Triple Jump

impact-focused investment management

Coping with long-lasting effects of COVID-19

Coping with long-lasting effects of **COVID-19**

An assessment of five Financial Service Providers
across Latin America and Southeast Asia.
Amsterdam, August 2022

Acknowledgement
This assessment and the underlying surveys are the result of a collaboration between Triple Jump, Banco de Desarrollo de América Latina (CAF) and the Responsible Inclusive Finance Facility for Southeast Asia (RIFF-SEA); the latter is managed by the Social Performance Task Force.

Coordinated by
Triple Jump Advisor Services

Main contributors
Till Bruckner, Independent consultant
Juan Luis Podesta, Senior Technical Assistance Manager, Triple Jump

For follow-up queries, please reach out to Juan Luis Podesta via jpodesta@triplejump.eu

About Triple Jump

Triple Jump is an impact-focused investment manager that provides meaningful investment opportunities in emerging markets. We focus on supporting institutions, businesses, and entrepreneurs with the aim of having a positive impact. We are headquartered in Amsterdam and have offices in Lima, Mexico City, Nairobi, Tbilisi and Bangkok.

With 16 years of track record and close to USD $1 billion assets under management, the funds we manage and advise on provide financing across development themes such as financial inclusion, affordable housing, missing middle finance (SME financing), and climate and nature.

About CAF

CAF is a development bank created in 1970, owned by 19 countries - 17 of Latin America and the Caribbean, Spain and Portugal - as well as 13 private banks in the region that is committed to improving the quality of life of all Latin Americans and Caribbeans. CAF's actions promote sustainable development and the integration of the region.

CAF provides financial support and consulting services to both the public and private sectors in its shareholder countries. In addition, CAF generates knowledge to strengthen public policies in the region in order to improve the quality and impact of the projects that CAF promoted.

Table of **Contents**

Executive **Summary**

This assessment provides an overview of how the pandemic, long after its onset, affected borrowers, their businesses, and their capacity to service loans across five countries: Colombia, Bolivia, Peru, Myanmar and Cambodia. In addition, it explores whether and how financial institutions helped these borrowers copewith its effects. It is based on surveys of 1,638 borrowers of five Partner Financial Institutions conducted during the second half of 2021.

This executive summary follows the structure of the assessment report. Below are the key findings of each of the five thematic sections of the report.

1 Impact on borrowers and coping strategies

Key takeaways: The pandemic severely affected respondents in all five countries, with the poorest borrowers faring worst. This forced many families and businesses to adopt a range of coping measures, and made it more challenging for borrowers to keep up with loan repayments.

- **Impact on borrowers.** Across all countries, between 65% and 91% of borrowers experienced significant deteriorations in their financial situation, and between 63% and 88% reported that their income had declined by at least a quarter.
- **Poorest hit hardest.** Poor respondents were significantly more likely than non-poor respondents to report that their family's financial situation had become much worse.
- **Coping strategies.** Across all countries, a majority of borrowers reported adopting coping strategies that they would not have normally pursued. Between 23% and 40% of borrowers cut down on food consumption. Between 22% and 54% of businesses reduced stock levels, and between 33% and 60% of employers laid off staff.

2 Impact on capacity to repay loans

Key takeaways: Some borrowers and their families did not manage to keep up with loan repayment schedules, and a large minority of borrowers were not confident about their ability to service existing loans.

- **Repayment challenges.** The number of households that reduced or stopped loan repayments in the wake of the pandemic varied widely between countries.
- **Repayment outlook.** The impact of the pandemic heightened the burden of repayment for most borrowers. A large minority of borrowers across all countries lacked confidence in their ability to keep repaying existing loans.

3

Access to finance in times of crisis

Key takeaways: In all five countries, access to financial services increased borrowers' resilience by enabling them to draw down savings and sometimes secure additional credit. However, microfinance institutions and banks were an important source of additional credit in only two out of the five countries. We found no evidence that the pandemic led to widespread borrower over-indebtedness.

- ***Savings.*** Over half of respondents in every country except Cambodia drew down savings to cope with the impacts of the pandemic. There are indications that savings levels slowly started to recover in late 2021.
- **Borrowing.** Across countries, between 21% and 46% of respondents used additional borrowing as a coping strategy, usually turning to family, friends and informal lenders for support. Microfinance institutions and banks were an important source of additional credit in only two countries, Colombia and Peru, where over a third of respondents sought and received a formal loan to help them weather the crisis. However, very few respondents in Bolivia (11%), Cambodia (4%) and Myanmar (0%) accessed a formal sector crisis loan.
- **Over-indebtedness.** The pandemic did not seem to cause widespread borrower over-indebtedness, but a more deeper study would be needed to reach stronger conclusions. Across all countries, only 4% to 13% of respondents took out a loan to help them repay an existing debt.

4

Impact of financial inclusion

Key takeaways: Financial inclusion improved most borrowers' quality of life across all countries. Poor and female borrowers benefited even more from financial inclusion than non-poor and male borrowers did.

- **Quality of life.** Across all countries, a clear majority of borrowers reported that access to financial services had improved their quality of life, especially in Cambodia (89%), Myanmar (84%) and Colombia (77%).
- **Impact on poor borrowers.** In two out of three countries for which data are available, poor borrowers were even more likely than non-poor borrowers to experience positive impacts on their quality of life.
- **Impact on female borrowers.** Overall, women were as likely to benefit from financial inclusion as men. However, women in all countries were significantly more likely than men to experience large improvements in their quality of life.

5

Targeted support by lenders

Key takeaways: Overall, only a small minority of respondents (around one in five) reported receiving specifically pandemic-related support from their Financial Service Provider. Poor clients were even less likely to receive support than their non-poor compatriots. Across countries, an overwhelming majority of borrowers that had received support from their financial institution were satisfied with the support provided by their lender.

- **Extent of support.** Only a minority of respondents, ranging from 6% in Bolivia to 39% in Peru, reported receiving specifically pandemic-related support from their Financial Service Provider.
- **Targeting of support.** Financial Service Providers did not target support measures at their poorer clients. Across all three countries for which data are available, respondents living below the poverty line were less likely to receive support than their non-poor compatriots.
- **Types of support.** Most support received from Financial Service Providers took the form of payment deferments. Support in the form of new loans was rare in all countries except Peru.
- **Future support priorities.** Borrowers in South America indicated that reductions in interest rates would be most helpful, while borrowers in Southeast Asia would prefer payment deferments.
- **Client satisfaction.** Across countries, an overwhelming majority of borrowers that had received support from their financial institution were satisfied with such support.

About this assessment

Purpose and scope of this assessment

This assessment has been drafted to help the investor community strengthen their understanding of the COVID-19 impact on micro and small entrepreneurs, and how their support to the financial inclusion community helped build resilience and mitigate the impact of a crisis which would most likely have affected most vulnerable communities. The assessment also aims to support the recovery, resilience and ability to adapt of both borrowers and their Financial Service Providers (FSPs).

Based on data gathered over one year after the initial outbreak of the virus, the assessment provides an overview of how the pandemic and its wider impacts affected FSPs' borrowers, their businesses, and their capacity to service loans across five countries: Colombia, Bolivia, Peru, Myanmar, and Cambodia. It also looks at the extent to which borrowers were supported by their FSPs during the pandemic, and whether this support had an impact on their quality of life.

The assessment draws on data from eight separate surveys rounds of 1,638 microfinance borrowers from five FSPs conducted in the second half of 2021, more than a year after the start of the pandemic. It identifies and compares trends across regions and countries, focusing in particular on the impacts of the pandemic and of financial inclusion on vulnerable population such as female entrepreneurs, low income individuals, and people living in rural areas.

The data on underlying this assessment was generated through surveys designed and implemented by 60 Decibels (app.60decibels.com/), which also performed initial national-level data analyses. The survey methodology and limitations are detailed in an annex.

Part I: Impact on borrowers and coping strategies

Key takeaways

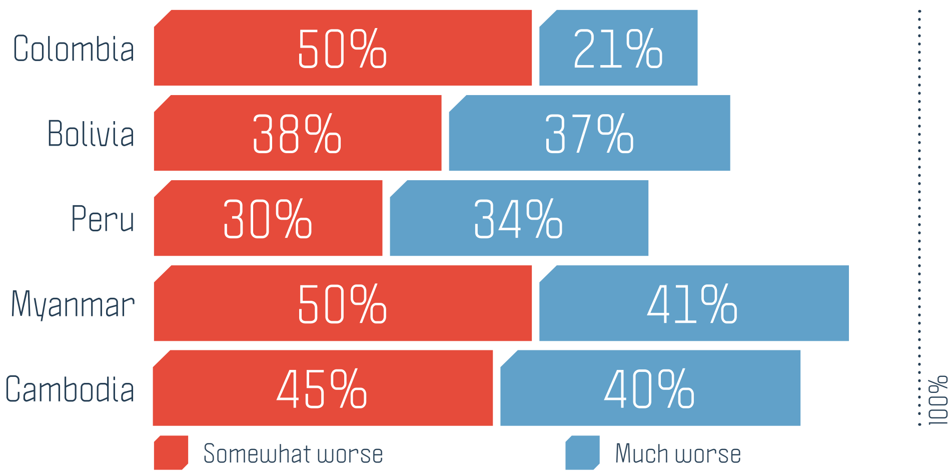
The pandemic severely affected respondents in all five countries, with the poorest borrowers faring worst. This forced many families and businesses to adopt a range of coping measures, and made it more challenging for borrowers to keep up with loan repayments.

Deterioration in families' financial situation

By the time the first round of surveys was conducted, during May-July 2021, COVID-19 and related government countermeasures had had a dramatic financial impact on borrowers across all five countries.

The impact was most acutely felt in Myanmar, where 91% of borrowers reported a worsening financial situation, followed by Cambodia with 85%. Two out of five respondents in those countries reported that their families' situation had become much worse. This may be due to the extraordinarily strict lockdown measures imposed in Cambodia during 2020, and the adverse economic impacts of the February 2021 coup in Myanmar. Large majorities of respondents in Bolivia (75%), Colombia (71%) and Peru (64%) also reported a worsened financial situation.

Chart 1: Percentage of borrowers reporting worsened family financial situation (first phase)

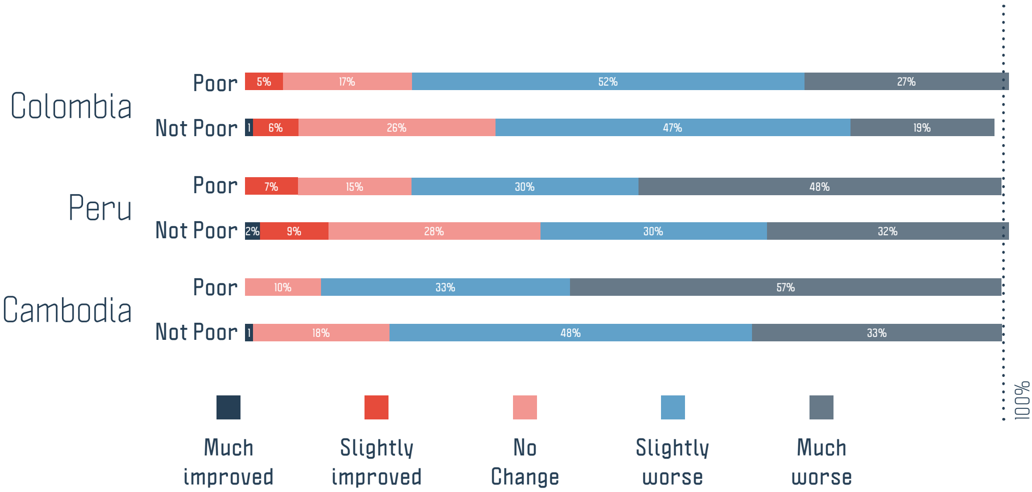


Data for the South American countries indicates that borrowers' financial situation only recovered very slowly. During the October-December 2021 second phase of surveys, 66% of respondents in the region still reported being in a worse situation than before the pandemic, compared to 70% a few months earlier.

The pandemic hit the poorest families worst

Borrowers living in poverty were more likely to be negatively affected financially by the impact of the pandemic than those living above the poverty line[1]. Furthermore, in all three countries for which solid data are available, poor respondents were about 50% more likely than non-poor respondents to report that their family's financial situation had become 'much worse'.

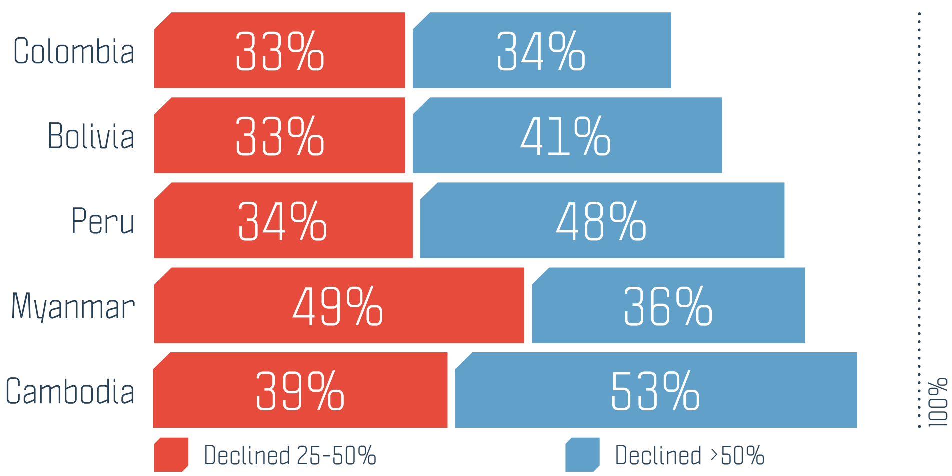
Chart 2: Changes in family financial situation by poverty status



Declines in borrower income

Asked to quantify the decline in income, across countries between 63% and 88% reported that their income had declined by at least a quarter. Between a third and half of all borrowers (53% in Cambodia) experienced a decline in income of more than half.

Chart 3: Prevalence and scale of declines in borrowers' incomes

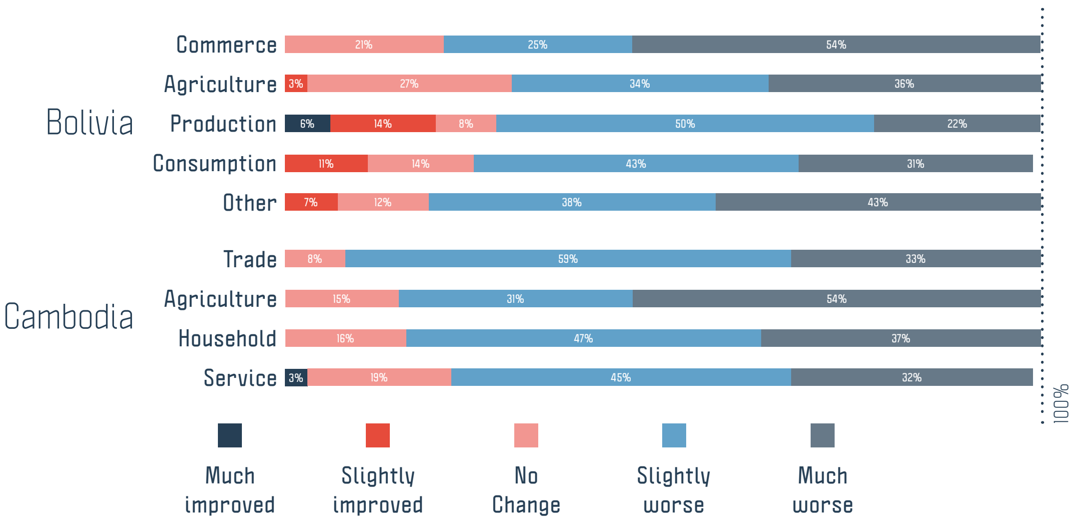


1. Refer to the country profiles

Impact of the pandemic by economic sector

The extent to which borrowers' financial situation worsened in the wake of the pandemic varied depending on which economic sector they were active in. From two countries for which solid data are available, the chart below shows how people assessed their family's overall financial situation in mid-2021 compared to before the outbreak of the pandemic in March 2020. Families whose livelihoods revolved around commerce/trade were worst affected in both Bolivia and Cambodia.

Chart 4: Percentage of borrowers reporting worsened family financial situation, by sector

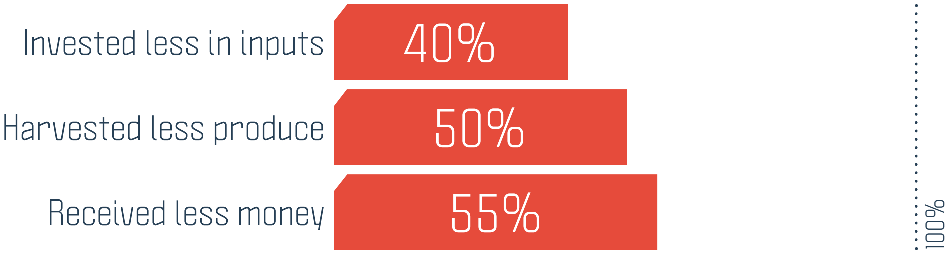


In the wake of the pandemic, some service sector entrepreneurs in South American countries moved to other sectors. On the other hand some entrepreneurs joined the retail sector. Between the first and the second round of interviews in Colombia, Bolivia and Peru, the proportion of respondents active in the service sector declined in all countries (42% to 39%, 53% to 47%, and 33% to 29%, respectively) while the proportion working in the commercial sector increased (28% to 31%, 22% to 25%, and 60% to 66%).

Impact of the pandemic on agriculture

On average, COVID-19 and its consequences led farmers to invest less, harvest less, and sell less produce at lower prices. Very similar impacts were reported by respondents in all countries, so the data below are not disaggregated by country.

Chart 5: Impact on farming across countries (estimates, excludes Peru)



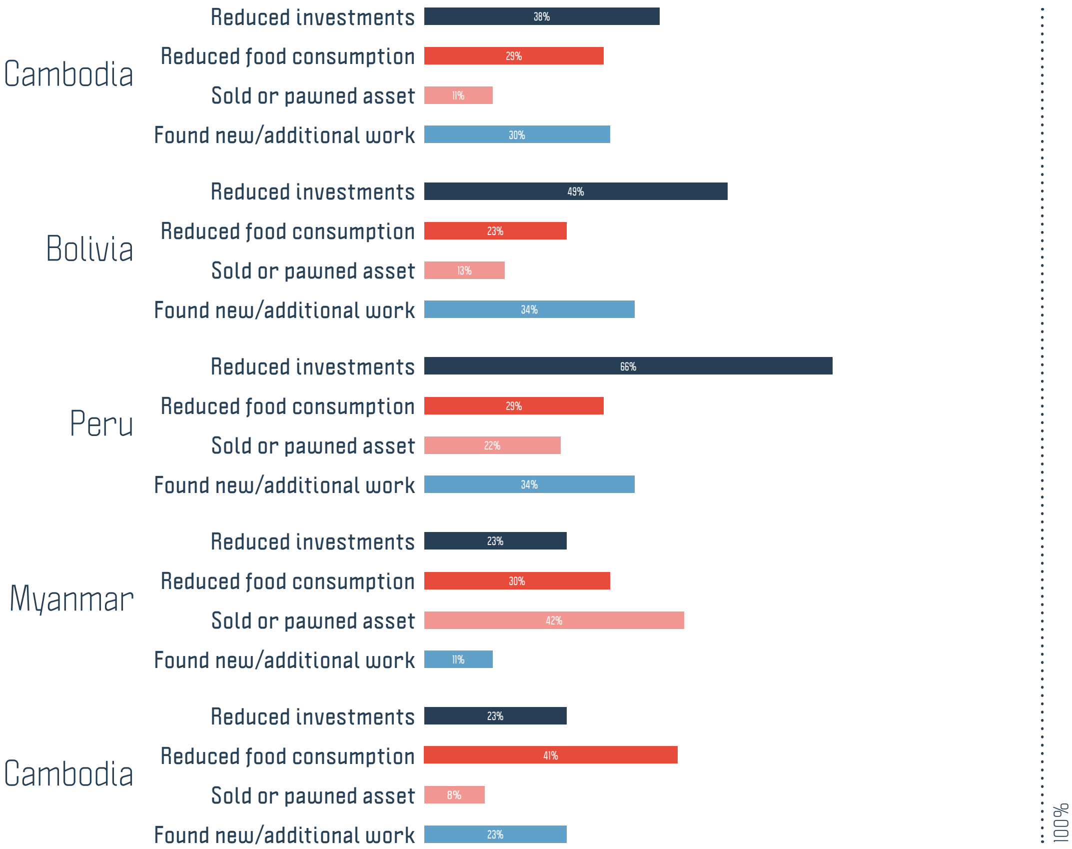
Main coping strategies

Household coping strategies

Across all countries, a majority of borrowers reported adopting coping strategies that they would not have pursued in ordinary times. Individual households frequently employed several coping strategies in parallel. Reducing household and business investments was the coping strategy most frequently adopted in the three South American countries, but otherwise there are no clear cross-country patterns.

The severity of the pandemic's impact is visible in the considerable numbers of borrowers who reported consuming less food (ranging from 23% to 40%). Selling or pawning assets – usually a sign of severe financial distress – was a widely adopted strategy only in Myanmar (42%), but also reported from other countries (range 8% to 22%).

Chart 6: Percentage of households that used each coping strategy



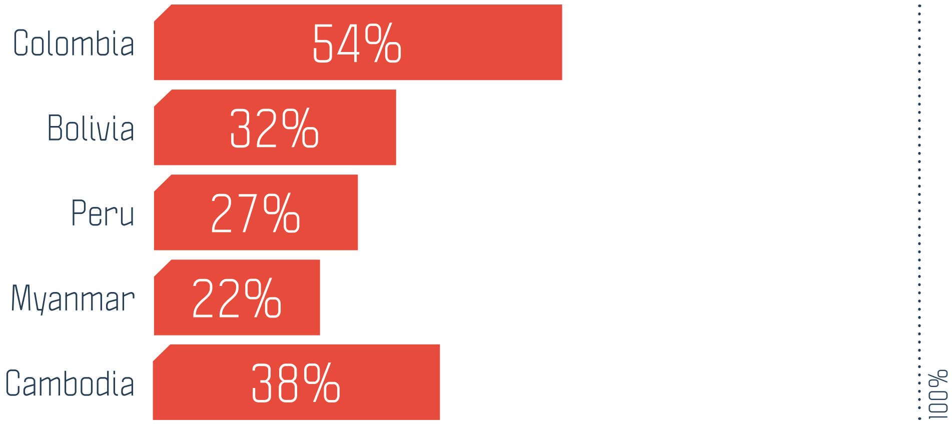
Note: 'Reduced investments' covers both business and household investments

Reducing business stock

Overall, 71% of the borrowers surveyed across the five countries during the first round owned a business. The following data relate to business owners only.

A typical response of businesses in crisis is to reduce their levels of stock, and across countries, between 22% and 54% of businesses surveyed reported doing so. These figures may underestimate the impact of the pandemic because some of the business owners surveyed – such as those working in the service sector – may not have had stock in the first place.

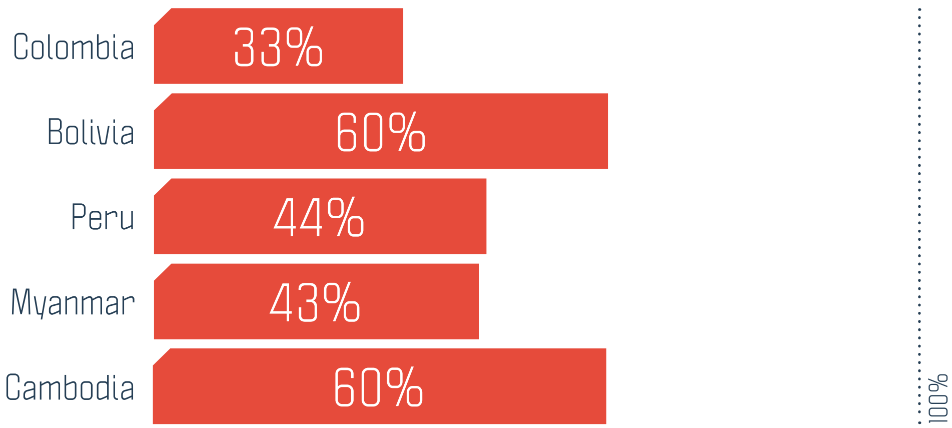
Chart 7: Percentage of businesses who reduced levels of stock



Reducing business staff levels

Another typical response of businesses in financial distress is to lay off staff. In Cambodia and Bolivia, 60% of businesses that employed people (a subset of all businesses) reduced their staffing levels in the wake of the pandemic, compared to less than half in Peru and Myanmar, and only a third in Colombia.

Chart 8: Percentage of employers who reduced staff numbers



Part II. Impact on capacity to repay loans

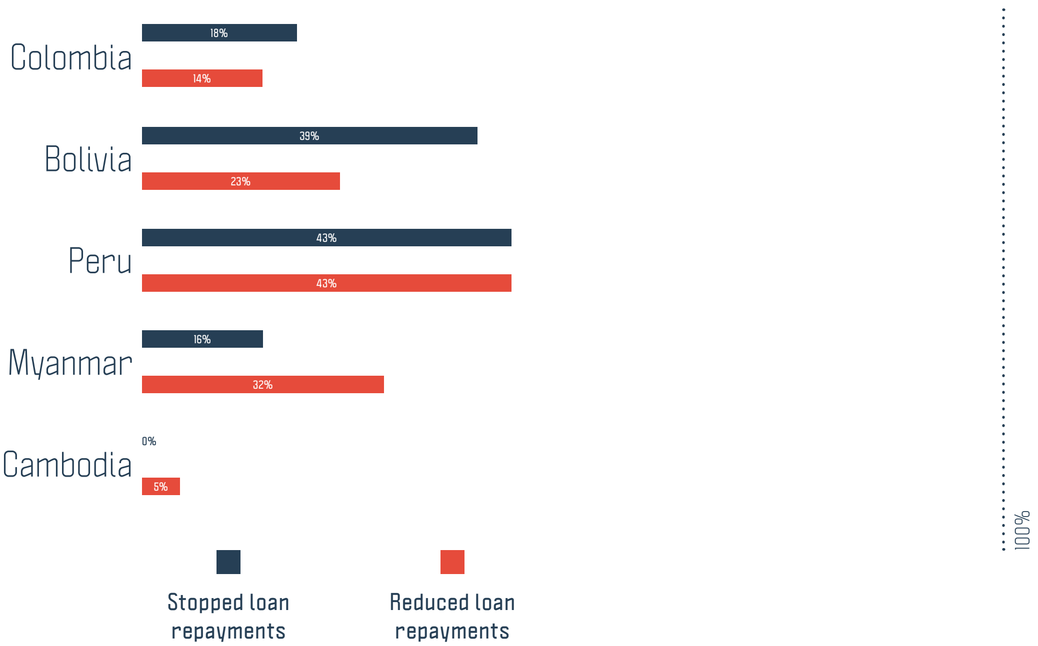
Key takeaways

Some borrowers and their families did not manage to keep up with loan repayment schedules, and a large minority of borrowers were not confident about their ability to service existing loans.

Stopped and reduced loan repayments

The extent to which borrowers reported that they, or someone in their household, had reduced or stopped loan repayments in the wake of the pandemic as a coping strategy varied widely between countries. In Cambodia, no household reported stopping repayments, and only 5% reported reducing payments. In striking contrast, in Peru 43% and Bolivia 39% of respondents reported stopping payments, and another 43% and 23%, respectively, reported reducing them. (In some cases, the same individual may have both reduced and stopped repayments at different points in time.)

Chart 9: Percentage of respondents who stopped or reduced loan repayments

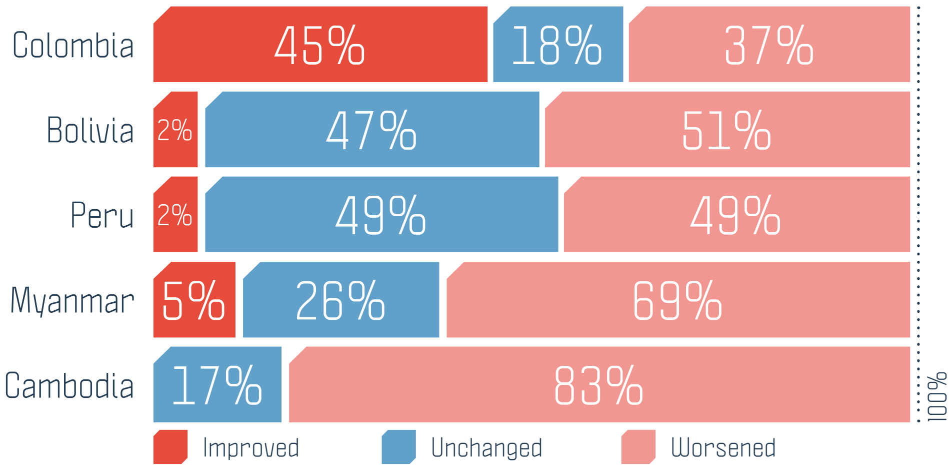


Burden of loan repayments

The pandemic made it more challenging for many borrowers to repay existing loans. In four out of five countries, at least half of respondents reported that the burden of repayments had increased since the start of the pandemic, with borrowers in Cambodia (83%) and Myanmar (69%) most likely to feel a heavy strain. Very few borrowers in these four countries considered that the burden had declined.

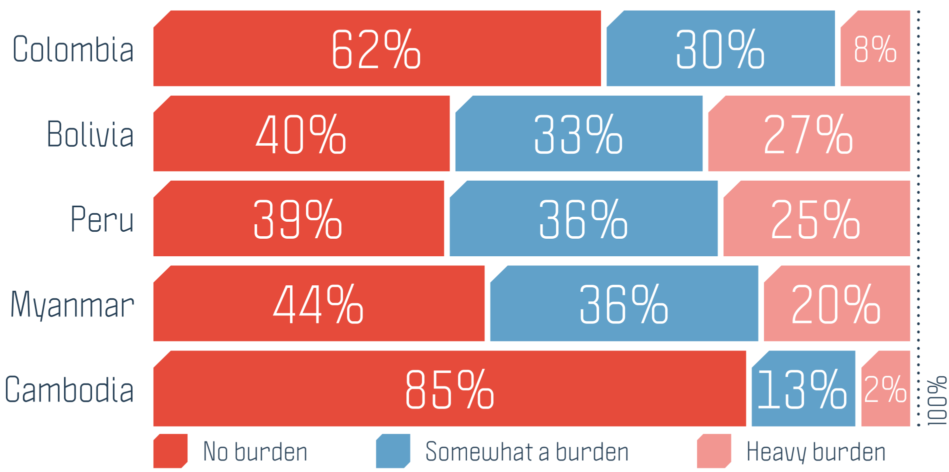
The only outlier in this regard were borrowers in Colombia, where 45% had experienced a decrease in repayment burdens. However, even in Colombia, over a third of borrowers (37%) stated that their repayment burden had increased.

Chart 10: Changes to repayment burden in wake of pandemic



Across all countries, the vast majority of borrowers that did identify loan repayments as a burden cited financial difficulties as the root cause. Despite these financial struggles, between 39% and 85% of borrowers across countries reported that loan repayments nonetheless did not present a burden to them, with borrowers in Cambodia (85%) and Colombia (62%) faring best. However, over half of borrowers in Bolivia, Peru and Myanmar did experience repayments as a burden, with between 20% and 27% in these three countries describing them as a "heavy burden".

Chart 11: Burden posed by loan repayments

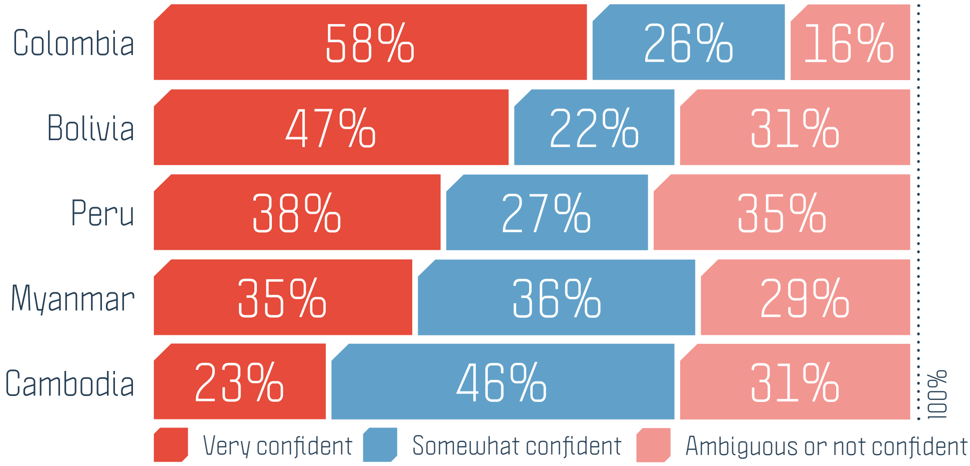


Note that the first question above asked about the relative change in burden over time, while the second question asked about the absolute current burden. For example, it is possible that most borrowers in Cambodia experienced a worsening burden, but from a low baseline, preventing the deterioration from exposing them to great financial stress.

Confidence in ability to perform repayments

These increased repayment burdens, combined with dropping incomes, hit borrowers' confidence in being able to perform repayments in line with their usual schedules in the near future. Overall, less than half of borrowers were very confident in their repayment ability for the next month, and around a third (but only 16% in Colombia) were ambiguous or pessimistic about their ability to repay.

Chart 12: Borrower confidence in ability to maintain repayments next month



Part III: Access to finance in times of crisis

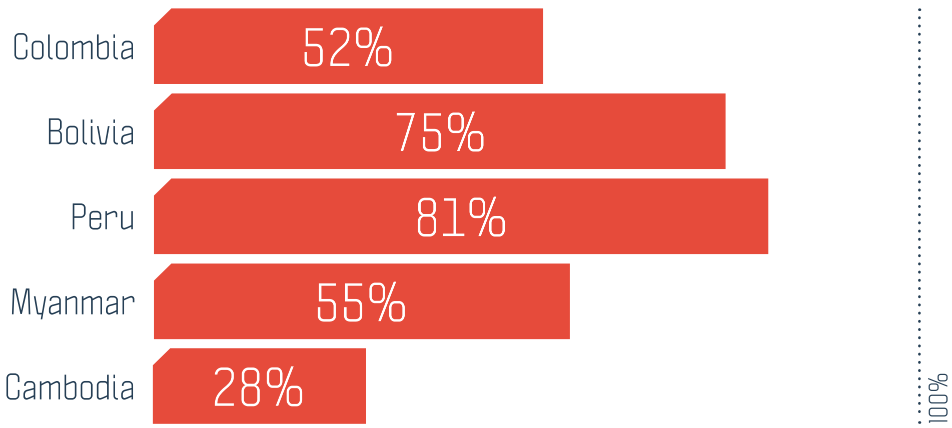
Key takeaways

In all five countries, access to financial services increased borrowers' resilience by enabling them to draw down savings and sometimes secure additional credit. However, microfinance institutions and banks were an important source of additional credit in only two out of the five countries. We found no evidence that the pandemic led to widespread borrower over-indebtedness.

Drawing down savings

Over half of respondents in every country except Cambodia drew down savings to cope with the impacts of the pandemic. In Peru, 81% of respondents did so.

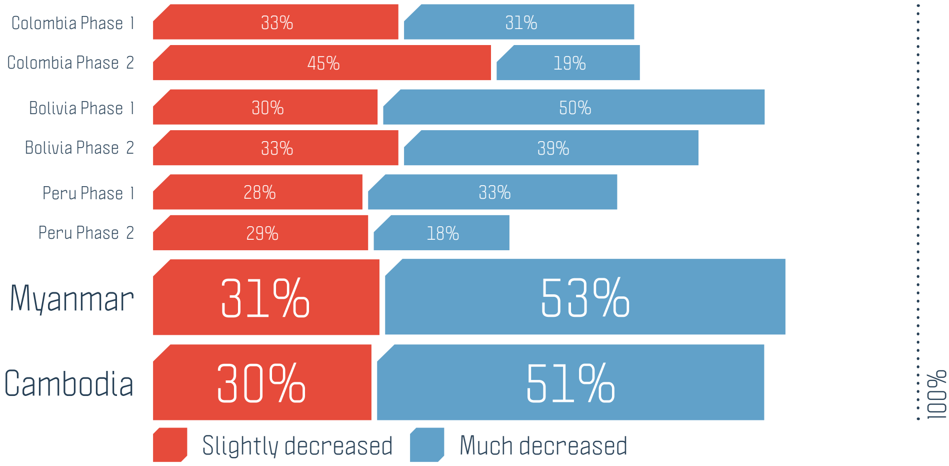
Chart 13: Percentage of respondents who used savings as a coping strategy



Reductions in savings levels

A majority of respondents in all countries reported that the amount of their savings had decreased compared to pre-pandemic levels, in many cases considerably. Comparison between data from the first and second survey phases shows that by late 2021, the savings levels of South American respondents were slowly starting to recover.

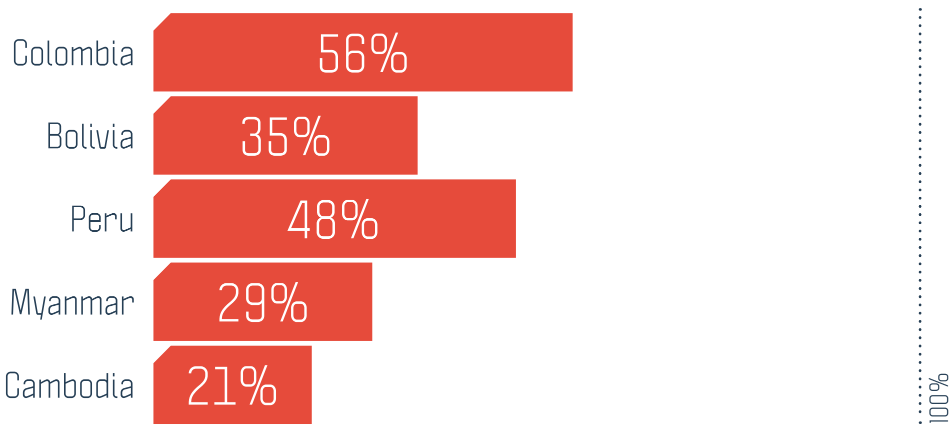
Chart 14: Percentage of respondents who reported a decrease in savings



Accessing additional credit

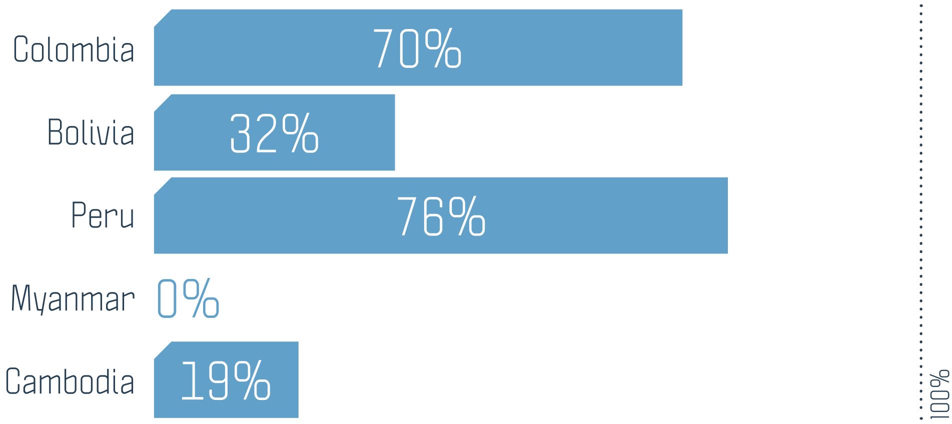
Many respondents borrowed additional money to help them weather the crisis. Borrowing was used as a coping strategy by between one fifth (Cambodia, 21%) and half (Colombia, 56%) of respondents. Overall, respondents in South America were more likely to borrow money than those in Southeast Asia.

Chart 15: Percentage of respondents who borrowed money as a coping strategy



Among those who took out a crisis loan, the role of banks and MFIs as sources of this funding varied widely by country, from 0% in Myanmar and 19% in Cambodia to 70% in Colombia and 76% in Peru.

Chart 16: Percentage of crisis borrowers who borrowed from a bank or MFI



Role of formal sector lenders

Combining the data above shows that MFIs and banks were an important source of crisis loans in only two countries, Colombia and Peru, where over a third of respondents sought and received a formal sector loan to help them weather the crisis.

Table 1: Percentage of all respondents who secured a crisis loan from a bank

	Respondents who borrowed	Of which borrowed from a bank or MFI	Respondents who borrowed from a bank or MFI, total
Colombia	56%	70%	39%
Bolivia	35%	32%	11%
Peru	48%	76%	36%
Myanmar	29%	0%	0%
Cambodia	21%	19%	4%

The other sources for coping loans most frequently named by those who had borrowed money were friends and family (ranging from 25% to 60%). Gender-disaggregated data on family and friends as sources for emergency credit are available from the second survey round in Bolivia and Colombia. In both countries, men were significantly more likely than women to secure crisis loans from friends and family (47% versus 36% in Bolivia, and 38% versus 28% in Colombia).

Money lenders played a significant role only in Myanmar (53%), Cambodia (33%) and Bolivia (25%). Note that some respondents borrowed from more than one source.

Borrower over-indebtedness

In a crisis, one of the possible reasons for taking out a loan is to repay a different loan, an indicator of possible over-indebtedness. The percentage of all respondents who did this was low overall, ranging from only 4% in Myanmar to 13% in Cambodia. Across countries, government measures to reduce the repayment burden for clients such as payment holidays and loan restructurings (see further below) may have helped to prevent or disguise widespread over-indebtedness.

Table 2: Percentage of all respondents who borrowed to repay another loan

	Respondents who borrowed money	Of which borrowed to repay another loan	Percentage of all interviewees who borrowed to repay another loan
Colombia	56%	21%	12%
Bolivia	35%	15%	5%
Peru	48%	22%	11%
Myanmar	29%	14%	4%
Cambodia	21%	63%	13%

Part IV: Impact of financial inclusion

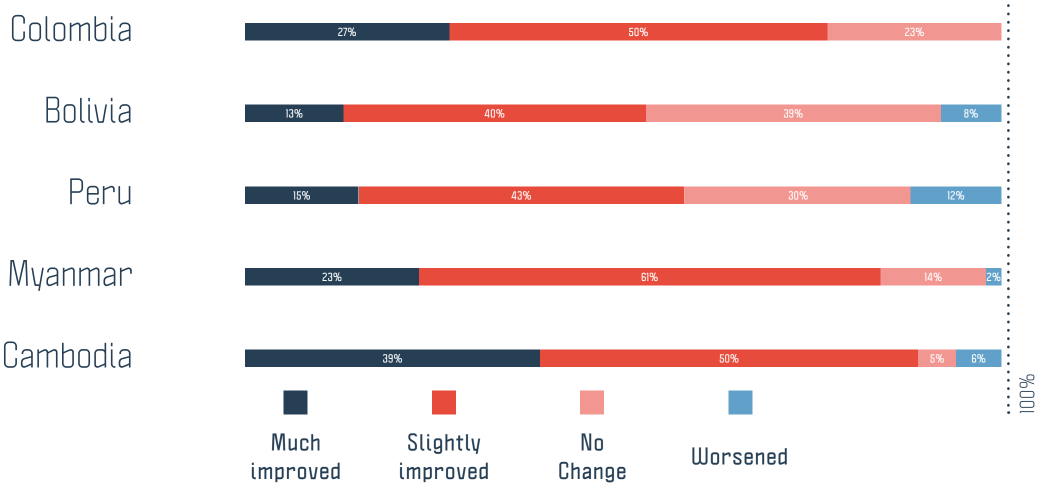
Key takeaways

Financial inclusion improved most borrowers' quality of life across all countries. Poor and female borrowers benefited even more from financial inclusion than non-poor and male borrowers did

Financial inclusion and quality of life

Overall, a clear majority of borrowers reported that the financial institution's services had improved their quality of life, especially in Cambodia (89%), Myanmar (84%) and Colombia (77%). While the proportion of respondents reporting positive impacts was more limited in Bolivia (53%) and Peru (58%), they strongly outnumbered those whose quality of life had deteriorated. Note that this survey question did not specifically refer to the pandemic, instead taking a wider perspective.

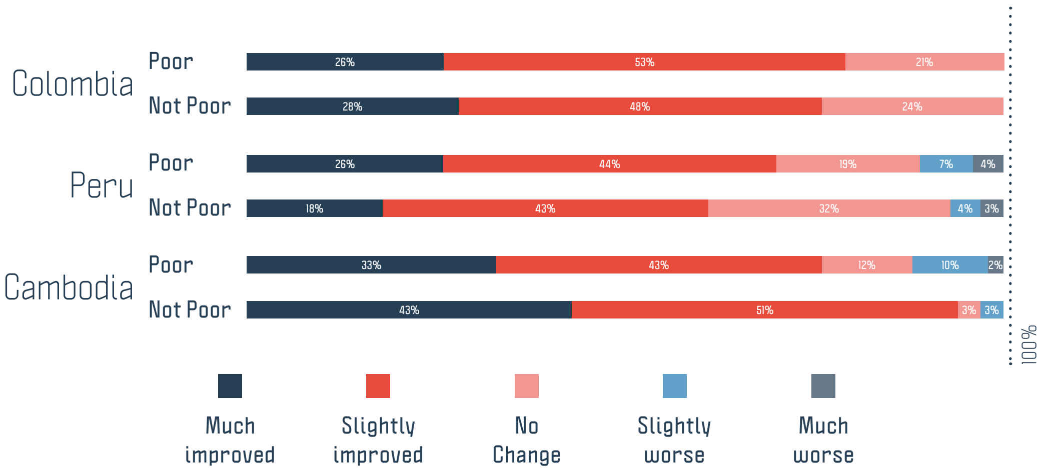
Chart 17: Financial institutions' impact on borrowers' quality of life



Impact of financial inclusion on poor borrowers

A large majority of poor and non-poor borrowers in all countries (ranging from 61% to 94%) experienced an improvement in their quality of life as a result of being able to access financial services. In addition, in two of the three countries for which reliable data are available, financial inclusion especially benefited borrowers living below the national poverty line. The difference was most pronounced in Peru, where 70% of poor clients credited their relationship with their Financial Service Provider with improving their quality of life, compared to 61% of non-poor respondents. These data indicate that financial inclusion reduced the vulnerability and strengthened the resilience of the poorest borrowers.

Chart 18: Financial inclusion impact on quality of life by poverty level



Impact of financial inclusion on female borrowers

Women have been **more deeply affected** by the pandemic, reflected in financial situation and savings. Women also **expect a slower business recovery** and anticipate some significant changes, such as modifying their products or services, to be long-lasting. Overall, financial inclusion has helped women to experience a **"much improved"** quality of life than men.

Financial Situation

In most cases, financial situation of women worsened more than men. However, it has shown signs of improvement. 67% of women in South America and 89% in Southeast Asia reported their financial situation worsened since the lockdown, versus 29% and 88%, respectively, in the last month before the assessment.

Savings

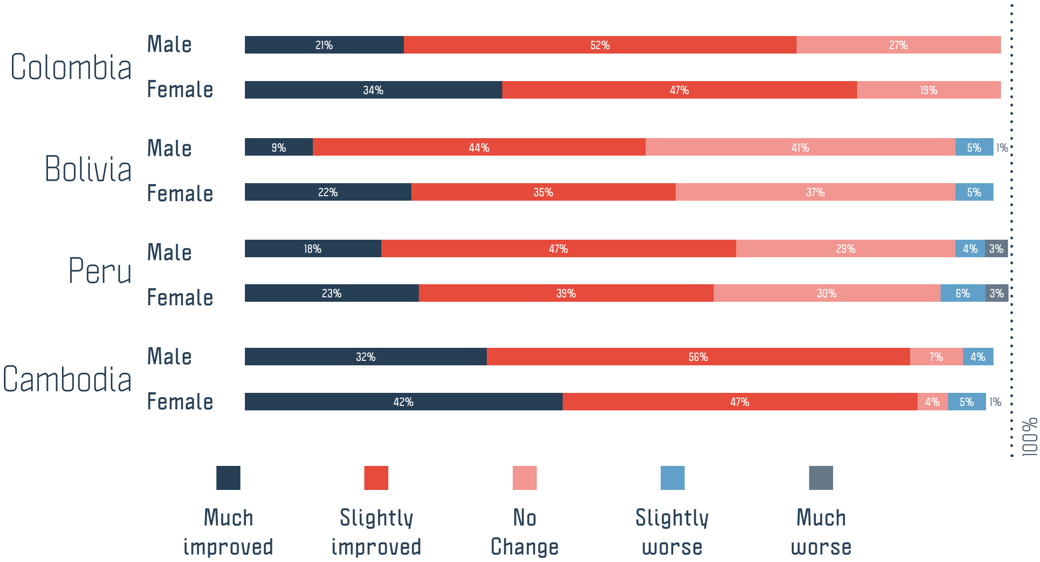
Women in Southeast Asia had their saving decreased more than their peers in South America. In addition, women´s savings in South America were more affected than men. 52% of women in Southeast Asia reported savings have "very much decreased" compared to 54% of men, while 37% women in South America reported being more affected compared to 29% of men.

Business recovery

On both regions, women believe more time will pass for their business to return to normal levels than men. In Southeast Asia, 30% of women think they will recover in more than 6 months compared to 12% of men. In South America, the difference shortens as 44% of women thinks they will recover in more than 6 months compared to 40% of men.

Across all countries, women were about as likely as men to report that their quality of life had improved thanks to financial access. However, the proportion of women reporting that life had 'much improved' was consistently significantly higher than that of men. At the same time, men and women were equally unlikely to suffer declines in quality of life as a result of access to formal finance.

Chart 19: Changes in quality of life by gender



Part V: Targeted support by lenders

Key takeaways

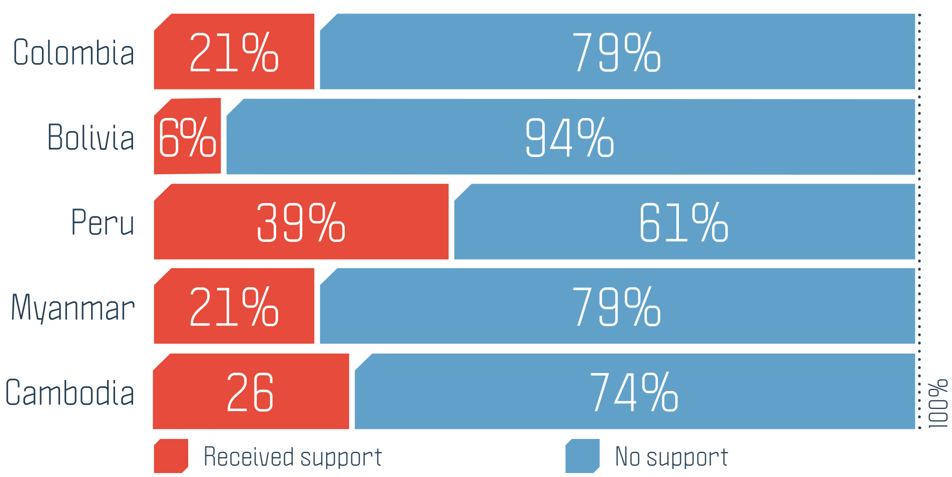
Overall, only a small minority of respondents (around one in five) reported receiving specifically pandemic-related support from their Financial Service Provider. Poor clients were even less likely to receive support than their non-poor compatriots. Across countries, an overwhelming majority of borrowers that had received support from their financial institution were satisfied with the support provided by their lender.

Extent of support provided by lenders

The proportion of borrowers who reported receiving specifically pandemic-related support from their Financial Service Provider (FSP) varied strongly, ranging from 6% of borrowers in Bolivia to 39% in Peru. There is a possibility that these survey responses understate the actual support received, as it is not clear whether all respondents would regard a measure such as payment deferments as 'support'.

It is not unexpected that FSPs provided support to a limited number of people because the pandemic affected different groups of borrowers differently. Since some economic activities were more affected than others, some FSPs may have used a sectoral approach to make strategic choices about whom to support. Also, some FSPs might have waited for individual borrowers to request support, rather than proactively offering it to entire groups of borrowers. It is unknown whether the limited number of borrowers who reported receiving support is the result of FSPs' deliberate strategies, or due to FSPs' excessive caution.

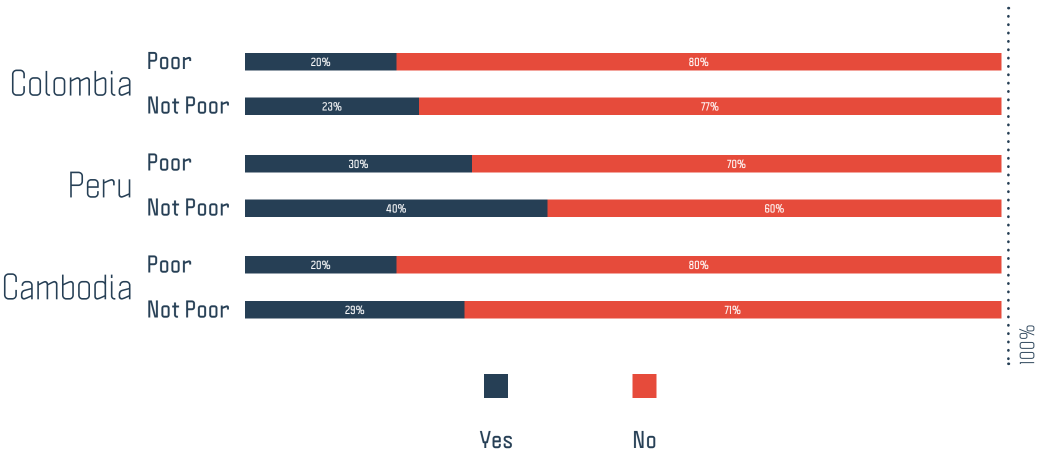
Chart 20: Percentage of borrowers who received FSP support



Lender support to poor borrowers

Pandemic support by financial institutions in the three countries for which relevant data are available – Colombia, Peru and Cambodia – was not driven by borrowers' poverty level. In all three countries, respondents living above the poverty line were more likely to benefit from support measures. It is possible that poorer borrowers were less leveraged overall, and therefore less likely to require payment deferments or new loans to keep financially afloat.

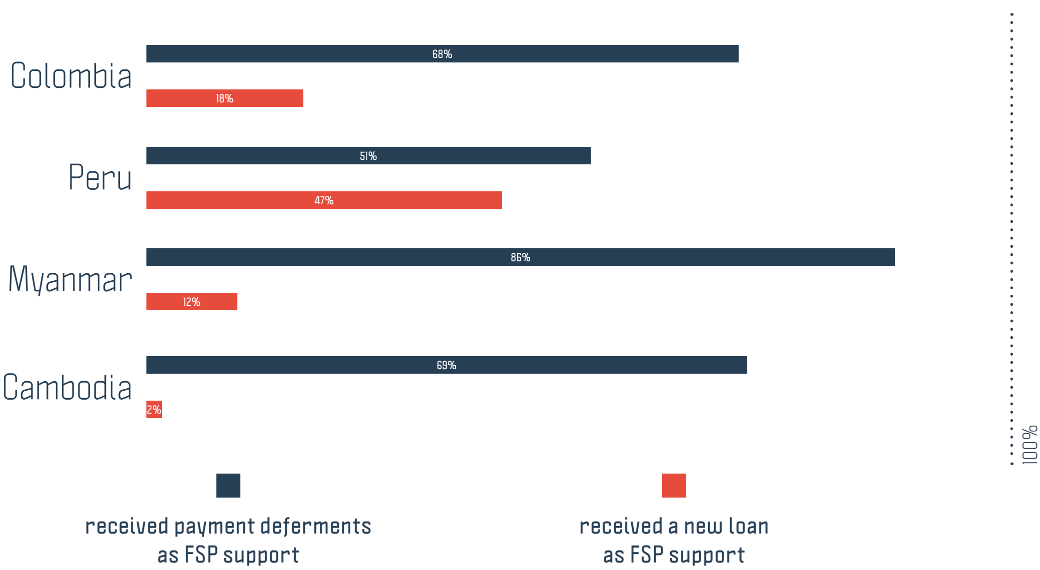
Chart 21: Percentage of borrowers who received support by poverty level



Types of support provided by lenders

In the four countries where a high number of respondents reported receiving support from Financial Service Providers, most had obtained support in the form of payment deferments. Apart from borrowers in Peru (47%), few received support in the form of new loans.

Chart 22/23: Percentage of respondents who received payment deferments and new loans as FSP support



Less than one in ten borrowers in any country received other support measures, such as only having to repay running interest, so these are not separately displayed.

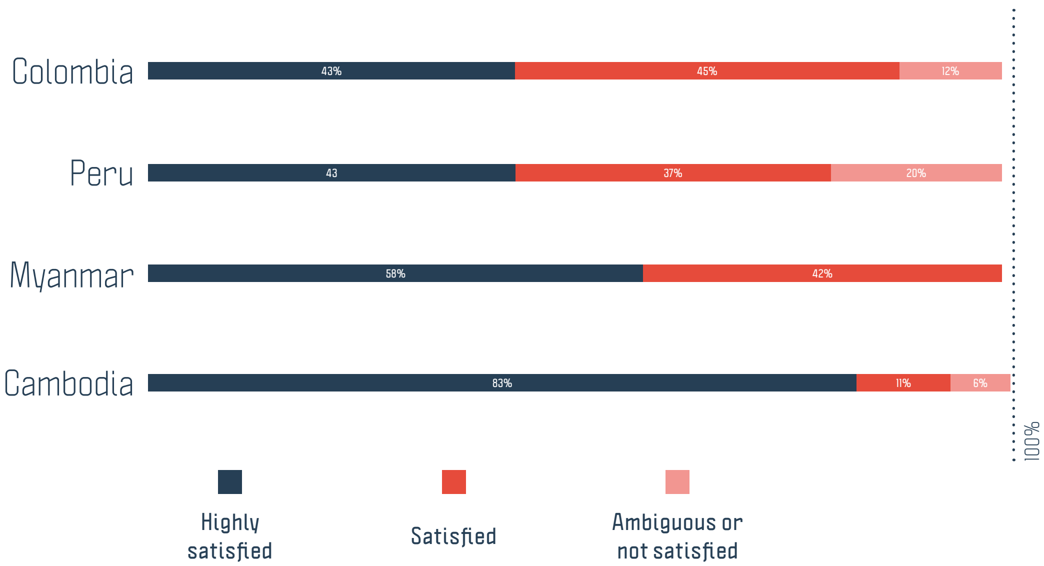
Future support priorities

When asked what types of lender support would be 'particularly helpful' going forward, borrowers across all three South American countries most frequently indicated a desire for reduced interest rates. In contrast, most borrowers in Cambodia and Myanmar would prefer payment deferments.

Client satisfaction with support

Across countries, an overwhelming majority of borrowers that had received support from their financial institution were satisfied with the support provided by their PFS. In Cambodia, a remarkable 83% of beneficiaries were 'highly satisfied' with the support they had received. These data indicate that the type and scale of support measures provided by Partner Financial Institutions met their clients' needs in times of crisis.

Chart 24: Satisfaction with pandemic support received



Annex I: Profiles of countries, FSPs and borrowers

Country profiles

The reports compares how borrowers in five countries fared during the pandemic. To understand the results it is important to consider the different country contexts. The survey countries span a wide range in terms of human development and affluence as well as geography. On average, people in Colombia and Peru are significantly less poor than the inhabitants of Myanmar and Cambodia, with people living in Bolivia occupying the middle ground.

The Covid pandemic and related government countermeasures had a differential economic impact on the five study countries. The South American countries were hit worst. In 2020, the latest year for which data are available, Peru's GDP declined by 11.2%, Bolivia's by 8.8% and Colombia's by 6.8%. Cambodia's and Myanmar's GDP declined by a far lower but still large 3.2%.

During the following year, political turmoil following a military coup in Myanmar (February 2021) and a contested presidential election in Peru (April to July 2021) contributed to economic woes in those countries.

Table 3: Overview of the five countries included in the study

	World Bank classification	HDI	GNI per capita*	GDP 2020**	Poverty line
South America					
Peru	Upper-middle income	0.777	12,252	-11.2%	US$5.50
Colombia	Upper-middle income	0.767	14,257	-6.8%	US$5.50
Bolivia	Lower-middle income	0.718	8,554	-8.8%	US$3.20
Southeast Asia					
Cambodia	Lower-middle income	0.594	4,246	-3.2%	US$3.20
Myanmar	Lower-middle income	0.583	4,961	-3.2%	US$3.20

Source: UNDP Human Development Index 2020 and World Bank data
*GNI per capita measured in US$, adjusted for 2017 Purchasing Power Parity
** GDP year-on-year change

Financial Service Provider profiles

Clients of one Financial Service Provider (FSP) in each country were interviewed. The table below provides the loan ranges offered by each FSP, and notes whether it offered savings products. The contexts they operate in differ in terms of financial inclusion. Only around quarter of adults in the Southeast Asian countries have an account, compared to around half in the South American countries. Borrowers in more mature markets are more likely to be able to choose between multiple competing service offers.

Table 4: Financial Service Provider profiles

	Loan amounts (average, US$)	Savings product(s)	Country financial inclusion*
South America			
Colombia	1,000	NO	60%
Bolivia	5,300	YES	69%
Peru	1,800	YES	57%
Southeast Asia			
Cambodia	2,900	YES	33%
Myanmar	270	YES	48%

* Adult population with an account in 2021, according to The Global Findex Database 2021

Borrower profiles

The table below sets out the borrower profiles of survey respondents. In South America, institutions served around the same number of women and men, while in Cambodia female borrowers predominated, and in Myanmar nearly all borrowers were female. Due to differences in FSP target markets, the share of respondents who were classified as poor varied strongly between lenders, from 7% in Bolivia to 33% in Colombia, with the other countries occupying middle ground. Thus, disaggregated data on poor borrowers is more precise for Colombia, Peru and Myanmar.

Table 5: Poverty status and gender of survey respondents

	Poverty status*		Gender	
	Not poor	Poor	Female	Male
Colombia	67%	33%	48%	52%
Bolivia	93%	7%**	45%	55%
Peru	87%	13%	45%	55%
Myanmar	82%	18%	94%	6%**
Cambodia	75%	25%	67%	33%

* Poverty line used varies by country, see further above
** Excluded from analysis in this study as sample size too small

Annex II: Methodology and limitations

Methodology

This study aggregates and analyses data gathered during 2021 in eight separate surveys of 1,638 borrowers of five Financial Service Providers in five countries in South America and Southeast Asia.

The interviews were conducted by 60 Decibels (60dB), a leading technology-enabled, end-to-end impact measurement company that specializes in data collection for social businesses. All surveys used a Covid-specific client interview tool developed by the Social Performance Task Force. Respondents were randomly selected from the client lists of five Financial Service Providers (one provider per country covered). Second round respondents were also randomly selected from the original lists.

In total, 1,638 borrowers were interviewed by phone using the same survey tool. During the first round (May-August 2021), 1,022 respondents across all five countries were interviewed. During the second round (October-December 2021), a further 616 respondents in South America only were interviewed to assess changes over time. Unless explicitly stated otherwise, the data cited in this study are those collected during the first round.

Note that all surveys were conducted more than a year after the global outbreak of the pandemic in March 2020.

Table 6: Number of borrowers surveyed for this study

	First round	Second round	Both rounds
Peru	204	203	407
Colombia	207	206	413
Bolivia	205	207	412
Cambodia	205	0	205
Myanmar	201	0	201
Total	**1,022**	**616**	**1,638**

Source: UNDP Human Development Index 2020 and World Bank data
*GNI per capita measured in US$, adjusted for 2017 Purchasing Power Parity
** GDP year-on-year change

This study occasionally discusses the impact of the pandemic on the poorer households among survey respondents. Households were classified as poor if their income was less than US$ 3.20 per person per day in Bolivia, Myanmar and Cambodia. For the two upper-middle income countries, Colombia and Peru, a poverty line of US$ 5.50 per day was used, as per World Bank common practice.

Limitations

In the case of some sub-groups and variables, the number of data points is too small to allow firm conclusions to be drawn. To avoid presenting potentially false or misleading conclusions, such limited data have been omitted from the charts and discussions presented in this study. For example, only 7% of respondents in Bolivia were categorised as poor, and only 6% of borrowers in Myanmar were male. Therefore, this study does not separately analyse data for differences by poverty status in Bolivia or for male-female differences in Myanmar.

Similarly, few respondents outside Bolivia and Colombia engaged in agriculture. However, the impact of the pandemic on agricultural activities appears to have been remarkably consistent across all countries, and is therefore presented in the form of aggregated estimates.

Contact
Triple Jump

info@triplejump.eu
www.triplejump.eu

Head Office
Mensinge 78
1083 HG Amsterdam
The Netherlands
T +31 20 5120620

Triple Jump Georgia
str. Davit Aghmashenebeli 61
(Mosaic Business Centre)
Tbilisi, Georgia
T: +995 595 769 800

Triple Jump Kenya
West End Towers, 5th Floor, Office A1
Waiyaki Way
P.O. Box 1896 00606
Nairobi, Kenya
T +254 (0) 20 421 4000

Triple Jump México
Tehuantepec 170, Colonia Roma Sur
Delegación Cuauhtémoc, C.P. 06760
Ciudad de México, México
T +52 55 36 83 42 80/81

Triple Jump Peru
Calle Independencia 371
Miraflores, Lima, Peru
T +51 14 47 39 15

Triple Jump Thailand
No. 33/97 Wallstreet Tower,
19th Floor, Unit 1903,
Surawong road, Suriyawong Sub-district,
Bangrak District, Bangkok 10500
T +66 (0)20 007 791