Multi-Country Data Sources for Access to Finance

A Technical Note

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February 2009

CGAP

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Acknowledgments

The authors would like to thank Jeanette Thomas, Robert Cull, Jonathan Morduch, Glenn Westley, Richard Rosenberg, and Jake Kendall for very helpful comments on an earlier draft of this paper.

This paper reviews various data sources that have a bearing on microfinance, or access to finance more broadly, and discusses their relevance. Attention is restricted to multiple country sources that achieve some level of comparability of data. But we recognize that most relevant data for a particular country will come from individual country sources.

We do not evaluate the intrinsic merits, methodological rigor, or data reliability of each survey discussed in this paper. Instead, we focus on the kinds of questions these data might be able to inform. Because demographic information on the clients being reached by financial services is important to many readers, we highlight data sources that contain this type of information.

Complete data are never available, and even if they were available, they would be too unwieldy to manage. Therefore, all data ultimately come from a survey of a more or less consistent set of respondents. The surveys are categorized in the first instance by who is being surveyed.

On the demand side, detailed surveys can be conducted of the two primary classes of users of financial services: households and enterprises. More general opinion polls can also be conducted. On the supply side, surveys can be conducted on the various types of entities that provide financial services: banks, microfinance institutions (MFIs), savings banks, postal banks, credit unions, and so forth. To get a handle on the growth perspectives for access to finance, funders of microfinance can be surveyed as to how they allocate their funding and regulators and other policy makers can be asked about the nature of the regulatory and supervisory environment.

Annex A provides summary descriptions of the various surveys we have found, classified by who is being surveyed. Annex B provides the Web links (where available) for further information on each of these surveys.

What Are the Main Data Gaps?

The data gaps we found can be put into four broad categories. First, we measure how many people have access to finance—outreach. For this, we need a rigorous, regular, and representative inventory of financial service penetration that is internationally comparable. This can be based either on the demand side (i.e., counting clients) or on the supply side (i.e., counting accounts). Second, we want to understand what financial products are

offered to clients, and what hinders access to these offers (e.g., fees, channels, or regulatory hurdles)—getting finance. Third, we need to understand customers' needs, the alternatives they have, and how they choose among them—using finance. Fourth, we track the funding flows into the microfinance industry—funding microfinance.

In terms of outreach, various actors collect data in their markets. What is still missing, though, is an exhaustive country-level breakdown of financial services for poor people and the financial institutions that offer these services. In many countries, serving marginalized customers is no longer the realm of specialized financial institutions with a social mission. Consumer lenders and formal commercial banks are increasingly entering this territory. Because they record their activities in different ways, these data are difficult to aggregate, and this poses a major challenge for future research. One methodological issue that remains unresolved relates to the problems of double counting accounts and eliminating dormant accounts.

The issue of getting finance can be considered on two levels. Although different data sources have collated and categorized regulatory aspects in a systematic way, there is still no systematic evaluation of the effectiveness of these regulations. More generally, how do we convert complex laws into indicators that can be used in numerical analysis? One issue is that simplified indicators or scores imply value judgments, which bear the risks of bias and oversimplification. On an institutional level, there are attempts to detail the offers of individual institutions (e.g., MIX Market). Besides the issue of not covering all relevant institutions, we are confronted with a fairly fragmented picture, unless all aspects (interest rates, product range, geographic location) are tackled together.

Several data sources look into the various aspects of using finance: What events and settings drive the need for specific financial services? What are the attitudes and perceptions of products and providers? How do these attitudes influence the decision-making process of existing and potential clients? Most data currently available are geographically limited and measure only the choices made, not the options considered. Particularly in the case of attitudinal surveys, questions may be interpreted differently by different people, which makes it difficult to interpret and compare survey outcomes internationally.

Data on microfinance funding can be divided into landscaping exercises and more analytical surveys. The former approach predominantly lists funders and recipients and, in some cases, also the funding instruments used. The latter approach details investment amounts for each individual project and, at best, contains descriptive information or a classification on the types of projects funded. The major challenge so far has been to provide a clear-cut definition of "microfinance projects" and reach a good coverage of the

broad spectrum of investors, which ranges from multilateral and bilateral donors and development finance institutions (DFIs), to commercial players like banks, and microfinance investment vehicles (MIVs).

Outreach

How many people use financial services?
The answer to this basic question is the key to understanding outreach. Unfortunately, a dearth of surveys and a plethora of definitional issues make the answer elusive. What type of account should be counted? In what types of institutions must the accounts be held? Honohan (2008), Demirguc-Kunt and Honohan (2007), Claessens (2005), and Tejerina et al. (2006) provide exhaustive reviews of financial access indicators and their construction using existing microdata sources. Their work is a first step toward clarifying and harmonizing measurement methodologies.

There are two basic approaches to determining outreach: demand-side approaches, which survey finance users (people, households), and supply-side approaches, which survey financial service providers. Honohan (2005) describes the various approaches and assesses their relative merits in detail. Emerging Markets Economics (2005) provides a detailed inventory of surveys and an overview of standard financial access and usage indicators.

Demand-side approaches are based on interviewing nationally representative samples of households. These are expensive to carry out and are generally done only every few years, if at all. Although, they may offer a snapshot of financial access in selected countries at any given point in time, there is no set of sources that offers a periodic tracking over time. Also, the definitions and questionnaires used in household surveys are generally tailored by each data provider and often for each country, making for data that are only imperfectly comparable across countries. On the other hand, the richness of data gathered through household surveys allows financial indicators in any given country to be disaggregated by demographic, income, rural/urban, employment, and education characteristics. Therefore, they are often useful not only to count but also to identify households with no access to finance based on other, more easily observable, household attributes. The main cross-country household surveys are briefly described next.[1]

The World Bank's Living Standards Measurements Survey (LSMS) collects household data through multiple topic questionnaires from nationally representative household samples (1,000–5,000 households) run by local statistical agencies. LSMS was launched in 1980, and so far it has been conducted in 33 countries and is done every 1–5 years. LSMS includes

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[1] We acknowledge that national household surveys often cover questions specific to access to finance. For the purpose of this article, we only consider multi-country data sources, though.

questions on consumption, income, savings, employment, health, education, fertility, nutrition, housing, and migration. Cross-country comparisons are difficult because a standard questionnaire is not employed. Nevertheless, LSMS is the broadest set of rigorous household-level data available for developing countries.

A financial services module implemented in conjunction with the 2006 Ghana LSMS provides in-depth nationally representative household-level data on access to and use of financial services. This is being, or is planned to be, implemented in at least eight other countries. Although questionnaires will be adapted to local conditions, a standardized set of questions will be included in every country survey to enable cross-country comparisons. The potential of this survey module is big: by attaching it to existing national surveys on household income, consumption, and expenditure, it could become replicable in a large set of countries, and it could yield household-level access to finance data on a cross-country basis.

Honohan (2005) provides an overview of finance-related questions for each country with an LSMS. Beck et al. (2008) construct a standard set of access to finance metrics using LSMS data and econometrically investigate the relationship between access to finance and a range of other household attributes (e.g., average income, size of household, urban vs. rural, and age, gender and education of household head). They report many problems with international comparability of the survey data, which hamper their analysis.

The Inter-American Development Bank's (IDB) Program for the Improvement of Surveys and the Measurement of Living Conditions in Latin America and the Caribbean (MECOVI) extracts data from over 400 independent, multipurpose surveys that cover 22 countries in the region. Twelve of these country surveys contain questions that have reasonably high-quality, comparable data on financial access rates. Tejerina (2006) describes the main findings from MECOVI surveys. Tejerina and Westley (2007) construct a standard set of access to finance metrics using MECOVI data, analyze how usage of formal and informal financial services varies by household income level, and examine the links between entrepreneurship and usage of financial services.

Finmark's FinScope surveys cover 14 countries in Sub-Saharan Africa, with sample sizes of 2,000–3,000 households. Unlike LSMS and MECOVI, FinScope focuses on financial characteristics of households and develops comprehensive metrics on the use, access, and attitudes to credit, savings, and other financial products. It also employs a standard survey instrument that facilitates intercountry comparisons. FinScope goes beyond LSMS and MECOVI in that it includes information on differential use of financial services by individuals within the same household.

FinScope created a Financial Services Measure, which places individuals in a continuum of degree of financial access and attitude to financial services from those who have full access (the fully banked) through to those who have no access at all. This can be used as a way of segmenting customers on their degree of exposure to financial services.

A promising and so far unexploited resource is the U.S. Agency for International Development's Demographic and Health Surveys (DHS), which focus on health and nutrition outcomes, but also include a core question on households' banked status and household wealth. The survey employs a standard instrument across more than 75 developing countries, making cross-national comparisons feasible.

Supply-side surveys of various classes of financial services providers can also be used to assess the extent of penetration of financial services in each country. However, such exercises count accounts, not customers, and are hence subject to double-counting people with multiple accounts. Also, because the demographic and financial characteristics of the people served remain unclear, no conclusions can be drawn about which target market these institutions cater to.

Next we look at the main surveys of the number of accounts at MFIs:

- MIX collects detailed operational and financial statement data from nearly 1,500 MFIs in over 110 countries and displays them through MIX Market (www.mixmarket.org). These data are updated on an annual basis. MFIs supply internal financial statements, operations reports, and, where available, audited financial statements and notes and rating reports. MIX's analysts reclassify the data and accounts according to international financial reporting norms, clean them based on data audit rules, and publish the results through MIX Market. Sixty-one percent of annual data are based on full audit reports. MIX Market publishes key indicators and ratios based on the underlying reported data following microfinance industry standards. A more in-depth analysis is presented in MicroBanking Bulletin (MBB), which analyzes a MIX panel subsample of 340 MFIs that have at least three years of reported data. Indicators cover the breadth (number of active borrowers and savers) and the depth of outreach (percentage of clients below the poverty line, percentage of clients starting a microenterprise for the first time). Data in MBB are confidential, and only aggregates with at least five observations are published. This is a major limitation to the usefulness of this data set.
- IDB's Microfinance Data Update covers more than 650 MFIs in 22 countries in Latin America and the Caribbean. It captures the total

number of clients and the number of microcredit clients per MFI. The
survey was first conducted in 2001 and has been updated irregularly.

- The Microfinance Center for Central and Eastern Europe (MFC)
  regularly publishes "State of the Microfinance Industry in Eastern
  Europe and Central Asia," which surveys more than 250 institutions
  in 27 countries in the region annually. Indicators reported include the
  average gross loan portfolio per institution, active borrowers, and a
  measure of depth of outreach. A section on social performance details
  gender of clients and rural/urban distribution and provides regional
  data on special interest groups, like ethnic minorities, refugees, and
  disabled.
- The Microcredit Summit survey captures 3,600 MFIs in 130 countries
  and, thereby, covers roughly three times more institutions than MIX.
  In turn, the data points collected are very limited (number of clients,
  number of poorest clients, and number of poorest women), and there-
  fore they are more of a headline indicator in nature, which is well
  suited for the purpose of a pure counting exercise.

The following surveys cover the number of accounts at banks and other
types of intermediaries:

- BankScope provides an overview of loan and savings volumes in
  larger commercial banks in 55 countries. Data can be broken down
  by accounting years, geographic location, type of financial institu-
  tions, and so forth. Information on ratings, ownership structure, and
  accounting methods also is included. The data set has no data relevant
  to outreach to customers who are not traditional bank clients.
- Beck et al. (2006) and Kumar (2008) surveyed the top five banks on
  their number of account holders in over 50 countries. Their main
  outcome indicator is the number of bank accounts per 1,000 popula-
  tion and adults. Account types are broken down into checking, savings,
  and time deposits.
- Credit union members' data are detailed in the World Council of Credit
  Unions (WOCCU) statistical appendix. It lists seven indicators that are
  aggregated on a country level for all WOCCU members: (i) number
  of credit unions, (ii) number of members, (iii) penetration, (iv) savings
  volume, (v) loan volume, (vi) reserves, and (vii) assets.
- The World Bank's Survey on Postal Networks provides informa-
  tion on the activities of postal banks in 60 countries, based mainly
  on secondary data. It contains information on the number of postal

banks, types and usage of financial services offered, and penetration of postal giro or savings accounts for different countries.

- In a CGAP paper, Christen et al. (2004) provide a one-time compilation of data from the various types of financial services providers to estimate penetration of financial services among the population, including both savings and credit accounts, in 148 countries. By focusing on "alternative financial institutions," the analysis is narrowed down to financial services for low- to middle-income customers, even if this is not a watertight definition. One major methodological issue that was highlighted by the authors of this study is that counting accounts does not necessarily equal counting clients. The CGAP data set was subsequently augmented by Peachey and Roe (2006), who included data from some additional government-sponsored savings banks. Honohan (2008) created a "composite" access to finance indicator by merging household survey data where available and financial provider data from Peachey and Roe (2006) when not.

Getting Finance

What is the cost of using financial services? How significant are nonprice barriers?

We now turn to the different kinds of barriers people face when accessing financial services. Average interest charges on loans can be obtained from several sources.[2] On the demand side, there is limited information on interest rates faced by households and small and medium size enterprises (SMEs) from the various household (LSMS, MECOVI, FinScope) or enterprise surveys. MIX provides average portfolio yield for MFIs covered in its sample, which gives an indication of average all-in borrowing cost. However, it does not differentiate on a product level.

Data on direct customer noninterest costs of savings and borrowings are generally captured through financial service provider surveys. Beck et al. (2006) pioneered this approach with a survey of 193 banks in 58 countries. They collated data on barriers for savings, credit, and payment services, such as minimum account balances or loan amounts, annual fees, and the required number of documents to open an account or delay in days to process loan applications. Kumar (2008) extended the exercise, surveying the top five banks in 54 countries. The study addresses questions pertaining to direct and indirect costs of opening an account. In particular, it covers account opening fees and opening charges by income and region; the average

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[2] There is practically no comparable information on the cost of informal sources of finance, which evidentially play an important role for the poorest segments of the population.

number of documents required for account opening; the time needed to open an account; and the costs of account maintenance. The study also compiles an index that ranks the countries surveyed according to convenience features and free usage features. These features comprise free balance inquiries, after-hours access to withdrawal services, and overdraft notification.

In a second step, Kumar (2008) analyses the payments infrastructure in each country, paying specific attention to four indicators:

1. The range of payment instruments offered by banks with their standard account (checks, cash cards, debit cards, direct debit facilities—inter-bank and intrabank—and credit cards).
2. The quality of automated teller machines (ATM) networks and their degree of interoperability.
3. The options available, in terms of payments channels offered by banks, for retail payments transactions for personal payments (person to person), paying bills (person to business), and paying taxes or receiving government transfers (person to government).
4. The time taken to complete a range of domestic payments transactions.

A World Bank Web site provides data on the cost of sending and receiving small amounts of money from one country to another (http://remittanceprices.worldbank.org). It covers 120 "country corridors" (i.e., pairs of sending [14] and receiving [67] countries). After defining these two countries, the user selects between two standard amounts (US$200 and US$500) and receives a list of remittance providers and the total cost incurred by the sender for each of these providers. This includes transaction fees plus the exchange rate margin or "spread" as well as the transfer speed in days.

Costs of remittances are also tracked in the online database SendMoneyHome (www.sendmoneyhome.org) set up by the U.K. Department for International Development (DFID). Users enter the sending and receiving country, amount and frequency of payment, and method of transfer. Costs of around 8,000 money transfer services from 200 institutions can be compared, and more countries are constantly added.

Indirect customer costs, such as distance traveled to the nearest branch, can be picked up from household level surveys, which sometimes ask whether bank branches are present in the community, or the distance/time to reach them (LSMS Community Modules, FinScope, MECOVI).

What is the legal, regulatory, and institutional environment supporting microfinance?

Regulation can be an important driver in facilitating (or exacerbating) access to finance. Few data sources specifically address microfinance from a legal or regulatory perspective. One of them is CGAP's comparative online database on microfinance regulation and supervision, which is a compendium of laws and regulations governing microfinance. The financial, legal, and regulatory situation for microfinance in 52 countries is presented in a standardized way, and users can create individual country reports or compare data across countries. Topics include the general approach to regulation, organizational registration, licensing requirements, capital and reserves, risk management guidelines, and reporting and supervision.

IDB's LAC Microscope provides a scoring of the regulatory framework for each country on a scale from 1 (lowest) to 100 (highest). Topics covered are regulation of microcredit operations, formation and operation of regulated specialized MFIs and nonregulated MFIs, and regulatory and examination capacity. Each numerical score is accompanied by a detailed rationale for the evaluation.

There is a range of surveys that, although not specifically targeting microfinance, contain some information that may be of interest to microfinance providers:

- Barth et al. (2008) examine the prudential regulation of commercial banks and provide Basel II compliance data for over 130 countries. Their analysis covers requirements and regulatory powers regarding bank entry, ownership, capital, powers and activities, auditing, organization, liquidity, provisioning, accounting and disclosure, incentives for supervisors, deposit insurance, and disciplining powers, including bank exit.
- Kumar (2008) surveys regulators in 54 countries to examine the regulatory aspects of obstacles to banking and to collect basic statistical information on banking access in each country. The study focuses on the extent to which documentation requirements for credit applications are regulated, the existence of guidelines requiring banks to advise clients of an unfavorable change of terms, and the presence of regulations relevant to disclosure.
- The World Bank's Payments System Worldwide (Garcia 2008) presents the outcomes of a 2007 survey of central banks worldwide on the status of national payments and securities settlement systems. The survey does not aim at collecting systematic statistical information on

the different components of national payments systems, but rather provides a qualitative sense of magnitude.

- The World Bank's *Doing Business* report provides information on coverage of individuals and enterprises by credit registries, as well as whether positive and negative records are maintained. Additionally, it measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending.

Using Finance

What is the financial product mix used by households and microenterprises?

Most household surveys are limited to identifying households that have some degree of contact with the formal financial system. A limited number of LSMS (12) and MECOVI (18) surveys provide information on credit products—loans, credit cards, overdraft facilities—used by households. Some modules include detailed loan terms (interest, maturity, collateral, documentation requirements) or, alternatively, reasons for denial or for not applying for a loan. MECOVI and LSMS have limited indirect information on use of insurance products, for instance in the form of household expenditure on insurance.

FinScope surveys are much broader and provide information on the use of credit, savings, insurance, payments, remittances, and investment products. The surveys also give information on insurance use, disaggregated by insurance product.

ADB conducted a survey on voluntary savings services that collects basic information of over 130 savings products offered in 25 Asian countries. These savings products do not include compulsory savings schemes or those where savings is a prerequisite for accessing credit.

National-level insurance penetration and average premium estimates for life and nonlife product categories are available in Swiss Re (2008), which covers 147 countries. The data originate primarily from national supervisory authorities and, in some cases, from insurance associations.

Data on international remittances are available from multiple sources. At the macro level, the International Monetary Fund's International Financial Statistics (IFS) provides data on net aggregate remittance flows recorded in official trade statistics; the World Bank publishes similar statistics in its Development Indicators. At the market level, de Luna Martinez (2005) constructs remittance indicators from surveys of central banks and financial regulators. And at the household level, the surveys by LSMS, MECOVI, and FinScope all provide indicators of whether households receive or send remittances. Specialized remittances modules in LSMS (Ghana 2006) provide

in-depth information on the types of remittance flows, origin/destination information, and use of remitted funds.

A novel approach has been taken by the Financial Diaries study in South Africa, India, and Bangladesh. This survey examines financial management in rural and urban households. The type of data gathered provides information about household demographics, physical assets, typical income and expenditure patterns, historical and current employment, and current and previous use of financial instruments. The information collected is unique in its granularity and richness; above all, it can help identify questions and frame the sampling of broader cross-country surveys.

On the SME side, the World Bank's Enterprise Surveys provide information on trade credit, personal/family finances, letters of credit, and loans (including information on loan terms). There is much more limited information on microenterprises; this tends to be included in the household survey data obtained by LSMS, MECOVI, and FinScope.

How good is financial literacy? What are people's attitudes to finance?
Originated in developed economies, surveys on financial literacy and attitudes to finance have lately gained momentum in more and more developing countries. Along with adequate regulation and supervision of microfinance activities, the basic understanding of financial concepts is perceived to be key to fostering healthy local financial markets. The Using Finance part of our framework covers this issue; it not only comprises the alternatives people have, but also the attitudes and financial abilities they possess.

The OECD (2005) Financial Literacy study analyzes financial literacy surveys in member countries; highlights the economic, demographic, and policy changes that make financial education increasingly important; and describes the different types of financial education programs currently being offered in OECD countries.

The FinScope surveys gather information on financial literacy indicators for several developing countries—*inter alia* comprehension of compounding interest, discounting, and the effects of inflation. Also, the survey tests respondents' general attitudes toward banks and identifies the main access barriers within the formal financial system. Categories used include requirements, bureaucracy, technology, and safety of banking transactions. As a perceptual study, it also encompasses behaviors, quality-of-life factors, and consumption patterns, which enable researchers to draw a detailed sociodemographic profile of these people.

The LSMS Financial Services module, which has so far been completed only in Ghana, features a section on attitudes and actions, where individuals are asked for their motivations behind using specific financial services.

The World Values Surveys and the Gallup World Poll provide subjective information on individuals' assessments of their financial well-being and their general level of trust in the financial system. Regional attitudinal surveys like the Eurobarometer, the Afrobarometer, and the Latinobarometro ask respondents about their level of trust in banks and financial products and a self-assessment of their savings and borrowing behavior.

Funding Microfinance

A variety of surveys track the flows from various investor and donor groups into microfinance or the financial sector. The following two sources provide an overview of the funder landscape:

- The MIX Market online supply-side database covers over 100 institutional investors/funds for MFIs. Funds that report can enter their key contacts, a description of their activities, the types and terms of funding offered, and information on their fund structure and performance. Because data are self-reported, accuracy and completeness of information cannot be guaranteed.
- FIRST Initiative hosts a Web-based portal that disseminates public information on the financial sector development activities of the official donor community. Projects are sorted by geographic regions, and details are provided on background, outputs, activities, project life time, and budget. Almost 2,000 projects are currently listed on the Web site.

Other sources go beyond a pure mapping of funders and/or recipients of funds:

- CGAP conducts periodic surveys on a range of different funders: (*i*) bilateral and multilateral investors, (*ii*) international financial institutions (IFIs), and (*iii*) MIVs. The former two surveys cover committed or outstanding amounts of investments and projects in the investment pipeline. The latter survey collects funding and performance information on MIVs.
- OECD's Development Assistance Committee (DAC) details country/sector-level overseas development assistance flows disaggregated by donor agency. DAC collects detailed financial and qualitative information on aid flows from its 23 members; from multilateral aid agencies, such as the World Bank and the United Nations; and from an increasing number of donors outside OECD. "Microfinance" does not appear as a separate category, whereas "Banking & Financial Services" does.

- Project-Level Aid aims to provide information on every individual project committed by bilateral and multilateral aid donors since 1973. The database is not yet publicly available, and it is expected to launch by early 2010.

Conclusions

Our review has shown that, for most of the questions we asked, cross-country data from various sources are available. Putting these sources together to construct a global view on access to finance has its challenges:

- Different data sources target different audiences. For example, both MIX Market and Microcredit Summit collect data on MFIs. While MIX Market offers detailed balance-sheet level data that are amenable to in-depth statistical analyses by researchers and practitioners, Microcredit Summit mainly aims at informing policy makers and the general public about the progress of the microfinance industry. Joining these two datasets is of limited use, because the intersection between comparable indicators is very low.
- The data we have are incomplete. In some cases they cover only parts of the questions we want to answer (this is particularly true for topics related to using finance). In some cases, they cover only some of the players that provide access to finance, because they are typically biased toward regulated financial institutions. Most important, in almost all cases data cover only certain geographical regions and hence fail to deliver a global overview of access to finance.
- Data are not necessarily comparable, because collection methodologies and indicator definitions vary from one data source to the other. For example, both the Finscope surveys and parts of the World Bank's LSMS address the same issue: What is the financial product mix used? Still, collating information from these two sources is practically impossible, because each survey has its own selection of survey participants and definition of financial products.

What is needed in terms of data collection to help advance access to finance? The biggest need is in measuring the *magnitude of the task*. This will help to prioritize efforts (e.g., by country or by customer segment) and to set tangible targets in moving toward financial inclusion. To be successful, the data collection has to be representative, rigorous, and credible. Regular survey updates should measure changes in the coverage of financial services. One potential route is to focus on household "flash" surveys that target 50–100 countries with a set of 20–30 questions every three years. This

approach would avoid the problems related to the pure counting of accounts. Assessing outreach is important for policy makers who need a baseline to help prioritize their efforts in facilitating access to finance and to help track their progress over time. Industry advocates need an indicator to communicate the task that lies ahead and maintain public attention through regular progress updates. Researchers can use these data as outcome indicators for cross-country analyses on the determinants of access to finance.

"Getting finance" indicators are more actionable than pure counting exercises. They can help policy makers identify the important levers that improve access to finance in a national context. Industry advocates need evidence that draws attention to the main barriers poor people face when accessing financial services. Also, researchers can use these data to improve models that explain the main drivers and barriers in access to finance across countries. Creating an inventory of *offers and barriers* would enable us to refresh our view of the supply side and take a closer look at general market practices. The aim would be to find out "where the problem lies" with formal finance offers (e.g., fees, channels, or bureaucratic requirements) and to transform these market realities into manageable indicators. Naturally, regulatory issues play a pivotal role in this discussion, because they are an important driver of market conditions. To make them accessible to quantitative analysis, rules and regulations have to be quantified (e.g., through scoring methodologies). First attempts have already been made (see IDB's LAC Microscope) and could be used as the basis for a broad-scale attempt that comprises a large set of countries from different geographical regions.

"Using finance" indicators can provide underpinnings for specific policy initiatives on the micro level. They can be used directly to engineer specific solutions with regard to products, delivery channels, or social marketing strategies. Market participants can base their product development on these data and drive the design of better, more targeted solutions. Researchers can obtain valuable input for studies on the adoption of technologies, acceptance of brands, and modeling of decision-making processes. For this purpose, we need to better understand what the *drivers and behaviors* behind using financial intermediaries and products are. The survey instruments that have been used so far are varied (qualitative, panel, and/or quantitative instruments) and deliver valuable insights from various angles on how financial services are used. The task to harmonize is difficult, because questions relating to needs, alternatives, attitudes, and decisions are interrelated and therefore need to be tackled simultaneously. So far, no survey has taken that path, and substantial financing would be necessary to get an effort like this off the ground.

Annex A

Summary of Data Sources

A1. Summary of Household Data Sources

	LSMS	LSMS Phase IV Financial Module	FinScope
Implementing agency	World Bank	World Bank	FinMark Trust
Coverage	31 countries (since 1980)	9 countries (1 completed, 4 in the field in 2008, 4 planned)	15 countries (14 in Sub-Saharan Africa, plus Pakistan)
Primary sampling unit	Household, community	Household (also randomized to individuals within household)	Household
Primary focus	Poverty	Finance	Finance
No. of relevant finance questions	1–5	15–20 (based on Ghana questionnaire)	30–40
Frequency	1–5 years	1 time	1 time
Sample size	1500–5000	2000–3000	2000–3000
Standard survey instrument	No	Yes	Yes
Panel data	Limited	No	No
Data publicly available	Yes	No	Only for some countries
Methodology	Nationally representative, complex (stratified, clustered) survey. Sampling frames developed from most recent population census.	Subsample of LSMS sampling frame, resampled to test different finance survey instruments.	Nationally representative, complex (stratified, clustered) survey.
Scope	Unbanked measure; use of savings, credit, insurance products; community-level access indicators	Detailed info on financial products – savings, credit, insurance, including interest/ collateral/ documentation requirements	Unbanked measure; use of savings, credit, insurance products; financial literacy; attitudes toward financial products and institutions; physical access indicators

A1. Summary of Household Data Sources (continued)

	MECOVI	Financial Diaries
Implementing agency	IDB, in conjunction with World Bank and ECLAC	University of Cape Town, University of Manchester
Coverage	12 countries in LAC (since 1997)	160 households in South Africa, 42 households in Bangladesh, 48 households in India
Primary sampling unit	Household	Household
Primary focus	Poverty	Finance
No. of relevant finance questions	10–30	n/a
Frequency	1–5 years	
Sample size	2000–5000	200+ households
Standard survey instrument	No	n/a
Panel data	No	Yes
Data publicly available	No	South African data available on www.datafirst.uct.ac.za
Methodology	Data repository, based on more than 400 national household surveys. Nationally representative, complex (stratified, clustered) survey.	Qualitative, not representative
Scope	Unbanked measure; use of savings, credit, insurance products	Use of financial products

A2. Summary of Enterprise Data Sources

	Investment Climate Enterprise Surveys	World Business Environment Survey	Business Environment and Enterprise Performance Survey
Implementing agency	IFC/World Bank	IFC/World Bank	EBRD/World Bank
Coverage	40–60 countries	80 countries	27 countries in ECA
Primary sampling unit	Enterprise	Enterprise	Enterprise
No. of relevant finance questions	10–15	10–15	10–15
Frequency	1–3 years (staring 2001)	1999, 2000	1999, 2002
Sample size	100–2500	200–600	200-–600
Standard survey instrument	Yes	Yes	Yes
Panel data	No	No	No
Data publicly available	Yes	Yes	Yes
Methodology	Random sampling; frame constructed to be nationally representative of firms, by size category; sampling weights are available only for a small set of surveys	Random sampling; frame constructed to be nationally representative of firms, by size category; sampling weights are available only for a small set of surveys	Random sampling; frame constructed to be nationally representative of firms, by size category; sampling weights are available only for a small set of surveys
Scope			
Access, cost of finance	Firms rank the severity of access to and cost of finance constraints on growth		
Sources of financing	Financing for working capital and new investments		
Credit	Special section addresses loan application and outcomes and terms of bank loans used by firms. Interest rates, collateral requirements, and loan terms.		
Use of microfinance	Not covered	Not covered	Not covered
Firm Size	5+ employees	15+ employees	15+ employees

A3. Summary of General Opinion Data Sources

	Afrobarometer	Eurobarometer	Latinobarometro	World Values Surveys; Gallup World Poll
Implementing agency	Afrobarometer Consortium (nonprofit)	EU	Latinobarómetro Corporation (nonprofit)	World Values Survey Association (nonprofit)
Coverage	20 countries in Africa	All EU countries	18 countries in LAC	Global: 40–60 countries
Primary sampling unit	Households	Households	Households	Households
Primary focus	Democracy/Governance	Broad set of social issues in EU	Broad set of social issues in LAC	Broad set of social issues
No. of relevant finance questions	Respondents rank loans/credit relative to other problems facing the country that should be addressed by the govt.	Special module covers use of financial services—credit, savings, insurance, investment. Includes infomation on cross-border use of services	Respondents rate trust in banks (and IFIs); use of checking account and credit cards (listed as consumer goods)	Saving and borrowing behavior; general financial wellbeing
Frequency	3–4 years (4 rounds since 1999)	Annual, since 1973	Annual, since 1995	Every 5 years since 1990
Sample size	1200–3000	1000	1000–1200	1000–2000
Standard survey instrument	Yes, starting in 2008	Yes	Yes	Yes
Panel data	No	No	No	No
Data publicly available	Yes, archived at ICPSR	Yes, archived at ICPSR	No	Yes
Methodology	Multistage random sampling; nationally representative of voting age population	Multistage random sampling; nationally representative of adult population.	Multistage random sampling; nationally representative of adult population.	Multistage random sampling; nationally representative of adult population.

A4. Summary of Financial Intermediary Data Sources

	MIX Market	MBB	BankScope	Beck et al. (2006) and Kumar (2008)	ADB Country Studies	WSBI
Implementing agency	MIX	MIX	Fitch	World Bank	ADB	World Savings Bank Institute (WSBI)
Coverage	1,230 MFIs in over 60 countries	340 MFIs (subsample of MIX Market)	55 countries	54–58 countries	9 countries	70+ countries
Frequency	Annual	Annual	Annual	Conducted twice, although World Bank is considering making it annual	One time	One time
Panel data	Yes	Yes	Yes	—	—	—
Data publicly available	yes	no—aggregate summaries published in MBB	No	No—aggregate summaries in paper	No—aggregate summaries in paper	No
Institutional focus	MFIs	MFIs	Commercial Banks	Large Commercial Banks	MFIs	Savings Banks
Detail	General information, outreach and impact, financial data, audited financial statements, ratings and evaluations	Institutional characteristics, financing structure, outreach indicators, macroeconomic indicators, financial performance, overall performance indicators	Credit products, Balance sheet information	Credit products, access (physical, cost of services), country-level aggregate measures of access/use of financial services	Savings and credit products, aggregate country-level estimates of microcredit use	Survey of savings banks, estimate of number of accountholders

(Table continues on next page)

A4. Summary of Financial Intermediary Data Sources (continued)

	MFC State of Microfinance in EECA	WOCCU Credit Union Coverage	IDB "Data Update"	Microcredit Summit Report	SendMoneyHome. org	Remittance Prices Worldwide
Implementing agency	MFC for Central & Eastern Europe and the New Independent States	WOCCU)	IDB Multilateral Investment Fund	Microcredit Summit Campaign	DFID	IFC
Coverage	254 institutions in 27 countries	~43,000 institutions in 95 countries	650+ MFIs in 25 Latin American countries	3,600 MFIs in 130 countries	200+ institutions, 8,000 different services	14 sending and 67 receiving countries
Frequency	Annual, since 2003	Annual, since 1972	Since 2001, irregular	Annual, since 1999	Institutions can update their information daily	Institutions can update their information daily
Panel data	No	No	No	No	No	No
Data publicly available	No	Yes, online	Yes	No, only aggregates	Yes	Yes
Institutional focus	MFIs, downscaling commercial banks, credit unions	Credit unions	MFIs	MFIs	Financial Institutions that offer money transfer facilities	Financial Institutions that offer money transfer facilities
Detail	Assets, liabilities, equity, foreign exchange risk, financial indicators, social performance	Number of credit unions and their members; savings, loans, reserves, and asset for members of WOCCU-affiliated credit unions	Number of institutions, outstanding portfolio, number of borrowers, average outstanding loan size	Number of total borrowers and savers, depth of outreach	Provider, transfer type, sending fee, exchange rate, bank account needed/not needed	Provider and total cost incurred (for remittances of 200 and 500 USD) by the sender (includes transaction fees plus exchange rate margin, transfer speed in days)

A5. Summary of Regulatory/Policy Data Sources

	Doing Business	Financial Sector Development Indicators	Payments Systems Worldwide	IDB LAC Microscope	CGAP Resource Center on Regulation and Supervision	Bank Regulation and Supervision
Implementing agency	IFC	World Bank	World Bank	IDB/EIU	CGAP/IRIS	World Bank
Coverage	80+ countries	80+ countries	142 countries	15 LAC countries	52 countries	143 countries
Frequency	Annual, since 2003	Annual, since 1960; discontinued in 2007	One off; survey conducted in 2007	2007 and 2008	Updated irregularly	2003, 2007
Public availability	Yes; data downloadable online	Yes; data downloadable online	Yes	Yes	Yes	Yes
Focus	Institutional environment	Macro financial system development	National Payment and Securities Settlement Systems	Regulatory framework	Regulation and supervision of microfinance	Regulation and supervision of banks
Detail	Credit bureau/registry coverage (individuals and enterprises; positive and negative records)	Financial system depth and breadth indicators	Legal/regulatory framework; large value payments; retail payments; foreign exchange settlement; cross border payments & remittances; payment system oversight	Covers regulation of microcredit operations, formation and operation of regulated/supervised specialized MFIs, formation and operation of nonregulated MFIs, regulatory and examination capacity	Country indicators and general approach to regulation, licensing requirements and standards, capital and reserves, risk management guidelines, reporting and supervision, tax treatment, other relevant business legislation	Requirements and regulatory powers regarding bank entry, ownership, capital, powers and activities, auditing, organization, liquidity, provisioning, accounting and disclosure, incentives for supervisors, deposit insurance, and disciplining powers including bank exit

A6. Summary of Funder Data Sources

	CGAP Microfinance Funder Survey	FIRST Initiative	MIX Market	OECD DAC	PLAID
Implementing agency	CGAP	FIRST Fund	MIX	OECD	William and Mary College
Coverage	Direct and indirect investment in MFIs by donors, private investors, DFIs, and MIVs Coverage in 2008: 58 MIVs, 22 investors, 33 donors	Financial system development projects funded by IFIs, DFIs (approx. 2000 projects since 2002)	Private and public funds investing in MFIs (over 100 funds)	Annual Official Development Assistance (ODA) flows since 1975, disaggregated by donor and sector	Project-level ODA flows since 1973; investments by bilateral, multilateral donors
Frequency	Annual (2005–08)	Annual	Annual	Annual	Annual
Data publicly available	Summaries available	Yes, online	No—aggregate numbers on Web site and MBB	Yes	Yes—in the future
Products	Debt, equity, grants, guarantees	Debt, grants, loan guarantees	Debt, grants	ODA: debt, grants, loan guarantees	to be announced

Annex B

Further Information

B1. Household data sources

LSMS	www.worldbank.org/LSMS/
LSMS Financial Services Module	go.worldbank.org/ARGZ3337I0
	go.worldbank.org/1Y21D2I6B0
	go.worldbank.org/8GZ042CXT1
Finscope	www.finscope.co.za
MECOVI	www.iadb.org/sds/pov/site_19_e.htm
IADB–LAC sources	http://idbdocs.iadb.org/wsdocs/getDocument.aspx? DOCNUM=1384010
Financial Diaries—South Africa	www.financialdiaries.com

B2. Enterprise data sources

Investment Climate	www.enterprisesurveys.org

B3. General opinion data sources

Eurobarometer	ec.europa.eu/public_opinion/index_en.htm
Afrobarometer	www.afrobarometer.org
Latinobarometro	www.latinobarometro.org or www.jdsurvey.net
World Values Survey	www.worldvaluessurvey.org
Gallup World Poll	www.gallup.com/consulting/worldpoll/24046/about.aspx

B4. Financial intermediary data sources

MIX Market	www.mixmarket.org
Microfinance Bulletin	www.mixmbb.org
ADB Country Studies	www.adb.org/Publications/subject.asp?id=166&p=microfnc
IDB Microfinance Microscope	www.iadb.org/mif/microscope.cfm
BankScope	www.bvdep.com/BANKSCOPE.html
Beck—Bank Services for Everyone	siteresources.worldbank.org/DEC/Resources/Beck-DemirgucKunt-MartinezPeria0207.pdf

Postal Networks	www.wsbi.org/uploadedFiles/Thematic/PostalFinvces.pdf
World Bank—Banking the Poor	See Kumar et al (2008)
WOCCU statistical reports	www.woccu.org/publications/statreport
MFC State of Microfinance in EECA	http://www.mfc.org.pl/images/pliki/mapping_2006_eng-2.pdf
World Bank Remittances	http://remittanceprices.worldbank.org
Send Money Home	www.sendmoneyhome.org

B5. Regulatory/policy data sources

IFC—Doing Busines	www.doingbusiness.org
Caprio et al.—Bank Supervision	go.worldbank.org/SNUSW978P0
Microfinance Gateway on MFIs	www.microfinancegateway.org/resource_centers/reg_sup/article/24991/
World Bank—Banking the Poor	See Kumar et al. (2008)
World Bank remittances	http://go.worldbank.org/QOWEWD6TA0
CPSS/BIS payments system information	www.bis.org/cpss/paysysinfo.htm
World Bank—Payments survey	see Garcia (2008)
Swiss Re (2006)	http://www.swissre.com/resources/d901cb004a 24e38e9426d71e1eec54e8-sigma3_2008_e.pdf

B6. Funder data sources

OECD DAC	www.oecd.org/dac
FIRST Initiative	www.firstinitiative.org/InformationExchange/index.cfm
PLAID (William & Mary)	irtheoryandpractice.wm.edu/projects/plaid/
CGAP Funder Surveys	www.cgap.org/p/site/c/donors/
	www.cgap.org/p/site/c/template.rc/1.26.2114

B7. Surveys of data sources

FSDI	www.fsdi.org
OECD (2005)	http://www.oecd.org/document/28/0,3343,en_ 2649_15251491_35802524_1_1_1_1,00.html
Honohan (2007)	
Pesaresi and Pilley (2003)	
Brazil, Colombia, India, and Mexico—Kumar et al. (2004), Basu and Srivastava (2005), and Caskey, Solo, and Durán (2004)	
Peachey and Roe (2004)	

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