



July 2021

# MICROENTERPRISE AND RELATED DEVELOPMENT ASSISTANCE

## Challenges in Evaluating Lasting Benefits for Women and the Poor



A Century of Non-Partisan Fact-Based Work

# GAO@100 Highlights

Highlights of [GAO-21-328](#), a report to congressional committees

## Why GAO Did This Study

From 2015 through 2018, USAID reported that it planned to spend about \$1.14 billion on microfinance assistance around the world. This assistance is intended to promote development of MSMEs, which some development experts have identified as needed to help the advancement of the poor.

In January 2019, Congress passed and the President signed the Women's Entrepreneurship and Economic Empowerment Act of 2018 (WEEA Act) to provide more assistance to small and medium-sized enterprises and to continue assistance for microenterprises. The act includes a provision for GAO to provide information on microenterprise and related assistance, especially to women and the very poor. GAO reported on aspects of USAID's implementation of this assistance in [GAO-21-269](#).

This report examines (1) what USAID evaluations of its assistance projects for MSMEs have shown about their effects on women and the very poor; and (2) what is known from research studies and experts outside USAID about the effects of this assistance. GAO reviewed 27 selected USAID project evaluations and interviewed USAID officials. GAO also reviewed relevant literature, including eight meta-analyses and systematic reviews selected from an extensive literature search, and interviewed experts in the field.

View [GAO-21-328](#). For more information, contact David Gootnick at (202) 512-3149 or [gootnickd@gao.gov](mailto:gootnickd@gao.gov).

July 2021

## MICROENTERPRISE AND RELATED DEVELOPMENT ASSISTANCE

### Challenges in Evaluating Lasting Benefits for Women and the Poor

#### What GAO Found

U.S. Agency for International Development (USAID) evaluations that GAO reviewed identified short-term benefits from projects that included assistance for micro, small, and medium-sized enterprises (MSMEs), but the two evaluations of longer-term effects found little evidence of lasting benefits. Most of the 27 evaluations examined projects combining MSME assistance with other types, making it difficult to identify the effects of MSME assistance alone.

The 18 performance evaluations, which examine if a project is operating as intended and meeting project objectives, reported that most projects generally met project objectives for women, such as training women on aspects of entrepreneurship, but were less successful where factors like cultural resistance existed. Projects also provided assistance to address challenges faced by very poor households, including food security and health services.

Of the nine impact evaluations, which assess net effects by making comparisons with groups not receiving assistance,

- two reported statistically significant short-term effects at the overall project level—including increased household income and improved children's health—but seven did not; and
- the two that reviewed projects for longer-term effects identified none that were statistically significant.

The meta-analyses and systematic reviews that GAO examined, primarily of microfinance assistance to MSMEs, found little evidence of sustained effects, although experts have suggested that multifaceted approaches may benefit the very poor. Three reviews of economic effects of microenterprise assistance found that estimates of benefits were generally small, and often uncertain or not statistically significant. Two systematic reviews found positive effects of assistance to small and medium-sized enterprises but observed that more rigorous evidence was needed. Other reviews highlighted challenges in estimating the effects of microfinance on women's health and empowerment, noting the difficulty of separating observed effects from the effects of other activities such as for health promotion. Some researchers and practitioners have identified multifaceted approaches to assistance, such as combining microcredit with social support, as promising for the very poor. Some have cautioned, however, that rigorous evidence of the effectiveness of this approach is limited, and identifying which interventions work is difficult.

In response to a draft of this report, USAID stated that assistance for the very poor requires a sustained and multifaceted approach, and that a holistic response is needed to address the challenges of empowering women and helping those in extreme poverty.

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Figure 1: Illustrative Examples of the Poor and the Very Poor in Populations

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**Abbreviations**

|          |   |
|----------|---|
| DCI      | data collection instrument                                    |
| MSME     | micro, small, and medium-sized enterprise                     |
| USAID    | U.S. Agency for International Development                     |
| WEEE Act | Women’s Entrepreneurship and Economic Empowerment Act of 2018 |

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July 15, 2021

The Honorable Robert Menendez  
Chairman  
The Honorable James E. Risch  
Ranking Member  
Committee on Foreign Relations  
United States Senate

The Honorable Gregory Meeks  
Chairman  
The Honorable Michael McCaul  
Ranking Member  
Committee on Foreign Affairs  
House of Representatives

The U.S. Agency for International Development (USAID) has been a leading donor of assistance to microenterprises since the early 1980s. More recently, some development experts have identified development of small and medium-sized enterprises as needed to help the advancement of the poor. In January 2019, Congress passed and the President signed the Women’s Entrepreneurship and Economic Empowerment Act of 2018 (WEEE Act), which amended the existing authorization for microenterprise development to include small and medium-sized enterprises.<sup>1</sup> The WEEE Act includes a provision for GAO to report on aspects of the expanded program, and provide information on the impact of microenterprise and related assistance, including how such assistance benefits women.<sup>2</sup>

This report addresses (1) what USAID evaluations of its assistance projects for micro, small, and medium-sized enterprises (MSME) have shown regarding the effects of these projects on women and the very

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<sup>1</sup>Pub. L. No. 115–428, § 4.

<sup>2</sup>This is the second of two GAO reports pursuant to this mandate. We reported in March 2021 on USAID’s planned funding for micro, small, and medium-sized enterprises; how the agency targets the assistance to women and the very poor; and its process for monitoring the assistance. GAO, *Micro, Small, and Medium-Sized Enterprise Development: USAID Needs to Develop a Targeting Process and Improve the Reliability of Its Monitoring*, [GAO-21-269](#) (Washington, D.C.: Mar. 30, 2021).

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poor; and (2) what is known from research studies and experts outside USAID about the effects of this assistance.

To address what USAID's evaluations have shown regarding the effects of MSME assistance on women and the very poor, we analyzed information from selected USAID project evaluations from 2015 through 2019, the most current available at the time of selection, as follows:

- 18 project performance evaluations, including evaluations we identified in USAID's Development Experience Clearinghouse and evaluations suggested by USAID; and
- nine impact evaluations identified by USAID of projects related to small and medium-sized enterprises.

Our selected project evaluations are illustrative, and discussion of outcomes or effects is limited to these 27 evaluations.

To address what is known from research studies and experts about the effects of MSME assistance, we analyzed information from eight meta-analyses and systematic reviews of the effectiveness of microenterprise and related development assistance, published from 2015 through 2019. Working with economists and methodologists, a research librarian conducted searches and provided more than 200 citations, from which we identified these eight based on factors including the scope of the study, its language of publication, and input from experts. We also conducted five semi-structured interviews with subject matter experts, whom we identified through the literature review and initially selected experts, and interviewed USAID officials. See appendix I for more information on our objectives, scope, and methodology.

We conducted this performance audit from November 2019 to July 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

Since the early 1980s, USAID has been a leading donor to promote the development of microenterprises as a means of assisting the poor in developing countries. From 2015 through 2018, USAID reported planned

spending of about \$1.14 billion in microenterprise assistance.<sup>3</sup> USAID defines microenterprises as small-scale, informally organized business activities undertaken by poor people. For USAID program purposes, the term is restricted to enterprises with 10 or fewer workers, including the owner and any unpaid family workers. More recently, U.S. development assistance has also focused on small and medium-sized enterprises, which USAID and some development experts consider essential elements in expanding economic growth and income opportunities in low-income countries. See table 1 for descriptions of key terms related to MSME assistance.

**Table 1: Key Terms Related to Micro, Small, and Medium-Sized Enterprise Assistance**

| Term                     | Description   |
|--------------------------|---|
| Microenterprises         | Very small enterprises owned and operated by poor people that usually operate in the informal sector; that is, the part of an economy that government does not tax or monitor. According to USAID's definition, microenterprises comprise 10 or fewer full-time employees, including the microentrepreneur and any unpaid family workers. USAID's definition also includes crop production activities as long as they otherwise qualify based on enterprise size and the economic status of the owner, operator, and employees. However, other development organizations may use different definitions. |
| Small enterprises        | Generally, enterprises with 11 to 49 full-time employees, according to USAID guidance; however, given the diversity of contexts and sectors in which USAID works, how USAID and other developmental organizations define small businesses may vary.   |
| Medium-sized enterprises | Generally, enterprises with 50 to 249 full-time employees, according to USAID guidance; however, given the diversity of contexts and sectors in which USAID works, how USAID and other developmental organizations define small businesses may vary.  |
| Microfinance             | The provision of financial services adapted to the needs of low-income people such as microentrepreneurs, especially the provision of small loans, the acceptance of small savings deposits, and simple payment services needed by microentrepreneurs and other poor people. Microfinance contains formal and informal institutions, both small and large, providing small-size services.   |
| Microsavings             | A part of microfinance in which small amounts of money are saved by low-income or poor people. These savings are held at a microfinance institution, such as a village savings and loan association, and become the capital used to produce small loans for group members.  |
| Microcredit              | A part of microfinance that extends small loans without requiring collateral to poor borrowers excluded from traditional finance systems.   |

Source: GAO analysis of U.S. Agency for International Development (USAID) documents and published academic studies. | GAO-21-328

<sup>3</sup>USAID reported spending data and accomplishments for years in its Microenterprise Results Report. The report was published through fiscal year 2018. As a result of the WEEE Act, the report changed in fiscal year 2019 to include small and medium-sized enterprise assistance and was called the *Report on Results of Investments to Support Micro, Small, and Medium-Sized Enterprises during Fiscal Year 2019*. See [GAO-21-269](#).

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According to USAID officials, the agency's strategy for providing microenterprise assistance has evolved over time and currently encompasses a range of activities and approaches. These include:

- Helping microentrepreneurs acquire skills and knowledge through training, gain access to financing and raw materials, and develop relationships with other firms (both micro-scale and larger firms) to obtain access to higher-value markets.
- Promoting laws, policies, regulations, and administrative practices that benefit MSMEs.
- Developing value chains in agricultural and non-agricultural sectors to increase competitiveness, market share, product quality, value added, or profits of a good or service.<sup>4</sup>
- Developing digital platforms to promote business and provide access to digital financial services and electronic payment services to make transactions cheaper and easier.
- Establishing community savings groups, which encourage members of a communal group to pool their savings to provide loans among themselves to invest in micro and small enterprise activities.
- Developing insurance and insurance-like products, which help communities build resilience against shocks such as natural disasters.

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## How USAID Evaluates Its Assistance Projects

USAID regularly evaluates the effectiveness of its microenterprise assistance, generally through contracts with independent outside experts to perform evaluations. Foreign assistance evaluations vary in type, timing, and method. USAID's evaluations include interim or midterm evaluations while a program is in progress and final evaluations after the program ends. Baseline data are collected at the beginning of a project to provide a basis for determining changes in indicators during the project; for example, children under 5 growing as expected.

Two primary types of USAID evaluations are (1) performance evaluations, which assess the extent to which a project is operating as intended or is achieving its stated objectives; and (2) impact evaluations, which assess

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<sup>4</sup>A value chain includes all the producers, processors, distributors, and retailers that participate in bringing a product or service from its conception to its end use in the market, as well as the extent and type of relationships between these actors. A supply chain represents the steps it takes to get the product or service to the customer. While a supply chain involves all parties in fulfilling a customer request and leading to customer satisfaction, a value chain is a set of interrelated activities a company uses to create a competitive advantage.

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the net effect of a project by comparing project outcomes with an estimate of what would have happened in the project's absence.

**Performance evaluations.** These evaluations encompass a range of methods. Performance evaluations often assess how a particular strategy, project, or activity is being implemented, and judge program effectiveness against criteria such as whether expected targets were met. These evaluations often incorporate comparisons of baseline and end-of-project data but generally are not intended to attribute identified changes to the activities being evaluated because they lack a clearly defined comparison group, which did not receive the assistance. Because performance evaluations are not designed to compare outcomes to what would happen in the absence of the assistance activities, they are generally not suited to answering questions about the amount of change attributable to an assistance activity.

**Impact evaluations.** These evaluations attempt to measure changes in development outcomes that are attributable to a particular defined intervention, program, or policy. They are preferred over performance evaluations when information is needed on whether a program is achieving a specific outcome. In contrast to performance evaluations, impact evaluations use models of cause and effect and clearly defined comparison groups to observe changes that might have happened independent of the assistance provided. Identifying comparison groups is often difficult. Impact evaluations use a variety of designs, including randomized methods in which participants are assigned to separate control or treatment groups to isolate the program's effect. They generally require more resources and are conducted less often than performance evaluations, in the context of U.S. foreign assistance. Impact evaluations may describe observed differences as statistically significant. Statistical significance expresses the likelihood that a relationship between two or more variables is caused by something other than random chance. The lack of an identified statistically significant effect in an impact evaluation does not mean there was no effect from the assistance, but rather that no effect could be demonstrated to be the result of the assistance.

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## Women and the Very Poor

Women make up a disproportionate share of the world's poor and very poor, according to the World Bank.<sup>5</sup> Supporting women's economic empowerment can reduce household poverty, improve communities, and help grow national economies, according to USAID. The WEEE Act incorporated the World Bank's international poverty line—currently \$1.90 per day<sup>6</sup>—into the statutory definition of “very poor” for MSME assistance:

- a) Living in the bottom 50 percent below the poverty line established by the national government of the country in which those individuals live; or
- b) Living below the International Poverty Line, as defined by the World Bank.<sup>7</sup>

From 2013 to 2018, USAID used living on less than \$1.25 per day as a standard for the very poor, including for reporting to Congress, according to USAID.<sup>8</sup>

See figure 1 for illustrative examples of the poor and very poor in populations.

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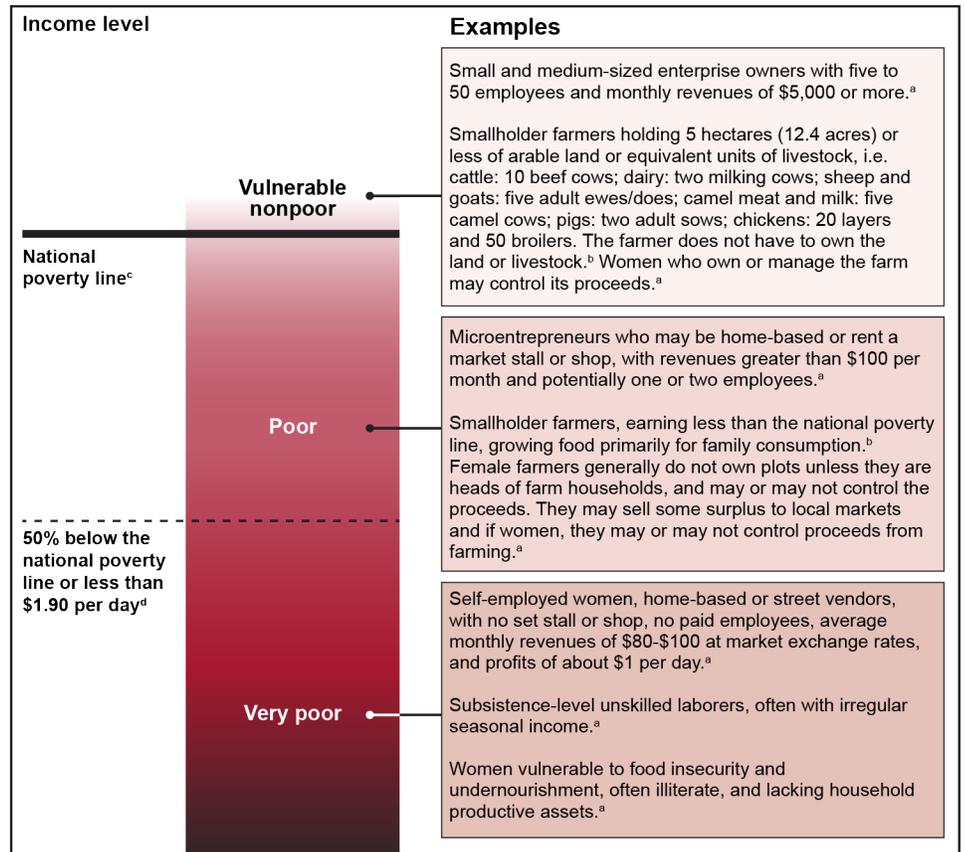
<sup>5</sup>See World Bank, *Poverty and Shared Prosperity 2018: Piecing Together the Poverty Puzzle* (Washington, D.C.: 2018). License: Creative Commons Attribution CC BY 3.0 IGO and [Poverty Overview \(worldbank.org\)](https://www.worldbank.org). The World Bank refers to the International Bank for Reconstruction and Development and the International Development Association, collectively.

<sup>6</sup>In 2015, the World Bank raised the international poverty line from \$1.25 per day to \$1.90 per day. For more information on the methodology underlying how the World Bank sets the International Poverty Line, see [The international poverty line has just been raised to \\$1.90 a day, but global poverty is basically unchanged. How is that even possible? \(worldbank.org\)](https://www.worldbank.org).

<sup>7</sup>See 22 U.S.C. § 2214a(13). Prior to passage of the WEEE Act, the definition of very poor for MSME assistance was: (1) income of less than 50 percent below the poverty line established by the national government where an individual lives or (2) living on less than the equivalent of \$1 per day (as calculated using the purchasing power parity exchange rate method)

<sup>8</sup>According to USAID officials, the agency adopted the \$1.25 per day standard following direction from the House Appropriations Committee contained in H.R. Rep. No. 112–494.

**Figure 1: Illustrative Examples of the Poor and the Very Poor in Populations**



Source: GAO analysis of Center for Global Development, USAID, and World Bank information. | GAO-21-328

<sup>a</sup>Mayra Buvinic and Megan O'Donnell, *Revisiting What Works: Women, Economic Empowerment and Smart Design* (Washington, D.C.: Center for Global Development, November 2016), appendix 1.

<sup>b</sup>U.S. Agency for International Development.

<sup>c</sup>According to the World Bank, people living below a poverty line do not have enough money to meet their basic food, clothing, and shelter needs.

<sup>d</sup>Following passage of the Women's Entrepreneurship and Economic Empowerment Act of 2018, there are two U.S. statutory definitions of "very poor." The first is living in the bottom 50 percent below the poverty line established by the national government of the country in which an individual lives. The second is the World Bank's International Poverty Line, currently \$1.90 per day. See 22 U.S.C. § 2214a(13). The International Poverty Line does not necessarily equal 50 percent of any specific country's national poverty line.

## Selected USAID Evaluations Reported Short-Term Project Benefits, but Provided Limited Evaluation of Longer-Term Effects

USAID’s projects to assist MSMEs have delivered short-term benefits, according to USAID evaluations we reviewed, but we found limited evaluation and evidence of longer-term effects. These 27 performance and impact evaluations showed that USAID’s strategy has combined MSME projects with other activities in furtherance of development objectives such as empowering women and the poor.<sup>9</sup> The nature of this type of assistance—sometimes called multifaceted assistance—makes it difficult to estimate the effects of MSME assistance alone. The performance evaluations generally concluded that the projects met their objectives of providing assistance, such as loans, cash grants, and training to the target populations. Two of seven impact evaluations that examined short-term effects found them statistically significant. Two other impact evaluations reviewed projects’ potentially longer-term effects, but neither identified overall statistically significant effects. See table 2 for summary information of the evaluations we reviewed.

**Table 2: Summary of USAID Performance and Impact Evaluations Reviewed**

| Evaluation type  | Goal of evaluation and some results   | Number of evaluations reviewed |
|--|---|--------------------------------|
| Performance evaluation                                       | Determine whether the project met its objectives and delivered assistance to beneficiaries, generally assessed at the completion of the project. <sup>a</sup> | 18                             |
| Impact evaluation  | Determine whether changes in development outcomes are attributable to a particular project activity, program, or policy. <sup>b</sup>                         | 9                              |
| <b>Number of evaluations reviewed for short-term effects</b> |   |                                |
|  | Associated with statistically significant short-term effects  | 2                              |
|  | Not associated with statistically significant short-term effects  | 5                              |
| <b>Number of evaluations reviewed for long-term effects</b>  |   |                                |
|  | Associated with statistically significant long-term effects   | 0                              |
|  | Not associated with statistically significant long-term effects   | 2                              |
| <b>Total project evaluations reviewed</b>                    |   | <b>27</b>                      |

Source: GAO analysis of U.S. Agency for International Development (USAID) documents. | GAO-21-328

<sup>a</sup>Performance evaluations do not compare beneficiary groups to control groups. Thus, they do not answer questions about the amount of change attributable to an intervention, where other factors are likely to have influenced the variable in question. Performance evaluations often examine project processes, assessing how a particular strategy, project, or activity is being implemented.

<sup>b</sup>Impact evaluations use comparison groups and statistical methods to assess the net effect of a program by comparing program outcomes with an estimate of what would have happened in the

<sup>9</sup>Our selected project evaluations are illustrative. Any discussion of assistance provided or effects is limited to the 27 selected project evaluations. See appendix I for a discussion of our methodology for project evaluation selection.

program's absence. Observed differences, if large enough, may be described as statistically significant, but real effects may also be too small to be detected by particular impact evaluations.

## USAID Combines Assistance for Micro, Small, and Medium-Sized Enterprises with Other Activities to Achieve Development Objectives

Most of the 27 USAID performance and impact evaluations we reviewed examined projects that used MSME assistance along with other assistance to achieve broad development objectives. Thus, the evaluations often reflected a package of assistance of which MSME assistance was a component. These broad development objectives included, for example, empowering women and the poor, supporting agriculture, and improving food security. Examples of activities that contributed to these objectives include microfinance, agricultural training, and health-care services (see table 3).

**Table 3: Examples of Development Activities Included in 27 Selected USAID Project Evaluations**

| <b>Development activity</b>   | <b>Number of projects that included the activity</b> |
|---|--|
| Microfinance  | 17   |
| Micro-grants, education grants, and basic needs grants <sup>a</sup> to the very poor                                    | 14   |
| Agricultural training   | 11   |
| Financial, business, and vocational training  | 22   |
| Training for women entrepreneurs to develop local economies and enable business environments for women                  | 14   |
| Assistance to facilitate micro, small, and medium-sized enterprise involvement with marketing and distribution networks | 15   |
| Health education and health-care services   | 7  |
| Food security   | 7  |
| Sanitation  | 6  |

Source: GAO analysis of U.S. Agency for International Development (USAID) performance and impact evaluations. | GAO-21-328

<sup>a</sup>These programs, also known as consumption grants, support the recipients' ability to obtain necessities.

Our analysis of these evaluations showed that distinguishing among micro, small, and medium-sized enterprises across USAID assistance can be difficult. According to four evaluations, USAID provided assistance for enterprise development in projects that did not distinguish between micro and small enterprises, thereby limiting the evaluations' ability to discern differences in effects of assistance by enterprise size. In addition,

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two of the nine impact evaluations used definitions for enterprise size that differed from USAID's definition.<sup>10</sup>

The performance evaluations measured indicators of change during a project to better understand if programs are being implemented as intended, while the impact evaluations sought to identify effects or lack of effects from a project. As noted, the provision of MSME assistance in conjunction with other types of assistance means that attributing observed changes to the MSME assistance is difficult.

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### USAID's Performance Evaluations Reported That Projects Generally Met Targets for Project Implementation

The 18 performance evaluations we reviewed generally found that projects met targets for implementation in providing services to intended populations. Typical project objectives included providing financial literacy training, providing micro-loans and grants to MSMEs, and promoting enterprises' access to finance. Targets for implementation could include, for example, the number of people receiving training or micro-loans.

Some performance evaluations reported indicators of MSME assistance provided for women. In 12 of the 18 projects evaluated, a key objective was promoting women's entrepreneurship and empowerment. The projects addressed this objective in several ways, including (1) providing microcredit to female borrowers, (2) promoting the participation of women in activities that were part of value chains for new agricultural products, (3) promoting women's ability to start microenterprises, and (4) providing financial literacy and business start-up training to women.

The evaluations showed that most of the MSME projects in our sample generally met targets for project implementation for women. However, some evaluations also highlighted challenges to implementing projects and measuring their success. For example, one evaluation found that MSME assistance was less successful in promoting women's empowerment where certain social or logistical factors were present, such as social and cultural resistance to female entrepreneurship and delays in establishing relationships with local partners. Another evaluation found that measuring the benefits of MSME assistance to women was not possible because data had not been disaggregated by gender.

These performance evaluations also reported activities that provided MSME assistance to the very poor. While some evaluations did not identify the very poor as the target population, eight of the 18

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<sup>10</sup>For additional information on how enterprise sizes are specified, see [GAO-21-269](#).

performance evaluations discussed project activities addressing challenges faced by very poor households, such as health education, health services, and food security. Table 4 reports selected activities from the performance evaluations.

**Table 4: Illustrative Project Activities from 18 Selected USAID Performance Evaluations**

| Categories of project activities   | Project activities   |
|--|--|
| Technical assistance including financial, business and vocational training | <p>Technical assistance was a major component of 15 projects. For example:</p> <ul style="list-style-type: none"> <li>• A Uganda project provided training to farmers on sustainable crop and livestock practices.</li> <li>• A Philippines project provided training and technical assistance for entrepreneurs to increase mean household income, and promoted savings behaviors among the very poor.</li> <li>• A Kenya project sought to expand financial access and inclusion for rural microenterprises and smallholder farms by providing support to financial institutions for developing financial products specifically for rural clients.</li> </ul>  |
| Women’s empowerment, including leadership and entrepreneurship             | <p>12 projects sought to promote women’s empowerment with several types of assistance focused on increasing women’s control over household and enterprise spending, increasing their access to loans, and reducing intimate-partner violence. For example:</p> <ul style="list-style-type: none"> <li>• A Ghana project promoted equitable access to finance for men and women for developing value chains for agricultural products.</li> <li>• An Afghanistan project promoted empowerment among female business owners through micro-loans and financial literacy training.</li> <li>• A Bangladesh project provided training to women to promote their contribution to production, household well-being, and market access.</li> </ul>   |
| Access to finance  | <p>Ten projects focused on access to finance through tailoring financial services to specific populations, establishing savings and loans groups, and creating linkages between beneficiaries of assistance and microfinance institutions. For example:</p> <ul style="list-style-type: none"> <li>• A Serbia project focused on promoting access to finance for small to medium-sized enterprises.</li> <li>• A Kenya project sought to develop financial services and products suited to rural clients.</li> <li>• A Rwanda project encouraged the use of savings and loans groups to help establish kitchen gardens to diversify diets and create linkages between the recipients of assistance and microfinance institutions.</li> </ul> |
| Enterprise growth, including network growth                                | <p>Eight projects targeted network and market growth for enterprises. Some of this assistance aimed to help recipients, among other things, develop value chains for agricultural products.<sup>a</sup> For example:</p> <ul style="list-style-type: none"> <li>• A Ghana project aimed to develop value chains for maize, rice, and soy.</li> <li>• A Uganda project provided technical assistance to help farmers develop value chains for climate-smart seeds to promote food diversity and food security in their communities.</li> </ul>  |
| Health services and health education                                       | <p>Five projects focused on providing health services and health education.</p> <ul style="list-style-type: none"> <li>• A Uganda project constructed and equipped health centers and provided training in child health and to service providers.</li> <li>• A Philippines project provided a training health module that taught participants proper hygiene and sanitation, safe motherhood, healthy child-rearing, first aid, and other health-related lessons.</li> </ul>   |

| Categories of project activities           | Project activities  |
|--|---|
| Food security                              | <p>Four projects sought to promote food security. For example:</p> <ul style="list-style-type: none"> <li>• A Rwanda project sought to promote food security by increasing the earning potential of households by encouraging and promoting sustainable activities related to agricultural value chains.</li> <li>• A Kenya project promoted food security by increasing the productivity of smallholder farms by introducing agricultural innovations to help develop value chains for new crops.</li> </ul>   |
| Better enabling environment for businesses | <p>Four projects aimed to create a better enabling environment for businesses. For example:</p> <ul style="list-style-type: none"> <li>• An Afghanistan project sought to promote a better enabling environment for businesses by conducting studies to identify barriers to firm growth; establishing forums for public-private dialogue; and supporting the efforts of relevant government ministries to work with industry stakeholders.</li> <li>• A Jamaica project sought to promote a better enabling environment for social enterprises by creating a network of social enterprises and improving their institutional capacity to share information.</li> </ul> |

Source: GAO analysis of USAID documents. | GAO-21-328

<sup>a</sup>A value chain includes all the producers, processors, distributors, and retailers that participate in bringing a product or service from its conception to its end use in the market, as well as the extent and type of relationships between these actors. A supply chain represents the steps it takes to get the product or service to the customer. While a supply chain involves all parties in fulfilling a customer request and leading to customer satisfaction, a value chain is a set of interrelated activities a company uses to create a competitive advantage.

**Impact Evaluations Reported Some Differences between Recipients and Comparison Groups, but Estimated Project Effects Often Were Not Statistically Significant**

Two of the nine impact evaluations we reviewed concluded that the projects were associated with statistically significant effects in observed outcomes at the overall project level.<sup>11</sup> The remaining seven did not find overall significant effects, but two did report significant effects in at least one component of the project. Both impact evaluations reporting significant effects for the overall project were short-term evaluations. Two of the nine impact evaluations examined longer-term effects and found none of statistical significance.

Seven of the nine impact evaluations examined short-term effects of assistance projects, collecting data from the end of the project to 6 months after. Two examined longer-term effects: one collected data 12 and 24 months after the end of the project and the other 4 years after the end of the project. Eight of the nine evaluations collected data both before or early in the project, and at or after the end of the project.<sup>12</sup> The data

<sup>11</sup>Statistical significance expresses the likelihood that a relationship between two or more variables is caused by something other than random chance. Statistical significance tests are used in evaluating whether a program has had an effect.

<sup>12</sup>Six of the nine evaluations collected data between the end of the project and 6 months after the end, seeking to identify short-term effects. One collected data during the project and evaluated and reported the results at mid-term, as if the project were over. We are grouping this mid-term evaluation with the short term evaluations.

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were collected both from the population receiving assistance and from a comparison population that did not receive assistance.<sup>13</sup> Each evaluation compared the data collected at the end of the project or later with data collected before or at the beginning of the project and with data collected at similar intervals from the comparison population that did not receive assistance.

The nine projects evaluated combined forms of assistance and had differing targets for the assistance. Four projects provided assistance to both microenterprises and small or medium-sized enterprises, while one project targeted microenterprises specifically. Two of the projects included microfinance as a primary component, while four of the projects provided mostly agricultural assistance with some elements of microfinance.

For the two projects evaluated to have overall significant estimated effects, the short-term effects included increases in household income, savings, employment, access to microfinance, and access to business training, as well as improved children's health. Further, two evaluations of projects not demonstrating overall significant effects reported that one or more project components had statistically significant effects. For example, one agriculture-focused project impact evaluation that did not report significant effects overall did identify one agriculture sector as having significant sales improvement. In addition, other evaluations showed short-term improvements in conditions that were greater than or similar to improvements in the comparison population, but not statistically significant. The evaluations observed that the improvements in the comparison groups could have been the result of the untreated population learning from improvement in the treated population, or benefiting from similar projects conducted by other development agencies, noting substantial donor activity in the region.

The two long-term impact evaluations we reviewed found little evidence of long-term benefits from MSME assistance. The evaluations indicated that the projects were not associated with overall statistically significant estimated benefits. The longest-term evaluation observed that the project

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<sup>13</sup>Two of the projects used existing data from government sources such as business records and censuses. For example, one project did not initially include a comparison component and therefore did not collect baseline data for participant producer organizations or for a comparison population. The evaluation contractor used financial statements collected by the government to construct a baseline of project participants and comparison populations. Data from similar sources were used with the other project.

occurred in an area that had suffered pest infestation, droughts, floods, and windstorms since the project's end. The sole remaining initiative from the project was village savings and loan organizations. The village saving and loan structure had remained, and the participants had continued saving, but not at a rate higher than the comparison population.

## Research Has Found Little Evidence of Sustained Effects From Assistance to Micro, Small, and Medium-Sized Enterprises; Experts Have Suggested Certain Multifaceted Approaches May Benefit the Very Poor

Meta-analyses and systematic reviews that we examined generally pointed to small, if any, sustained effects of assistance to micro, small, and medium-sized enterprises.<sup>14</sup> Reviews of microfinance and related assistance overall found small, often uncertain or not statistically significant associations with economic outcomes. Some reviews found positive effects of assistance to small and medium-sized enterprises, but observed that more rigorous evidence was needed. Other reviews highlighted the challenges of estimating the effects of microfinance on women's health and empowerment, finding evidence inconclusive at least in part because of difficulty in separating observed effects from possible effects of other interventions such as health promotion activities. Some researchers and practitioners have stated that multifaceted approaches to providing assistance, such as combining expanded microcredit with training and social interventions, are promising means of helping the very poor, who often lack the requisite conditions to benefit fully from assistance. These researchers have also cautioned that evidence of effectiveness is limited and identifying which interventions work has proved difficult. Table 5 describes some key terms related to the research design and analysis of the literature we reviewed.

**Table 5: Key Terms for the Literature Review**

| Term   | Description   |
|--|---|
| Meta-analysis                                    | A statistical process that combines the data of multiple studies to find common results and identify overall trends.  |
| Multifaceted assistance                          | Development assistance programs that combine several different activities to achieve assistance goals. For example, a program might augment increased access to financing with providing access to a banking account, health resources, an income stipend, and regular coaching with the objective of lifting recipients out of poverty.  |
| Randomized controlled trial (experimental study) | A method for evaluating the effect of projects; also called experimental design. It involves creating randomized assignment groups where all members of a sample population have an equal chance of ending up in the group that received the project assistance. Evaluators examine and compare the treatment group (i.e., those receiving assistance) with the group that received no treatment to determine the effects of the project. |

<sup>14</sup>We identified eight meta-studies whose methodologies and reporting were sufficiently reliable for our purposes. See app. I for more details on the identification and selection process.

| Term                     | Description   |
|--------------------------|---|
| Quasi-experimental study | A study that seeks to isolate the effects of a treatment, such as a USAID project, when using randomized controlled trials is not feasible. For example, such a study may track trends in similar untreated populations to compare with those in treated populations, such as those receiving the USAID project assistance. |
| Statistical significance | The likelihood that a relationship between two or more variables is caused by something other than random chance. Statistical significance tests are used in evaluating whether a program has had an effect.  |
| Systematic review        | A methodological process to identify, appraise, and synthesize empirical evidence to answer a research question. Systematic reviews use methods designed to minimize bias and produce more reliable findings.   |

Source: GAO analysis of U.S. Agency for International Development (USAID) documents and published academic studies. | GAO-21-328

## Meta-Analyses and Systematic Reviews Have Found That Microfinance Effects on Economic Outcomes Were Generally Small

Three studies we reviewed examined economic outcomes of microfinance programs. These studies found that microfinance and related assistance generally had small effects on economic measures such as income and consumption. These analyses found that estimated effects, while generally positive, often were uncertain or not statistically significant. Outcomes examined included income, profits, consumption, and asset creation. Project components included targeted individual loans and expanded bank branch openings, and in some cases self-help groups and business training.<sup>15</sup> The aid programs targeted individuals and communities in low- and middle-income countries in Africa, Asia, Eastern Europe, Latin America, and the Middle East.

The first of these reviews, a meta-analysis of seven randomized controlled trials across seven countries, estimated that average effects of expansions of microcredit across the trials on measures such as profits, revenues, expenditure, and consumption were small, with a moderate to high likelihood of being zero.<sup>16</sup> The expansions in credit included the opening of bank branches at the community level, sometimes combined with outreach and targeting, and offers of credit at the individual level. This meta-analysis aggregated data across the underlying studies to estimate an overall average effect on consumption and two types of consumer spending. It also examined the differences in effects across the

<sup>15</sup>Brody et al. define self-help groups as groups in which female participants physically come together and receive a collective finance and enterprise and/or livelihoods group intervention.

<sup>16</sup>Rachel Meager, "Understanding the Average Impact of Microcredit Expansions: A Bayesian Hierarchical Analysis of Seven Randomized Experiments," *American Economic Journal: Applied Economics*, vol. 11, no. 1 (2019), p. 57; <https://doi.org/10.1257/app.20170299>.

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studies, as well as the differences in effects across types of interventions. Findings included the following:

- Average estimated effects were generally small and uncertain, with observed changes generally on the order of 5 percent of the mean value of the measures in untreated comparison groups.
- There was little evidence across the seven programs studied that the microcredit programs hurt borrowers, such as by causing over-indebtedness or creating credit bubbles, as some critics feared.
- Expansions of microcredit resulted in negligible effects on households with no prior business experience. Estimated effects for households with prior business experience were larger, although substantial variation in estimates limited the ability to conclude that there were benefits to these households.
- Differences in estimates among effects across the studies were moderate and may have resulted in part from differences in conditions across the sites. For example, there was some suggestive evidence that micro-loans in areas where interest rates were lower and with smaller loan sizes were associated with better outcomes.
- Estimated effects can be considered averages for members of communities assigned to receive increased access to credit, not just effects for the individuals who accepted credit offers. This is because of spillover effects<sup>17</sup> across communities of the credit expansion programs.<sup>18</sup>

A second evaluation combined meta-analysis with a systematic literature review focused on studies of microfinance programs in South Asia.<sup>19</sup> The 69 studies reviewed examined program outcomes including effects on income, assets, and consumption. The studies used differing research

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<sup>17</sup>“Spillover effects” refers to costs or benefits that affect a third party not involved in a transaction.

<sup>18</sup>Meager indicated that she and other investigators took this approach because spillovers and the expectation of future credit access mean that analyses defining those who take up microcredit as “compliers” may not fully capture the causal effect of the credit expansion.

<sup>19</sup>Arun Kumar Gopaldaswamy, M. Suresh Babu, and Umakant Dash, *Systematic Review of Quantitative Evidence on the Impact of Microfinance on the Poor in South Asia* (London: EPPI-Centre, Social Science Research Unit, UCL Institute of Education, University College London, 2015). The authors indicated they focused on studies that concentrate on a collective finance, enterprise and/or livelihoods component. Collective finance and enterprise includes savings and loans, group credit and collective income-generation. Initiatives for improving financial inclusion, such as vocational training and other forms of technical assistance were not included as microfinance in their review.

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methods, including experimental (randomized controlled trials), quasi-experimental, and analysis of cross-section and longitudinal data. Findings from the meta-analysis included the following:

- For asset creation (for example, increases in livestock holdings or savings), the evaluation found a positive, statistically significant effect based on the six underlying studies that examined that outcome.
- Analysis of effects on income, analyzed in 11 of the studies included in the meta-analysis, showed a positive but statistically insignificant difference between those who received assistance and those who did not.
- With respect to impacts on consumption, analyzed in 12 of the studies, the meta-analysis authors reported that the overall estimated impact fell to near zero when a dominant positive finding in one of the studies was excluded.
- Evidence regarding the effect of microfinance on poverty alleviation in South Asia was inconclusive, and the effects of microfinance on improving income and employment appeared to be marginal.

A third review focused on 11 systematic reviews and meta-analyses of literature examining the effects of financial inclusion programs on economic and other conditions of the impoverished in low- and middle-income countries.<sup>20</sup> While these studies included microcredit programs, some of them also included programs consisting of one or more elements such as savings, insurance, or money transfers. The analysis looked at economic outcomes such as income and assets in low- and middle-income countries. (This review also examined women’s empowerment and health effects, which are discussed in the following section.) Findings included the following:

- Effects of the aid programs were more likely to be positive than negative, but the effects varied, were often mixed, and appeared not to be transformative in scope or scale.
- Overall, the effects of financial services on core economic poverty indicators such as incomes, assets, or spending were small and inconsistent.

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<sup>20</sup>Maren Duvendack and Phillip Mader, “Impact of Financial Inclusion in Low- and Middle-Income Countries: A Systematic Review of Reviews,” *Campbell Systematic Reviews*, vol. 15, no. 1–2 (2019); <https://doi.org/10.4073/csr.2019.2>.

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- The vast majority of studies reviewed had time frames of 1 to 3 years, and the authors suggested that longer-term evaluation would better capture true effects. The authors also observed that none of the studies reviewed assessed patterns of indebtedness among recipients of microcredit assistance, despite concerns about this among development experts.
  - Accessing savings opportunities appears to have more positive effects for poor people and fewer risks compared with credit.

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### Recently Published Reviews Highlight Methodological Challenges of Research on Effects of Microfinance on Women’s Health and Empowerment, and Report Inconclusive Evidence

Five studies we examined analyzed the effects of microfinance programs on women’s health, women’s empowerment, or both.<sup>21</sup> These studies generally found an association between microfinance programs and improvements in measures of women’s health and empowerment, but observed that methodological challenges limit the ability to draw conclusions about the effects of these assistance programs for MSMEs. The studies examined programs in low- and middle-income countries in various regions, including Africa, Asia, the Caribbean, and Latin America. A key methodological challenge the studies identified was the difficulty of attributing effects to microenterprise assistance when other factors could also have played a role, such as pre-existing differences between the populations that did and did not receive assistance. The studies also observed the difficulty of measuring effects of specific interventions on women’s empowerment and health. Several authors reported that the studies they reviewed did not measure the effects of specific interventions, but rather a package of interventions.

Four of the systematic reviews of women’s empowerment we examined found some positive effects of microenterprise and microfinance programs, although results differed across indicators examined. These reviews used a range of indicators to measure empowerment, sometimes including women’s freedom to travel (mobility), psychological well-being (self-esteem and self-confidence), and incidence of intimate-partner violence. However, across the review, women’s empowerment was most commonly measured in terms of women’s ability to control household or enterprise expenditures. Four focused on the effects of different interventions funded by microfinance and microenterprise assistance:

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<sup>21</sup>Some of the indicators included in the studies we reviewed are measures of both women’s empowerment and women’s health. An example of such a cross-cutting indicator is women’s contraceptive use.

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- The first of these reviews assessed the results of 34 quantitative and qualitative studies of self-help groups formed by women in Sub-Saharan Africa, Asia, and the Caribbean.<sup>22</sup> It found positive effects of self-help groups on women’s empowerment, including women’s mobility, control over family planning, and household accounting. However, the authors found no rigorous evidence that self-help groups positively affected women’s psychological empowerment.
  - The second review looked at the effects reported by 26 studies of various microfinance and microcredit programs on the economic and social well-being of women in South Asia.<sup>23</sup> It found that microfinance programs had positive effects on women’s ability to control household expenditures. However, the effects were sensitive to changes in how empowerment is defined. For example, when empowerment is defined to include women’s ability to control spending by enterprises, microenterprise assistance had inconclusive results.
  - The third review examined the results of 27 studies assessing the effects of microfinance programs from South Asia, Sub-Saharan Africa, and Latin America and the Caribbean, with interventions including group lending programs, self-help groups, and community-based organizations.<sup>24</sup> Eighteen of the 27 studies looked at indicators of women’s empowerment, including mobility, decision-making ability, and incidence of intimate-partner violence. The authors concluded from the 27 studies that microfinance programs had mixed results or no effect on intimate-partner violence, mobility, and women’s decision-making ability.
  - In a fourth review, covering 11 systematic reviews of financial inclusion programs that largely focused on providing greater access to financial services, the authors observed that the effects of these programs are small and variable.<sup>25</sup> They reported that the effects of

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<sup>22</sup>Carinne Brody et al., “Can Self-Help Group Programs Improve Women’s Empowerment? A Systematic Review,” *Journal of Development Effectiveness*, vol. 9, no. 1 (2017), p. 15; <https://doi.org/10.1080/19439342.2016.1206607>. Self-help groups are defined as groups in which female participants physically come together and receive a collective finance and enterprise and/or livelihoods group intervention.

<sup>23</sup>Gopalaswamy, Babu, and Dash, *Systematic Review of Quantitative Evidence on the Impact of Microfinance on the Poor in South Asia*.

<sup>24</sup>Wanjiku Gichuru et al., “Is Microfinance Associated with Changes in Women’s Well-Being and Children’s Nutrition? A Systematic Review and Meta-Analysis,” *BMJ Open*, vol. 9, no. 1 (2019); <https://doi.org/10.1136/bmjopen-2018-023658>.

<sup>25</sup>Duvendack and Mader, “Impact of Financial Inclusion in Low- and Middle-Income Countries: A Systematic Review of Reviews.”

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financial services on women’s empowerment appeared to be generally positive, but depended on program features often unrelated to the financial service itself, such as women’s rights, education and training, ability to leave the house, and group interactions. The review authors noted the challenge of consistently defining and measuring empowerment.

With respect to women’s health, four of the systematic reviews and meta-analyses examined the effects of microfinance assistance on women’s health and found the programs had inconclusive results. The studies also used a range of indicators for health, including the nutritional status of women and children, child mortality, maternal mortality and morbidity, and contraceptive use.

- The first of these systematic reviews examined health outcomes reported in 22 studies of microfinance programs implemented by microfinance institutions such as BRAC and Grameen Bank.<sup>26</sup> The programs targeted women living in poor and landless households and involved creating community savings groups, training and skills development, functional literacy—including legal and social awareness—and technical and marketing support for women. The authors found evidence of improvements in some maternal and child health outcomes, including higher rates of child survival and use of contraceptives. However, they observed that attributing health outcomes to microfinance programs was difficult because the studies did not distinguish the effects of microfinance from programs’ health-promotion or health-care components.
- The second review assessed the results of 27 studies on the effects of microfinance programs in South Asia, Sub-Saharan Africa, and Latin America and the Caribbean.<sup>27</sup> Four of 27 studies evaluated the effect of microfinance programs on self-reported contraception use and found that microfinance programs might be associated with a greater likelihood of contraception use. Three of the underlying studies observed improvements in child nutrition from the programs. The authors concluded that because only six of the 27 studies were

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<sup>26</sup>Lois Orton et al., “Group-Based Microfinance for Collective Empowerment: A Systematic Review of Health Impacts,” *Bulletin of the World Health Organization*, vol. 94 (2016), p. 694; <https://doi.org/10.2471/BLT.15.168252>.

<sup>27</sup>Gichuru et al., “Is Microfinance Associated with Changes in Women’s Well-Being and Children’s Nutrition? A Systematic Review and Meta-Analysis.”

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randomized controlled trials, more rigorous research is needed to evaluate the effects of microfinance on women's health.

- The third review examined health outcomes for women in South Asia based on 26 studies of various microfinance programs.<sup>28</sup> The authors concluded that the studies were not sufficiently rigorous to report results.
- The fourth review examined the health outcomes on women of financial inclusion programs, including credit and other financial services.<sup>29</sup> The authors observed that the effects of these programs on women's health status appeared to be small or nonexistent.

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## Two Systematic Reviews of Assistance to Small and Medium-Sized Enterprises Point to Evidence of Positive Effects, but Observed That More Rigorous Evidence Is Needed

Two of the systematic reviews focused on assistance for small and medium-sized enterprises. These studies found some evidence of positive effects on employment and enterprise performance. However, each study cautioned against drawing strong conclusions about effects.<sup>30</sup>

A systematic review of 15 studies of finance programs for small and medium-sized enterprises in Eastern Europe, Latin America, and South Asia found statistically significant positive effects on capital investment and enterprise performance, including employment within the supported firm. However, since there could be positive or negative spillovers, enterprise-level impacts did not necessarily translate into positive net effects on country-level economies and employment. The review found overall small, insignificant differences in productivity and wages between groups that received assistance and comparison groups that did not. The authors cautioned that most evaluations of small and medium-sized enterprise finance programs (1) did not consider spillover effects to other enterprises and (2) were not able to account for potential pre-existing differences between aid recipients and non-recipients. The authors concluded that inaccuracies in underlying studies' estimates of effect

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<sup>28</sup>Gopalaswamy, Babu, and Dash, *Systematic Review of Quantitative Evidence on the Impact of Microfinance on the Poor in South Asia*.

<sup>29</sup>Duvendack and Mader, "Impact of Financial Inclusion in Low- and Middle-Income Countries: A Systematic Review of Reviews."

<sup>30</sup>Renate Kersten et al., "Small Firms, Large Impact? A Systematic Review of the SME Finance Literature," *World Development*, vol. 97 (2017), p. 330; <https://doi.org/10.1016/j.worlddev.2017.04.012>; and Caio Piza et al., "The Impact of Business Support Services for Small and Medium Enterprises on Firm Performance in Low- and Middle-Income Countries: A Systematic Review," *Campbell Systematic Reviews*, vol. 12, no. 1 (2016); <https://doi.org/10.4073/csr.2016.1>

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sizes may exist, but that whether estimates were too large or too small was unknown.

A second review, which included a meta-analysis of 40 studies, concluded that business support services for small and medium-sized enterprises in lower- and middle-income countries in Africa, Asia, Eastern Europe, Latin America, the Middle East, and South Asia could improve productivity, revenue, investment, and job creation.<sup>31</sup> However, this review also found that the effects were not large and that the cost-effectiveness of the assistance was unknown. The studies provided evidence that matching grants, technical assistance, and tax simplification programs had some positive effects on the enterprises' performance and job creation. They also reported that programs promoting exports and innovation appeared to have positive effects.

The authors of each of these reviews cautioned about drawing strong conclusions about the effectiveness of the development assistance. Both reviews concluded that more rigorous analysis of finance programs for small and medium-sized enterprises is needed. The authors of the first review reported that few evaluations of small and medium-sized enterprise finance programs apply rigorous experimental methods more commonly used in studies of microfinance.

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### Expert Interviews and Some Research Suggest That Multifaceted Assistance Programs Combining Economic and Social Interventions May Best Reach the Very Poor

According to interviews with experts and research we reviewed, traditional microfinance programs may be less effective in reaching the very poor and in benefiting them than programs that combine a range of interventions. Experts we interviewed from three academic and two research organizations stated that traditional microfinance programs often do not reach the very poor, or are ineffective in improving living conditions for them, particularly for very poor women. According to one expert, enterprise assistance should target populations most likely to benefit—specifically, those who already have businesses, and sometimes small and medium-sized enterprises, but not the very poor. Experts generally observed that the very poor often face more than financial constraints, and need other resources. One observed that without access to fundamental goods and services, such as food, sanitation, safe housing, and stable employment, the very poor are often not in the position to benefit from micro-credit assistance. Another suggested that additional

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<sup>31</sup>Piza et al., "The Impact of Business Support Services for Small and Medium Enterprises on Firm Performance in Low- and Middle-Income Countries: A Systematic Review."

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resources might best be provided by non-finance organizations, including organizations best equipped to address specific facets of poverty.

**Multifaceted approach from international aid agencies.** Some international aid organizations have shifted approaches in order to better target the very poor. In 2002, BRAC, the Bangladeshi aid organization, implemented a multifaceted development program, which it described as a graduation approach, to provide very poor households with a several types of support to help them graduate from extreme poverty. According to BRAC, many of the families targeted by the graduation approach depend on insecure and fragile livelihoods, including casual farming and domestic labor, with self-employment often their only means of support.<sup>32</sup> Facets of the graduation approach as introduced by BRAC include complementary components such as: providing households with a transfer of a productive asset (for example, livestock or land); training for managing the asset; home visits to provide accountability, coaching, and encouragement; access to a bank account to promote saving; consumption support such as income stipends; and access to health resources.<sup>33</sup> This approach has been expanded by BRAC and replicated by a number of aid organizations.

Some research has linked this multifaceted approach to lasting improvements in consumption, food security, assets, savings, and emotional well-being of the very poor. In 2015, researchers conducted an evaluation of the BRAC graduation model using randomized controlled trials in six countries—Ethiopia, Peru, India, Ghana, Pakistan, and Honduras—between 2007 and 2014.<sup>34</sup> Under the program, beneficiaries received income-generating assets, financial coaching, access to savings, food, and temporary cash consumption support. In most instances, participants reported increased income, greater access to food, and reduced stress as a result of the program. Researchers found that these effects persisted one year after the end of the program.<sup>35</sup> The

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<sup>32</sup>“Building Stable Livelihoods for the Ultra-Poor,” *J-PAL and IPA Policy Bulletin* (Cambridge, Mass.: Abdul Latif Jameel Poverty Action Lab and Innovations for Poverty Action, 2015); <https://doi.org/10.31485/pi.2353.2018>.

<sup>33</sup>“Building Stable Livelihoods for the Ultra-Poor.”

<sup>34</sup>Abhijit Banerjee et al., “A Multi-Faceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries,” *Science*, vol. 348, no. 6236 (2015); <https://doi.org/10.1126/science.1260799>.

<sup>35</sup>Banerjee et al., “A Multi-Faceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries.”

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evaluation concluded that the program benefited the poorest women, who shifted out of farm labor and into running small businesses, increasing their earnings. The study also found that while women reported having greater say in household decisions, related to home improvements and health expenditures, these gains did not persist over time.

However, some experts have observed that there remains a lack of evidence of long-term effects on the very poor from programs using this model. They have pointed to challenges in evaluating the approach, including the difficulty of measuring effects of particular assistance interventions, such as savings or consumption support, or assessing whether specific interventions are necessary to achieve development objectives.<sup>36</sup>

The authors of a 2019 systematic review that addressed financial inclusion initiatives, discussed above, also examined available evidence on the effects of graduation programs, which have some similarity to the financial inclusion programs in that they go beyond increasing available credit.<sup>37</sup> This review covered 17 studies—eight systematic and unsystematic reviews and nine impact evaluations on livelihood and graduation programs.<sup>38</sup> The authors observed that this evaluation was less formal than their review of financial inclusion programs.

The authors reported that nine of the 17 reviews found positive effects across a wide range of programs. Three reviews reported largely positive but also some mixed effects, and five reported only mixed effects. Of the six reviews that focused on generating income, three found evidence of positive effects, one found evidence of positive and mixed effects, and two found mixed effects. The authors stated that the area of livelihood and graduation programs calls for additional research, potentially including analysis of the cost-effectiveness of the interventions.

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<sup>36</sup>Abhijit Banerjee et al., *Unpacking a Multi-Faceted Program to Build Sustainable Income for the Very Poor* (working paper 24271, National Bureau of Economic Research, 2020); <https://doi.org/10.3386/w24271>.

<sup>37</sup>Duvendack and Mader, “Impact of Financial Inclusion in Low- and Middle-Income Countries: A Systematic Review of Reviews.”

<sup>38</sup>The nine impact evaluations covering graduation programs used primarily randomized controlled trials, with some quasi-experimental analysis.

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**USAID’s perspective.** USAID officials have reiterated experts’ concerns that traditional MSME assistance programs may not be the most effective means of assistance to the very poor. According to a 2018 USAID report, traditional microfinance and microenterprise development programming, such as access to credit and training, has had limited impact on this population. The report cites factors such as households’ difficulty in weathering even small economic shocks and persistent malnutrition.<sup>39</sup> According to USAID reports, the agency has moved to use graduation approaches for assistance programs targeting the very poor, with an aim of enabling populations to become more “market-ready” over time,<sup>40</sup> and the WEE Act authorized the use of graduation approaches in providing microenterprise assistance.<sup>41</sup> However, USAID and some expert studies suggest the very poor may benefit from microenterprise assistance programs in ways that are not captured in evaluations of these programs.<sup>42</sup> For example, USAID officials pointed to the agency’s Food for Peace program as having a microenterprise component that helps distribute seeds for food growth after a disaster. According to these officials, over time this seed program promotes food security for the very poor.

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## Agency Comments

We provided a draft of this report to USAID for review and comment. In its comments, reproduced in appendix III, USAID stated that assistance for the very poor requires a sustained, multifaceted approach, and acknowledged the need to address holistically the challenges and constraints around empowering women and helping those in extreme poverty.

We are sending copies of this report to the appropriate congressional committees, the Administrator of the U.S. Agency for International Development, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

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<sup>39</sup>USAID, *Microenterprise Results Report* (2018); 6.

<sup>40</sup>USAID, *Microenterprise Results Report* (2018).

<sup>41</sup>See 22 U.S.C. § 2211a(6).

<sup>42</sup>“Building Stable Livelihoods for the Ultra-Poor.”

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If you or your staff have any questions about this report, please contact me at (202) 512-3149 or [gootnickd@gao.gov](mailto:gootnickd@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.

A handwritten signature in black ink that reads "David Gootnick". The signature is written in a cursive style with a large, looping initial "D".

David B. Gootnick  
Director, International Affairs and Trade

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# Appendix I: Objectives, Scope and Methodology

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This report addresses (1) what U.S. Agency for International Development (USAID) evaluations of its assistance projects for micro, small, and medium-sized enterprises (MSME) have shown regarding the effects of these projects on women and the poor; and (2) what is known from research studies and experts about the effects of this assistance.

To address these objectives, we reviewed documents from USAID, including performance evaluations and impact evaluations of the agency's assistance to MSMEs. We also reviewed USAID's Microenterprise Reporting Results annual reports from 2014 through 2018 and selected earlier annual reports. We also interviewed officials from USAID in Washington, D.C.; interviewed academic experts and assistance experts and practitioners at research organizations; and reviewed relevant academic studies on the effectiveness of assistance.<sup>1</sup> This is the second of two GAO reports on USAID assistance to MSMEs. In March 2021, we reported on USAID's funding for MSMEs, how the agency targets the assistance to women and the very poor, and its process for monitoring the assistance.<sup>2</sup>

To identify what USAID's evaluations have shown about the effects of the agency's MSME assistance, particularly for women and the very poor, we reviewed selected USAID reports, evaluations, and studies published from 2014 through 2019, the most current available at the time of selection. These documents included:

- Performance evaluations of projects that provided microfinance or microenterprise assistance, and
- Impact evaluations that assessed the short- and long-term effects of USAID's microfinance or microenterprise assistance.

We identified these documents by searching USAID's Development Experience Clearinghouse database for performance and impact evaluations that assessed the effects of microenterprise and microfinance assistance on women and the very poor. We found over 200 reports and

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<sup>1</sup>For additional understanding of women's empowerment in a development context, we interviewed three members of the Comptroller General's Advisory Board: Lauren Anderson, Diana Aviv, and Dr. Susan Martin. For additional understanding of microenterprise development over time, we interviewed Alex Counts, an experienced microfinance practitioner.

<sup>2</sup>GAO, *Micro, Small, and Medium-Sized Enterprise Development: USAID Needs to Develop a Targeting Process and Improve the Reliability of Its Monitoring*, [GAO-21-269](#) (Washington, D.C.: Mar. 30, 2021).

eliminated those that were not within our general scope, were duplicates, or were not final evaluations. We selected 14 based on relevance to women and the very poor. We also asked USAID officials to identify performance evaluations and other reports that provided further background information and context on microfinance and microenterprise assistance. USAID provided a list from which we identified four additional performance evaluations to include in our review. USAID also identified a total of 12 impact evaluations. Some of these evaluations had been identified in our searches. A GAO economist further reviewed the impact evaluations to ensure that they used valid methodologies to evaluate the effects of USAID assistance. Because of methodology concerns, we excluded three and used nine of the 12 impact evaluations. Overall, we reviewed 18 project performance evaluations and nine impact evaluations and documented their assessments in data collection instruments (DCI). Our selected project evaluations are illustrative, not statistically representative. Any discussion of outcomes or effects is limited to the 27 selected project evaluations.

To identify what is more generally known about the effects of MSME assistance, we conducted a literature search. We searched for English-language meta-analyses and systematic reviews published between 2015 and 2019 that synthesized findings from studies on the effects of MSME assistance, particularly on women and the very poor.<sup>3</sup>

To identify relevant meta-analyses and systematic reviews, we used two methods. First, a GAO research librarian conducted key-word searches of

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<sup>3</sup>A meta-analysis is a statistical process that combines the data of multiple studies to find common results and identify overall trends. By contrast, a systematic review attempts to identify, appraise, and synthesize all the empirical evidence that meets pre-specified eligibility criteria to answer a specific research question. Researchers conducting systematic reviews use explicit, systematic methods that are selected with a view aimed at minimizing bias, to produce more reliable findings to inform decision-making.

various databases.<sup>4</sup> GAO economists reviewed the abstracts of the cited studies, identifying relevant meta-analyses and systematic reviews. We obtained copies of the selected studies and further evaluated the studies to determine whether they met additional criteria for relevance and reliability, including whether they appropriately addressed potential sources of inaccuracies in estimates.

We also discussed our study selection as a part of semi-structured interviews we conducted with three academic experts identified through the literature review as well as practitioners from two research organizations.<sup>5</sup> We identified the experts based on the relevance of their publications to our objectives and the number of citations of any relevant publications between 2015 through 2019.

Applying the selection criteria and considering experts' observation on the studies resulted in a list of eight meta-analyses and systematic reviews, published from 2015 through 2019. Six of the studies we selected included meta-analyses and systematic reviews of microfinance and related assistance. Two meta-analyses and systematic reviews indicated a focus on aid for small- and medium-sized enterprises. The underlying studies analyzed by the eight meta-analyses and systematic reviews collected findings from aid programs implemented in a variety of geographic regions, including Africa, Asia, the Middle East, Latin America, and Eastern Europe. We analyzed and summarized the findings of these studies, noting important limitations.

The semi-structured interviews we conducted with the academic experts and other researchers also addressed their perspectives on the

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<sup>4</sup>The databases the librarian searched were Scopus; ProQuest Dialog (ABI/INFORM Professional Advanced, AGRICOLA, British Library Inside Conferences, EconLit, PAIS International, Social SciSearch); ProQuest (Criminology Collection, Education Database, ERIC, Global Newsstream, Health & Medical Collection, Policy File Index, ProQuest Dissertations & Theses Global, PTSDpubs, Research Library, SciTech Premium Collection, Sociology Collection); EBSCOHost (AgeLine, CINAHL Plus with Full Text; eBook Collection [EBSCOHost]; Newswires; EconLit with Full Text; Business Source Corporate Plus; Web News; Index to Legal Periodicals and Books [H.W. Wilson]; Index to Legal Periodicals: 1908–1981 [H.W. Wilson]; Business Abstracts with Full Text [H.W. Wilson]; Business Continuity & Disaster Recovery Reference Center; Finance Source; Leadership & Management Source; Risk Management Reference Center); Harvard Think Tank Search; SSRN.com; EconPapers.repec.org; and World Bank.

<sup>5</sup>We initially contacted five academic economists and we interviewed three of them. These are Abhijit Banerjee, Maren Duvendack, and Britta Augsburg. Two of the five economists referred us to individuals they worked with at research organizations. The organizations are the Abdul Latif Jameel Poverty Action Lab (J-PAL) and Innovations for Poverty Action (IPA).

effectiveness of microenterprise and related assistance and challenges these efforts face in achieving development goals. The experts and USAID officials also suggested additional studies for us to consider. These perspectives and studies are reflected in the report's discussion of expert views and recent research on multifaceted approaches to development assistance.

We conducted this performance audit from November 2019 to July 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Information on Published Studies Analyzed

See the table below for the meta-analyses and systematic reviews used in this study.

**Table 6: Meta-Analyses and Systematic Reviews Used**

| Bibliographic information, review type, and number of studies summarized  | Treatment of potential bias   | Summary of study's findings  |
|---|---|--|
| <b>Studies indicating a focus on microfinance (most recent first)</b>   |   |  |
| <p>Duvendack, Maren, and Phillip Mader. "Impact of Financial Inclusion in Low- and Middle-Income Countries: A systematic Review of Reviews." <i>Campbell Systematic Reviews</i>, vol. 15, no. 1–2 (2019).<br/> <a href="https://doi.org/10.4073/csr.2019.2">https://doi.org/10.4073/csr.2019.2</a></p> <p>Identified 32 relevant systematic reviews published since 2010, of which 11 were deemed of sufficient methodological quality for synthesis.</p> | <p>Assessed methodological quality of studies using two scorecards—modified AMSTAR and 3ie—that addressed the potential for participant self-selection bias, treatment spillovers into comparison groups, aggregation methodology, publication bias, and reporting bias. Excluded studies from summary if they scored low on both scorecards.</p> | <p>According to the authors, financial inclusion programs seek to increase access to financial services such as credit, savings, insurance and money transfers and so allow poor and low-income households in low-and middle-income countries to enhance their welfare, grasp opportunities, mitigate shocks, and ultimately escape poverty. While some of the services are not necessarily targeted at microenterprises, financial inclusion overlaps substantially with assistance for microenterprises, and the study's findings were generally consistent with reviews focused on microfinance and interviews with experts on microfinance. The systematic review of systematic reviews concluded:</p> <ol style="list-style-type: none"> <li>1. The effects of financial services on core economic poverty indicators such as incomes, assets or spending are small, often mixed, and not transformative in scope or scale.</li> <li>2. The effects of credit and other financial services on health status and other social outcomes appear to be small or nonexistent.</li> <li>3. The effects of financial services on women's empowerment appear to be generally positive, but depend on program features (which are often only peripheral or unrelated to the financial service itself; for instance, exposure to women's rights), context, and what aspects of empowerment are considered. Their assessment is confounded by a difficulty of consistently conceptualizing and measuring empowerment.</li> </ol> |

**Appendix II: Information on Published Studies Analyzed**

| Bibliographic information, review type, and number of studies summarized   | Treatment of potential bias   | Summary of study's findings  |
|--|---|--|
| <p>Meager, Rachel. "Understanding the Average Impact of Microcredit Expansions: A Bayesian Hierarchical Analysis of Seven Randomized Experiments." <i>American Economic Journal: Applied Economics</i>, vol. 11, no. 1 (2019): pp. 57–91. <a href="https://doi.org/10.1257/app.20170299">https://doi.org/10.1257/app.20170299</a></p> <p>Meta-analysis of seven studies published before 2015</p>  | <p>Restricted scope to randomized controlled trials</p>   | <p>The meta-analysis examined economic outcomes, including business profits, revenues, expenditures, and household consumption. It found that the effect of microcredit is likely to be positive but small in magnitude relative to average outcomes of comparison groups, and that there is a substantial probability of essentially zero net effect. The study concluded that there was little evidence from the seven included studies that microcredit harmed borrowers, but also little evidence of an effect that could transform poor households into prosperous entrepreneurs, as advocates had claimed. The study found some evidence that aid recipients with business experience or knowledge tended to benefit much more from increased access to credit than other recipients, although the effects of the credit access varied greatly for those with business experience. Firm conclusions were not possible.</p> |
| <p>Gichuru, Wanjiku, Shalini Ojha, Sherie Smith, Alan Robert Smyth, and Lisa Szatkowski. "Is Microfinance Associated with Changes in Women's Well-Being and Children's Nutrition? A Systematic Review and Meta-analysis." <i>BMJ Open</i>, vol. 9, no. 1 (2019). <a href="https://doi.org/10.1136/bmjopen-2018-023658">https://doi.org/10.1136/bmjopen-2018-023658</a></p> <p>Systematic review and meta-analysis of 27 studies</p>        | <p>Acknowledged that because only six of the included studies were randomized trials, making conclusions about direct causation is challenging.</p>   | <p>The systematic review and meta-analysis found evidence that microfinance programs "may be" associated with improved children's and women's health, women's empowerment, and contraceptive use.</p>  |
| <p>Brody, Carinne, Thomas de Hoop, Martina Vojtkova, Ruby Warnock, Megan Dunbar, Padmini Murthy, and Shari L. Dworkin. "Can Self-Help Group Programs Improve Women's Empowerment? A Systematic Review." <i>Journal of Development Effectiveness</i>, vol. 9, no. 1 (2017): pp. 15-40. <a href="https://doi.org/10.1080/19439342.2016.1206607">https://doi.org/10.1080/19439342.2016.1206607</a></p> <p>Systematic review of 34 studies</p> | <p>Assessed the risk of bias of all included quantitative studies using an adaptation of 3ie criteria. The appraisal tool contained 71 criteria that assessed the risk of selection bias and confounding, performance bias, outcome and analysis reporting biases, or other biases. Coded the studies as low, medium, or high risk of bias and analyzed results of subgroups of studies based on the bias risk.</p> | <p>The study found positive effects of self-help groups on women's empowerment, including women's mobility, control over family planning, and household accounting. However, the study found no evidence that self-help groups reduced domestic violence or positively affected women's psychological empowerment. The extent to which observed changes were the result of aid for microenterprises, as opposed to peripherally related activities such as training on women's health and empowerment, is unclear.</p>   |

**Appendix II: Information on Published Studies Analyzed**

| Bibliographic information, review type, and number of studies summarized  | Treatment of potential bias  | Summary of study's findings   |
|---|--|---|
| <p>Gopaldaswamy, Arun Kumar, M. Suresh Babu, and Umakant Dash. <i>Systematic Review of Quantitative Evidence on the Impact of Microfinance on the Poor in South Asia</i>. London: EPPI-Centre, Social Science Research Unit, UCL Institute of Education, University College London, 2015.</p> <p>Sixty-nine studies met the inclusion and quality-appraisal criteria. Of the 69 studies, 26 studies qualified for quantitative synthesis via meta-analysis.</p> | <p>Assessed studies for risk of bias, based on (a) quality of attribution methods, (b) the possibility of spillovers in comparison groups, and (c) outcome and analysis reporting biases. The studies were screened for selection bias, performance bias, detection bias, attribution bias, and reporting bias. For meta-analysis, analyzed results from studies found to have low and medium risk of bias separately from studies with high risk of bias.</p> | <p>The study found mixed evidence on the impact of microfinance interventions on alleviating poverty in the South Asian context. Meta-analysis results suggest that there might be a positive impact of microfinance across the outcome variables examined, including income and assets. However, the magnitude of the impact is small and depends closely on the risk of bias of studies. Estimated impacts were often not statistically significant. Outcomes on women's empowerment are sensitive to the definitional parameters used. Studies using the influence of women on household expenditure to measure empowerment found that microfinance may lead to positive changes. The findings of the impact of microfinance on women's empowerment as measured by economic empowerment indicators were mixed.</p> |
| <p>Orton, Lois, Andy Pennington, Shilpa Nayak, Amanda Sowden, Martin White, and Margaret Whitehead. "Group-Based Microfinance for Collective Empowerment: A Systematic Review of Health Impacts." <i>Bulletin of the World Health Organization</i>, vol. 94 (2016): pp. 694–704A. <a href="https://doi.org/10.2471/BLT.15.168252">https://doi.org/10.2471/BLT.15.168252</a></p> <p>Systematic review of 23 studies</p>  | <p>Acknowledged difficulty in attributing any benefits to aid for enterprises, as opposed to other accompanying interventions, such as health promotion and health care provision.</p>   | <p>Regarding microfinance programs, some of which were accompanied by health promotion and health care provision programs, the systematic review found:</p> <ol style="list-style-type: none"> <li>1. Participation in long-established BRAC and Grameen Bank microfinance programs in Bangladesh was associated with improvements in some maternal and child health outcomes, including use of contraceptives and better child survival.</li> <li>2. Results from studies on nutritional status and the general health of program participants in a range of countries were equivocal.</li> <li>3. Although microfinance may eventually lead to a reduction in gender-based violence, an initial increase may occur as gender norms are challenged.</li> </ol>   |

**Appendix II: Information on Published Studies Analyzed**

| Bibliographic information, review type, and number of studies summarized   | Treatment of potential bias   | Summary of study's findings  |
|--|---|--|
| <b>Studies indicating a focus on small and medium enterprises (most recent first)</b>  |   |  |
| <p>Kersten, Renate, Job Harms, Kellie Liket, and Karen Maas. "Small Firms, Large Impact? A Systematic Review of the SME Finance Literature." <i>World Development</i>, vol. 97 (2017): pp. 330–348.<br/> <a href="https://doi.org/10.1016/j.worlddev.2017.04.012">https://doi.org/10.1016/j.worlddev.2017.04.012</a></p>   | <p>Included only studies that employed quasi-experimental or experimental designs. Used the 3ie risk of bias tool on identified studies. The tool is used to assess selection bias, confounding, motivation bias, performance bias, analysis reporting bias, other biases, and type I and II errors. Concluded that due to the fact that there were only a limited number of studies that met the quality standards and because of the between-study heterogeneity, results merely provided suggestive evidence about the effectiveness of SME finance and more rigorous evaluations of SME finance programs were therefore needed.</p>   | <p>The study found that the extent to which small and medium-sized enterprise finance contributes to economic development and poverty reduction is unclear. Few evaluations of such finance programs apply rigorous experimental methods that are more commonly used in studies of microfinance. Most evaluations of small and medium-sized enterprise finance programs consider neither spillover effects to other enterprises nor effects on the employee level. Some programs appear to have had significant positive effects on access to finance and investment if certain conditions are met, as well as positive effects on firm performance and employment. However, it can take years for results to materialize, and effects on productivity and wages have largely been insignificant.</p>  |
| <p>Systematic review of 15 studies</p>   |   |  |
| <p>Piza, Caio, Tulio Antonio Cravo, Linnet Taylor, Lauro Gonzalez, Isabel Musse, Isabela Furtado, Ana C. Sierra, and Samer Abdelnour. "The Impact of Business Support Services for Small and Medium Enterprises on Firm Performance in Low- and Middle-Income Countries: A Systematic Review." <i>Campbell Systematic Reviews</i>, vol. 12, no. 1 (2016).<br/> <a href="https://doi.org/10.4073/csr.2016.1">https://doi.org/10.4073/csr.2016.1</a></p> | <p>Used the 3ie risk of bias tool to assess studies' risk of bias. Found that studies with high risk of bias tended to find more positive estimates of impacts of aid for small- and medium-sized enterprises on business performance and employment creation than did studies with low or moderate risk of bias. For example, estimated effects on employment of the interventions in aggregate, as well as of matching grant interventions alone, fell substantially and became statistically insignificant once risk of bias was taken into account. Cautioned that given the small number of rigorous studies, conclusions about the effects of business support services may be premature.</p> | <p>The study synthesized assessments of the impact of business support services on enterprises of two to 250 employees. Programs evaluated included tax simplification, exports and access to external markets; support for innovation policies; support for local production systems; training and technical assistance; and SME financing and credit guarantee programs. The study found that not much can be said about the effectiveness of most of the interventions individually given the low number of studies investigating the impact of each type of policy. The authors noted that support for small and medium-sized enterprises could improve revenue and ability to invest, job creation, and labor productivity, but that the effects found were not large, and the cost-effectiveness of the interventions was unknown.</p> |
| <p>Meta-analysis and systematic review of 40 studies</p>   |   |  |

Source: GAO analysis. | GAO-21-328

# Appendix III: Comments from the U.S. Agency for International Development



David B. Gootnick  
Director, International Affairs and Trade  
U.S. Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20226

Re: USAID Comments on GAO Draft Report titled, *Microenterprise Development and Related Assistance: Challenges in Evaluating Lasting Benefits for Women and the Poor* (GAO-21-328)

Dear Mr. Gootnick:

I am pleased to provide the formal response of the U.S. Agency for International Development (USAID) to the draft report produced by the U.S. Government Accountability Office (GAO) titled, *Microenterprise Development and Related Assistance: Challenges in Evaluating Lasting Benefits for Women and the Poor* (GAO-21-328).

We thank you for the draft report, which analyzes the evidence of microenterprise programming on women and the very poor and we appreciate the extensive work of the GAO engagement team during the review. USAID does not have any comments to provide on the draft report.

This report is of great benefit to USAID in understanding the impact of assistance, in particular, microenterprise programming on the very poor and women. As noted in the report, assistance for the very poor requires a sustained and multi-faceted approach to help those in poverty work for a better livelihood and future in an inclusive and sustainable way. Although the report concluded that the results of the programs examined were mixed, USAID appreciates the insights and meta-analysis by GAO that will serve to improve development practices to reach the most vulnerable. The GAO report confirms the need to holistically address the constraints and challenges around extreme poverty and empowering women.

I am transmitting this letter from USAID for inclusion in the GAO's final report. Thank you for the opportunity to respond to the draft report, and for the courtesies extended by your staff while conducting this engagement. We appreciate the opportunity to participate examining USAID's microenterprise programming effect on women and the very poor.

Sincerely,

*Colleen R. Allen*

Colleen R. Allen  
Acting Assistant Administrator  
Bureau for Management

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# Appendix IV: GAO Contact and Staff Acknowledgments

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## GAO Contact

David B. Gootnick, (202) 512-3149, [gootnickd@gao.gov](mailto:gootnickd@gao.gov).

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## Staff Acknowledgments

In addition to the contact named above, Celia Thomas (Assistant Director), Eugene Beye (Analyst in Charge), Parul Aggarwal, Shelby Clark, William Tedrick, Alexander Webb, Jack Wang, Nisha Rai, Deirdre Sutula, William Johnson, Christopher Keblitis, Patricia K. Powell, Leia J. Dickerson, Martin De Alteriis, and Mark B. Dowling made key contributions to this report.

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