Do micro-credit, micro-savings and micro-leasing serve as effective financial inclusion interventions enabling poor people, and especially women, to engage in meaningful economic opportunities in LMICs?

A systematic review of the evidence

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PROTOCOL

Main title	Do micro-credit, micro-savings and micro-leasing serve as effective financial inclusion interventions enabling poor people, and especially women, to engage in meaningful economic opportunities in LMICs?
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Review Group	This group is made up of staff from the EPPI-Centre's Perspectives, Participation and Research team and members of the University of Johannesburg's Department of Anthropology and Development Studies & Centre for Language and Culture, namely: Ruth Stewart and Kelly Dickson from the University of London and Carina van Rooyen, Thea de Wet, and Natalie da Silva from the University of Johannesburg
Advisory group	As we are conducting a multi-centre systematic review, we will be using a virtual network to advise on this project including: Use of hashtags on Twitter to share information with those who routinely share and discuss issues around microfinance and the evidence for its impact under hashtags such as #microentchat, #microfinance, #microsavings and #mifimon A Ning wiki on Impact Evaluation Social Network (http://3ieimpact.ning.com) Our own methodological networks via the EPPI-Centre Academic peer reviewers identified for their expertise in systematic reviewing and in researching microfinance.
Conflicts of interest	None
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List of abbreviations

3ie	International Initiative for Impact Evaluation
CGAP	Consultative Group to Assist the Poor
DFID	Department for International Development
GNI	gross national income
LICs	low-income countries
LMICs	low and middle income countries
MDGs	Millennium Development Goals
MFI	microfinance institutions
NGOs	non-governmental organisations
RCTs	randomised control trials
UN	United Nations
UNCDF	United Nations Capital Development Fund

CHAPTER ONE

Background

Outline of chapter

This chapter provides a general introduction to financial inclusion of the poor and microfinance specifically. It describes the theoretical foundations for financial inclusion as an economic and a development tool, and why women's economic empowerment is thought to be particularly important. It explains how the scope and aims of microfinance have shifted and how evaluations of its impact have challenged the growing claims for its effectiveness. We outline the existing systematic reviews in this area and explain why a new review is called for. We present the scope of the review, define the key concepts and present our detailed review questions.

1.1 Policy, practice and research background

1.1.1 Microfinance for financial inclusion

Only 20% of people in developing countries have access to formal financial services (World Savings Bank Institute 2004). Of these, women, who are disproportionately represented amongst the world's poor, have less bargaining power than men regarding household wealth, and have more limited access to formal credit (UNDESA 2009). Due to an association between poverty and financial exclusion, various interventions are now aimed at those once considered 'unbankable'. These include skills to increase access to financial resources (such as financial literacy), technical developments to extend access geographically and to new sections of communities (such as mobile banking), and the financial services themselves (such as micro-credit). This review will focus on financial services, in particular microfinance, with a particular focus on gender and the potential for microfinance to reduce gender inequalities.

Since the 1970s microfinance has come to be seen as an important development policy and a poverty reduction tool for men, as well as women. Microfinance includes a suite of financial tools which aim to provide banking services for the unbanked, specifically the provision of small cash loans (micro-credit), the lending of productive assets (micro-leasing), facilities to save (micro-savings), and most recently insurance policies (micro-insurance) and money transfers. These instruments are seen as reducing and mitigating risks and vulnerabilities experienced by poor people (Hulme et al 2009). Some even argue (e.g. Littlefield et al 2003; Simanowitz and Brody 2004; World Savings Bank Institute 2010) that microfinance is a key tool to achieve the Millennium Development Goals (MDGs).[1] There is an assumption that extending access to financial services will increase wealth and reduce poverty (Grameen 2009; Khandker 2005). Kofi Annan, then the UN Secretary General, described microcredit in 2005 as "a critical antipoverty tool – a wise investment in human capital. When the poorest, especially women, receive credit, they become economic actors with power. Power to improve not only their own lives but, in a widening circle of impact, the lives of their families, their communities, and their nation" (quoted on the United Nation's 2005 Year of Microfinance website, UNCDF 2005).

Improving women's access to financial services has been proposed as a means to fulfil their practical needs, as well as contribute to their strategic needs in terms of gender equality (Kabeer 2001). By enabling women's engagement in economic opportunities microfinance is thought to increase their power within their households and communities, as well as increasing their standard of living and that of their children (Kay 2002). As a result women, and in particular female-headed microenterprises, are often the focus of microfinance initiatives (ACCION 2009).

[1] Yunus (2006) even claims that access to credit is a human right.

Despite this, women's access to these financial services appears to vary around the world (UNDESA 2009; Naidoo and Hilton 2006; Ellis et al 2006), which may be due to other related factors such as their lower levels of employment and income (Aterido et al 2011). Women also face particular challenges starting up new businesses including their own limited skills and knowledge, lack of access to technology and limited mobility, as well as external factors such as discriminatory laws and regulations (UNDESA 2009). Even where women do access microfinance and have the potential to engage in economic opportunities, the potential for these services to contribute to their empowerment is debated and an emphasis put on the need for additional strategies, rather than relying on micro-credit alone (Mayoux 2009).

Some argue that there is no need to target women in order to empower them, as achieving development *per se* results in greater gender equality (in Duflo 2011). With gender issues now being mainstreamed by major development agencies, women's concerns and experiences are considered as 'an integral part of the design, implementation, monitoring and evaluation of policies and programs in all political economic and societal spheres, so that women and men can benefit equally, and inequality is not perpetuated' (Gobezie 2011). Such gender mainstreaming within microfinance, coupled with its potential to alleviate poverty, may therefore be improving women's lives indirectly, irrespective of any direct benefits.

In addition to these social and development arguments for microfinance, there is an economic case that leads us to expect improved financial access to increase incomes, and furthermore that targeting women may have the greatest impacts. As Armendariz and Morduch (2010) explain, provision of credit in capital-poor, credit-constrained economies should provide relatively high returns on investment compared to capital-rich economies where opportunities are already maximised. Furthermore, by reducing credit constraints and providing financial services in environments where credit is hardest to access, and to groups such as women who are most-commonly excluded from the market, the potential for profits is even higher (de Mel et al 2008;2009).

The evidence regarding such positive impact is challenging and controversial, partly due to the difficulties of reliable and affordable measurement, of attributing cause and effect, the methodological challenge of proving causality, and because impacts are highly context-specific (Brau & Woller 2004:28; Hulme 1997; Hulme 2000; Makina & Malobola 2004:801). Despite this, instead of limiting the claims for microfinance, we see the claims for their effectiveness broadened to include social impacts such as empowerment for women, and extended beyond the alleviation of poverty to the prevention of poverty.

Further, while many of the first institutions offering microfinance were not-for-profit local NGOs driven by a development paradigm, microfinance is now a global industry driven by a commercial for-profit paradigm (Brau & Woller 2004; Robinson 1995). Hulme and colleagues indicate "a notable historical shift from thrift (microsavings) as the foundation of finance for the poor in the early 20th century, to debt (microcredit) in early 21st century" (2009, p1). One aspect of the commercialisation of the microfinance industry is its formalisation, i.e. microfinance institutions (MFIs) transforming themselves into banks and turning to banks for funds (Matin et al 1999:20). The other aspect of more commercial microfinance is that commercial financial institutions – like banks – are entering the fray. In the context of the commercialisation (both the turn towards profitability by MFIs and the entrance of private financial institutions into the microfinance field), concerns that the purpose of microfinance is shifting - a change known as 'mission drift' - is rife in the industry. While a double-bottom line of financial sustainability and social impact seems acceptable to most, there is a fear amongst those who Morduch (2000) calls the welfarists, that in the context of commercialisation, financial sustainability will become the measure of success.

1.1.2 Recent debates around the effectiveness of microfinance

Studies about and questions regarding the impact of financial inclusion interventions, in particular microfinance, are not new (see Copestake 2002; Goldberg 2005; Hulme and Mosley 1996; Rogaly 1996). Some within the microfinance industry argue that the market is an adequate proxy for impact, i.e. client retention and high repayment rates show that poor people are happy with microfinance (Wrenn 2005). Despite various studies "the question of the effectiveness and impact on the poor of [microfinance] programs is still highly in question" (Westover 2008, p7). Roodman and Morduch (2009) revisited studies on microcredit in Bangladesh, and similarly conclude that "30 years into the microfinance movement we have little solid evidence that it improves the lives of clients in measurable ways." Even the World Bank report 'Finance for all?' indicates that "the evidence from micro-studies of favourable impacts from direct access of the poor to credit is not especially strong" (2007, p99).

These debates are not easy to resolve given the challenges of measuring impact in development (Blattman 2011; Haddad 2011), and in microfinance specifically (Karlan & Appel 2011). It is extremely difficult to isolate the impacts of microfinance, because to do so, you must identify what would have happened without it (i.e. establish the counterfactual). Whilst the most reliable method to establish a counterfactual is in theory a randomised controlled trial (RCT) (Duflo et at 2004); in practice these are expensive to run, take time, and lack contextual complexity and external validity (Algoso 2011, Barrett et al 2010, Chambers et al 2009, Deaton 2009, Jones 2009). Furthermore, identifying a community which has not already received microfinance interventions in order to run a prospective trial is not straightforward (Odell 2010). Alternative quasi-experimental designs that construct a comparison group retrospectively using statistical techniques and / or seek to control for potential biases in analyses can be useful, but also contain inherent problems (Roodman & Morduch 2009). Debates around the effectiveness of microfinance to alleviate poverty are thus further compounded by theoretical and methodological debates about how to assess this effectiveness (Karlan & Appel 2011).

Recently these debates became heated when the findings of the first three randomised controlled trials (RCTs) in India, Kenya and the Philippines by the Massachusetts Institute of Technology's Jameel Poverty Action Lab (Banerjee et al 2009; Dupas & Robinson 2009; Karlan & Zinman 2010) raised questions about the impact of microfinance on improving the lives of the poor. These studies did not find a strong causal link between access to microfinance and poverty reduction and social well-being for the poor. In response, six of the biggest network organisations in microfinance – Accíon International, FINCA, Grameen Foundation, Opportunity International, Unitus,[2] and Women's World Banking – pointed to anecdotal evidence of the positive impact of microfinance, while also highlighting the weaknesses of these studies. Their criticisms included the short timeframe, small sample size, and the difficulty of quantifying the impact of microfinance. Rosenberg (2010) of the Consultative Group to Assist the Poor (CGAP) reacted to these six network organisations: "But let's be straightforward here. The main value proposition put forward on behalf of microcredit for the last quarter century is that it helps lift people out of poverty by raising incomes and consumption, not just smoothing them. At the moment, we don't have very strong evidence that this particular proposition is true, and I don't think we should be putting out public relations material that fudges the issue or suggests that we do have such evidence." And Odell's (2010) review of the evidence of the impact of microfinance for the Grameen Foundation did not settle the debate. This debate between researchers and practitioners continues to rage on blog sites (Banerjee, Duflo & Karlan 2009; Easterly 2010) and in the media (e.g. Boston Globe (Bennett 2009), Economist (2009), Financial Times (Harford 2009), The Seattle Times (Helms 2010), New York Times (MacFarquhar 2010)). There is clearly a need for rigorous systematic reviews of the evidence of the impact of microfinance interventions on the poor to bring together the available evidence. As we will see below, past work suggests that microfinance works for some people and not for others, so rather than establishing conclusively whether or not microfinance reduces poverty, we anticipate the value of future reviews will be in identifying how and in what circumstances, these financial inclusion interventions can work for the poor.

1.2 The rationale for a new systematic review

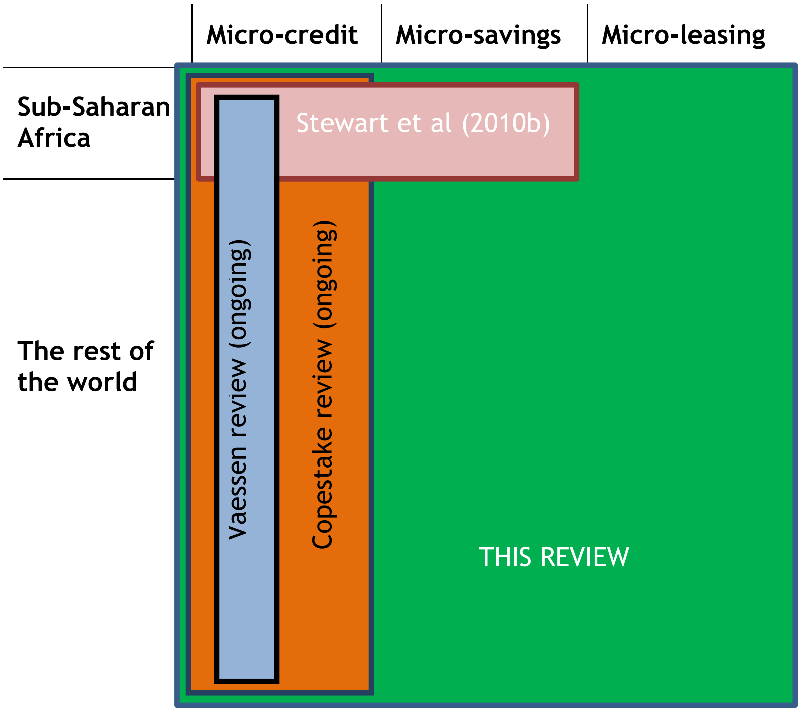
It is in this context of increasing variety in the interventions offered within microfinance, and the claims made for their success, that the Department for International Development (DFID) funded two systematic reviews in 2010: one of micro-credit worldwide (Copestake et al 2010), and another of micro-credit and micro-savings within sub-Saharan Africa (Stewart et al 2010a). A third systematic review was funded by the International Initiative for Impact Evaluation (3ie). The latter initially set out to focus on women's empowerment (Vaessen et al 2009), but has subsequently focussed only on women's control of household finances (Vaessen et al 2010). Only one of these has yet been published (Stewart et al 2010b). In this review we concluded that micro-credit and micro-savings have mixed impacts on the poor in sub-Saharan Africa, with both positive and negative impacts on their wealth and their livelihoods. Through the development and testing of a causal pathway, we were able to conclude that micro-savings appears to be a more successful intervention, both in theory and in practice. The scope of these recent and ongoing reviews is illustrated in Figure 1 below, which makes it clear the work which we will pull together in our review and the new areas which we will be covering.

[2] In July 2010 Unitus announced its suspension of financing microfinance to redirect its finances to a broader array of social ventures.

It was noted, back in 2006, that "there exists a noticeable gap in the microfinance literature on the impact of savings on clients, microenterprises, households, communities, and financial institutions" (Davaney 2006). Given the findings of our sub-Saharan African review regarding the potential for savings, further review is clearly needed of the impacts of micro-savings worldwide. Whilst the other reviews are not yet published, there is also considered within DFID to be a need to bring together the evidence on micro-credit from all three to consistently consider questions regarding the impact on financial inclusion, and in particular on women entrepreneurs (personal communication, 2011).

In the last ten years micro-leasing has become increasingly common. This is a form of micro-credit in which clients are leased productive resources such as a bicycle or a sewing machine, and expected to use these to engage in economic opportunities, allowing them to pay rent on these assets (Deelen & Dupleich 2003). This form of micro-loan should, in theory, be more successful in enabling the borrower to increase their income as, unlike cash-loans, the leased resource is inherently productive. Furthermore, the lessee and the lessor both stand to benefit. There are two distinct financial lease models: financial leases in which the lessor retains the financial responsibility for the leased asset, and operational leases in which the lessee takes on this role. Whilst we are aware of evaluations of micro-leasing (Dowla 1998; Heyn 2001; Pinder 2001), micro-leasing has not yet been considered within a systematic review and there is clearly a need to identify and review the evidence of impact of this promising form of microfinance.

Figure 1: A diagram illustrating what this review covers in relation to completed and ongoing systematic reviews in the area.



Lastly, whilst all three current reviews on microfinance either have, or will, consider the evidence on women's empowerment, none of them focus on the impacts of micro-credit, micro-savings or micro-leasing on the financial inclusion of women and their engagement in economic activities. The MDGs include "the promotion of gender equality and empowerment of women". However, the UN has voiced concerns that specific action is needed to achieve this objective, particularly in the current economic climate (UNDP 2008; 2009). Three core dimensions of women's economic empowerment have been identified as:

- "Economic opportunity (e.g., expanding employment and entrepreneurship, promoting decent and productive work, improving access to finance);
- Legal status and rights (e.g., improving women's property, inheritance and land rights);and
- Voice, inclusion and participation in economic decision-making (e.g., developing mechanisms to enhance women's involvement in decision-making bodies)." (UNDP 2008: iv)

Despite these moves to prioritise women's financial inclusion, it is not yet known whether generic initiatives are benefitting women, or whether those that target women specifically are more effective. Lending to women is known to be a key part of many microcredit programs as women were historically more marginalised from formal financial services than men, and because women are perceived as responsible borrowers who invest more in their families and who pay back monies owed (Cheston & Kuhn 2002; Young 2010:206). The father of the microcredit movement, Mohammad Yunus (1999:72), wrote "Poor women see further and are willing to work harder to lift themselves and their families out of poverty. They pay more attention, prepare their children to live better lives, and are more consistent in their performance than men. … Thus money entering a household through a woman brings more benefits to the family as a whole." In the 1990s the World Bank started focusing on microcredit to women as part of its 'women in development' focus (Young 2010:207). While women in general are seen as doing better with the loans they are provided, Tom Murphy (2011) reminds us that women (and girls) should be the focus of microfinance, not because of their gender as such, but because they are marginalised.

The evidence to support the emphasis on women and female-headed enterprises is however, not yet established. Systematically reviewed evidence from sub-Saharan Africa is inconclusive (Stewart et al 2010b). Data from Uganda suggests that women's decision-making power increases when they have access to micro-credit (Wakoko 2004). A trial in South Africa found a marked improvement in women's ability to negotiate safe sexual practices (Pronyk et al 2008), but this was likely to be due to other arms of the intervention that focussed on women's empowerment, as opposed to micro-credit alone. De Mel and Colleagues (2009), in their trial of providing capital to micro-enterprises in Sri Lanka, found that men's businesses did better with the additional capital, yet women's did not, whilst a study of Zambuko in Zimbabwe found no evidence that women's control over business earnings increased, although their were indications of greater consultation by men and more joint decision-making (Barnes et al 2001). In light of this varied evidence, and uncertainty as to the impacts of these microfinance interventions on women and their businesses, there is clearly a need to collate and review all the available evidence on what enables women to become engaged in meaningful economic opportunities, and also whether those interventions which specifically target women are more or less successful than those that don't. This new review will explore both of these areas.

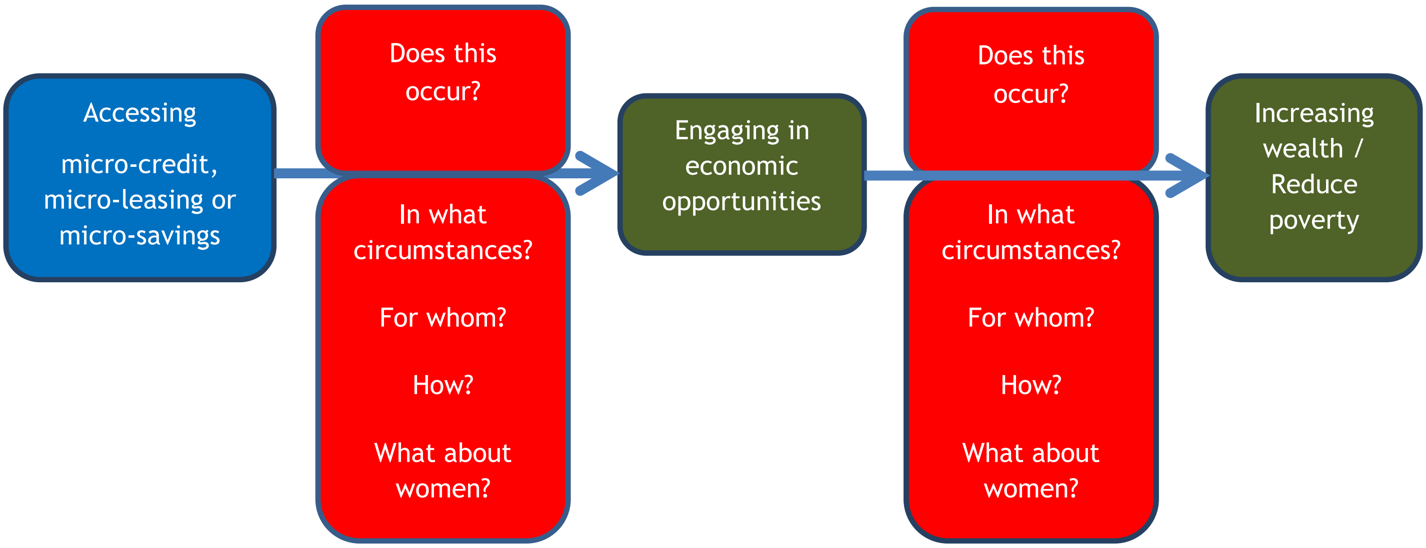
The scope of this review has been developed through discussions with DFID policy leads on financial inclusion from Private Sector Department; and research lead on gender from Growth Research team. Together we have agreed to focus on whether and how micro-credit, micro-savings and micro-leasing serve as effective financial inclusion interventions enabling poor people, and especially women, to engage in economic opportunities in LMICs. The specific review questions are outlined in 1.4 below.

1.3 Definitional and conceptual issues

This section outlines and defines the key concepts that will be addressed in this review, illustrated in our simple causal pathway below. Figure 2 highlights the logic we are exploring, and highlights in red the questions we are interested in. (Details of which studies will be included and excluded from the review are listed in Appendix 1.1.)

We will review the available evidence of impact and develop and test a complex causal pathway to explore the circumstances in which micro-credit, micro-leasing and micro-savings are effective, how and for whom. In doing so, we will explore the following model asking whether access to micro-credit, micro-leasing or micro-savings 1) enables people to engage in economic opportunities, and 2) such engagement increases their wealth, defined for the purposes of this review as financial wealth (see 1.3.3 for more detail). In each step we will be asking whether this occurs, and if so, in what circumstances, for whom, how and in particular whether it benefits women.

FIGURE 2: A simple causal pathway to demonstrate the focus of this review



1.3.1 Interventions

Financial inclusion tools include a wide range of interventions from reform laws on collateral to micro-credit. These include the provision of skills to access financial resources (such as financial literacy), technical developments to extend access geographically and to new sections of communities (such as mobile banking), and the financial services themselves (such as micro-credit). This review will focus on three of the largest financial inclusion services: micro-credit, micro-leasing and micro-savings, and consider each in isolation, in combination with one another and with other wider interventions.

Micro-credit: The provision of small loans to the poor, usually in cash, although occasionally in kind (e.g., provision of livestock in Rwanda (Lacalle et al 2008)). Interest rates vary considerably, but are often between 20% and 40% per year.

Micro-leasing: “Financial leasing is a contractual arrangement between two parties, which allows one party (the lessee) to use an asset owned by the other (the lessor) in exchange for specified periodic payments. The lessee uses the asset and pays rental to the lessor, who legally owns it” (Gallardo 1997). Micro-leasing is thus the leasing of assets to the poor to alleviate poverty by enabling those usually unable to access productive assets to generate income. In the main, there are two types of leasing, financial leasing (after the period of leasing the assets is owned by the lessee) and operational leasing (after the period of leasing the asset returns to the lessor) (Deelen et al 2003; Goldberg 2008).

Micro-savings: The availability of deposit services, sometimes purely stand-alone savings accounts, but often linked to credit, either as a compulsory condition of having a loan, and sometimes part of a combined intervention in which a group saves, and then members are allowed to borrow from their shared savings resource. The types of micro-savings services thus vary, are offered by various types of providers, and function both as protection (to ameliorate the impact of shocks) and promotion (to build an asset base) (Hulme et al 2009:2,4).

Other linked interventions: Micro-credit, micro-leasing and micro-savings can be provided alone, or in combination with each other. They are also often provided in combination with other financial interventions including micro-insurance and money transfer facilities, training in the effective use of financial services, such as market skills training, and as social, educational or health interventions. Examples of the latter include the provision of gender empowerment training and support in negotiating sexual relationships (Pronyk et al 2008); the provision of a combination of support for smallholder farmers about how to switch to export crops, with in-kind credit, as part of a programme known as DrumNet (Ashraf et al 2008).

We will, where possible, document the sequence of financial inclusion instruments accessed by clients in order to understand the implications for their impacts on clients' engagement in economic opportunities and the impacts of this on their wealth. This review will not only seek to understand whether these interventions work, but also how and in what circumstances. As explained in our methodology, this will be achieved through the characterisation of the interventions (outlined in 2.2.4) and our through our synthesis (outlined in 2.4 – see particularly 2.4.1.4).

1.3.2 Outcomes: Engaging in economic opportunities

We will consider the impacts of these interventions on clients' engagement in economic opportunities. These opportunities could include starting a business or investing in someone-else's. Where possible, we will distinguish between two levels of economic engagement: the intention to engage, and actual engagement.

- Intention to engage will include leasing or purchasing productive assets, sewing machine, agricultural land or seed for cash crops.
- Actual engagement will include setting up a micro-enterprise, or extending/growing an existing enterprise, actually opening a market stall, or sowing a cash crop.

Furthermore, we will seek out data on the time taken for these interventions to impact on clients' engagement in economic opportunities, in order to identify whether prolonged participation in micro-credit, micro-savings or micro-leasing is likely to increase or decrease clients' engagement in economic opportunities.

1.3.3 Outcomes: Increasing wealth

This review will consider financial outcomes of these interventions. We anticipate these may include outcomes such as 'returns to capital', 'increases (or decreases) in capital stock', 'increases (or decreases) in profit', 'fixed asset investment' etc. We will capture these wealth outcomes reported in included studies and classify these in terms of income and assets. This will include both positive and negative outcomes on income, expenditure and accumulation of assets, whether financial assets (i.e. savings) or non-financial assets. Each will be considered at the individual, household and business level.

Where available, specific details of non-financial accumulated assets will be noted and a distinction made between immediately productive assets (the purchase or lease of which will be considered engagement in economic opportunities), potentially productive assets (such as extending the size of your house), and non-productive assets (such as food or clothing).

We hope to be able to distinguish between the impacts of single and multiple usage of financial services on these wealth impacts to understand the cumulative impacts of engagement with microfinance. This will however be dependent on the available data and accurate reporting within reviewed studies.

1.3.4 Geographical location: Low and middle income countries

This review will focus on low and lower middle income as defined by the World Bank (http://data.worldbank.org/about/country-classifications). The main criteria for classifying countries are based on Gross National Income (GNI) per capita. A full list of countries that meet the World Bank criteria, according to 2009 GNI per capita, will be compiled and used to screen studies for inclusion.

DFID have recently identified 27 priority countries, as well as announcing a focus on fragile states (DFID 2011).[3] This review will include sub-group analysis in order to identify any specific lessons from these countries to inform DFID's ongoing work.

1.4 Review questions

This systematic review will be guided by the conceptual framework (see section 1.3) and the review questions. The conceptual framework and questions posed in the review will inform all aspects of the review methodology including the search strategy, the inclusion and exclusion criteria, data extraction and the approach to synthesis.

[3] These are: Afghanistan, Bangladesh, Burma, Democratic Republic of Congo, Ethiopia, Ghana, India, Kenya, Kyrgyzstan, Liberia, Malawi, Mozambique, Nepal, Nigeria, Occupied Palestinian Territories, Pakistan, Rwanda, Sierra Leone, Somalia, South Africa, Sudan, Tajikistan, Tanzania, Uganda, Yemen, Zambia and Zimbabwe.

The review will address the following specific questions:

Do micro-credit, micro-savings and micro-leasing serve as effective financial inclusion interventions enabling poor people, and especially women, to engage in meaningful economic opportunities in LMICs?

i) Do micro-credit, micro-savings and micro-leasing enable poor people to engage in economic opportunities, and if so, which type of economic opportunities?

ii) Does engagement in these economic activities impact on their income, savings, expenditure and accumulation of productive or non-productive assets?

iii) Do these impacts occur at the individual, household or business levels?

iv) Where these interventions are effective, how, for whom, and in what circumstances?

v) Where these interventions are delivered in combination with each other and / or with other complementary interventions, such as market development skills, are they more likely to be successful?

vi) Which interventions work better for women, particularly female-headed micro-enterprises?

vii) When interventions specifically target women, particularly female-headed micro-enterprises, are they more successful than those that do not?

In order to develop and test a casual pathway, we will draw on the research evidence to describe (where the information is available) i) the nature of the intervention, its context, its target group(s) and its intended outcomes. By combining this with information about ii) the evaluations conducted, the populations considered, the outcomes measured and the findings reported we will be able to consider the effectiveness of micro-credit, micro-savings and micro-leasing according to specific populations, contexts and circumstances and address each of the questions above.

CHAPTER TWO

Methods used in the review

Outline of Chapter

This chapter outlines the methods we will use in this review. It explains how we will engage with the users of this review to ensure it is relevant and useful. We present which studies we are seeking for inclusion in the review, how we will go about our searches and how we will filter our search results to ensure we include only the relevant evidence. We explain how the relevant studies will then be characterised to enable us to address our review questions, and the criteria we will use to judge the quality of relevant studies before synthesising the good quality studies to elicit our findings. Lastly, we explain the steps we will take to assure the quality of our own methods.

2.1 User involvement

2.1.1 Approach and rationale

We will engage with potential users of this review in a number of ways including:

- circulating this review protocol for feedback
- requesting any relevant literature for inclusion in the review
- inviting feedback on our draft report
- disseminating our final review.

To this end we will identify individuals within our own networks and invite them to forward correspondence to others in the field as part of a 'snowballing' exercise. We will exploit new social media – drawing on Twitter and a Ning wiki on impact evaluation – to ensure this exercise is as broad as possible.

We will seek to incorporate the perspectives of four groups of potential users in this project:

- Those who make policy decisions related to microfinance services whom we envisage to be our main audience for this review, specifically within DFID who have commissioned this review.
- Those who provide microfinance services in order that our review is relevant and our findings available to them.
- Those who research microfinance services, in order to ensure that our review includes all of the relevant research literature, and that our findings form part of the accumulating evidence in the region.
- Those who use microfinance services, in order to understand why they access microfinance services and how they use them.

2.1.2 Methods used

We will identify and select individuals in the following ways:

- We will liaise closely with DFID's policy leads and ask for recommendations of other individuals who may have an interest in this review.

We will also identify individuals and organisations who provide and/or research microfinance services from amongst the authors' networks. These will include:

  - Milford Bateman, Research Fellow, Overseas Development Institute, London, UK.
  - Daryl Collins who conceived and directed the most recent version of the financial diaries in South Africa (see www.financialdiaries.com) and is a senior associate at Bankable Frontier Associates in Boston (www.bankablefrontier.com).
  - Maren Duvendack, International Food Policy Research Institute, USA (author of systematic review on microfinance and a PhD on the impact of microfinance in India and Bangladesh).
  - Susan Johnson, Lecturer in International Development at the University of Bath.
  - David Roodman, Senior Fellow at the Centre for Global Development, Washington DC, USA.
  - Gabriel Davel, CEO of the National Credit Regulator, Midrand, South Africa.
  - Kathleen Odell, Assistant Professor of Economics, Dominican University, USA.
  - Svetlana Baguduinova from the International Finance Corporation (IFC) Women in Business Unit
  - Chris Woodruff, Professor of Economics, Warwick University
  - Joni Simpson, Job Creation and Enterprise Development Department, International Labour Organisation (ILO)
  - Jim Tanburn, Co-ordinator, Donor Committee on Enterprise Development (http://www.enterprise-development.org/)
  - Saul Estrin, Head of Department of Management, London School of Economics
  - Ralph De Haas, Lead Economist, Office of the Chief Economist, European Bank of Reconstruction and Development
  - Jon Robinson, Professor of Economics, Department of Economics, UC Santa Cruz
  - Micro-Enterprise Alliance, a membership association of African organisations and individuals working in the field of micro-enterprise development.
  - Khula Enterprise Finance, a financial organisation in South Africa working with small and medium sized businesses.
  - The Finmark Trust, a non-profit organisation operating in southern Africa whose purpose is to make financial markets work for the poor.

- The participants in 'Making Finance Work in Africa', an initiative to support the efforts of African countries to boost economic growth and fight poverty by encouraging and facilitating financial sector development.

Through the EPPI-Centre, with whom this review will be registered, we will identify peer reviewers with expertise in the methodology, topic area, and policy context.

We will gather the perspectives of the users of microfinance services in the region via a recently completed study on poverty and livelihoods in Johannesburg (De Wet et al 2008). These perspectives will help us interpret the findings of this review.

Consideration of users' views will be incorporated to the study team's decisions when we:

- finalise our search strategy deciding exactly where to look for literature for the review and which terms to use
- revise our protocol following peer review
- select studies for inclusion in the review
- refine our initial findings and conclusions from the review
- decide how best to disseminate our review.

2.2 Identifying and describing studies

2.2.1 Defining relevant studies: Inclusion and exclusion criteria

Studies will be included and excluded from our review according to the following criteria (see Appendix 1.1):

INTERVENTION: We will include only micro-credit, micro-savings or micro-leasing interventions. Whilst insurance and money transfers are also considered part of microfinance, they are recent activities and are not considered 'core' activities of microfinance for the purposes of this review. We will include services owned or managed by service-users or by others.

STUDY DESIGN: We will include only impact evaluations, defined as comparative studies that set out to measure impact (i.e. outcomes, results or effects). These will include: randomised controlled trials (sometimes referred to as field experiments); quasi-experimental studies, including those with an *ex-ante* control group selected in advance of the intervention, and those with a retrospectively constructed comparison group. These include studies described in the different literatures as: panel data, longitudinal studies, pipeline studies, interrupted time series, natural experiments, and with and without studies. We will distinguish further between the study designs employed to measure impact and their quality when we quality appraise relevant studies and synthesize their findings see section 2.3 below). Both quantitative and qualitative data will be included and synthesised accordingly. Studies that do not measure impact of micro-credit, micro-savings or micro-leasing will be excluded from the review.

LOWER AND MIDDLE INCOME COUNTRIES: This review will include low and middle income countries as defined by the World Bank (http://data.worldbank.org/about/country-classifications). The main criteria for classifying countries are based on GNI per capita. A full list of countries that meet the World Bank criteria, according to 2009 GNI per capita, will be compiled and used to screen studies for inclusion.

POPULATION: We will focus on impacts on poor people, namely those who are recipients of the services of microfinance institutions. In addition, we will focus on women (of any age), including any female recipients of micro-savings, micro-credit and micro-leasing interventions, and specifically those who head micro-enterprises.

OUTCOMES: We will consider whether or not recipients of these microfinance interventions engage in economic opportunities. In addition, we will identify the financial impacts of these interventions, specifically income, savings, expenditure, and accumulation of both productive and non-productive assets. These impacts will be considered at the individual, household and business levels.

LANGUAGE: We will search for literature in English and therefore anticipate identifying literature in English. However, we have scope to access papers in English, Dutch, German, Portuguese, French, Spanish, Afrikaans, Zulu and Sotho languages and will not exclude any relevant papers in these languages. Potentially relevant literature in other languages will be listed in appendices.

2.2.2 Identification of potential studies: Search strategy

Micro-credit

Reports on micro-credit will be identified from three current systematic reviews which have searched exhaustively for all relevant impact evaluations: Stewart et al (2010b), Copestake et al (2010), and Vaessen et al (2010). Whilst we are confident that these reviews have already identified all relevant impact evaluations of micro-credit, to ensure that we have not missed any recent impact evaluations of micro-credit published since the searches were conducted for these reviews, we will search the following sources for relevant 2011 publications:

- J-PAL
- 3ie's Database of Impact Evaluation
- Cochrane's trial database, CENTRAL

Micro-savings and micro-leasing

Reports of micro-savings and micro-leasing will be identified from the following sources:

- Specialist sources for published systematic reviews, protocols for ongoing reviews, and trials:
    - The Cochrane Library (including CENTRAL for trials)
    - Campbell Collaboration Library
    - EPPI-Centre Library
    - J-PAL
    - 3ie's Database of Impact Evaluation
    - DFID's R4D site

- Online bibliographic databases (see Appendix 2.1 for search terms):
    - African Journals Online
    - African Periodical Literature Bibliographic database (http://www.africabib.org/perio.htm)
    - African Women Bibliographic database
    - Arts and Humanities Citation Index (via EBSCO)
    - British Library for Development Studies
    - Business and Dissertation Abstracts (via ProQuest)
    - Chemonics (http://www.chemonics.com/projects/finalreports.aspx)
    - CINAHL
    - Conference Proceedings Citation Index – Science (via EBSCO)
    - DAC evaluation database
    - ECON LIT (Database of economic literature)
    - ELDIS (an online library of development literature provided by the Institute of Development Studies, Sussex, UK)
    - GDNET knowledge base (http://cloud2.gdnet.org/cms.php?id=research_papers_landing_page)
    - IDEAS Economics and Finance Research
    - International Bibliography of the Social Sciences (via CSA)
    - JOLIS (the database of fourteen World Bank and International Monetary Fund libraries)
    - Latindex
    - Psycinfo (the Psychological Information Database)
    - Science Citation Index – Expanded (via EBSCO platform)
    - Search4Development Netherlands
    - Social Assistance in Developing Countries Database (version 5)
    - Social Science Citation Index (via EBSCO)
    - Sociological Abstracts (via CSA)
    - UNESDOC
    - WHO library database (WHOLIS)
    - Worldwide Political Science Abstracts

- Search for books via Google books

- Citation searches using Google Scholar and ISI for the following key papers evaluating the impact of microfinance:
    - Ashraf N, Gine X, Karlan D (2008) Finding missing markets (and a disturbing epilogue): Evidence from an export crop adoption and marketing intervention in Kenya (Policy Research Working Paper 4477). The World Bank Development Research Group.
    - Banarjee AV, Duflo E, Glennerster R, Kinnan C (2009) The miracle of microfinance? Evidence from a randomised evaluation. Washington DC: CGAP.
    - Dupas P & Robinson J (2009) Savings constraints and microenterprise development: Evidence from a field experiment in Kenya. National Bureau of Economic Research
    - Karlan D, Zinman J (2010) Expanding credit access: Using randomised supply decisions to estimate the impacts. Review of Financial Studies 23(1): 433-464.
    - Odell K (2010) Measuring the impact of microfinance: Taking another look. Washington DC: Grameen Foundation
    - Pronyk PM, Kim JC, Abramsky T, Phetl G, Hargreaves JR, Morison LA, Watts C, Busza J, Porter JDH (2008) A combined microfinance and training intervention can reduce HIV risk behaviour in young female participants. AIDS 22(13): 1659-65
    - Roodman D, Morduch J (2009) The impact of micro-credit on the poor in Bangladesh: Revisiting the evidence (Working paper no 174). Washington DC: Centre for Global Development.
    - Ssewamala FM, Ismayilova L, et al (2010) Gender and the effects of an economic empowerment program on attitudes toward sexual risk-taking among AIDS-orphaned adolescent youth in Uganda. Journal of Adolescent Health 46(4): 372-378.

- Searching the reference lists of related systematic reviews including:
    - Yoong J, Rabinovich L, Diepeveen S (2010) What is the evidence of the impact on family wellbeing of giving economic resources (microcredit, cash or asset transfers) to women relative to the impact of giving them to men? (RAND Corporation).
    - Dickson K, Bangpan M, Armes, D (2010) Which interventions, that have sought to increase young women's access to economic assets in low-income and fragile state settings, have been effective? A protocol. EPPI-Centre, University of London.
    - Vaessen J, Bastiaesen J, Bonilla S, Holvoet N, Leeuw F, Lukach R, Rivas A (2010) The effects of microcredit on women's control over household spending in developing countries. 3ie Synthetic Reviews – SR003-1
    - Copestake J, Duvendack M, Hooper L, Loke Y, Palmer-Jones R, Rao N (2010) What is the evidence of the impact of micro-credit on the incomes of poor people? DFID systematic review protocol. London: Department for International Development

- References on the following key websites (see Appendix 2.2):
    - Africa Microfinance Network
    - African Enterprise Challenge Fund
    - African Development Bank
    - Centre for Global Development, Washington DC, USA
    - Consultative Group to Assist the Poor (CGAP)
    - Department For International Development, UK
    - Donor Committee on Entreprise Development
    - Foundation for International Community Assistance (FINCA)
    - Finscope
    - GIZ (the German International Aid Corporation, previously known as GTZ)
    - Governance and Social Development Resource Centre (GSDRC)
    - Grameen Bank
    - Innovations for Poverty Action
    - International Finance Corporation
    - International Food Policy Research Institute
    - International Fund for Agricultural Development
    - International Growth Centre
    - International Labour Organisation's (ILO) Social Finance Unit
    - International Labour Organisation's (ILO) Women Entrepreneurship Development
    - Microfinance Gateway
    - Microfinance Information Exchange (MIX)
    - Microfinance Network
    - MicroSave
    - Overseas Development Institute
    - Policypointers
    - Rockefeller Foundation
    - Search4development Netherlands
    - Small Enterprise Education and Promotion (SEEP) Network
    - United Nations Capital Development Fund (UNCDF)
    - United Nations Development Programme (UNDP) Poverty Centre
    - USAID
    - World Bank
    - World Bank Enterprise Surveys
    - World Bank's Sustainable Banking with the Poor project

- Requesting papers from key contacts, listed in 2.1.2 above.

- Reference lists of included papers as they were identified

- The Poverty Action Lab's impact studies of microfinance, and the published reviews and impact evaluations on the website of 3ie.

Searches of all sources will be limited so as to identify studies conducted since 1990. Brau and Woller (2004:4) argue that before the mid-1990s academic journals published very few articles on microfinance, but the publication of peer-reviewed articles on the topic has since increased.

We will employ the EPPI-Centre's specialist software, EPPI-Reviewer (version 4), to keep track of and code studies found during the review.

2.2.3 Screening studies: Applying inclusion and exclusion criteria

Inclusion and exclusion criteria will be applied successively to (i) titles and abstracts, and (ii) full reports.

Full reports will be obtained for those studies that appear to meet the criteria or where we have insufficient information to be sure. The inclusion and exclusion criteria will be re-applied to the full reports and those that do/did not meet these initial criteria will be excluded.

2.2.4 Characterising included studies

Included literature will be characterised using a coding tool (see Appendix 2.3).

Literature will be described in terms of the date of publication and language.

Each microfinance intervention being evaluated will then be characterised according to whether it includes micro-credit, micro-leasing or micro-savings, and whether these are provided in partnership with micro-insurance, money transfers and/or other non-financial services such as education and training. Both the combination and the sequence of the interventions will be noted. The provider of the intervention and the recipients will also be described, including whether it specifically targets particular populations, as well as the country or region in which the intervention is offered and the setting (i.e. in an urban or rural environment). The model of microfinance institution will be noted in terms of the financial backing (whether formal banks, government, NGO, or self-help models) and in terms of the recipients (whether group, individual, or a combination of both).

The timescales of both the interventions and the study will be noted. This will include the length of time the clients have been engaged in microfinance (e.g. first, second, third loans) and the length of exposure assessed by the study (i.e. whether impacts are being assessed a number of weeks, months or years after the client accessed the financial service.)

The study itself with then be characterised according to its design. The outcomes assessed will be described in relation to engagement in economic opportunities, and specific financial impacts such as income. The study methods will be recorded including details of sampling of both intervention and control groups, data collection and analysis. These will be used to weigh the evidence according to quality (see section 2.3 below).

2.3 Assessing quality of studies

We will be drawing on heavily on EPPI-Centre methods and those employed in our sub-Saharan African microfinance review (Stewart et al 2010b) and plan to adapt the tool for appraising studies used in that review. First, we will weigh the studies by study design. Then we will apply quality criteria to all studies.

2.3.1 Weighting studies by study design

We will be including in our review a range of study designs. Whilst the terminology varies according to the academic discipline, we will use the following dimensions to indicate the risk of bias within study design:

a) retrospective (e.g. panel data) vs prospective ex-ante studies (e.g. trials);

b) random allocation to those with the intervention and control groups without it vs quasi-randomisation vs no randomisation; and

c) comparing groups with and without the intervention using before and after data vs comparing groups with and without the intervention that have no data prior to the intervention.[4]

As explained below, when synthesising findings and making recommendations we will distinguish between data from:

- Fully randomised control trials (i.e. prospective studies with random allocation comparing groups with and without the intervention using before and after data).
  Other quasi-experimental studies which compare groups with and without the intervention using before and after data, but without necessarily being prospective *ex-ante* studies or using randomization. These will include studies described in the different literatures as 'panel data', 'longitudinal studies', 'pipeline studies', 'interrupted time series', and 'natural experiments'.
- Simple comparison studies which compare groups with and without the intervention.

2.3.2 Assessing the quality of studies irrespective of their study design

Our assessment of quality in our previous review may be judged too lenient by systematic review experts (although perhaps too stringent by others), but our intention is always to be able to learn the most we can from the available evidence, and to be transparent to allow the reader to interpret our results. We will therefore adopt an approach of 'good enough' quality.

All studies which fail to meet our criteria will be considered 'poor quality' and excluded from the review. We will include those studies which meet all, or most of our criteria. Those which meet all our criteria will be considered 'high quality' and those which meet most will be considered 'medium quality': both groups of studies will be included in the review, allowing us to explore whether their quality is related to the findings at all.[5]

Judgements about the quality of studies will be made using the following standards. In each case the study will be assumed to be of high quality unless it fails on any of the criteria below.

i) Completeness of reporting (assessing transparency, reporting bias and publication bias)

- We judge it necessary for authors to describe the intervention, describe the study participants, describe their data collection and analysis, report consideration of confounding factors, and complete reporting of measured results.
- If study authors fail to report more than one of these key elements, it will be automatically rated as poor on the basis of lack of information, and excluded from the in-depth review.
- If the study is judged to be of medium quality, but the study authors also fail to describe the study participants, the study will be judged to be poor overall and excluded from the in-depth review.

ii) Flawed assumptions within the study design

- If the logic of assumptions inherent within the study design appear flawed leaving you unconvinced that what was being measured was actually the impact of microfinance, the study will be judged to be of poor quality, and excluded from the in-depth review.

iii) Concerns about the intervention (assessing performance bias and attrition bias)

- We consider two elements of the study where concerns about the acceptability and integrity of the intervention and / or the study itself need to be accounted for by the study authors:
    - drop-out from the study, and
    - the consistent delivery of the intervention.

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[4] NB studies which only include before and after data with no comparison group will be excluded from this review on the basis of our inclusion / exclusion criteria as explained in section 2.2.

[5] For example in Stewart et al (2010b) we were able to say that those of medium quality were not notably more positive in their findings about the impacts of microfinance than those of the highest quality.

- We will seek reassurance that the same intervention was provided to all participants consistently over time and that the authors had considered whether additional unintentional interventions were introduced during the study period which might have influenced the outcomes.
- If the authors fail to report and explain drop out from the intervention and comparison groups, the study will be included in the in-depth review, but will judged to be of medium quality.
- If the authors do not consider and discuss the implications that the same intervention was (or was not) provided to all participants consistently over time and that additional unintentional interventions may have been introduced during the study period, the study will be included in the in-depth review, but will be judged to be of medium quality.

iv) Inappropriate analysis (assessing detection bias and reporting bias)

- We will judge the appropriateness of the choice of analysis methods and seek assurance that the authors had taken steps to ensure their analysis was trustworthy, reliable and valid.
- If the study used inappropriate analysis methods, for example, conducting a qualitative study of a small sample, but then analysing the data using statistical tests and reporting these as generalisable results, then the study will be judged to be of poor quality and excluded from the in-depth review.
- If the authors provide little assurance that their analysis was trustworthy, reliable or valid, the study will be included in the in-depth review, but will be judged to be of medium quality.

v) Insufficient consideration of confounding factors (assessing sampling bias, attrition bias and detection bias)

- We consider two stages at which the authors would be expected to control for confounding factors: at the point of allocating or identifying participants for the intervention group and the comparison group, and at the point of analysing data from these two groups.
- If studies report no consideration of confounding factors at the sampling stage, and no consideration of confounding factors in the analysis, it will be judged to be of poor quality and excluded from the in-depth review.
- If studies do not consider confounding factors at the sampling stage but take steps to account for their influence in the analysis, the study will be judged to be of medium quality and included in the in-depth review.

vi) Findings not apparent (assessing analyses, as well as detection bias and reporting bias)

- If the study set out to measure certain outcomes, but do not report on all of those outcomes, the study will be judged to be of poor quality and excluded from the in-depth review.
- If the study's findings are not apparent in the reported data or analysis the study will be judged to be of poor quality and excluded from the in-depth review.

2.4 Synthesis of findings from included studies

2.4.1 Overall approach to and process of synthesis

Findings will be synthesised using framework analysis, which applies pre-determined categories to the data and enables structured comparison and synthesis. As described below, if available and comparable, quantitative results from comparative studies will be combined statistically and other findings synthesised using structured qualitative matrices.

Where data are missing we will contact the study authors. We will not replace missing data.

2.4.2 Selection of studies for synthesis

Studies will be sorted into the matrix below. We will then focus initially on synthesising the findings of:

- Comparative outcome evaluations which measure the impact of micro-credit, savings and leasing on the poor's engagement in economic opportunities (1a, 1b, 1c below)
- Comparative outcome evaluations which measure the impact of micro-credit, savings and leasing on financial outcomes for the poor (2a, 2b, 2c below)
- Comparative outcome evaluations which report impacts specifically for women (3a, 3b, 3c below)

- Comparative outcome evaluations which report impacts of interventions which target women specifically (4a, 4b, 4c below).

We will report combined results for the good quality studies using randomised control trials, non-randomised control trials and other comparative study designs together. However, due to ongoing debates about the differing validity of these methods to assess impact, for the purposes of transparency, we will also report our findings in terms of

a) RCT evidence only (i.e. 1a, 2a, 3a, 4a only)

b) Trial evidence only (i.e. 1a, 2a, 3a, 4a & 1b, 2b, 2c, 2d only)

c) All comparative outcome evaluations (i.e. all cells below).

STUDY DESIGN	Assessing impact on the poor's engagement in economic opportunities	Assessing impact on financial outcomes for the poor	Assessing impacts on women specifically	Assessing impacts of interventions which target women specifically
Randomised control trials	1a	2a	3a	4a
Non-randomised control trials	1b	2b	3b	4b
Other comparative outcome evaluations	1c	2c	3c	4c

2.4.3 Process used to combine / synthesise data

Where data are available from studies with comparable interventions, populations and contexts, the findings of comparative study designs will be synthesised using statistical meta-analysis.

Specifically we will combine using statistical meta-analyses the results of those interventions where all of the following statements are true:

- The intervention evaluated incorporates the same dimensions of microfinance (i.e. micro-credit or micro-savings or micro-leasing with / without other interventions).
- The study design for evaluating impact is the same
- The quality of the study is rated as medium or high in our quality appraisal (see above).

We will calculate effect sizes where possible. Studies will be grouped according to the intervention evaluated. For each group of studies we will combine median effect sizes. If the group of studies draws from heterogeneous samples we will use a random effects model, and if from homogeneous samples then a fixed effects model will be used. If studies use the same continuous outcomes measure we will calculate the weighted mean difference score and if studies use different outcome measures we will pool effects using the standardised mean differences of each study.

In all other cases, we will synthesise findings qualitatively using a matrix, describing:

- The direction of the effect
- The size of the effect (if available).

2.4.4 Sub-group analysis

In order to explore not only whether micro-credit, micro-savings and micro-leasing impact on engagement in meaningful economic opportunities, but also when and in what circumstances, we will focus specifically on the following sub-groups of interventions:

- interventions explicitly targeting women, and particularly female-headed micro-enterprises
- interventions within low income countries
- interventions with middle income countries
- interventions within fragile states[6]
- interventions within DFID's priority countries
- interventions which stand alone, or are combined with other related interventions, and in various sequences.

By doing this, where the data is available, we will be able to compare and contrast the implications of these different characteristics.

2.4.5 Deriving conclusions and implications

The review team will meet to synthesise their findings and discuss the implications for policy, practice and research.

Initial conclusions and implications will be circulated to our network of review-users (see section 2.1 above) for their input. Amendments will be made in light of any feedback. This will allow consideration of wider forms of policy and practice knowledge and provide an opportunity for researchers to inform us of any new relevant research published since we conducted our searches. In addition, we will consider the emerging findings and conclusions from the related DFID-funded and 3ie systematic reviews on the same topic due for publication in May/June 2011.

The review will also be sent for formal peer review to DFID and our two peer-reviewers.

The review team will hold further meetings following formal peer review to decide our final conclusions and implications and write our final report.

We intend to write up the findings and methods of this review for publication in peer reviewed journals, and to present our findings at relevant conferences.

2.5 Quality assurance process

Our review processes, including our electronic search string, inclusion and exclusion criteria, coding sheets and synthesis, will all be piloted initially and discussed amongst the team before these tools are finalised. Any modifications will be noted.

We will take steps to reduce researcher-bias and ensure we include all the relevant literature in our review. One reviewer will initially apply the inclusion and exclusion criteria to titles and abstracts and a second reviewer will then independently screen any studies the first reviewer excluded to ensure no relevant studies are accidentally left out of the review. Any disparities will be resolved through discussion, and a third reviewer available to resolve any disagreements. The same approach will be taken to screening the potentially relevant full reports.

The coding of included papers will be conducted by two members of the review group working independently and then comparing their decisions and coming to a consensus. In the same way, two researchers will extract findings from all included studies and compare their decisions. Where any uncertainty exists, a third reviewer will check the extracted findings.

Synthesis will be conducted by the team with a continuous process of analysis, discussion and reflection. Additional quality assurance will be sought from the EPPI-Centre for all statistical meta-analysis.

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[6] We will consult with DFID policy leads to identify countries defined as fragile states.

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APPENDIX 1.1: Inclusion and exclusion criteria

Studies will be included and excluded from our review according to the following criteria (see Appendix 1.1):

INTERVENTION: We will include only micro-credit, micro-savings or micro-leasing interventions. Whilst insurance and money transfers are also considered part of microfinance, they are recent activities and are not considered 'core' activities of microfinance for the purposes of this review. We will include services owned or managed by service-users or by others.

STUDY DESIGN: We will include only impact evaluations, defined as comparative studies that set out to measure impact (i.e. outcomes, results or effects). These will include: randomised controlled trials (sometimes referred to as field experiments); quasi-experimental studies, including those with an *ex-ante* control group selected in advance of the intervention, and those with a retrospectively constructed comparison group. These include studies described in the different literatures as: panel data, longitudinal studies, pipeline studies, interrupted time series, natural experiments, and with and without studies. We will distinguish further between the study designs employed to measure impact and their quality when we quality appraise relevant studies and synthesize their findings see section 2.3 below). Both quantitative and qualitative data will be included and synthesised accordingly. Studies that do not measure impact of micro-credit, micro-savings or micro-leasing will be excluded from the review.

LOWER AND MIDDLE INCOME COUNTRIES: This review will include low and middle income countries as defined by the World Bank (http://data.worldbank.org/about/country-classifications). The main criteria for classifying countries are based on GNI per capita. A full list of countries that meet the World Bank criteria, according to 2009 GNI per capita, will be compiled and used to screen studies for inclusion.

POPULATION: We will focus on impacts on poor people, namely those who are recipients of the services of microfinance institutions. In addition, we will focus on women (of any age), including any female recipients of micro-savings, micro-credit and micro-leasing interventions, and specifically those who head micro-enterprises.

OUTCOMES: We will consider whether or not recipients of these microfinance interventions engage in economic opportunities. In addition, we will identify the financial impacts of these interventions, specifically income, savings, expenditure, and accumulation of both productive and non-productive assets. These impacts will be considered at the individual, household and business levels.

LANGUAGE: We will search for literature in English and therefore anticipate identifying literature in English. However, we have scope to access papers in English, Dutch, German, Portuguese, French, Spanish, Afrikaans, Zulu and Sotho languages and will not exclude any relevant papers in these languages. Potentially relevant literature in other languages will be listed in appendices.

APPENDIX 2.1: Search strategy for electronic databases

We will combine search terms for:

- Microfinance – specifically micro-savings and micro-leasing (N.B. we can draw on already identified micro-credit literature)[7]
- Countries – specifically lower and middle income countries
- Study design – specifically outcome evaluations

The following search strings will be tested and refined, and adapted as necessary for different electronic databases.

MICROFINANCE TERMS (searching on title, abstract and keywords)[8]

1. (savings OR lease OR finance OR bank*) OR econom* AND ('the poor' OR development OR poverty)

2. micro-enterprise OR micro-lease OR micro-finance OR micro-insurance OR micro-savings OR microenterprise OR microlease OR microfinance OR microinsurance OR microsavings OR microfranchise OR microfranchis* OR micro-franchise OR micro-franchis*

3. controlled terms for "Financial Services" AND "Poverty"

4. (microb* OR microlith* OR lemur)

5. combined in the following way (1. AND 2. AND 3. NOT 4.)

STUDY DESIGN FILTER (searching title and abstract and keywords)

6. controlled terms for "Intervention" OR "Family Intervention" OR "Evaluation" OR "Program Evaluation" OR treatment effectiveness evaluation" OR "impact evaluation

7. applying the following impact evaluation filter developed by the EPPI-Centre, to which we will add 'experiment' and 'field-experiment': (impact OR outcome OR evaluation OR trial OR comparison study OR trial OR comparison study OR non-comparison study OR social performance assessment OR Imp-Act OR results OR effects OR randomized controlled trial OR controlled clinical trial OR randomized OR placebo OR clinical trials OR randomly OR program evaluation OR controlled OR control group OR comparison group OR control groups OR comparison groups OR controls OR Control OR Intervention OR Evaluate OR Evaluation OR Evaluations OR treatment effectiveness evaluation OR RCT)

8. combined in the following way (6. OR 7.)

---

[7] We will not search specifically for interventions which target women or which report outcomes relating to women as this is unlikely to be apparent within titles and abstracts. Instead all identified studies will be coding according to these characteristics to enable our sub-group analysis.

[8] Where terms relating to 'poverty' are included within the country filter, these will be excluded from the intervention filter, as to duplicate these terms may narrow our search results unduly.

COUNTRY TERMS (searching title and abstract, keywords and population location)

These terms will be drawn from the World Bank definitions of lower and middle income countries and DFID's lists of priority countries and fragile states. We will adapt a recently applied EPPI-Centre filter for searching low and lower-middle income countries using PubMed applied in January 2011 in order to include countries categorised as upper-middle income. These filters will be checked to ensure they include all 27 countries identified by DFID as high priority (DFID 2011).

APPENDIX 2.2: Websites we will search

We will search the following key websites for relevant literature.

- Africa Microfinance Network
- African Enterprise Challenge Fund
- African Development Bank
- Centre for Global Development, Washington DC, USA
- Consultative Group to Assist the Poor (CGAP)
- Department For International Development, UK
- Foundation for International Community Assistance (FINCA)
- Finscope
- GIZ (the German International Aid Corporation, previously known as GTZ)
- Governance and Social Development Resource Centre (GSDRC)
- Grameen Bank
- Innovations for Poverty Action
- International Finance Corporation
- International Food Policy Research Institute
- International Fund for Agricultural Development
- International Labour Organisation's (ILO) Social Finance Unit
- Microfinance Gateway
- Microfinance Information Exchange (MIX)
- Microfinance Network
- MicroSave
- Overseas Development Institute
- Policypointers
- Rockefeller Foundation
- Search4development Netherlands
- Small Enterprise Education and Promotion (SEEP) Network
- United Nations Capital Development Fund (UNCDF)
- United Nations Development Programme (UNDP) Poverty Centre
- USAID
- World Bank
- World Bank's Sustainable Banking with the Poor project

APPENDIX 2.3: Review-specific keywords

We will adapt the coding tool used in the related EPPI-Centre review of microfinance in sub-Saharan Africa (Stewart et al 2010b). An initial draft of this amended coding tool is included below. It will be tested on relevant papers and refined before being applied to all included studies for this review.

This paper is being coded by:

EPPI-Reviewer ID number:

This paper is being coded on:

- English full text
- Translated full text

SECTION 1: Describing the microfinance programme

- The microfinance programme name isn't given in the paper
- Name of microfinance programme is specified in the paper

Specify name (this is to enable us to identify linked papers and also report on specific programmes)

1.1 COUNTRIES

Impossible to distinguish which countries or regions are being talked about in the paper N.B. If this makes it impossible to identify impacts of microfinance within LMICs, then this paper should be EXCLUDED as 'not LMIC'

- LMIC named in the paper

Specify countries (this is to enable us to identify linked papers and also report findings from specific countries) Specify if any are DFID priority countries Specify if any are fragile states

- Additional non-LMIC also named in the paper

Specify countries

1.2 IF NON-LMIC ARE ALSO INCLUDED IS IT:

- Possible to separate impacts in LMIC?
- Impossible to identify impacts of microfinance within LMICs? NB If this is the case this paper should be EXCLUDED as 'not LMIC'

1.3 SETTING

- Unclear / unspecified
- Rural (described as rural or semi-rural or agricultural)

If named, specify areas

- Urban (described as urban or peri-urban or a named town or city)

If named, specify towns / cities / urban areas

1.4 FINANCIAL BACKING FOR THE PROGRAMME COMES FROM (tick all that apply)

This can include set up costs or running costs

- Unclear / unspecified
- Formal bank
- The countries government (e.g. Uganda state govt)
- Another government (e.g. DFID, USAID)
- National or international NGO
- Local NGO
- Community organisation / self-help group (e.g. community church. Also includes group based savings and credit organisations where the original fund is formed of savings from members of the group)
- Other

Specify

1.5 PROGRAMME MODEL

- Group clients (externally funded)
- Group clients (self-funded)
- Individual clients
- Individual micro-enteprises
- Other model

Specify

1.6 KEY ELEMENTS OF THE MICROFINANCE INTERVENTION (tick all that apply)

- Micro-credit
- Micro-savings
- Micro-leasing

If neither credit nor savings not leasing then exclude as ‘not microfinance’

- With micro-insurance
- With money transfers
- With unspecified microfinance services
- With other (specify)______________________

Specify which part of the microfinance intervention is being evaluated in this paper________________________

Specify the sequence of interventions delivered (where possible), and the time line of each

____

1.7 CLIENTS OF MICROFINANCE

- Gender unclear / unspecified
- Men only
- Women only
- Men and women
- Micro-enterprises (in general)
- Female-headed micro-enterprises specifically
- Male-headed micro-enterprises specifically
- Specified 'poverty level' if available

Specify

- Specified age group if available

Specify

- Other details provided re clients

Specify

SECTION 2: Describing the research

NB for all the questions below, 'participants' refers to research participants – ie people who provide their data for the research (not necessarily the same as the clients of the microfinance intervention)

2A. INTERVENTION GROUP

- The research involves providing the intervention as an experiment to a selected group of participants
- The research involves exploring impacts amongst those who are already receiving the intervention irrespective of the research

2.1 HOW MANY PARTICIPANTS RECEIVE THE INTERVENTION

- It is not clear how many research participants received the intervention
- It is clear how many research participants received the intervention (could also be read as 'how many intervention participants received the intervention')

Specify

2.2 DROP OUT (in order to understand the full impacts of the intervention, we need to know how many people dropped out of the study and why, and the researchers should take account of drop out in their analysis / findings)

- There is no mention of drop out from the intervention group in the paper
- The authors make some attempt to measure, explain and correct for drop out from the intervention group
- The authors report in detail drop out from the intervention group, the reasons for drop out and take account of drop out in their analysis and findings

2.3 WHO WERE THE INTERVENTION PARTICIPANTS

- The intervention participants are not described (tick if no info is provided, or if the gender of participants is described but no other details)
- The gender of the intervention participants is not specified / is unclear
- The intervention participants are Men only
- The intervention participants are Women only
- The intervention participants are Men and Women
- The intervention participants are Children
- The intervention participants are Households
- The intervention participants are Micro-enterprises (in general)
- The intervention participants are Female-headed micro-enterprises specifically
- The intervention participants are Male-headed micro-enterprises specifically
- The intervention participants' poverty level is not specified
- The intervention participants' poverty level is specified (tick if any details are given)

Specify

- The intervention participants' ages are not specified
- The intervention participants' ages are specified (tick if any age info given including means / ranges)

Specify

- Other details are provided re the intervention participants

Specify

2.4 HOW WERE THE INTERVENTION PARTICIPANTS SELECTED (tick all that apply)

- It is not clear how those participants who receive the intervention are selected
- The intervention participants are selected randomly (individual level)

Specify method for random selection of participants

- The intervention group is selected using cluster randomisation (eg micro-credit groups are randomised, or households, or schools)
- The intervention group is selected using any other form of 'quasi-randomisation'

Specify

- The intervention group is selected in some other a non-randomised way

Specify

2.5 INTERVENTION INTEGRITY (CONSISTENT DELIVERY OF THE INTERVENTION)

In order to have confidence that impacts observed in the research are due to the intervention, it is important to know that the same intervention was provided to all participants consistently over time. In addition, you need to know that other additional unintentional interventions were not introduced during the study period which might have influenced the outcomes. We sought assurance of these within the research reports.

- There is no mention of the consistent delivery of the intervention (to all participants and /or over time)
- There is an acknowledgement about the inconsistent delivery of the intervention
- The authors describe how they ensured that the intervention was provided to all participants in the same way
- The authors describe whether or not participants received any additional unintentional intervention that may have influenced the outcomes

2B. COMPARISON GROUP (including control groups and constructed groups – sometimes called surrogates)

- There is no comparison / control group (all the research participants receive the intervention) – IF THIS IS THE CASE THIS STUDY WILL BE EXCLUDED FROM THE INDEPTH REVIEW
- There is a comparison / control group

2.6 HOW MANY PEOPLE WERE IN THE COMPARISON GROUP

- There is no indication how many people are in the comparison group
- The number of people in the comparison group is specified

Specify

2.7 DROP OUT (in order to understand the full impacts of the intervention, we need to know how many people dropped out of the study and why, and the researchers should take account of drop out in their analysis / findings)

- There is no mention of drop out from the comparison group in the paper
- The authors make some attempt to measure, explain and correct for drop out from the comparison group
- The authors report in detail drop out from the comparison group, the reasons for drop out and take account of drop out in their analysis and findings

2.8 WHO WAS IN THE COMPARISON GROUP

- The comparison participants are not described (tick if no info is provided, or if the gender of participants is described but no other details)

- The gender of the intervention participants is not specified / clear
- The comparison participants are Men only
- The comparison participants are Women only
- The comparison participants are Men and women
- The intervention participants are Households
- The intervention participants are Micro-enterprises (in general)
- The intervention participants are Female-headed micro-enterprises specifically
- The intervention participants are Male-headed micro-enterprises specifically
- The comparison participants' 'poverty level' is not specified
- The comparison participants' 'poverty level' is specified

Specify

- The comparison participants' ages are not specified
- The comparison participants' ages are specified (tick if any age info given including means / ranges)

Specify

- Other details are provided re the comparison participants

Specify

2.9 HOW WERE THE COMPARISON PARTICIPANTS SELECTED (tick all that apply)

- It is not clear how those participants in the comparison group are selected
- The comparison participants are selected randomly (individual level)

Specify method for random selection of comparison participants

- The comparison participants are selected using cluster randomisation (e.g. micro-credit groups are randomised, or households, or schools)
- The comparison participants are selected using any other form of 'quasi-randomisation'

Specify

- The comparison participants are selected in some other a non-randomised way

Specify

CONFOUNDING FACTORS

HOW WERE CONFOUNDING FACTORS DEALT WITH IN THE STUDY

Do study authors say that they consider confounding factors in how the intervention and comparison samples were chosen?

- Yes

- No

Do study authors convincingly account for confounding factors in how the intervention and comparison samples were chosen?[9]

- Yes
- No

Do study authors say that they consider confounding factors in the analysis?

- Yes
- No

Do study authors convincingly account for confounding factors in the analysis? (N.B. controlling for gender / age isn't sufficient, need to consider potential biases relating to microfinance)[10]

- Yes
- No

3.DATA

3.1 DATA COLLECTION METHOD

- It is not clear how the data are collected
- The data are collected from secondary sources (e.g. financial records, health records etc)
- Primary data are collected by observation by researchers
- Primary data are self-reported (i.e. data given by intervention participants and/or comparison participants = perceptions = potential for bias)
- The data are self-reported in a written survey
- The data are self-reported in interviews or focus groups
- Data is collected some other way

Specify

3.2 DATA POINTS

- It is not clear when the data are collected
- It is clear when the data are collected. SPECIFY________________________
- Data are only collected at one point in time
- Data are collected before and after the intervention was provided
- Data are collected on more occasions

Specify

- Participants are only asked to provide data about that point in time
- Participants are asked to provide data about now AND recall data from an earlier point in time

[9] Specific criteria for making this judgement will be developed and piloted and reported in our full review.

[10] Specific criteria for making this judgement will be developed and piloted and reported in our full review.

3.3 TYPE OF DATA

- It is not clear what type of data are collected
- Qualitative data only
- Quantitative data only
- Both qualitative and quantitative data

3.4 BLINDING IN ANALYSIS (FOR STUDIES WITH COMPARISON GROUPS ONLY)

- It is not specified whether researchers were blinded to which participants were in the intervention and comparison groups
- The researchers were blinded to which participants were in the intervention and comparison groups (i.e. data was analysed without the potential for bias from the researchers)
- The researchers were not blinded to which participants were in the intervention and comparison groups (i.e. the authors specify that the researchers were NOT blinded)

3.5 DATA ANALYSIS METHOD

- It is not clear how the data are analysed
- It is clear how the data are analysed

3.6 THE APPROPRIATENESS OF THE DATA ANALSIS METHOD

- It is not possible to tell whether the data analysis method is appropriate for the type of data collected
- The choice of data analysis method is appropriate to the type of data collected
- The choice of data analysis method is inappropriate for the type of data collected
- The authors do not describe how they ensure that the analysis was trustworthy, reliable and valid
- The authors make some reference to how they ensure that the analysis was trustworthy, reliable and valid
- The authors specify in detail how they ensure that the analysis was trustworthy, reliable and valid

3.7 STUDY DESIGN – use the info in the questions above to specify the study design

- Randomised controlled trial (each participant has the same chance of receiving the intervention or being in the comparison group)
- Cluster randomised controlled trial (each 'cluster' has the same chance of receiving the intervention or being in the control group)
- Controlled trial / Controlled before and after study (study includes intervention and comparison groups, with before and after data for both groups)
- Retrospective controlled before and after study (data from large repeated surveys is used to retrospectively construct intervention and comparison groups, with before and after data for both groups – includes panel data, pipeline studies, longidutinal studies, interrupted time series)
- Simple comparison study (intervention and comparison groups, only one data point – also referred to as with and without studies)
- Uncontrolled before and after study (no comparison group, before and after data) EXCLUDE
- Simple non-comparison evaluation (no comparison group, only one data point) EXCLUDE
- Modelling study (based on theoretical / modelled events not real ones) EXCLUDE
- Cannot determine study design = EXCLUDE AS 'POOR DUE TO LACK OF INFORMATION'

4. STUDY QUALITY

Only code the quality of studies if there is a comparison group.

REPORTING (tick IF the following are NOT REPORTED)

- Microfinance intervention
- Describe participants
- Confounding factors
- Data collection
- Data analysis

IF 2 or more of the above ticked, the study is judged to be POOR QUALITY due to the lack of information provided re methodology DO NOT EXTRACT FINDINGS

QUALITY OF METHODS (TICK BASED ON ANSWERS ABOVE)

- Inappropriate assumptions (Assumptions within causal model assessed in this study are inappropriate meaning leaving you unconvinced that what is being measured is actually the impact of microfinance) If ticked = POOR
- Inappropriate analysis methods (if ticked = POOR)
- Findings are not apparent in the data or analysis (if ticked = POOR)
- NO consideration of confounding factors at sampling AND no consideration of confounding factors at analysis (if ticked = POOR)
- NO consideration of confounding factors at sampling BUT THERE IS SOME consideration of confounding factors at analysis (if ticked = MEDIUM)
- Drop out described/ explained (if ticked = MEDIUM)
- Attempts to account for consistent delivery of intervention (if ticked = MEDIUM)
- Attempts to ensure analysis was trustworthy, reliable, valid (if ticked = MEDIUM)
- POOR QUALITY due to the methods used DO NOT EXTRACT FINDINGS
  NB if ranked MEDIUM on methods quality, but the participants are not described, code as POOR QUALITY
- MEDIUM QUALITY due to the methods used EXTRACT FINDINGS
- HIGH QUALITY due to the methods used EXTRACT FINDINGS

5. OUTCOMES ASSESSED

For each outcome assessed, record the findings on EPPI-Reviewer.

5.1 WEALTH OUTCOMES RELATING TO THE MICROFINANCE CLIENTS (reported results for different sub-groups will be noted to enable sub-group analyses)

- Engagement in economic opportunities (give details of when and what)
- Intention to engage (give details)
- Actual engagement (give details)

- Individual income
- Individual expenditure
- Individual accumulation of non-financial assets
- Individual level of financial assets (including savings)

- Business income
- Business expenditure

- Business accumulation of non-financial assets
- Business level of financial assets (including savings)

- Household income
- Household expenditure
- Household accumulation of non-financial assets
- Household level of financial assets (including savings)

- Other outcomes relating to financial wealth of microfinance clients

Specify outcomes

6. SUMMARY   Allocate the study to the corresponding cell below

STUDY DESIGN	Assessing impact on the poor's engagement in economic opportunities	Assessing impact on financial outcomes for the poor	Assessing impacts on women specifically	Assessing impacts of interventions which target women specifically
Randomised control trials	1a	2a	3a	4a
Non-randomised control trials	1b	2b	3b	4b
Other comparative outcome evaluations	1c	2c	3c	4c

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