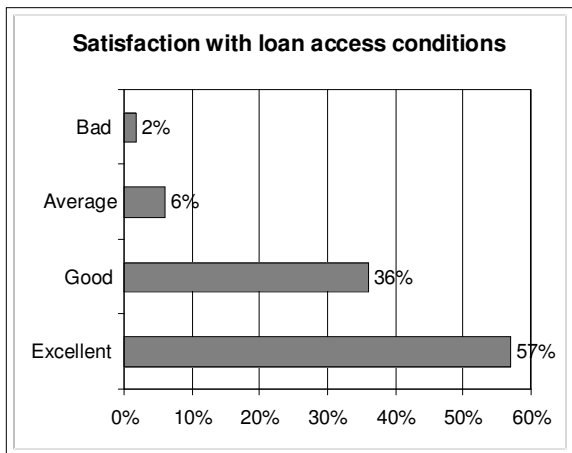


Chart 63: Satisfaction with loan access conditions

93% of respondents rate UNRWA as either excellent or good, showing their satisfaction with loan access conditions.

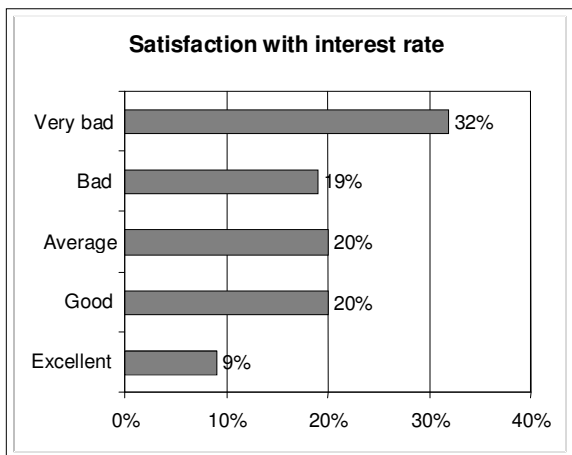


Chart 64: Satisfaction with interest rate

51% of respondents rate UNRWA as very bad, bad or average, showing their dissatisfaction with the interest rate requested.

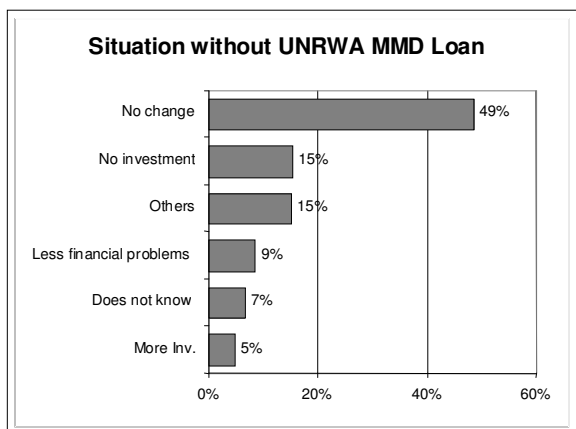


Chart 65: Situation without UNRWA MMD Loan

49% of the borrowers think that nothing would have changed in their business if they had not received a loan from UNRWA MD and 9% state that their economic situation would be better had they not taken a loan and 5% that they would invest more.

15% of respondents think that they would not have invested in their business and 8% estimate that their businesses would have stopped without the MFIs' services.

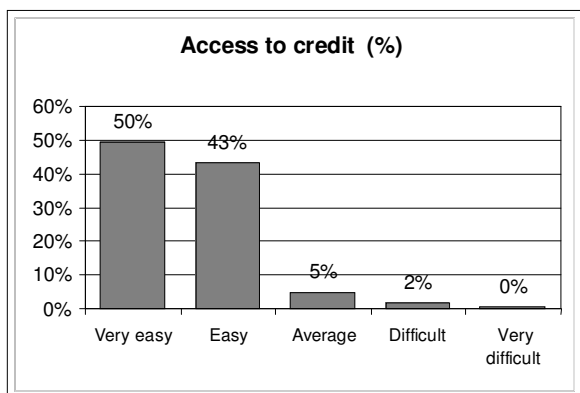


Chart 66: Access to credit

93% of clients find it easy or very easy to become a client of UNRWA MD.

Most microentrepreneurs during focus groups expressed that the steps needed to take to get a loan, were quite easy although they have an objection regarding the loan size granted was too small to expand a project.

## IV.8 Drop-Out Clients

Former clients of UNRWA MD were interviewed to understand their reasons for leaving the microfinance programme. This section describes these reasons in detail.

In order to explain the reasons for leaving the microfinance programme, former UNRWA MD clients were given several possibilities to choose from. Those broad categories were MFI product and services, personal reasons, business reasons, socioeconomic environment reasons, group reasons.

### General Overview

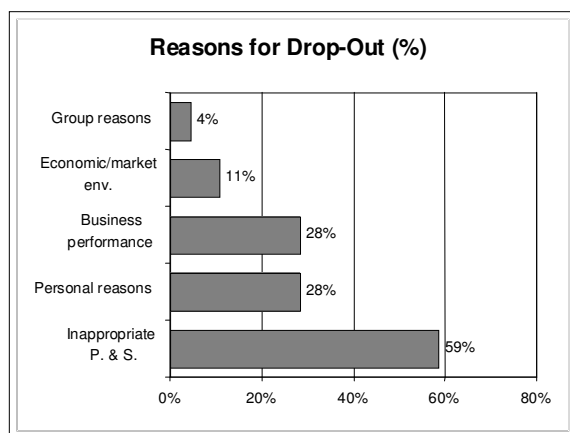


Chart 67: Reasons for Drop-Out (%)

59% of clients claim to have left the microfinance programme due to the fact that UNRWA MD products were inappropriate to their business needs.

The remaining former clients quoted personal reasons (28%), business reasons (28%), the economic or market environment (11%), and problems with their solidarity groups (4%) as their motivation to leave UNRWA MD.

### Products and services

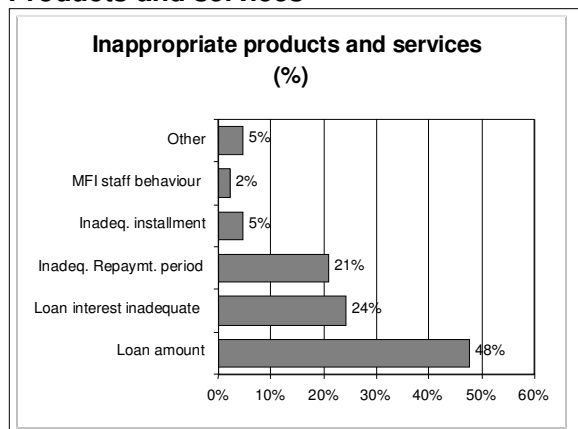
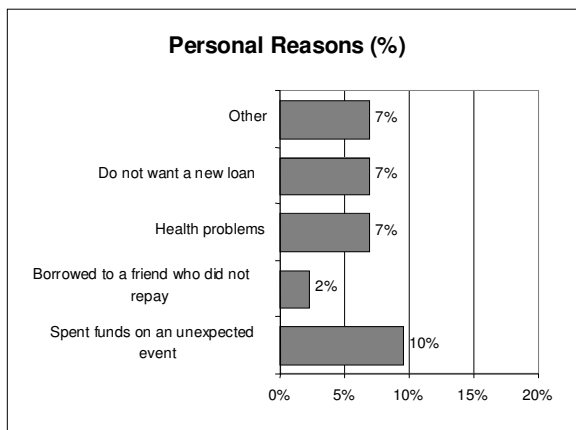


Chart 68: Inappropriate Products and Services (%)

Concerning the 59% of drop-outs who stated that they left their MFI because of the products and services offered. The majority of drop-outs found that the amount of their loans was not adapted to their needs (too low).

24% of the respondent stated that the loan interest rate is inadequate while 21% think that repayment period should be more adequate to their needs (longer).

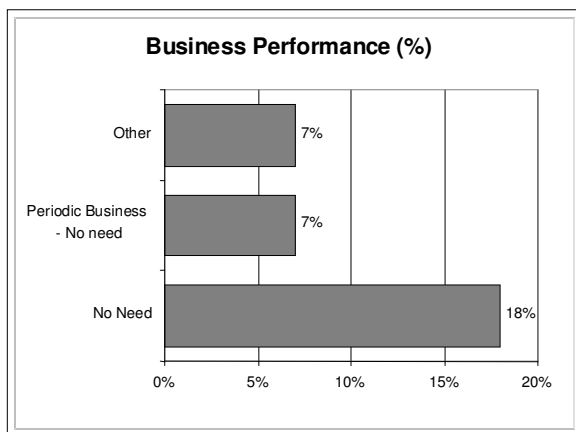
### Personal Reasons



Regarding “personal reasons” for drop out, about 10% of the respondents spent their loans for unexpected events while others encountered health problems or did not want a new loan.

Chart 69: Personal Reasons (%)

### Business performance reasons

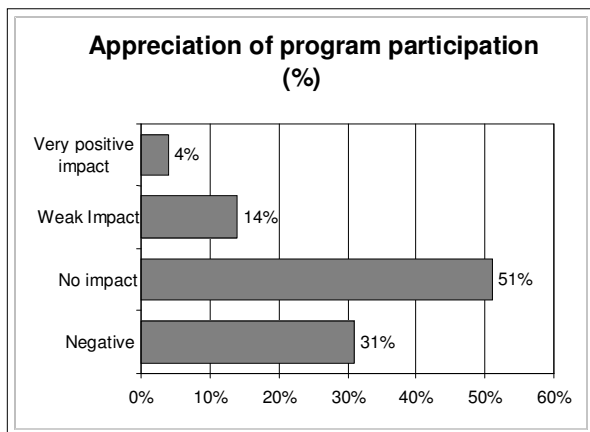


18% of the drop-outs indicated that they can afford financing their business and do not need credit.

For 7% of the drop outs, their business is periodic therefore they do not need UNRWA services all the time.

Chart 70: Business Performance (%)

### Appreciation of the Impact of participation in UNRWA MD Microfinance Program



Only 4% of the former clients of UNRWA found their participation in the programme as very positive.

51% of drop-outs stated that their participation in the microfinance programme had no impact, while 31% found a negative impact.

For 14% of the respondents, their participation in the programme had weak impact.

Chart 71: Appreciation of program participation (%)

## V Market Research

This section provides a general overview of the profile of potential clients surveyed and highlights some of their socioeconomic characteristics. The first part provides general information on these clients (age, formal education, marital status). The second part provides information on their economic activities.

### V.I General Information

#### Demographic characteristics

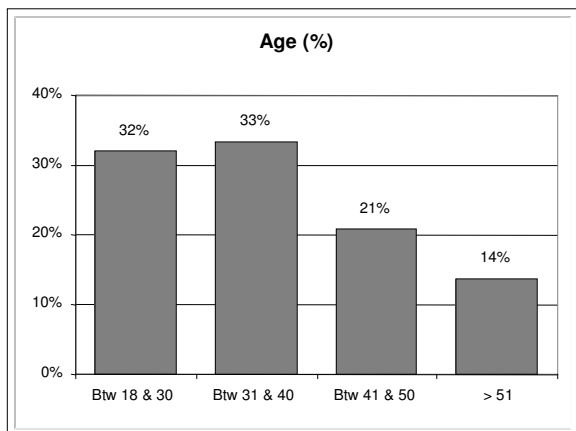


Chart 72: Age (%)

The age of potential clients range between 31 to 40 years with an average of 38 (median, 36 years old)

Most of the interviewees are men (82%) and 75% of them are married.

31% of respondents have less than secondary schooling; 29% of respondents have less than preparatory schooling, 20% have secondary education; 18% have completed higher education; and 2.5% received no formal schooling.

The education level of potential clients varies per gender. From secondary school onwards, there are more men than women in the sample. Inversely there are more women up to secondary school.

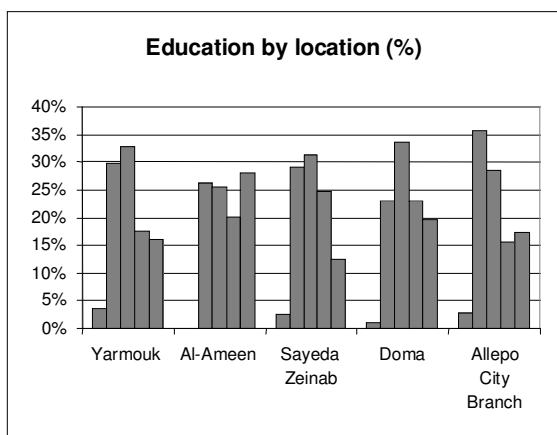


Chart 73: Education level (%)

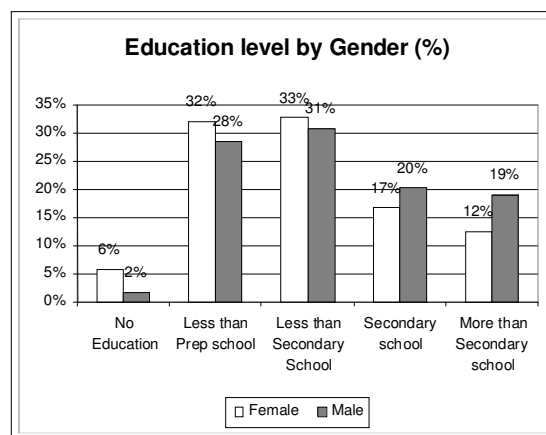


Chart 74: Education level by gender (%)

## Economic Activity

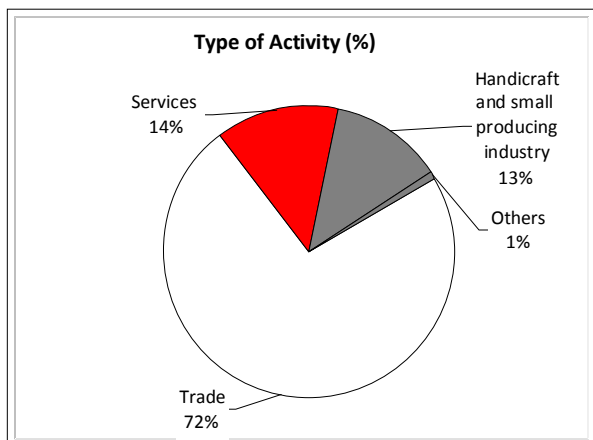


Chart 75: Type of Activity (%)

73% of potential clients work in trade, an additional 14% works in services and 13% in handicraft and small industry.

14% of potential clients declare having a second economic activity subdivided as follows:

- Another owned business, 36%
- Employed by private sector, 30%
- Government employment, 24%
- Seasonal activity, 4%
- Family activities, 1%
- Others, 5%

The trade category includes both wholesale and retail, as well as enterprises that combine wholesale and retail such as grocery, vegetables/fruits, or stationary. Enterprises from the services category covered activities like plumber, car maintenance, electrical appliances and mobile repairs. And the handicraft and small producing industry included enterprises such as a metal welding shop, tailoring, leather or woodwork.

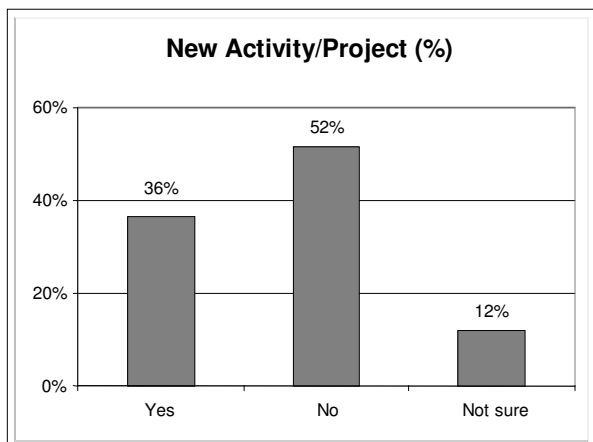


Chart 76: New Activity/project (%)

More than 50% of potential clients do not want to start new activity and around 12% are not sure.

36% of potential clients showed a willingness to start a new activity.

Comparing clients and potential clients, 35% of present clients (versus 36% of potential clients) are willing to start new activities.

## Turnover

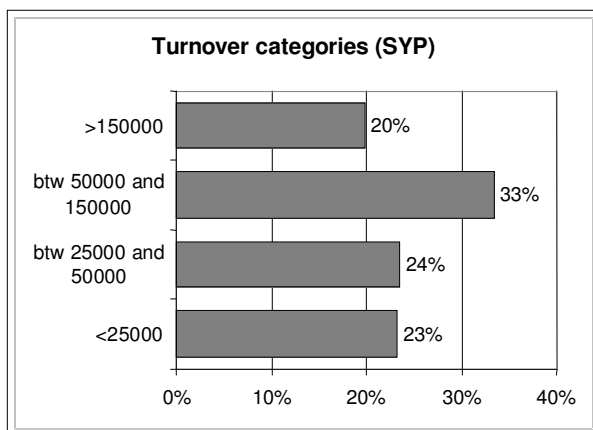


Chart 77: Turnover categories (SYP)

The declared turnover of potential clients ranges from 1,500 SYP to 5,000,000 SYP monthly.

Over 50% of the respondents have more than 50,000 SYP as monthly turnover. 24% is between 25,000 and 50,000 SYP and 23% under 25,000 SYP monthly.

The following charts show that more than 50% of the respondents from Al-Ameen, Sayeda Zeynab, Doma and Aleppo have a minimum monthly turnover of 50,000 SYP. Yarmouk is characterised by 57% of respondents having less than 25,000 SYP of turnover per month.

When one compares the turnover of existing UNRWA MD clients with that of potential clients, it is clear that there is higher number of potential clients in the turnover category of above 25,000 SYP per month. 34% of UNRWA MD clients versus only 11% of potential clients have less than 25,000 SYP of monthly turnover.

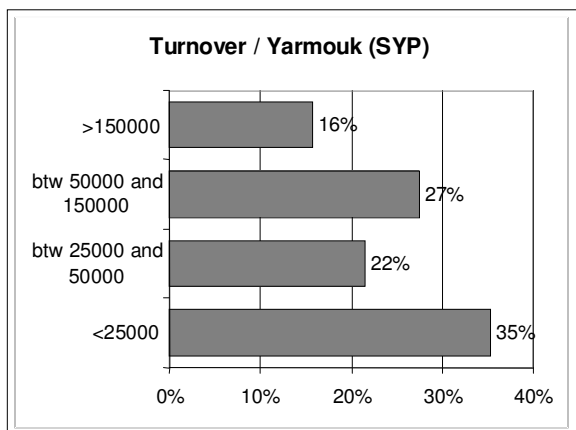


Chart 78: Turnover/ Yarmouk (SYP)

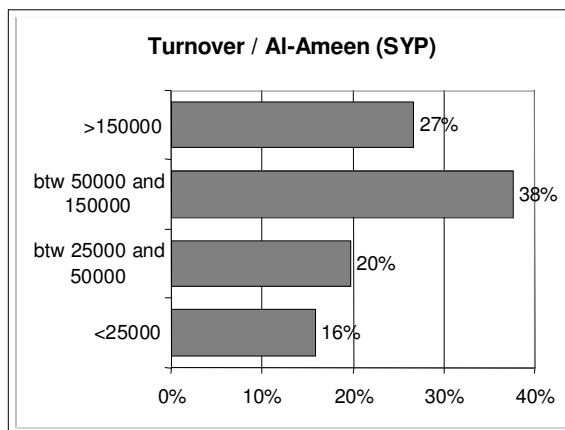


Chart 79: Turnover/ Al Ameen (SYP)

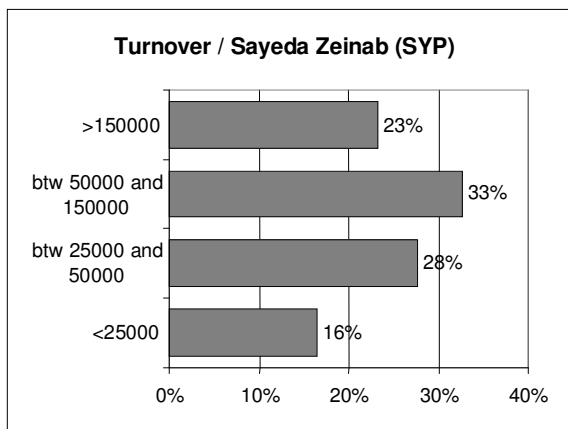


Chart 80: Turnover/ Sayeda Zeinab (SYP)

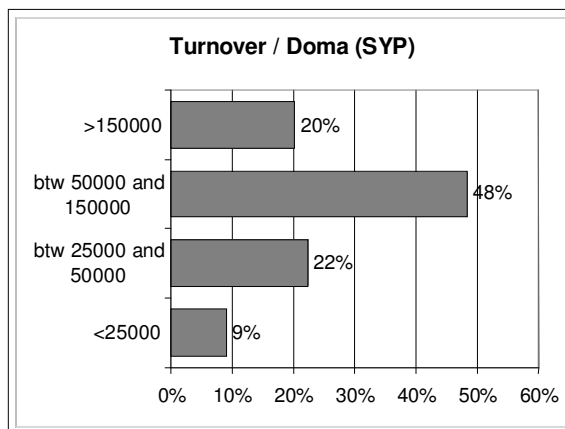


Chart 81: Turnover Doma (SYP)

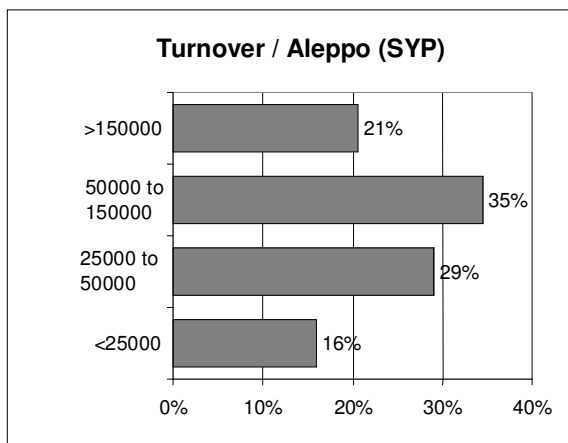


Chart 82: Turnover Aleppo (SYP)

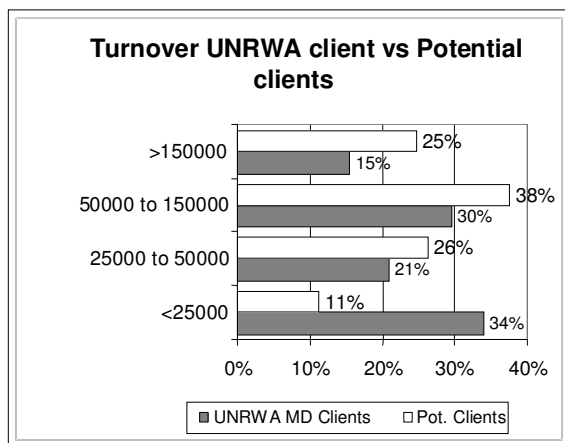


Chart 83: Turnover UNRWA Clients Vs Potential Clients (SYP)

## V.2 Loan needs

65% of potential clients surveyed declared needing a loan, while nearly 100% of UNRWA clients wanted one. These proportions vary slightly from one area to another (see table below).

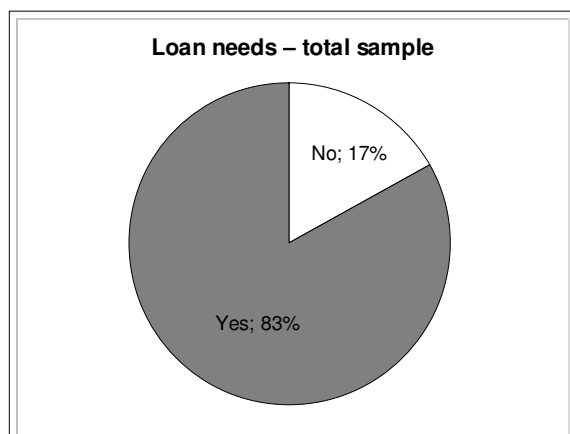


Chart 84: Loan Needs – total sample (%)

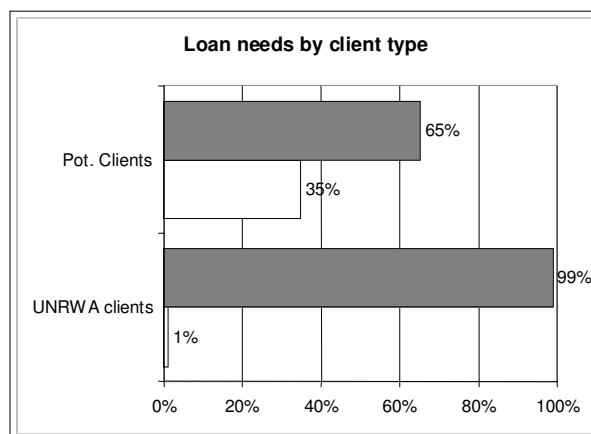


Chart 85: Loan need by client type (%)

**Table: Loan needs by area and category of respondents.**

Loan needs/Areas/respondents		Yarmouk	Al-Ameen	Sayeda Zeynab	Doma	Aleppo	
UNRWA clients	Do you need loan?	No	1%	0%	3%	n/a	n/a
		Yes	99%	100%	97%	n/a	n/a
	Total respondents		243	61	75	n/a	n/a
Potential clients	Do you need loan?	No	27%	20%	37%	52%	29%
		Yes	73%	80%	63%	48%	71%
	Total respondents		60	40	41	92	109

In the last 3 years, UNRWA MD clients have invested on average 185,716 SYP on inventories (median 35,000 SYP), 54,015 SYP on Machinery or equipment (median 8,000 SYP), 48,005 SYP on Premises acquisition or renovation (median, 13,500 SYP).

Among UNRWA MD clients who have invested on inventories, 65% would like to invest more. 79% of those who invested on machinery and 84% of those who invested in premises acquisition or renovation would want to invest more.

Concerning past investments of potential clients, they have invested on average 176,926 SYP on inventories (median 50,000 SYP), 141,258 SYP on premises acquisition or renovation (median 60,000 SYP). Only one potential client has invested 20,000 SYP in equipment.

55% of potential clients who invested on inventories and 93% of potential clients who invested in premises acquisition or renovation would like to invest more.

### Credit needs: turnover and credit history

Loan demand is almost similar in each category of respondents. Between 60 and 70% of the potential clients are interested in borrowing. While nearly 100% of UNRWA MD existing clients, regardless of their business size, demand loans.

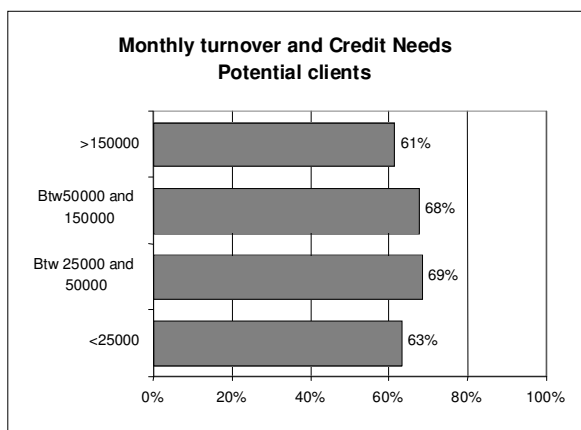


Chart 86: Monthly turnover and Credit Needs - Potential clients (SYP)

However, only 13% of UNRWA clients (against 20% of potential clients) who need loans have already applied for loan in a different bank or MFI. 60% of those UNRWA MD clients (51% of potential clients) who applied were actually financed.

**Table: Past loan applications**

Past loan application as function of loan needs		UNRWA clients	Potential clients
Application of loans done	Yes	13%	20%
	No	87%	80%
Loan accepted	Yes	60%	51%
	No	40%	49%

## V.3 Loan characteristics

### Analysis of the reimbursement capacity of current UNRWA clients

On average UNRWA clients would like to borrow 241.336 SYP (median 100.000 SYP) and repay on average 285.215 SYP at the end of the loan period (median 125.000 SYP). To calculate the interest rate borrowers will accept we need to determine the repayment period wanted for such loans.

From the below table<sup>8</sup>, we can observe that:

- 9% of UNRWA MD clients would like to borrow on average 60,588 SYP. They would reimburse in total 69,853 SYP during a period of less than a year. This leads to an interest rate of 15% for less than a year. These clients realize an average yearly turnover of 199.588 SYP.
- 27% of UNRWA MD clients would be interested in borrowing on average 115.392 SYP. The average amount that will be reimbursed after a year will be 130.681 SYP. That makes an annual interest rate of 13%. The average yearly turnover of these clients is 242.679 SYP.
- For 1-2 years time, 29% of UNRWA MD clients would like to borrow on average 178.236 SYP and reimburse in total 203.403 SYP. The corresponding interest rate is then 14%. The average turnover of those clients is 422.862 SYP.
- 19% of UNRWA MD clients would borrow 328.873 SYP and reimburse during 2-3years in total 385.493 SYP. Their average turnover is 387.943 SYP.
- 6% of UNRWA MD clients, realizing a turnover of 341.739 SYP, will be interested in borrowing for 3-4 years 328.696 SYP on average and to reimburse 381.870 SYP.
- 9% of UNRWA MD clients declared that they want for more than 4 years terms, an average loan of 747.286 SYP for which they will reimburse in total 934.971 SYP. The corresponding turnover is 405.818 SYP.

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<sup>8</sup> In order to analyze the below table the reader should keep in mind the following nomenclature:

- N = Number of answers
- Mean = Average value
- Median = Middle value within the answers
- Minimum = Lowest answer
- Maximum = Highest answer

<b>UNRWA Clients</b>				
<b>For the amount demanded, in how long would you like to repay it?</b>	<b>Data labels</b>	<b>Which amount would you like to borrow</b>	<b>Which amount would you like to reimburse?</b>	<b>Sales per year</b>
<b>Less than one year</b>	Mean	60.588	69.853	199.588
	N	34	34	34
	Median	50.000	55.000	120.000
	Minimum	15.000	20.000	12.000
	Maximum	300.000	330.000	840.000
	% of Total N	9%	9%	9%
<b>One year</b>	Mean	115.392	130.681	242.679
	N	102	102	101
	Median	100.000	107.000	180.000
	Minimum	15.000	17.000	12.000
	Maximum	1.000.000	1.200.000	2.040.000
	% of Total N	27%	27%	28%
<b>1-2 years</b>	Mean value	178.236	203.403	422.862
	N	110	110	104
	Median	100.000	130.000	240.000
	Minimum	5.000	5.300	18.000
	Maximum	1.000.000	1.200.000	9.000.000
	% of Total N	29%	29%	28%
<b>2-3 years</b>	Mean	328.873	385.493	387.943
	N	71	71	70
	Median	200.000	250.000	240.000
	Minimum	25.000	26.000	36.000
	Maximum	3.000.000	3.900.000	2.160.000
	% of Total N	19%	19%	19%
<b>3-4 years</b>	Mean	328.696	381.870	341.739
	N	23	23	23
	Median	300.000	350.000	360.000
	Minimum	50.000	53.000	18.000
	Maximum	1.000.000	1.100.000	1.560.000
	% of Total N	6%	6%	6%
<b>More than four years</b>	Mean	747.286	934.971	405.818
	N	35	35	33
	Median	500.000	540.000	300.000
	Minimum	50.000	56.000	36.000
	Maximum	5.000.000	7.500.000	1.800.000
	% of Total N	9%	9%	9%
<b>Total</b>	Mean	241.336	285.215	338.855
	N	375	375	365
	Median	100.000	125.000	240.000
	Minimum	5.000	5.300	12.000
	Maximum	5.000.000	7.500.000	9.000.000
	% of Total N	100%	100%	100%

### **Analysis of the reimbursement capacity of potential clients**

The average amount potential clients would like to borrow is 542.175 SYP (median 300.000 SYP). They would want to reimburse on average 605.443 SYP (median 350,000 SYP). The loan duration requested differs from one to another.

As stated in the table below:

- Almost every potential client wants a loan for at least one year.
- 9% of the potential clients would be interested in borrowing for a year on average 241.579 SYP and to reimburse 268.789 SYP. That makes an annual interest rate of 11%. Their corresponding turnover being 457.579 SYP.
- 13% of potential client would be interested in a loan for 1-2 years. They want to borrow on average 242.500 SYP and reimburse 270.700 SYP. The interest rate that will be paid is about 12%. The average yearly turnover of these potential clients is estimated at 477.290 SYP.
- The majority of potential clients (36%) are interested in loan with a 2-3 year repayment period. The average loan amount would be 398.000 SYP. The corresponding amount to be reimbursed would be 454.004 SYP. Their average turnover is 751.714 SYP.
- 18% of potential clients would borrow 582.500 SYP for 3-4 years and reimburse a total amount of 670.750 SYP. An interesting figure related to these respondents is their turnover which is estimated at 408.279 SYP.
- 24% of potential clients declared that they want to borrow on average 1.013.208 SYP for more than 4 years terms. They will reimburse in total 1.112.000 SYP. The related turnover is around 323.357 SYP.

<b>Potential clients</b>				
<b>For the amount demanded, in how long would you like to repay it?</b>	<b>Data label</b>	<b>Which amount would you like to borrow</b>	<b>Which amount would you like to reimburse?</b>	<b>Sales per year</b>
<b>Less than one year</b>	Mean	200.000	206.000	300.000
	N	1	1	1
	Median	200.000	206.000	300.000
	Minimum	200.000	206.000	300.000
	Maximum	200.000	206.000	300.000
	% of Total N	0%	0%	0%
<b>One year</b>	Mean	241.579	268.789	457.579
	N	19	19	19
	Median	200.000	200.000	300.000
	Minimum	40.000	45.000	60.000
	Maximum	1.000.000	1.200.000	2.100.000
	% of Total N	9%	9%	8%
<b>1-2 years</b>	Mean	242.500	270.700	477.290
	N	30	30	31
	Median	200.000	220.000	216.000
	Minimum	50.000	51.000	48.000
	Maximum	1.000.000	1.100.000	6.000.000
	% of Total N	13%	14%	14%
<b>2-3 years</b>	Mean	398.000	454.004	751.714
	N	80	80	77
	Median	300.000	350.000	300.000
	Minimum	15.000	15.300	36.000
	Maximum	3.000.000	3.300.000	24.000.000
	% of Total N	36%	36%	34%
<b>3-4 years</b>	Mean	582.500	670.750	408.279
	N	40	40	43
	Median	350.000	420.000	240.000
	Minimum	100.000	110.000	60.000
	Maximum	2.500.000	2.600.000	3.600.000
	% of Total N	18%	18%	19%
<b>More than four years</b>	Mean	1.013.208	1.112.000	323.357
	N	53	52	56
	Median	700.000	785.000	222.000
	Minimum	100.000	120.000	54.000
	Maximum	5.000.000	5.500.000	2.400.000
	% of Total N	24%	23%	25%
<b>Total</b>	Mean	542.175	605.443	516.899
	N	223	222	227
	Median	300.000	350.000	240.000
	Minimum	15.000	15.300	36.000
	Maximum	5.000.000	5.500.000	24.000.000
	% of Total N	100%	100%	100%

## Reimbursement capacity

Through the comparison between profits and amount of loan requested, one can noticed that the respondents are realistic. They all make a yearly profit that is high enough to reimburse the amount of loan they are applying for.

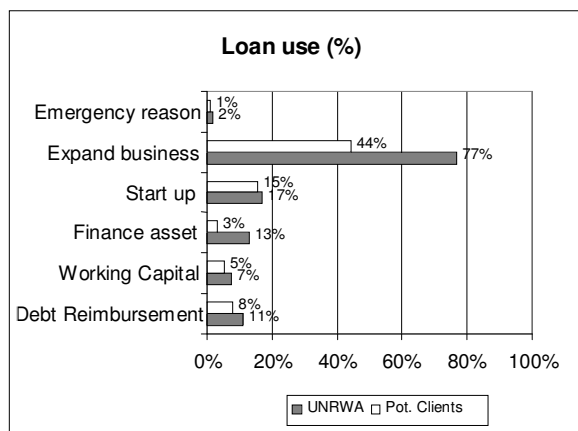


Chart 87: Loan use (%)

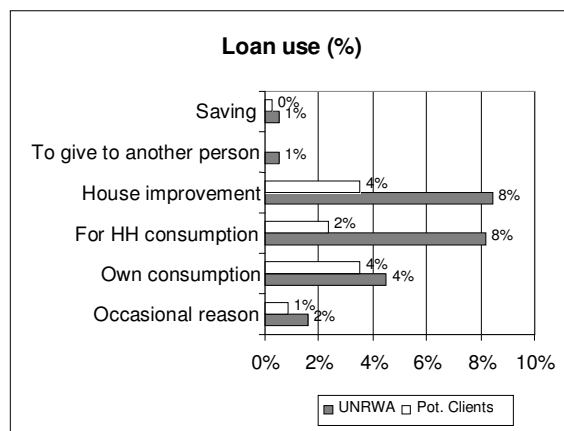


Chart 88: Loan use (%)

Moreover, as shown in chart 87, the majority of the respondents will use their loan for productive activities. The most part (77% of UNRWA clients and 44% of potential clients) will use their loans to expand their business, start up a new activity. (17% and 15% respectively), finance assets, reimburse debt or use it as working capital.

**Table: Comparison of profit and amount to borrow**

For the amount demanded, in which period would you like to repay it?	Data label	Potential clients		UNRWA clients	
		Amount to borrow	Annual profit	Amount to borrow	Annual profit
Less than one year	Mean	200.000	300.000	60.588	199.588
	Median	200.000	300.000	50.000	120.000
	% of Total N	0%	0%	9%	9%
One year	Mean	241.579	457.579	115.392	242.679
	Median	200.000	300.000	100.000	180.000
	% of Total N	9%	8%	27%	28%
1-2 years	Mean	242.500	477.290	178.236	422.862
	Median	200.000	216.000	100.000	240.000
	% of Total N	13%	14%	29%	28%
2-3 years	Mean	398.000	751.714	328.873	387.943
	Median	300.000	300.000	200.000	240.000
	% of Total N	36%	34%	19%	19%
3-4 years	Mean	582.500	408.279	328.696	341.739
	Median	350.000	240.000	300.000	360.000
	% of Total N	18%	19%	6%	6%
More than four years	Mean	1.013.208	323.357	747.286	405.818
	Median	700.000	222.000	500.000	300.000
	% of Total N	24%	25%	9%	9%
Total	Mean	542.175	516.899	241.336	338.855
	Median	300.000	240.000	100.000	240.000

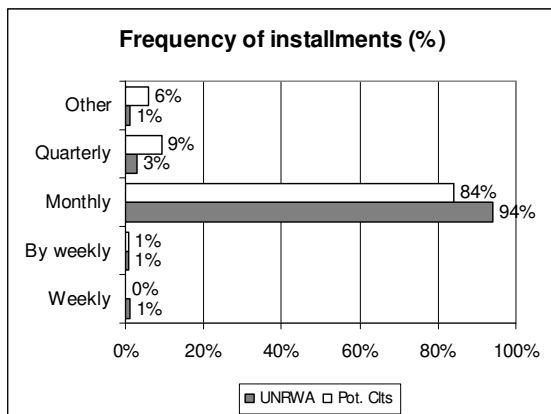


Chart 89: Frequency of Instalment (%)

The majority of UNRWA clients and potential clients, prefer monthly instalments.

Regarding collaterals, 34% of UNRWA clients (30% of potential clients) can provide personal properties as collateral. 34% of UNRWA clients and 24% of potential clients do not want to provide any collateral. Other options include real state and one or several guarantors.

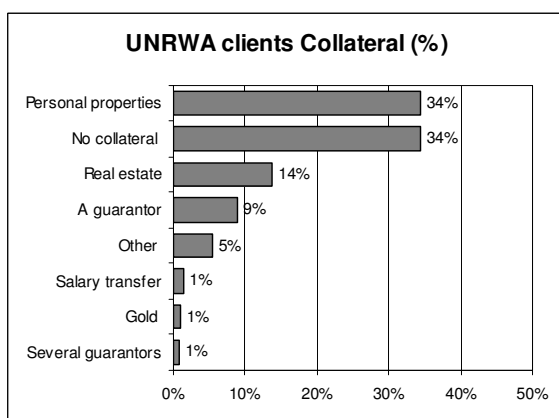


Chart 90: UNRWA clients Collateral (%)

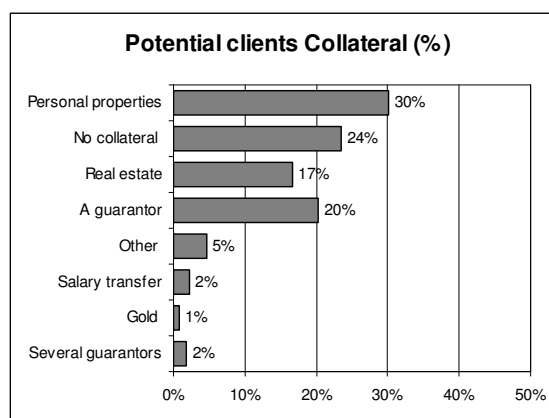


Chart 91: Potential clients Collateral (%)

## V.4 Savings

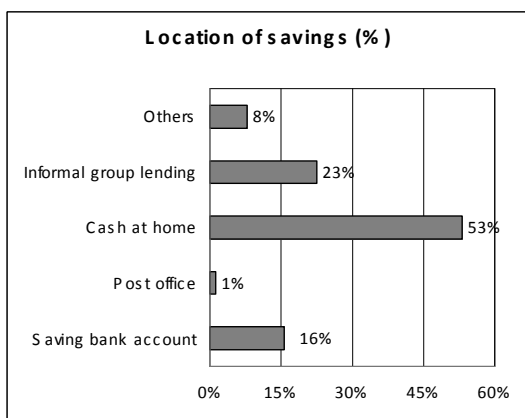


Chart 92: Location of Savings

36% of those surveyed stated that they save money every month. The majority of borrowers usually state that they do not save because of the weakness of their income; sometimes they even have to borrow to pay back the debt on time.

Approximately half (53%) of these savings are kept at home. The rest is divided between Informal group lending - ROSCA (23%) and savings bank account (16%).

Looking at the breakdown between place of savings and level of asset ownership, it is possible to observe a correlation between level of asset ownership and use of informal versus formal savings systems.

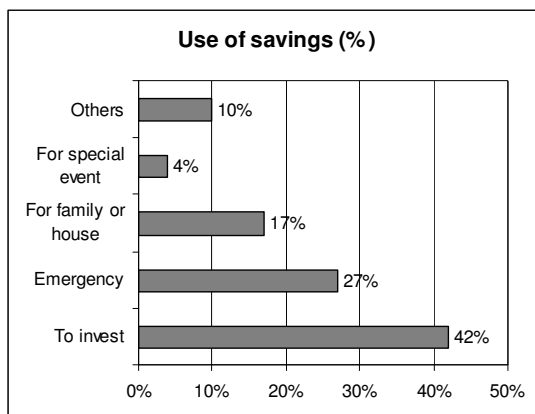


Chart 93: Use of Savings

63% of potential clients would be interested in savings accounts.

42% of those who save use their savings to invest in the business and 27% keep savings in order to be prepared in cases of emergency. 17% of savers dedicate their savings towards family expenses or home improvement.

4% of respondents state that their savings were used for special events. This is somewhat surprising, as the financing of special events such as weddings or funerals, tends to be quite expensive and represents a large portion of a family's annual budget.

## V.5 Other Financial services

### Insurance Products and Specialized Loans

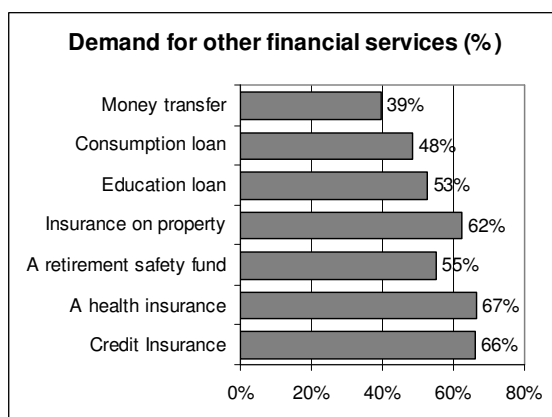


Chart 94: Demand for other financial services (%)

When asked which financial services they would be interested in, excluding loans, the survey shows that the three most requested products are health insurance, credit insurance and property insurance, with more than 60% of respondents interested in such products.

This is closely followed by a retirement safety fund and an education loan, with 55% and 53% of respondents respectively expressing their interest in such a product.

In terms of specialized loans, 48% of respondents stated that they would be interested in consumption loans while 39% expressed their interest in Money transfer services.

### Preference for a Conventional or Islamic Loan Product

The basic principle of Islamic banking is the prohibition of "Riba" (usury): Among Islamic financial products, one basic instrument that is used by Islamic banks is Murabaha. The word Murabaha is derived from the Arabic word "Ribh" which means profit. This is a contract sale between the lender/bank and its client for the sale of goods at a price which includes a profit margin agreed to by both parties, as well as the tenor for repayment. The fundamental condition here is that the lender and the client should know the mark-up and agree to it. As a financing technique, it involves the purchase of goods by the lender/bank as requested by its client. The goods are instantly sold to the client with a mark-up. Repayment is usually made in instalments as agreed-upon and specified in the contract.

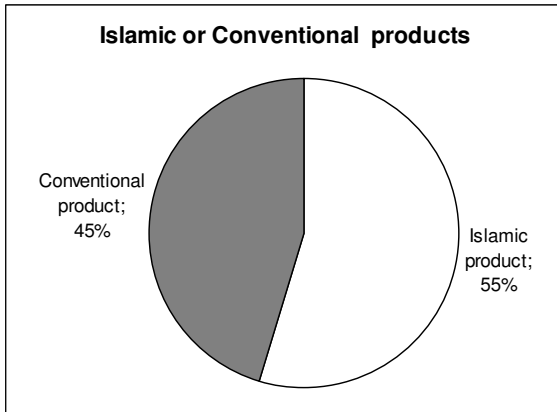


Chart 95: Islamic or conventional Products (%)

55% of potential clients state that they are interested in borrowing through an Islamic loan product. The figure drops to 40% of respondents if the loan proved to be more costly than a conventional product.

The preference for a conventional loan or an Islamic loan does not differ much based on the location, the level of asset ownership or the gender of the microentrepreneur.

## VI Conclusion

The results of the Impact Assessment and Market research exercise highlight the fact that UNRWA MD is ideally placed to develop its portfolio and increase its market share in Syria.

The existence of a favourable regulatory framework and large unmet demand should encourage UNRWA to increase its presence in the Syrian microfinance market through an expansion of its current market base and a diversification of its product offer to attract a new segment of clients with a higher profile. UNRWA MD should pursue an outreach strategy that includes increasing the number of branches to reach out to new clients. In addition, UNRWA MD should introduce new products to attract potential new clients with more established businesses and higher credit demands of the sort that banks would normally serve before the market becomes more competitive.

Furthermore UNRWA MD should consider the introduction of additional financial services such as savings collection, micro insurance (credit insurance, health and property insurance and retirement funds) and money transfer services for which considerable demand has been identified in the market research exercise.

### Recommendations for UNRWA MD

#### 1. Deepening UNRWA MD client base.

The impact on UNRWA MD clients that have taken part in the programme for at least three years (old clients) is clearly positive at the economic level (more sales, more profit, more investment in business), at the household level (more contribution to household expenses, more assets, less debts and more savings), at the individual level (more autonomy, less stress, less tension) and in terms of empowerment (positive impact on daily life, decision making and perception by others). Furthermore satisfaction among UNRWA MD clients is very high. 61% of clients have an excellent overall perception of their relationship with UNRWA MD.

Aspects of relationship with UNRWA MD	Ranking from 1 – 5 (1=Excellent, 2= Good, 3=Average, 4=Bad, 5= Very Bad)	Percentage of clients
Speed of disbursement	Excellent	68%
Professionalism	Excellent	59%
Availability of staff	Excellent	58%
Relationship with loan officer	Excellent	55%
Distance to UNRWA MD branch	Excellent	42%

UNRWA MD products are also well appreciated by its clients in terms of access to loans, guarantees requested and repayment conditions. About half of the clients interviewed were not satisfied with the interest rates charged or the loan amount awarded; a standard outcome in this sort of exercise.

Appreciation of product attributes	Ranking from 1 – 5 (1=Excellent, 2= Good, 3=Average, 4=Bad, 5= Very Bad)	Percentage of clients
Easiness to access loans	Excellent or good	93%
Guarantees requested	Excellent or good	87%
Repayment mechanism	Excellent or good	68%
Interest rate	Very bad or bad	51%
Loan amount	Very bad or bad	50%

The reasons why clients have left UNRWA MD are not directly related to their lack of satisfaction with UNRWA MD but rather with the fact that UNRWA MD products were not adapted to their expectations, namely larger loans. In fact only 13% of clients who have left UNRWA MD claim to have found a better institution.

Reasons	Percentage of clients
Inappropriate products	59%
Insufficient loan amount	48%

These are all clear arguments indicating that the current product offering is adequate to the microentrepreneur profile of UNRWA MD client and that the impact of participation in the microfinance programme is highly positive for clients that remain with UNRWA MD for at least 3 years.

Furthermore UNRWA MD is the main microfinance lender in urban areas, UNRWA should work on growing this segment of clients and consider introducing in Syria some of the products for microentrepreneurs already developed in the oPt such as consumption and education loans. This will consolidate UNRWA MD's position in this segment and by anticipating their needs, persuade clients to remain with UNRWA MD when other microfinance players begin to consider this market segment.

## **2. Increasing impact, reaching more women**

The current profile type of UNRWA MD client is that of a male, 39 years old, primary school educated, with two children and owner of its home. The demographic analysis shows that 27% of the sample of current UNRWA MD is composed of women, which for the most part are recipients of Women Household Credit loans directed to women working at home.

When compared to males, the impact assessment shows that women work mainly at home (58%), their businesses are not registered (85%), they fall in the poorer categories in terms of asset ownership and contribute less to the household budget, even when women work the breadwinner in the family remains their husband.

In order to increase the impact of its microfinance activities in Syria in the long term, UNRWA MD should focus in recruiting more women clients in order to bring to them the positive benefits of participation in the microfinance programme and raise their economic and personal status.

## **3. Reaching out to new client segments**

The market research exercise has clearly shown that there is a large demand from a specific type of Syrian small enterprise whose profile is similar to that of existing UNRWA MD clients in Syria (Male, 38 years, married, Syrian national, primary school educated, active in trade) but whose business performance is bigger (in sales and profit) and whose credit needs are somewhat less acute (only 66% need a loan versus 99% of UNRWA MD Clients) and typically those of an SME; larger amount (on average 500,000 SYP - around 11,000 USD), larger repayment period (2-4 years).

In order to reach this segment UNRWA MD should consider the introduction in Syria of its Small Scale Enterprise Loan product existing in the oPt.

## **4. Involving donors in the development of the Syrian microfinance market**

Meeting the demand gap for microfinance in Syria, estimated at one million clients is an enormous task in which all actors, including commercial banks, NGOs, International organizations and donors must join their efforts.

UNRWA must raise awareness among international donors of the opportunities existing in Syria to develop the microfinance sector, where the main building blocks are clearly in place; an enabling legal framework for microfinance, a stable economic environment and a large unsatisfied demand for microfinance.

In addition UNRWA MD must involve donors in the development of the urban microfinance sector in Syria, where UNRWA MD already disposes of the right mix of experience in the region, adapted microfinance products and experienced staff.

Donors in turn must support UNRWA MD efforts to increase its client base and reach out to new clients by providing financing for a growing portfolio and supporting the opening of new branches to ensure outreach.

As this research shows UNRWA MD has the potential for to grow its market share rather quickly in Syria. But more importantly UNRWA MD retains its clients through high satisfaction with its services and those clients benefit from a positive impact individually, in their household and in their business the longer they remain in the microfinance programme.

Extending this positive impact to more and more clients should be the goal of UNRWA MD in Syria and of all donors that support microfinance with a high social impact.

## Annex

**Asset detention index** - The specific index method, developed by Filmer and Pritchett (World Bank), is made-up of the following components:

$$Ai = f_1 \times (aj_1 - a_1) / (s_1) + fn \times (aj_n - a_n) / (s_n)$$

Where  $f_1$  is the factorial score of the first asset,  $aj_1$  is the value  $j$  of the first asset for the household and  $a_1$  is the mean and standard deviation of the first asset across the all sample and  $s_1$  its standard deviation. Each household receives a score relative to the amount and nature of assets owned. The score is then divided in 5 quintiles (5 groups of equal size). Wealth 1 is the poorest and Wealth 5 is the richest.

### Regression Results - Regression method: Ordinary Least Square (OLS)

Where \* indicates significance at 10%, \*\* indicates 5% and \*\*\* indicates 1%

Dependant variables →	Loan needed	Food expenditure
Variable	Coefficient	Coefficient
Intercept (New clients, Yarmouk, Male, Unmarried, secondary school up, very poor, employers, < 5 years of activities)	317012.9 (2.497034)**	5917.177 (3.528711)***
Medium Clients	62389.04 (1.077384)	2510.059 (3.055309)***
Old Clients	49952.68 (0.811816)	3514.669 (3.069740)***
Drop out	-4983.863 (-0.096073)	2500.295 (1.970173)**
Al Ameen	53090.58 (0.638371)	2928.802 (3.344050)***
Sayeda Zeynab	-42657.74 (-0.779120)	2078.824 (2.011091)**
Age	-687.5247 (-0.401304)	95.14248 (2.456330)**
Female	5188.085 (0.073469)	-720.7424 (-0.985301)
Married clients	23115.46 (0.385737)	1886.611 (1.846421)*
Interviewees with education less than secondary	-121935.9 (-2.044230)**	-1007.951 (-1.297295)
Wealth 2	-16209.20 (-0.499714)	-963.1682 (-1.004822)
Wealth 3	91317.86 (1.521039)	-272.1796 (-0.275147)
Wealth 4	161433.9 (2.331455)**	1303.952 (1.356941)
Wealth 5	66963.32 1.444504	271.7752 (0.217074)
Interviewees without employees	-111726.2 (-2.409310)**	-2011.240 (-2.459665)**
Interviewees with more than five years of activities	-15870.04 (-0.388098)	-938.8074 (-1.387514)
R-squared	0.080068	0.140992
Included observations:	408	401

Dependant variables →	Monthly profit	Contribution in Budget	Monthly Investment in Stock
Variable	Coefficient	Coefficient	Coefficient
Intercept (New clients, Yarmouk, Male, Unmarried, secondary school up, very poor, employers, less than 5 years of activities)	33819.83 (5.748396)***	52.44935 (7.755066)***	317923.5 (2.736612)***
Medium Clients	6260.678 (1.193551)	6.951550 (2.110330)**	-233339.3 (-1.239457)
Old Clients	12858.14 (2.508304)**	11.28886 (3.028193)***	-265177.5 (-0.772515)
Drop out	3556.136 (0.741548)	-3.355359 (-0.677129)	-283798.7 (-1.149590)
Al Ameen	9775.787 (2.867514)***	4.059610 (1.136010)	-168851.3 (-0.873262)
Sayeda Zeynab	17222.12 (1.763793)*	2.941237 (0.790899)	-73255.04 (-0.470598)
Age	-274.3903 (-2.466286)**	0.368205 (2.861450)***	2797.356 (0.678582)
Female	-13404.01 (-5.673865)***	-31.51003 (-8.011562)***	-160366.5 (-1.290170)
Married clients	4968.436 (1.144511)	16.73671 (3.890010)***	-68012.21 (-0.708783)
Interviewees with education less than secondary	1174.433 (0.312604)	1.260714 (0.495081)	-122320.7 (-0.793584)
Wealth 2	-2809.151 (-0.873107)	0.907973 (0.224774)	13010.56 (0.327990)
Wealth 3	-2738.716 (-0.953108)	-0.580898 (-0.146446)	8046.478 (0.227349)
Wealth 4	18753.78 (2.028286)**	-8.852866 (-2.284265)**	336309.7 (1.308699)
Wealth 5	11398.98 (2.044647)**	-2.716100 (-0.643214)	189203.6 (1.747108)*
Interviewees without employees	-16485.93 (-3.160295)***	-3.816626 (-1.418372)	-15933.37 (-0.178544)
Interviewees with more than five years of activities	-1069.819 (-0.241739)	4.936251 (1.873886)*	139856.9 (1.186076)
R-squared	0.147594	0.415968	0.043789
Included observations:	404	415	368

<b>Dependant variables →</b>	<b>Total monthly expenses</b>
<b>Variable</b>	<b>Coefficient</b>
Intercept (New clients, Yarmouk, Male, Unmarried, secondary school up, very poor, employers, less than 5 years of activities)	24763.83 (6.879448)***
Medium Clients	4057.242 (2.450575)**
Old Clients	10819.59 (4.281335)***
Drop out	-1274.227 (-0.526922)
Al Ameen	7345.763 (3.286979)***
Sayeda Zeynab	1377.798 (0.729210)
Age	15.39623 (0.233487)
Female	-1717.223 (-1.002861)
Married clients	3288.254 (1.317463)
Interviewees with education less than secondary	-3284.739 (-1.769870)*
Wealth 2	234.6603 (0.122663)
Wealth 3	123.0719 (0.058322)
Wealth 4	3328.126 (1.612390)
Wealth 5	4623.428 (1.499901)
Interviewees without employees	-5261.936 (-2.991905)***
Interviewees with more than five years of activities	-762.8289 (-0.500257)
R-squared	0.163949
Included observations:	401

**Regression method: Binary probit (Client perception of impact)**

Where \* indicates significance at 10%, \*\* indicates 5\* and \*\*\* indicates 1%

<b>Dependant variables →</b>	<b>Probability of being rich</b>
<b>Variable</b>	<b>Coefficient</b>
Intercept (New clients, Yarmouk, Female, Unmarried, secondary school up, less than 5 years of activities)	-0.874597 (-2.337605)**
Medium Clients	0.170322 (0.814099)
Old Clients	0.772612 (2.791342)***
Drop out	0.677429 (2.485179)**
Al Ameen	0.622821 (2.639620)***
Sayeda Zeynab	0.261135 (1.075378)
Age	-0.016914 (-1.933052)*
Male	0.519256 (2.190318)**
Married clients	-0.053802 (-0.274939)
Interviewees with education less than secondary	-0.380180 (-2.322044)**
Interviewees with more than five years of activities	-0.356666 (-2.101513)**
Included observations:	415

<b>Dependant variables →</b>	<b>Probability of employing</b>
<b>Variable</b>	<b>Coefficient</b>
Intercept (New clients, Yarmouk, Female, Unmarried, secondary school up, less than 5 years of activities)	-0.683599 (-2.201445)**
Medium Clients	0.103023 (0.624675)
Old Clients	0.225097 (1.027332)
Drop out	0.134493 (0.552964)
Al Ameen	0.141048 (0.720368)
Sayeda Zeynab	-0.046431 (-0.237909)
Age	-0.010261 (-1.538854)
Male	0.301158 (1.660379)*

Married clients	-0.001411 (-0.008034)
Interviewees with education less than secondary	0.048703 (0.339119)
Wealth 2	0.292264 (1.371631)
Wealth 3	0.280559 (1.319014)
Wealth 4	0.540217 (2.564118)**
Wealth 5	0.376447 (1.569516)
Interviewees with more than five years of activities	-0.102332 (-0.715875)
Included observations:	415

Dependant variables →	Probability of positive change in independence	Probability of positive change in spouse respect	Probability of positive change in children respect
Variable	Coefficient	Coefficient	Coefficient
Intercept (New clients, Yarmouk, Female, very poor)	0.298632 (1.796322)*	-0.917360 (-4.657942)***	-0.826425 (-4.214318)***
Medium Clients	0.068942 (0.442933)	0.155495 (0.815447)	0.424896 (2.072227)**
Old Clients	-0.346465 (-1.706664)*	-0.048022 (-0.181106)	0.172359 (0.626734)
Drop out	-0.089953 (-0.395331)	-0.102606 (-0.324029)	0.487711 (1.609993)
Al Ameen	-0.120085 (-0.656792)	0.263134 (1.165318)	-0.054971 (-0.228474)
Sayeda Zeynab	-0.414091 (-2.191850)**	-0.166993 (-0.668703)	-0.434996 (-1.574467)
Male	-0.264556 (-1.609784)	-0.255703 (-1.295082)	-0.483965 (-2.442930)**
Wealth 2	-0.007020 (-0.036282)	-0.287647 (-1.151268)	-0.281860 (-1.143058)
Wealth 3	0.195786 (0.985799)	0.252202 (1.093835)	-0.087964 (-0.362686)
Wealth 4	0.027491 (0.138410)	0.116654 (0.498581)	0.159738 (0.694206)
Wealth 5	0.024307 (0.112100)	-0.823509 (-2.247288)**	-1.170301 (-2.623978)***
Included observations:	423	423	423

Dependant variables →	Probability of positive change on stress	Probability of positive change on conflicts & tension in the family	Probability of positive change on Better Food Quality
Variable	Coefficient	Coefficient	Coefficient
Intercept (New clients, Yarmouk, Female, very poor)	-0.361537 (-2.112845)**	-1.164119 (-5.286955)***	-0.841805 (-4.504075)***
Medium Clients	0.024838 (0.150155)	-0.073644 (-0.336082)	0.283793 (1.574439)
Old Clients	-0.053258 (-0.250740)	-0.092860 (-0.337792)	0.024666 (0.108763)
Drop out	0.070122 (0.293265)	-0.237819 (-0.686063)	0.065856 (0.250833)
Al Ameen	-0.312265 (-1.579001)	-0.379213 (-1.343585)	-0.319430 (-1.512288)
Sayeda Zeynab	-0.459751 (-2.272243)**	-0.309248 (-1.120439)	-0.677859 (-2.979717)***
Male	0.098419 (0.572805)	-0.039873 (-0.176068)	0.140871 (0.768692)
Wealth 2	-0.090248 (-0.449448)	0.030758 (0.111448)	0.028569 (0.131636)
Wealth 3	0.133255 (0.659056)	0.134037 (0.492411)	0.149570 (0.686940)
Wealth 4	-0.401964 (-1.897629)*	-0.040976 (-0.146203)	-0.042624 (-0.192865)
Wealth 5	-0.217517 (-0.949285)	0.009916 (0.031254)	-0.304373 (-1.174790)
Included observations:	423	423	423

Dependant variables →	Probability of positive change on Children education	Probability of positive change on Health	Probability of positive change on Entertainment/trips
Variable	Coefficient	Coefficient	Coefficient
Intercept (New clients, Yarmouk, Female, very poor)	-1.596341 (-6.320326)***	-1.166687 (-5.545646)***	-1.801292 (-6.704634)***
Medium Clients	0.516113 (2.156481)**	0.154628 (0.792395)	0.344456 (1.588524)
Old Clients	0.309556 (1.051847)	-0.153817 (-0.624882)	0.367828 (1.360899)
Drop out	0.451422 (1.387000)	-0.090098 (-0.314465)	0.648065 (2.326412)**
Al Ameen	0.078337 (0.312436)	-0.302496 (-1.339919)	0.111785 (0.486207)
Sayeda Zeynab	-0.431912 (-1.472587)	-0.783757 (-2.978774)***	-0.118823 (-0.466103)
Male	-0.000516 (-0.002332)	0.081936 (0.416460)	-0.105829 (-0.499495)
Wealth 2	-0.087287 (-0.314192)	0.319855 (1.304903)	0.351966 (1.244487)
Wealth 3	0.164639 (0.614388)	0.504016 (2.079153)**	0.600009 (2.147907)**

Wealth 4	0.060916 (0.222077)	0.148758 (0.587546)	0.479167 (1.689450)*
Wealth 5	-0.417606 (-1.190871)	0.055864 (0.192312)	0.822516 (2.820599)***
Included observations:	423	423	423

<b>Dependant variables →</b>	<b>Probability of positive change in debt situation</b>	<b>Probability of positive change in savings</b>
<b>Variable</b>	<b>Coefficient</b>	<b>Coefficient</b>
Intercept (New clients, Yarmouk, Female, very poor)	-0.378656 (-2.258586)**	-0.769208 (-4.248361)***
Medium Clients	0.173527 (1.110271)	0.127599 (0.770420)
Old Clients	-0.053675 (-0.261681)	0.167869 (0.792184)
Drop out	-0.227484 (-0.966112)	-0.190778 (-0.757488)
Al Ameen	0.046267 (0.248745)	-0.047898 (-0.241407)
Sayeda Zeynab	-0.191884 (-1.012852)	-0.122553 (-0.622230)
Male	0.235231 (1.415743)	0.437356 (2.437922)**
Wealth 2	-0.053106 (-0.274414)	-0.310486 (-1.501859)
Wealth 3	-0.074861 (-0.376847)	0.078264 (0.383445)
Wealth 4	-0.046046 (-0.232618)	-0.145331 (-0.699205)
Wealth 5	-0.250844 (-1.130717)	-0.317936 (-1.368502)
Included observations:	423	423

<b>Dependant variables →</b>	<b>Probability of positive effect on “Organizing your daily life in terms of responsibilities and tasks”</b>	<b>Probability of positive effect on Household duties or time spent at home</b>	<b>Probability of positive effect on time from children</b>	<b>Probability of positive effect on entertainment / trips</b>
<b>Variable</b>	<b>Coefficient</b>	<b>Coefficient</b>	<b>Coefficient</b>	<b>Coefficient</b>
Intercept (New clients, Yarmouk, Male, very poor)	-0.689187 (-3.331911)***	-1.399940 (-5.498759)***	-2.104222 (-6.408401)***	-1.898563 (-6.322246)***
Medium Clients	-0.045115 (-0.288604)	-0.121973 (-0.607246)	0.165137 (0.632854)	0.252318 (1.145484)
Old Clients	0.031693 (0.153070)	0.247039 (0.866293)	0.394946 (1.020638)	0.378806 (1.334518)
Drop out	0.528456 (2.275536)**	0.357748 (1.220285)	0.550754 (1.492014)	0.489157 (1.659669)*
Al Ameen	0.466066 (2.470084)**	0.697451 (2.904885)***	0.963648 (3.259897)***	0.132785 (0.545957)
Sayed Zeynab	0.396769 (2.081040)**	0.484374 (1.871685)*	0.748637 (2.430605)**	0.151865 (0.599584)
Female	0.594824 (3.527863)***	0.673966 (3.234428)***	0.315351 (1.220462)	0.274598 (1.259334)
Wealth 2	0.030197 (0.153267)	-0.418497 (-1.697690)*	-0.346299 (-1.080791)	0.186258 (0.663579)
Wealth 3	0.246875 (1.231364)	-0.125394 (-0.522329)	-0.007291 (-0.023930)	0.450349 (1.637432)
Wealth 4	0.311476 (1.561824)	-0.153206 (-0.636306)	-0.056702 (-0.178087)	0.260058 (0.907570)
Wealth 5	0.351067 (1.597448)	-1.145301 (-2.931857)***	-1.089182 (-2.024601)**	0.643839 (2.217739)**
Included observations:		423	423	423

<b>Dependant variables →</b>	<b>Probability of more strength in decision-making within the couple</b>
<b>Variable</b>	<b>Coefficient</b>
Intercept (New clients, Yarmouk, Male, very poor)	-0.976790 (-4.435080)***
Medium Clients	-0.270308 (-1.623839)
Old Clients	-0.202489 (-0.905081)
Drop out	0.464004 (1.958927)*
Al Ameen	-0.160951 (-0.794002)
Sayeda Zeynab	0.289724 (1.449131)
Female	0.628664 (3.600650)***
Wealth 2	0.456813 (2.179289)**
Wealth 3	0.218200 (0.992805)
Wealth 4	0.348268 (1.612010)
Wealth 5	0.199538 (0.817107)
Included observations:	423