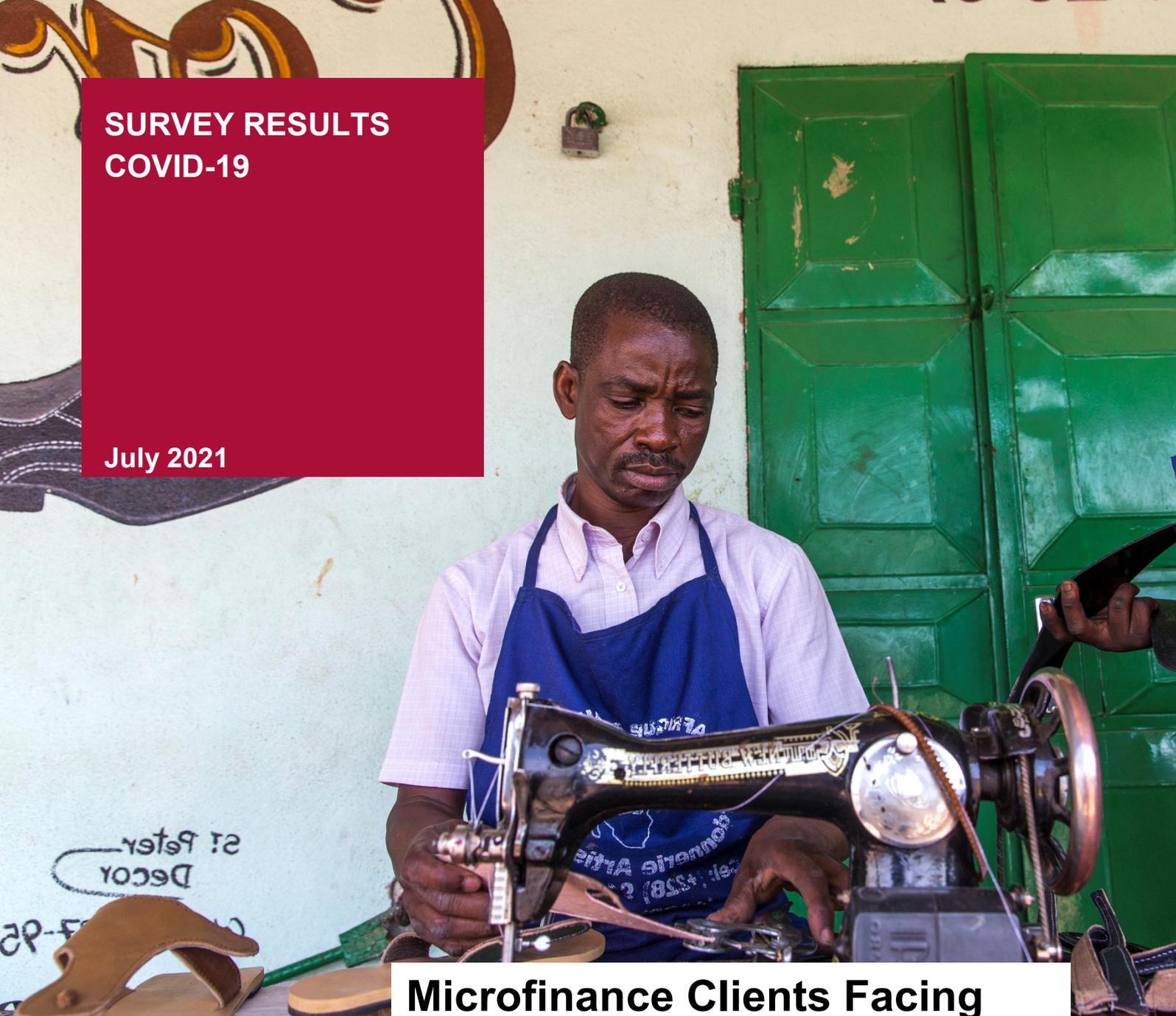


**SURVEY RESULTS  
COVID-19**

**July 2021**



**Microfinance Clients Facing  
the COVID-19 Crisis:  
From Findings to Action for MFIs**

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## EXECUTIVE SUMMARY

In 2020, the global economy was hit hard by the COVID-19 pandemic, and vulnerable populations were particularly at risk. In line with their dual (economic and social) mission, from the very beginning of the crisis, actors in the inclusive finance sector felt the need to understand the situation of microfinance institution (MFI) clients. This led to questions like: Which client segments are most affected? How are they coping with the situation? What are they doing to adapt to the crisis? What are the solutions that MFIs could provide to better support them?

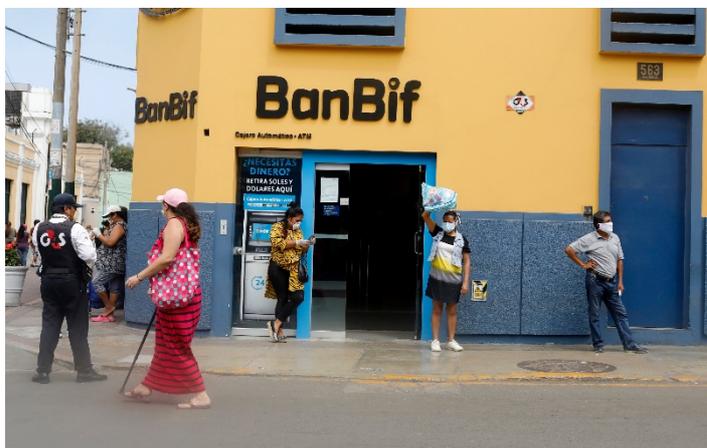
To address this need, a sector-wide initiative was launched by the Social Performance Task Force (SPTF) to implement MFI client surveys. ADA (Appui au Développement Autonome) encouraged its MFIs and MFI network partners to contribute to this initiative. In total, ADA helped launch surveys in seven countries in Southeast Asia, Sub-Saharan Africa and Central America in 2020: Bhutan, Myanmar, Rwanda, Senegal, Togo, Cape Verde and El Salvador. These surveys were intended not only to collect information but also to inform and act.

The results show that the crisis has negatively affected the income-generating activities of MFI clients: most have seen their income decline, and their household financial situations have consequently deteriorated. This was especially true during periods of severe restriction and throughout the crisis in urban areas. The crisis has also made MFI clients food-insecure: many have reduced both their consumption of highly nutritional foods and their number of meals per day. To cope with the decline in income, most clients resorted primarily to their own savings; few engaged in risky long-term coping strategies such as selling assets.

Based on these results, concrete measures were taken by MFIs to respond to the needs of their clients, such as the distribution of health kits and food packs or the extension of loan repayment options. In the long term, several of them also aim to develop savings offerings, which have proven to be an effective way to increase clients' resilience to economic shock. Finally, in some countries, these results have been shared with regulators to create dialogue on policy and to encourage the implementation of appropriate measures to support the microfinance sector. Listening and responding appropriately: this is the effort being undertaken by MFIs in this critical time of need.

## INTRODUCTION

In the first quarter of 2020, the COVID-19 pandemic spread around the world, and it quickly became apparent that its impact was not limited to public health. The restrictions that most governments put in place to prevent further spread of the virus inevitably had serious consequences for their countries' economies and put the most vulnerable populations at higher risk of negative effects. In this context, ADA supported its partners (MFIs and networks of MFIs) in the implementation of client surveys. The primary objective of these surveys was to better understand how clients were affected by the crisis to allow MFIs to both anticipate the financial consequences of the crisis on the different segments of their portfolio and identify the short-term needs of their clients, as well as potential new products or services to develop and/or new segments to target. These surveys were part of a sector-wide initiative launched by the SPTF in collaboration with the Foundation for International Community Assistance (FINCA) and 60 Decibels, which aimed to collect uniform data via a single questionnaire to share aggregated results with the industry for a better understanding of the situation and more informed decision-making.



This article presents the main results of the surveys coordinated by ADA and its partners in seven countries in three major regions of the world:<sup>1</sup>

- Sub-Saharan Africa: Cape Verde, Rwanda, Senegal, Togo<sup>2</sup>
- Southeast Asia: Bhutan, Myanmar
- Central America: El Salvador

In particular, this article highlights the impact of the COVID-19 crisis on clients' main business income as well as their household financial situations and food security and reveals the coping strategies clients have adopted to deal with the crisis.

These results have not only raised the MFIs' awareness of their clients' most urgent needs arising from the crisis but have also enabled them to take concrete steps to address these needs and to plan for the development of new products or services to address more structural needs. These different levels of use of the survey results are illustrated in the final section.

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<sup>1</sup> The MFIs are: Citi Coop, OMCV, Famipicos, Solmi, ASDIS, Soldifogo in Cape Verde; UFC in Rwanda; U-IMCEC in Senegal; Assilassimé in Togo; BAOWE in Bhutan; Thitsar Ooyin in Myanmar; Crédito AMC, ASEI, CREDICAMPO, CrediManá, Créditos A&C, FOMENTA, FUSAI and Padecoms Crédito in El Salvador.

<sup>2</sup> The client surveys for the MFIs in Togo, Senegal and Rwanda were conducted by 60 Decibels and co-financed by SPTF. The client survey of the MFI in Togo was also co-financed by the Grameen Crédit Agricole Foundation, KIVA and SIDI.

## METHODOLOGY

The client surveys were conducted either by telephone or face-to-face, with a representative sample of clients of each MFI. Three waves of surveys with different groups of clients were conducted in Rwanda, Senegal and Togo between July and November 2020. Because the results of these three waves were quite similar, they were combined for the analysis. In El Salvador, two waves of surveys were carried out in two very different periods, (August-September and December 2020), and were therefore analysed separately. A single wave was conducted in Bhutan, Cape Verde and Myanmar between September 2020 and January 2021. The total sample sizes are: 675 in Cape Verde, 630 in Rwanda, 631 in Senegal, 630 in Togo, 1,139 in Bhutan, 1,040 in Myanmar and 395 (first wave) and 336 (second wave) in El Salvador.

Data collection in each country was conducted at different times of the years 2020 and 2021 and was marked by different levels of government restriction measures related to COVID-19. Figure 1 puts these different times into perspective with the evolution of the stringency index of COVID-19-related measures.<sup>3</sup>

In Rwanda, the survey was conducted between July and October, covering a period when restrictions were maintained at a fairly high level (although slightly lower than their peak in March and April). In the two West African countries (Senegal and Togo) the surveys were conducted between July and November when restriction levels were quite low and stable. It can also be seen that in these two countries the average stringency index was generally lower than in the other countries. In Cape Verde, the survey covered the period from September 2020 to January 2021, during which the level of governmental restriction was quite high and stable (but lower than the peak in April 2020). In Bhutan, the survey covered the period from October to December 2020, a period of decreasing restrictiveness compared to the previous months. In Myanmar, the survey was conducted from December 2020 to February 2021, during which restrictions were kept high, as at the beginning of the crisis. In El Salvador, the first wave of surveys between August and September 2020 occurred during a much more highly restricted period than the second wave that was administered in December 2020.

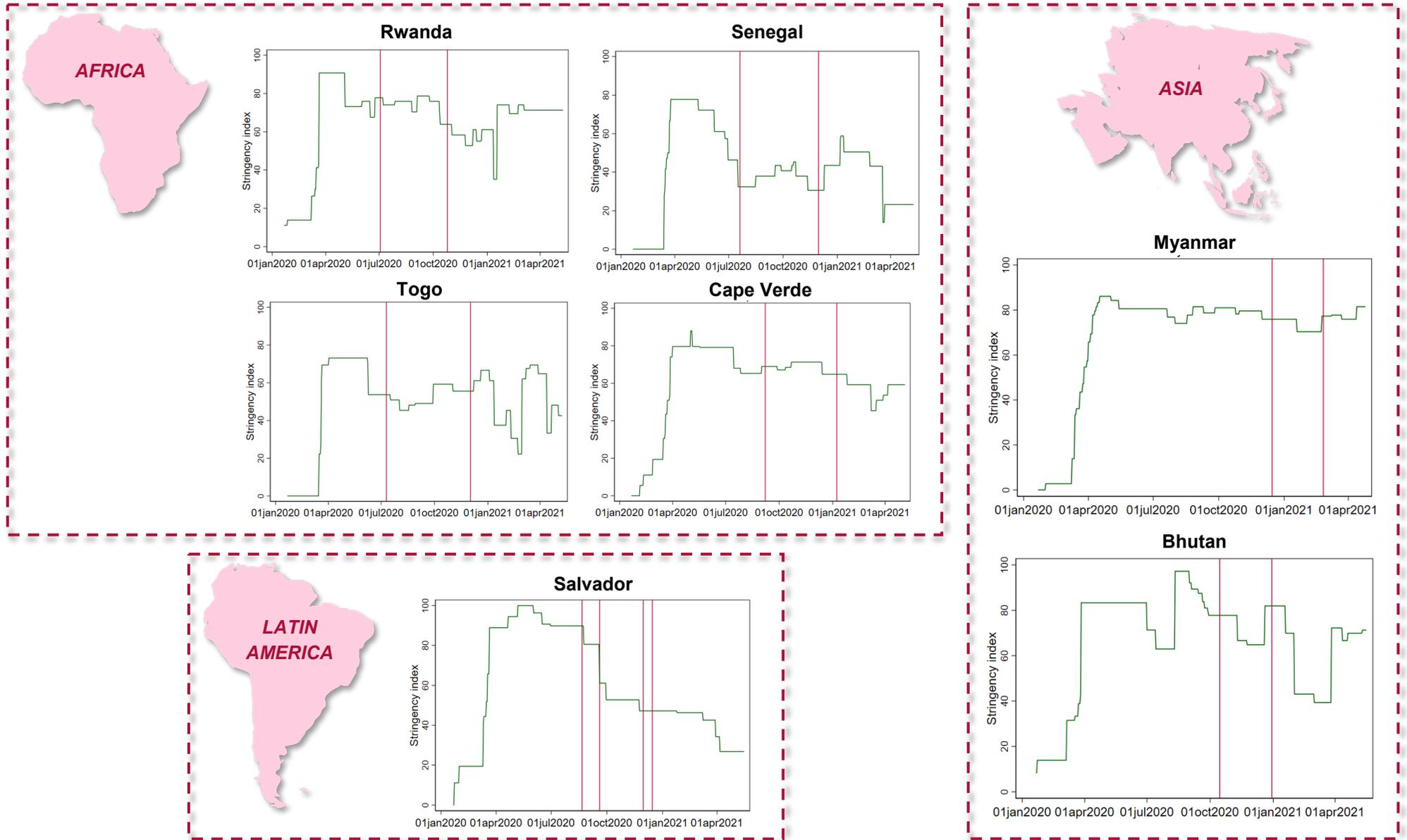
Taking these different periods into consideration allows for an increased understanding of how the spread of the virus and the accompanying restrictive measures have affected the lives of MFI clients. The impacts also vary according to the context of each country and client segment. Comparisons among countries should therefore be interpreted with caution because of the variation in contexts over time and space.

To complete the analysis of the survey results, some interviews were conducted with the organisations/individuals that coordinated the implementation of the surveys in each country, namely: the Asociación de Organizaciones de Microfinanzas de El Salvador (ASOMI) network in El Salvador, the ADA technical advisor based in Cape Verde and the MFIs in Togo, Senegal, Rwanda, Bhutan and Myanmar. These interviews provided valuable information on how the survey results were used in practice.

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<sup>3</sup> Source: Hale, T., Angrist, N., Goldszmidt, R., Kira, B., Petherick, A., Phillips, T., Webster, S., Cameron-Blake, E., Hallas, L., Majumdar, S. and Tatlow, H., 2021. A global panel database of pandemic policies (Oxford COVID-19 Government Response Tracker). *Nature Human Behaviour*, 5(4), pp.529-538. This index represents the level of restriction in each country over time, constructed as a composite measure based on nine indicators such as school closures, workplace closures or travel bans, rescaled to a value from 0 to 100 (100 = strictest).

FIGURE 1 – DATA COLLECTION PERIODS



## THE IMPACT OF THE PANDEMIC ON INCOME FROM THE MAIN ECONOMIC ACTIVITY

Beyond the potential impacts on health, it is clear that the crisis has directly affected the income-generating activities of the population. There have been many restrictive measures implemented as a result of the crisis: lockdowns, bans on gatherings, travel restrictions, closure of certain types of businesses and so on. These have led to a slowdown or cessation of activities, as well as drops in income in the seven countries being studied (Figure 2).

According to the results, the situation seems to have been less severe in Bhutan, which could be explained by the large proportion of clients conducting agricultural activities in rural areas (84%); these activities were relatively less affected than those in urban areas, even if issues arose regarding access to the market for the sale of goods. Thus, about 50% of the Bhutanese respondents said that their income had remained the same, especially those living in rural areas.

The proportions of the population experiencing both small and large decreases in income were much higher in other countries such as Rwanda, Senegal and Cape Verde (surveyed in the middle of the crisis). Proportions rose to over 80% in these countries. In Togo, the percentage of clients reporting that their income had deteriorated significantly was relatively lower than in the other African countries surveyed, which can be explained at least in part by the shorter duration of restrictive measures and consequently the more limited downturn in economic activity. In Senegal, female clients who are active in the trade sector reported being particularly affected.

Over the same period (August-September 2020) in El Salvador, the population seems to have been less affected compared to African MFI clients. On average, the proportion of clients reporting a decrease in their income was less than 60%. The second wave of the survey in December shows a slight improvement of the situation: the number of people with a worsened income had decreased, and the number of those with the same or slightly higher income compared to the pre-crisis period had increased, especially in urban areas and in the manufacturing and wholesale sectors. This is likely because by this time the economy had reopened and economic activities had recovered.

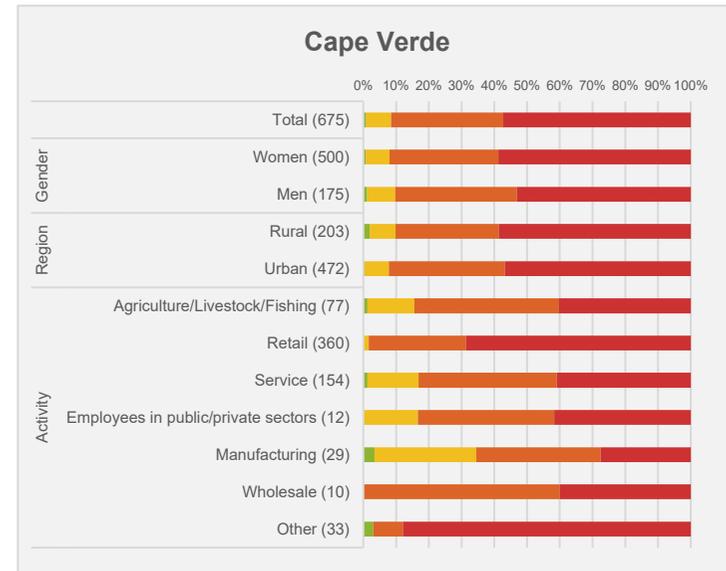
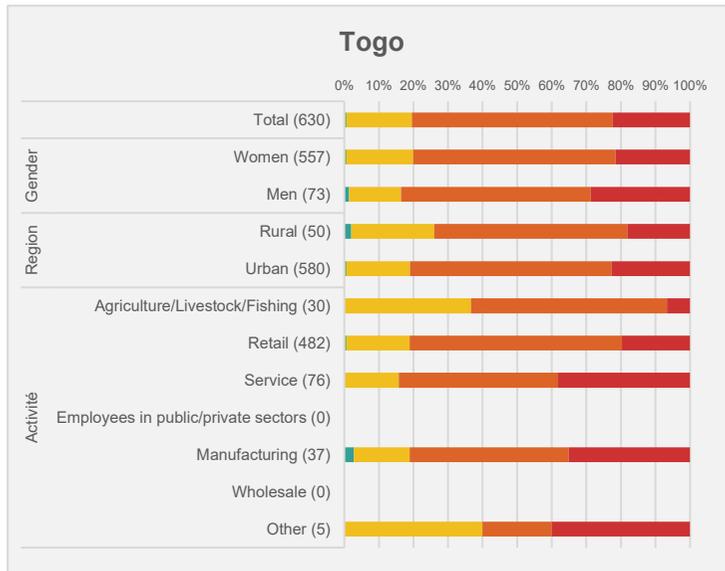
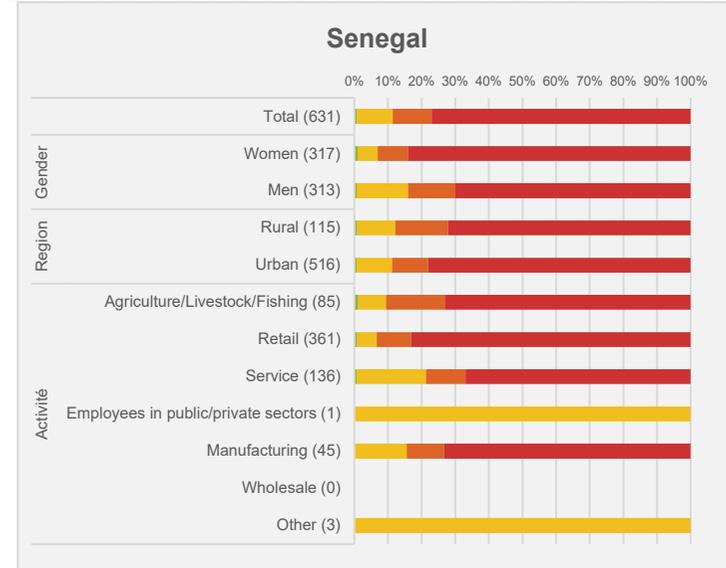
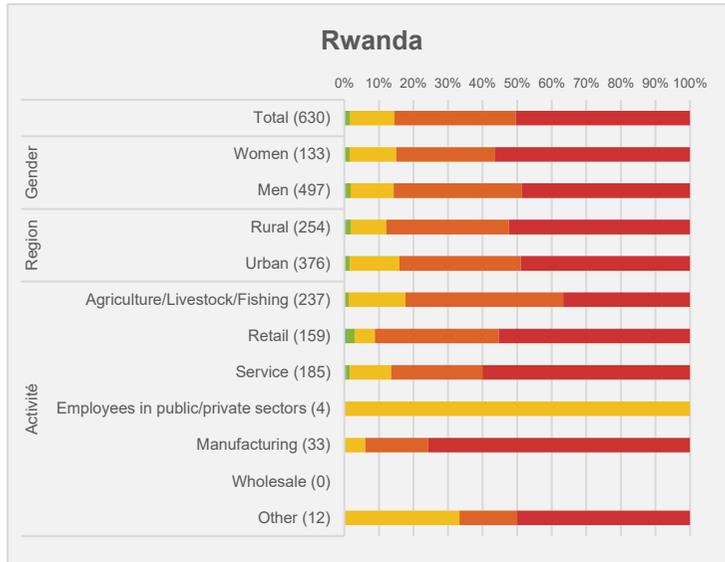
In Myanmar, the restrictive measures have not eased since May 2020. The December 2020 survey results show that 70% of respondents have experienced a decline in income, a somewhat lesser impact than in Africa.

Although the number of responses is small for the public or private sectors, it is not surprising to find that people who worked as employees in those sectors were more spared during the crisis. It can be seen that most of these people in the sample have seen their income remain stable. Self-employed people in other sectors were more greatly affected.

In all the countries concerned, the income of customers active in the retail and services sectors has fallen the most. More than 80% of those whose main activity is in these sectors have seen their income decline.

The crisis has had different impacts on rural and urban economies from country to country. Rural areas were relatively less affected by the crisis in Bhutan, Togo and El Salvador; they were slightly more affected in Rwanda and Myanmar. In Rwanda, in particular, the summer of 2020 was marked by weather events that affected agricultural production. In general, there are no significant differences between the income trends of women and men in the sample.

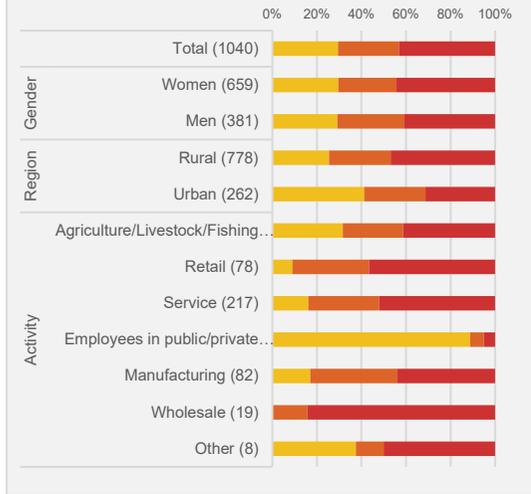
**FIGURE 2 – INCOME FROM MAIN ECONOMIC ACTIVITY**





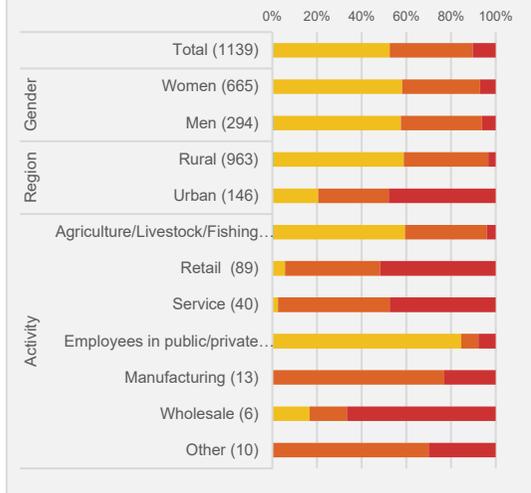
ASIA

### Myanmar



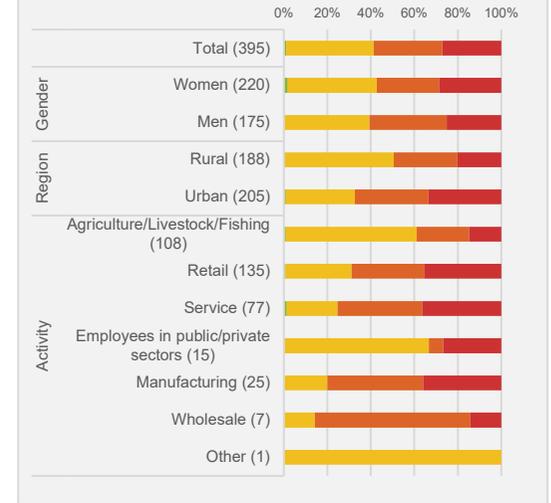
- Very much increased
- Slightly increased
- No change
- Slightly decreased
- Very much decreased

### Bhutan



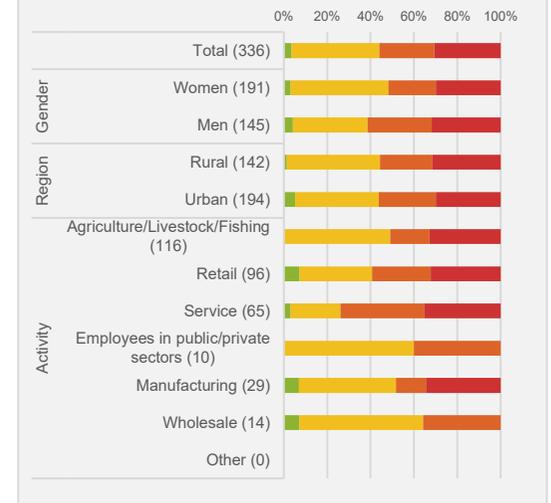
LATIN AMERICA

### El Salvador (1st wave)



- Very much increased
- Slightly increased
- No change
- Slightly decreased
- Very much decreased

### El Salvador (2nd wave)



## THE IMPACT OF THE CRISIS ON THE FINANCIAL SITUATION OF HOUSEHOLDS

As a result of the decline in income from their main economic activities, the financial situations of households have also deteriorated. This is the case for half of Bhutan Association of Women Entrepreneurs (BAOWE) clients in Bhutan (Figure 3). The crisis has particularly affected clients living in urban areas, where 80% of respondents stated that their situation had worsened a little or a lot. The financial situation of almost all clients in the service, manufacturing and trade (both retail and wholesale) sectors deteriorated. Clients in rural areas fared better; most of them were involved in agriculture, livestock and fishing as their main sectors of financial activity. It can be seen that the same proportion (about 60%) of clients in these two segments of the population saw their financial situation remain stable, while the other 40% had a slightly worsened financial situation. Employees (wage earners) in the public and private sectors were the least affected in Bhutan, with over 80% of them reporting that their finances remained the same as in the previous period.

Surveys in Rwanda, Senegal, Cape Verde and Myanmar reveal that the percentage of clients whose financial situation has worsened is much higher than in Bhutan. More than 90% of MFI clients in these two countries reported that their household financial situation had worsened, most of them significantly. In both countries, clients from all sectors and geographical areas were affected by the crisis more or less equally.

The situation appears to be slightly better in Togo, where the percentage of those who saw their financial situation worsen was slightly lower (around 80%). There is also a small proportion of the urban population (1%), workers in the agriculture/livestock/fishing (3.3%) and manufacturing sectors (8.1%), who reported that their financial situation had somewhat improved. Again, this can be explained by the rapid easing of restrictive measures and the prompt resumption of activities in this country.

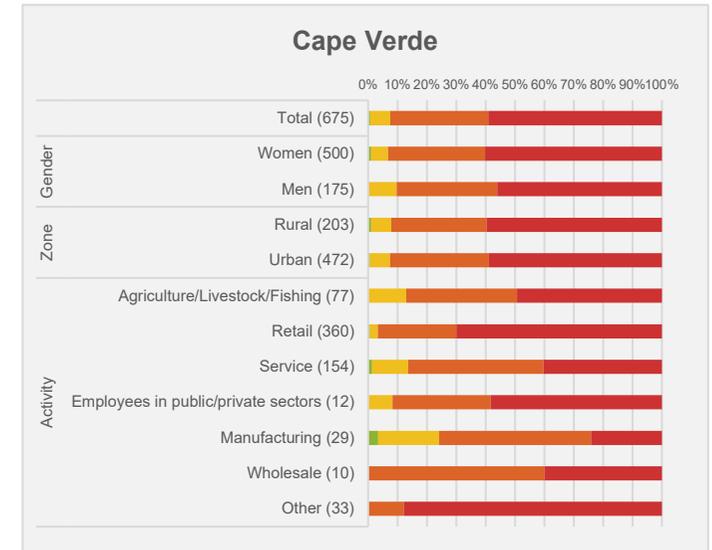
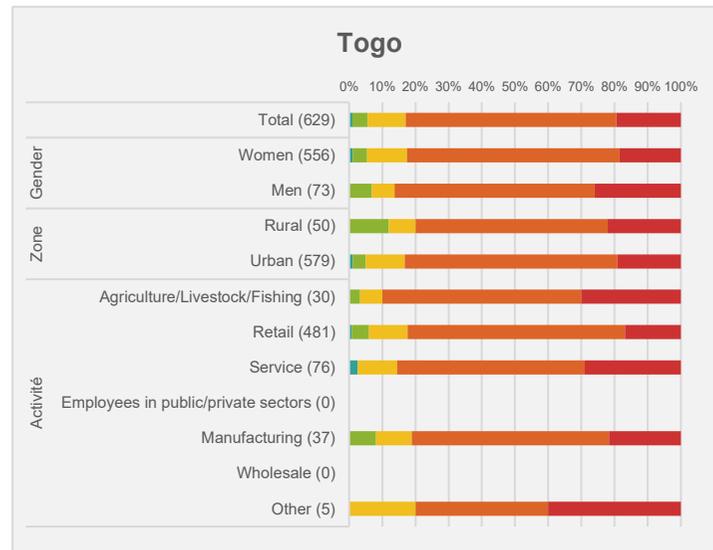
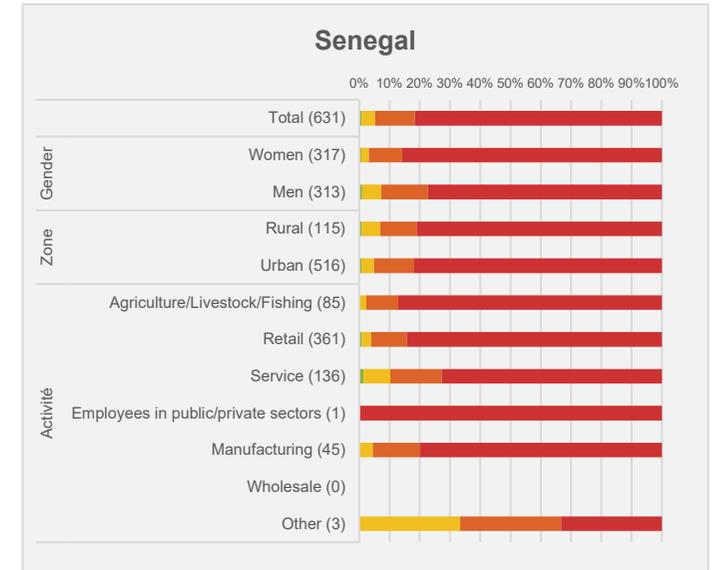
In El Salvador, the two survey waves show a change in the situation of MFI clients throughout 2020 as a result of COVID-19-related restrictions. In August and September, when the degree of restriction was high, about three-quarters of ASOMI clients responded that their household financial situation had worsened a little or a lot. In December 2020, when the stringency index was almost halved, this proportion fell to just over one-fifth. Around 20% of customers have now seen their household financial situation improve. This improvement was more pronounced among clients living in urban areas, with primary economic activities occurring in the service and trade sectors, particularly wholesale trade. This is most likely owing to the recovery of activity in urban areas following the relaxation of restrictive measures.

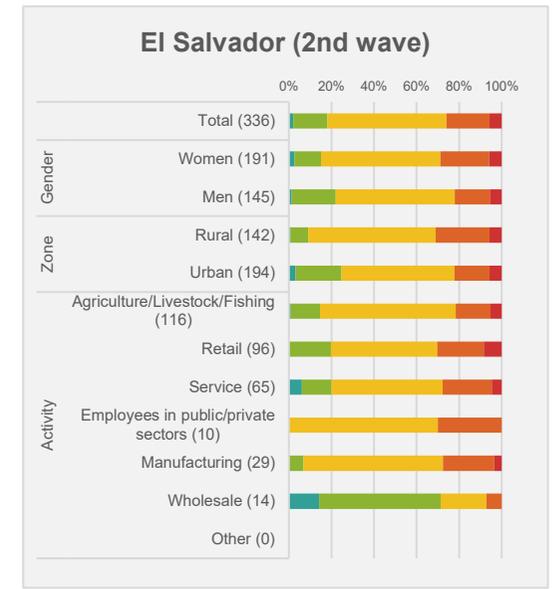
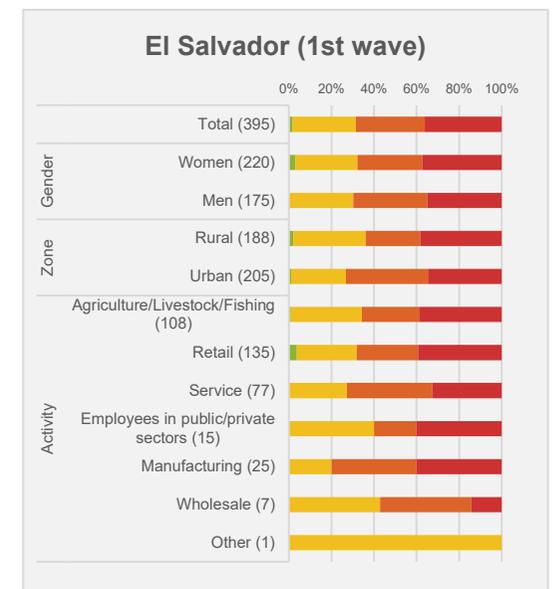
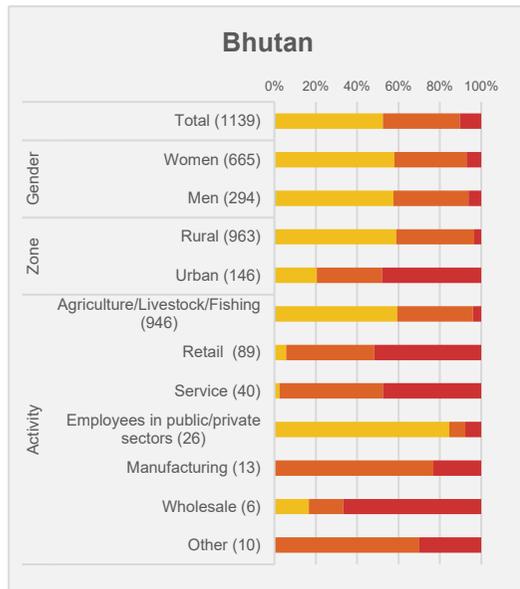
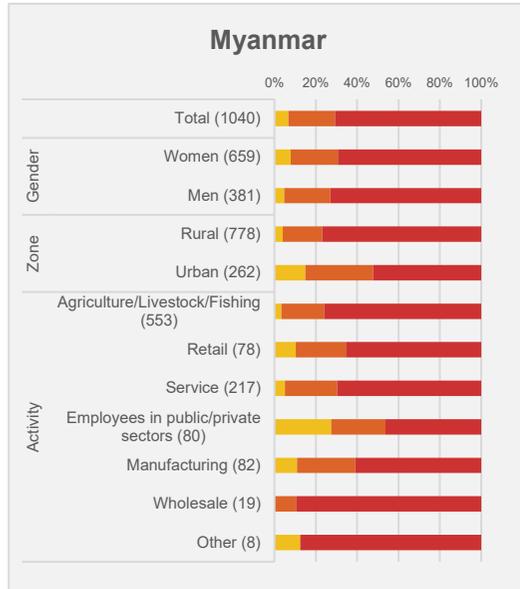
In general, it can be observed that in all countries the crisis has economically affected women and men in a similar way.

**FIGURE 3 – FINANCIAL SITUATION OF HOUSEHOLDS**



- Very much improved
- Slightly improved
- Stayed the same
- Got slightly worse
- Got very much worse





## THE IMPACT OF THE CRISIS ON FOOD SECURITY

Food insecurity is one of the significant consequences of the COVID-19 crisis. It may be caused indirectly by reduced income, as well as directly by challenges regarding market access (because of bans on public assembly), closure of establishments and reduction or even interruption of food supply chains.

In Bhutan, Cape Verde, Myanmar and El Salvador, the most common phenomenon among respondents was a reduction in the consumption of certain types of food, such as meat (Figure 4). This reduced consumption of foods high in nutritional value affected just over 10% of BAOWE clients in Bhutan, about 40% of MFI clients in Myanmar and El Salvador and almost 60% of MFI clients in Cape Verde. The main reason given was reduced income, which forced consumers to switch to more affordable goods.

There is a disparity between countries at different times of the year 2020. The severe restrictions in the midst of the crisis had a particularly negative impact on MFI clients in Cape Verde; around 60% of them have had to reduce their consumption of certain types of food, 30% have reduced the number of meals they eat per day and 60% are often hungry when this would not normally be the case. The situation in El Salvador did not change between the two waves of the survey, with slightly more than 40% of respondents still declaring that they had reduced the consumption of certain types of food; there was a slight increase in the percentage of people who had reduced their number of meals per day (18% to 25%) and a very slight decrease in the percentage of people who were often hungry (it remained close to 3%).

In all countries except Bhutan, the food security of those in rural areas was more affected by the crisis than that of clients in urban areas, likely ascribed to lack of access to markets for supplies. In all countries except Cape Verde, women's food consumption was more affected by the negative consequences of the crisis than that of men.

The food security questions in the questionnaires administered in Rwanda, Senegal and Togo varied slightly, resulting in somewhat different data. As regards changes in food consumption, over 60% of people in Rwanda and Senegal reported that they had decreased their consumption. The situation was better in Togo, where about 70% stated that their food consumption had remained the same or had even improved.

When clients were asked whether they were often hungry when this would not normally happen to them, the responses varied among the three Sub-Saharan African countries. The situation was most worrying in Rwanda, where about half of the respondents said they went hungry more than they had before the crisis. This is because problems related to the pandemic were compounded by an agricultural crisis in Rwanda at this time caused by weather events. This proportion dropped to just over 30% in Senegal and just over 10% in Togo. In Senegal, however, almost 10% were regularly hungry – a particularly high proportion compared to that of the other countries. In Rwanda and Senegal, women experienced hunger slightly more often than men. Again, Togo stands out as a country where the negative impact of the crisis was relatively less important: food consumption remained mostly stable and hunger affected only a small percentage of the population.

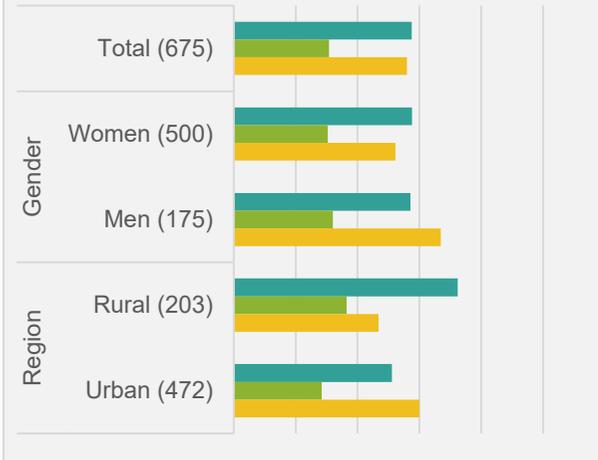
**FIGURE 4 – FOOD SECURITY**

- Reduced intake of certain types of food
- Reduced number of meals per day
- Often go hungry



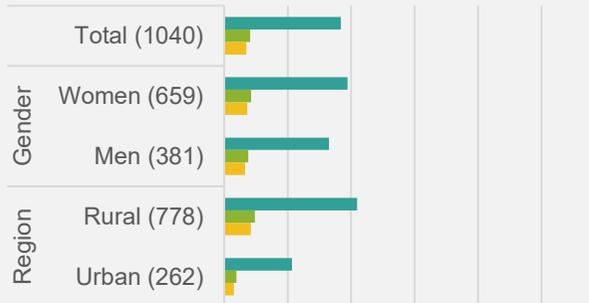
**Cape Verde**

0% 20% 40% 60% 80% 100%



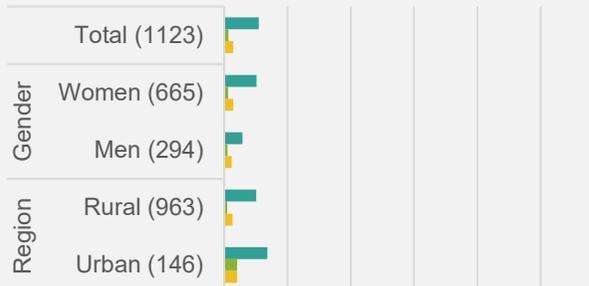
**Myanmar**

0% 20% 40% 60% 80% 100%



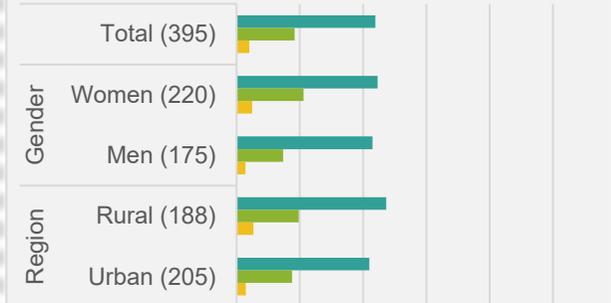
**Bhutan**

0% 20% 40% 60% 80% 100%



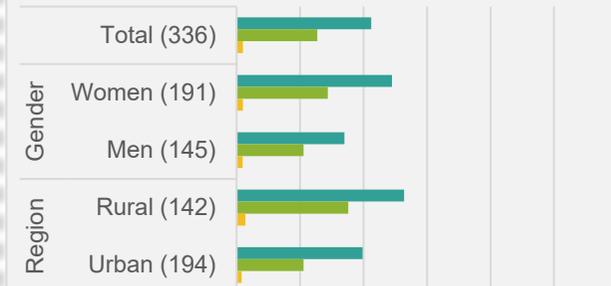
**El Salvador (1st wave)**

0% 20% 40% 60% 80% 100%

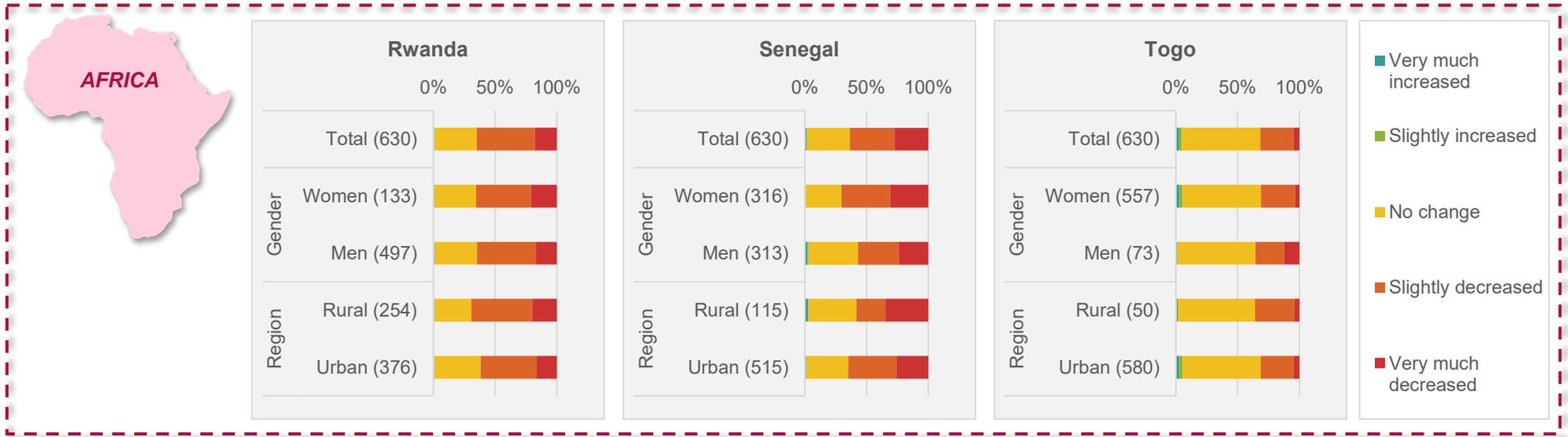


**El Salvador (2nd wave)**

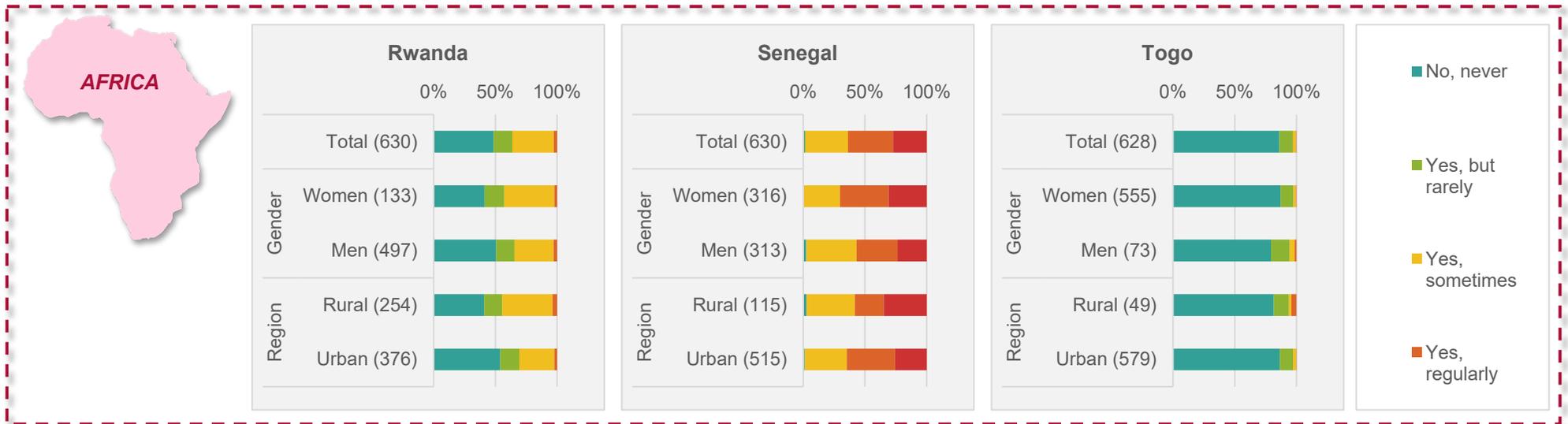
0% 20% 40% 60% 80% 100%



**FIGURE 5 – CHANGE IN FOOD CONSUMPTION**



**FIGURE 6 – BEING HUNGRY**



## THE CRISIS HAS CAUSED MFI CLIENTS TO ADOPT DIFFERENT FINANCIAL COPING STRATEGIES

MFI clients adopted a variety of strategies to cope with the crisis. The most common financial coping strategy adopted by MFI clients in Bhutan, Cape Verde, El Salvador (Figure 7), Rwanda and Senegal (Figure 8) was to use money they had saved. Savings were thus the first safety net for them, rather than borrowing money or stopping repayment of loans. This is a positive sign of clients' ability to absorb economic shock and, more generally, a sign of their resilience. About 80% of clients in Senegal, 70% of clients in Rwanda, 60% of clients in Bhutan and Cape Verde and 40% of clients in El Salvador relied on their savings. This solution was especially utilised by clients in urban areas.

Two other common strategies were stopping repayment of loans, which in some cases was done following moratoria put in place by authorities or in consultation with the MFIs on deferrals or extensions of repayment periods, and borrowing of money from friends and family.

In Rwanda, Senegal and Togo, a common solution adopted by about 60% of respondents was to reduce investment in business.<sup>4</sup> The option of reducing loan repayments was less commonly adopted than stopping repayments entirely.

In El Salvador, finding new or additional jobs, often only for the short term, was also mentioned (by less than 20% of clients) as a solution to meet financial needs during the crisis.

The approach in Myanmar was quite different compared to that of other countries. The most adopted strategy among Burmese respondents, chosen by almost 60% of clients, was to borrow money from a financial institution. The second most popular strategy, chosen by over 40% of clients, was to borrow money from friends and family. This was because the MFI in Myanmar did not offer savings options, which limited the possibility for clients to use this strategy. However, it did provide new loans to those who requested them, which explains the high proportion of clients who used this solution.

In all countries except Bhutan and Togo, rural clients were more likely to sell or pledge an asset to cope with the crisis than were urban clients; assets sold or pledged were often livestock. In Myanmar, borrowing from loan sharks was slightly more popular in rural areas than in urban areas. Both of these strategies are considered options of last resort that can negatively affect one's ability to maintain a stable financial situation in the future. Based on these findings, MFIs have taken steps to meet the needs of their clients and to reduce risks to both clients and themselves.

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<sup>4</sup> This response option did not appear in the questionnaire for the other countries. Therefore, a comparison of responses can only be made between Rwanda, Senegal and Togo.

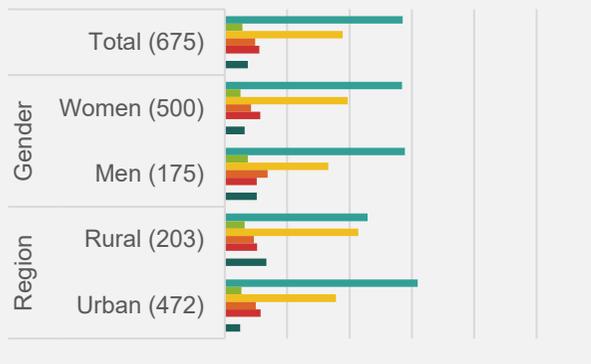
**FIGURE 7 – COPING STRATEGIES**

- Used money that you had been saving
- Found new/additional work
- Stopped loan repayments
- Borrowed money from an MFI or bank
- Borrowed money from a friend or family
- Borrowed money from a money lender
- Sold an asset



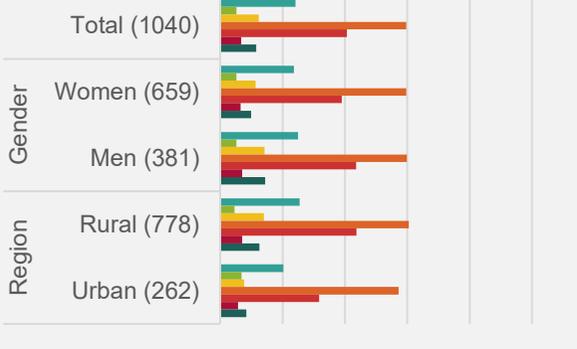
**Cape Verde**

0% 20% 40% 60% 80% 100%



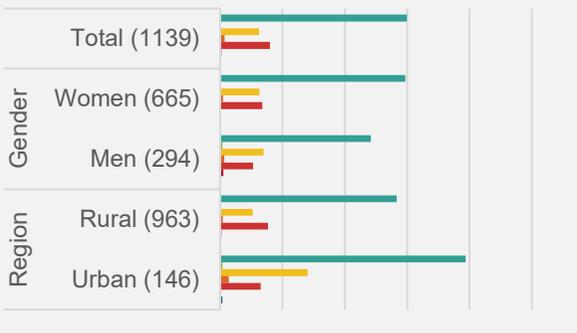
**Myanmar**

0% 20% 40% 60% 80% 100%



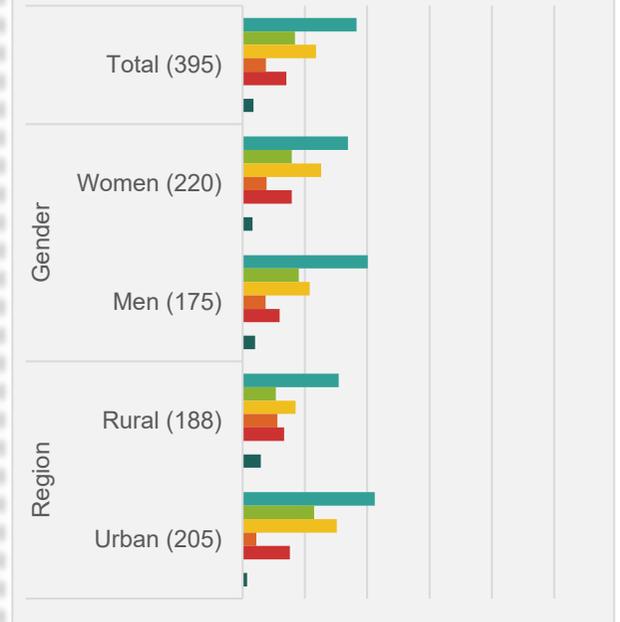
**Bhutan**

0% 20% 40% 60% 80% 100%



**El Salvador (1st wave)**

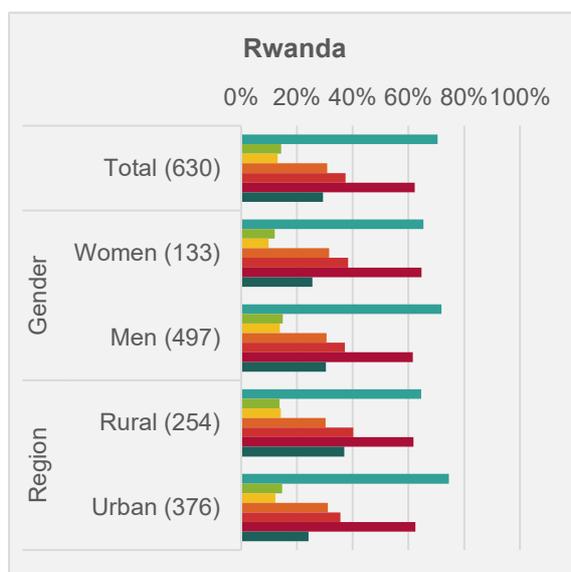
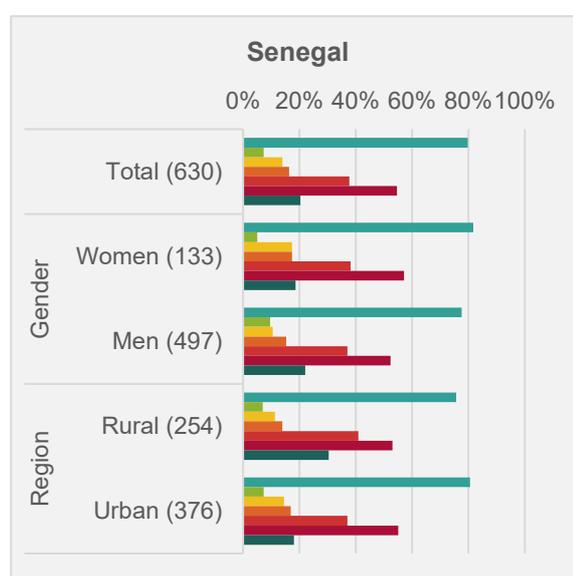
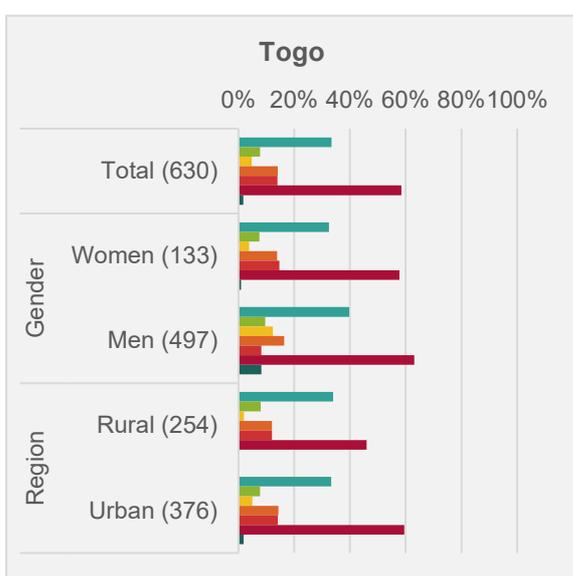
0% 20% 40% 60% 80% 100%



**FIGURE 8 – COPING STRATEGIES (CONTINUED)**



- Used money that you had been saving
- Found new/additional work
- Reduced loan repayments
- Stopped loan repayments
- Borrowed money
- Reduced household or business investments
- Sold or pawned an asset



## UNDERSTANDING THE SITUATION TO FIND SOLUTIONS

Throughout the period of COVID-19, the MFIs in surveyed countries have remained in close contact with their clients and therefore have had access to regular information about their situations. However, at the MFI level, this information remained general and unquantified; details of individual situations were known by each loan officer as discovered through contact with his or her client portfolio. This survey initiative thus made it possible to validate certain hypotheses, intuitions and perceptions arising from the MFIs' daily interactions with their clients and above all to quantify this information and identify the client segments most affected by each type of challenge. The results of these surveys were used by both MFIs and networks at different levels.

**Listening.** Thanks to these surveys, MFIs have become aware of the levels of concern among their clients regarding the pandemic, beyond the economic and financial impacts. Based on these results, the MFIs in the ASOMI network in El Salvador decided to change the way they communicate with their clients: they are now listening more and sharing messages of support rather than demanding repayments. They have also equipped their branches and staff with all the necessary sanitary tools and processes to ensure that clients feel confident when visiting their offices; they have even distributed food packs to address threats to their clients' food security. In this way, focus was centred on client welfare first. Similarly, MFIs in Cape Verde followed up closely with their clients during the crisis, providing reassurance by being more present and available than in pre-pandemic times. Finally, the MFIs in Togo, Bhutan and Myanmar stated that conducting these surveys has helped strengthen their relationships with their clients.

**Adapting existing financial services to urgent needs.** These surveys have helped to identify the most urgent needs of specific client segments in terms of financial services. For example, MFIs in Cape Verde, Togo, Rwanda and Senegal were able to reschedule loan repayment for their most distressed client segments, as well as to make repayment terms more flexible. The surveys also revealed a need for liquidity among clients that the MFIs had not anticipated: whereas the MFIs were primarily expecting requests to extend or postpone repayments, a number of clients of the MFIs in Togo, Rwanda, El Salvador and Myanmar instead expressed a need for access to new loans to recover, continue or reorganise in terms of financial activity. These MFIs have since adapted their lending policies accordingly: in El Salvador, they have been more open to granting loans for working capital needs; in Rwanda, the ceilings for working capital loans have been raised; in Togo, the qualifications for accessing credit have been relaxed, and MFIs have removed the requirement to pledge savings. In all of these cases, MFIs have been careful to avoid both increasing the risk of over-indebtedness and disbursing new loans to clients in the most-affected sectors. In addition, by meeting the liquidity needs of their clients themselves, these MFIs say they have also sought to prevent clients from turning to other, less-scrupulous options such as loan sharks.

**Awareness of clients' resilience.** This need for liquidity has also made MFIs more aware of their clients' ability to adapt. For example, MFI clients in Myanmar made little use of the loan payment rescheduling options offered to them by the MFI and instead reorganised their activities, reactivated barter systems and applied for new loans to bounce back. That said, the massive reliance upon savings as a first coping strategy also demonstrated the shock absorption capacity of this MFI's clients. Finally, in Bhutan, MFI clients (who are mostly active in the agricultural sector) relied on their own production of local products to get through the crisis and were therefore less threatened in terms of food security. The surveys, by identifying the types of agricultural products produced by the clients, revealed to the Bhutanese MFI their potential for activity and inspired the organisation to develop new products and services.

**Development of new products and services to meet long-term needs.** Survey results among MFI clients in Bhutan have uncovered the potential of their agricultural activities. Although Bhutan remains dependent on neighbouring countries for the supply of processed food products (which are often derived from primary products produced in Bhutan), their MFI realised through the surveys that its clients needed support in processing and/or marketing and sales techniques to increase sales to local consumers without having to rely as much upon foreign trade. The MFI therefore plans to offer these types of services to its clients to increase the domestic yield resulting from its clients' agricultural activity. Similarly, the MFI in

Myanmar has become aware, based on the survey results, of the same problem of dependence on external countries for the processing of primary products, which are then re-imported into Myanmar. As a result, the MFI is now considering supporting other actors in agricultural value chains with appropriate financial services, so that primary producers can sell their produce locally and no longer depend on external markets.

Meanwhile, the Myanmar MFI has also realised the importance of offering savings products to its clients because the small proportion of its clients who had savings through other institutions used them to get through the crisis. Though this was not a completely new strategy for the MFI, the survey results confirmed the need to implement it quickly.

Similarly, the Rwandan MFI's client responses revealed an interest in digital services providing access to financial services in times of limited mobility. Like in Myanmar, the results reinforced the MFI's pre-existing desire to accelerate the development of digital services, and it confirmed the need to raise client awareness of these new types of services.

**Informing the actors supporting the sector.** Finally, in addition to the concrete measures taken by the MFIs to respond to both urgent and longer-term needs of their clients, these surveys also made it possible to inform the financial sector's stakeholders about the situation. The ADA technical advisor based in Cape Verde was, in coordination with the MFIs, able to regularly share the results of the surveys with the national financial regulator authority, which helped to fuel the dialogue so that the regulator could consider appropriate support measures for the sector. Similarly, the ASOMI network in El Salvador has shared results with other networks in the Central American region, an entrepreneurial support agency, a national bank and the Inter-American Development Bank. This routine sharing of information keeps actors in the sector informed so that they can act in a manner that best reflects their population's needs.

## CONCLUSION

Although the impact of COVID-19 on MFI clients varies according to the level of governmental restriction and context in each country, as well as the economic activity profiles of the clients, the negative consequences of the pandemic on the financial situations of households and their food security are undeniable.

By listening to their clients as they did in 2020, MFIs will be able to strengthen relationships with clients and respond to clients' needs more appropriately. In this way, they will contribute to the financial resilience of their clients and therefore their own ability to absorb economic impacts, given the financial health of MFIs is intrinsically linked to that of their clientele.

The measures taken by MFIs to respond to the needs identified in the many surveys carried out in 2020 demonstrate their willingness to adapt to new situations and remain responsive to consumers. This willingness was also highlighted in a complementary study conducted by ADA in collaboration with the Grameen Crédit Agricole Foundation and Inpulse, based on surveys administered among over a hundred MFIs: <https://www.ada-microfinance.org/en/covid-19-crisis/initiatives-ada-crisis-mfi-and-clients>

By contributing to these different initiatives, ADA aims to encourage the maintenance of contact with the populations and actors on the ground, a necessary condition for providing relevant responses to crisis situations such as that of COVID-19.



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