



BUDAPEST
INSTITUTE

Evaluation of the Kiútprogram

Petra Edina Reszkető

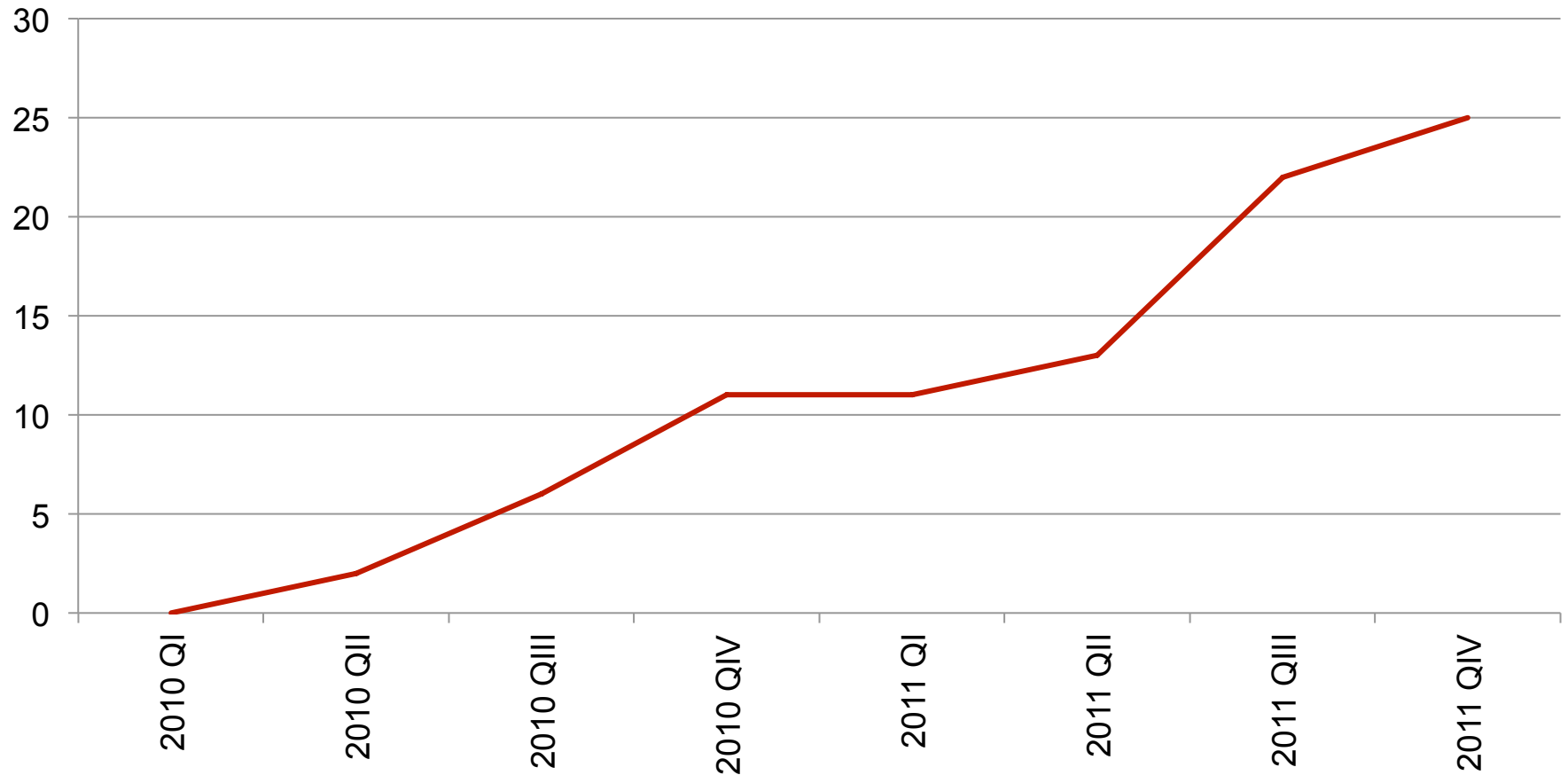
Budapest Institute for Policy Analysis

Budapest, December 2011

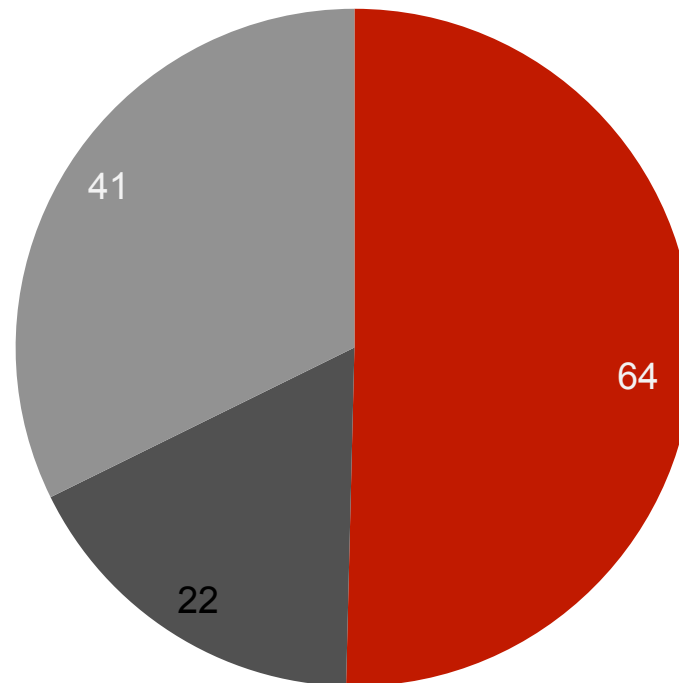
Content

- Stylised facts
- Relevance and consistency of the program
- Coherence of the program
- ❖ Strategic / policy recommendations

Number of loan groups (25)

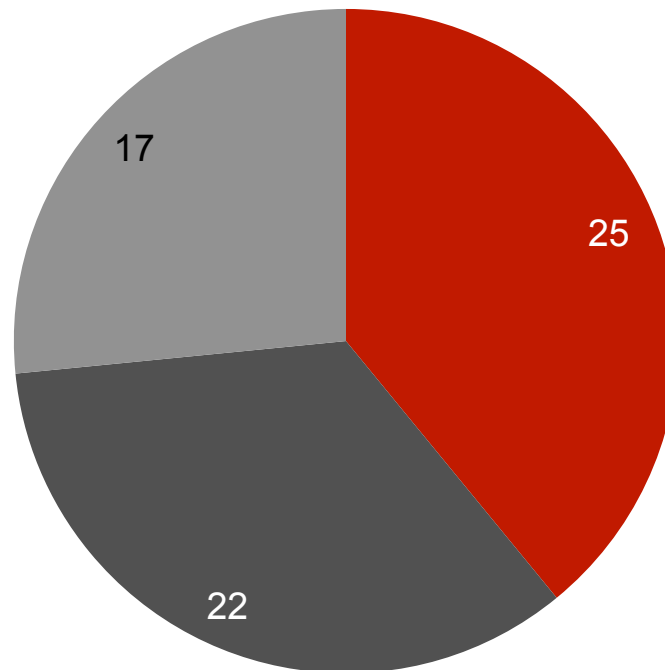


Number of clients (127)



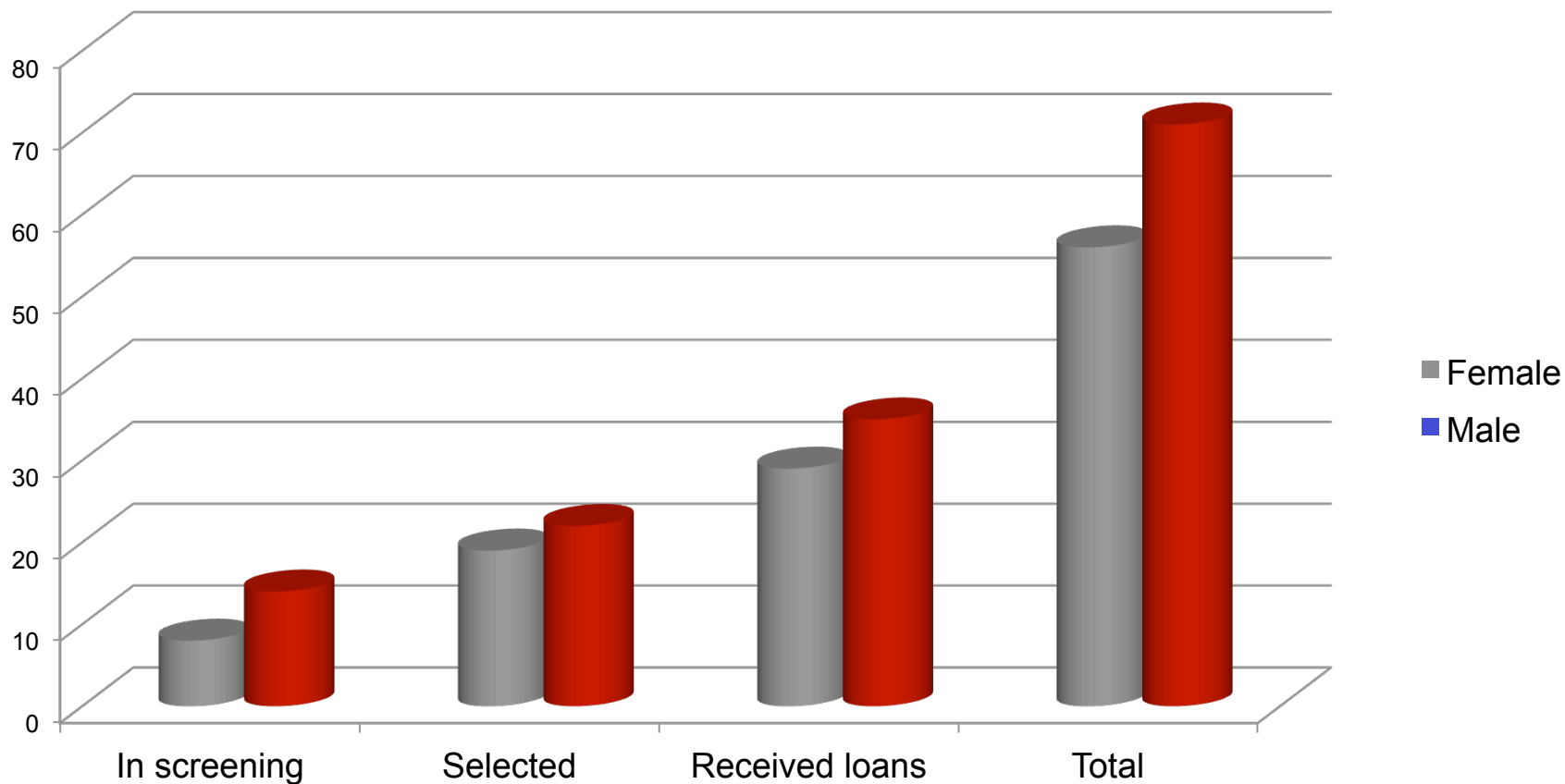
■ Receiving loans ■ In screening ■ Selected (without loan)

Composition of clients with loans (64)

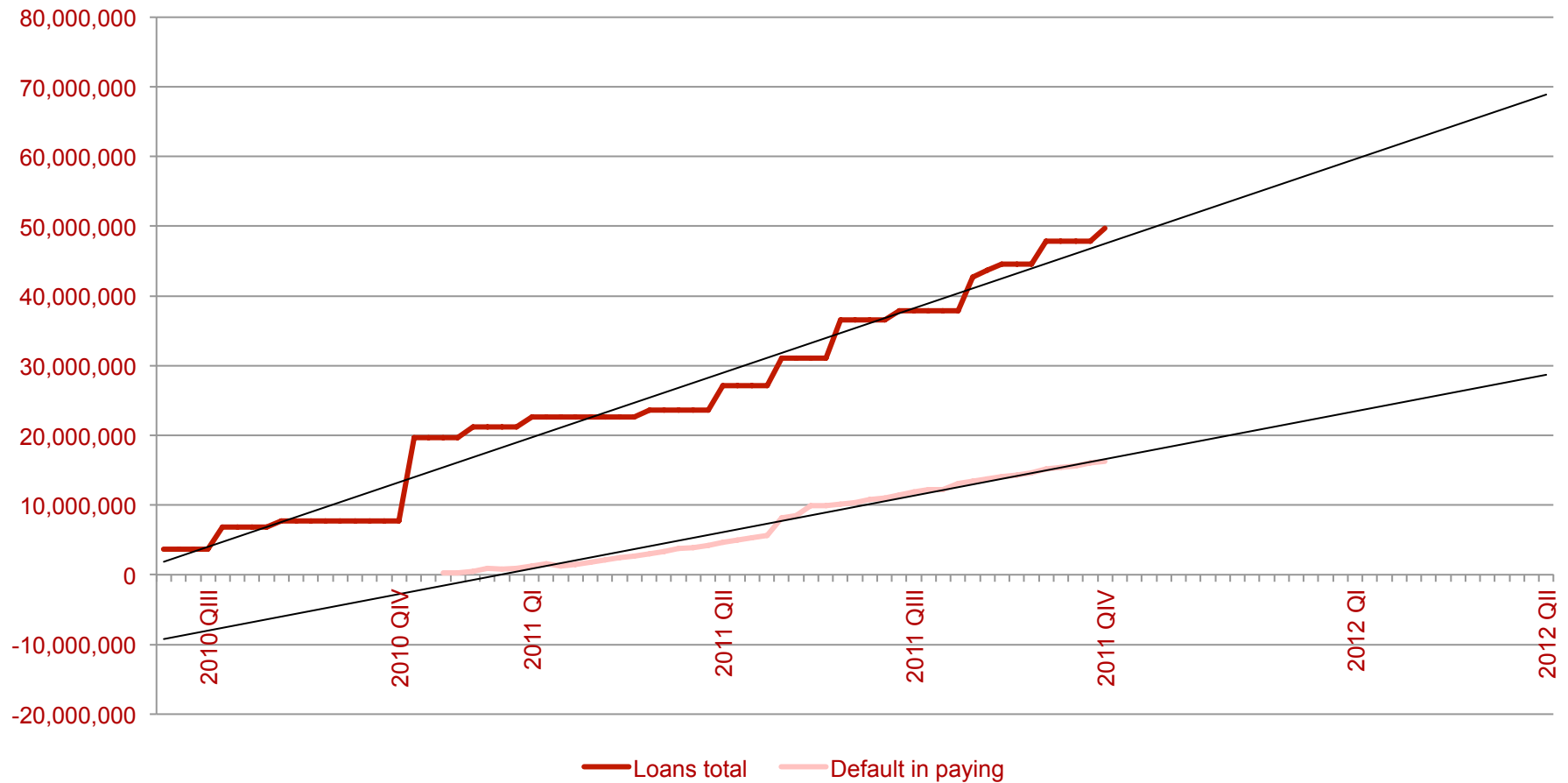


■ Ordinary ■ Expelled ■ Defaulter, in crisis

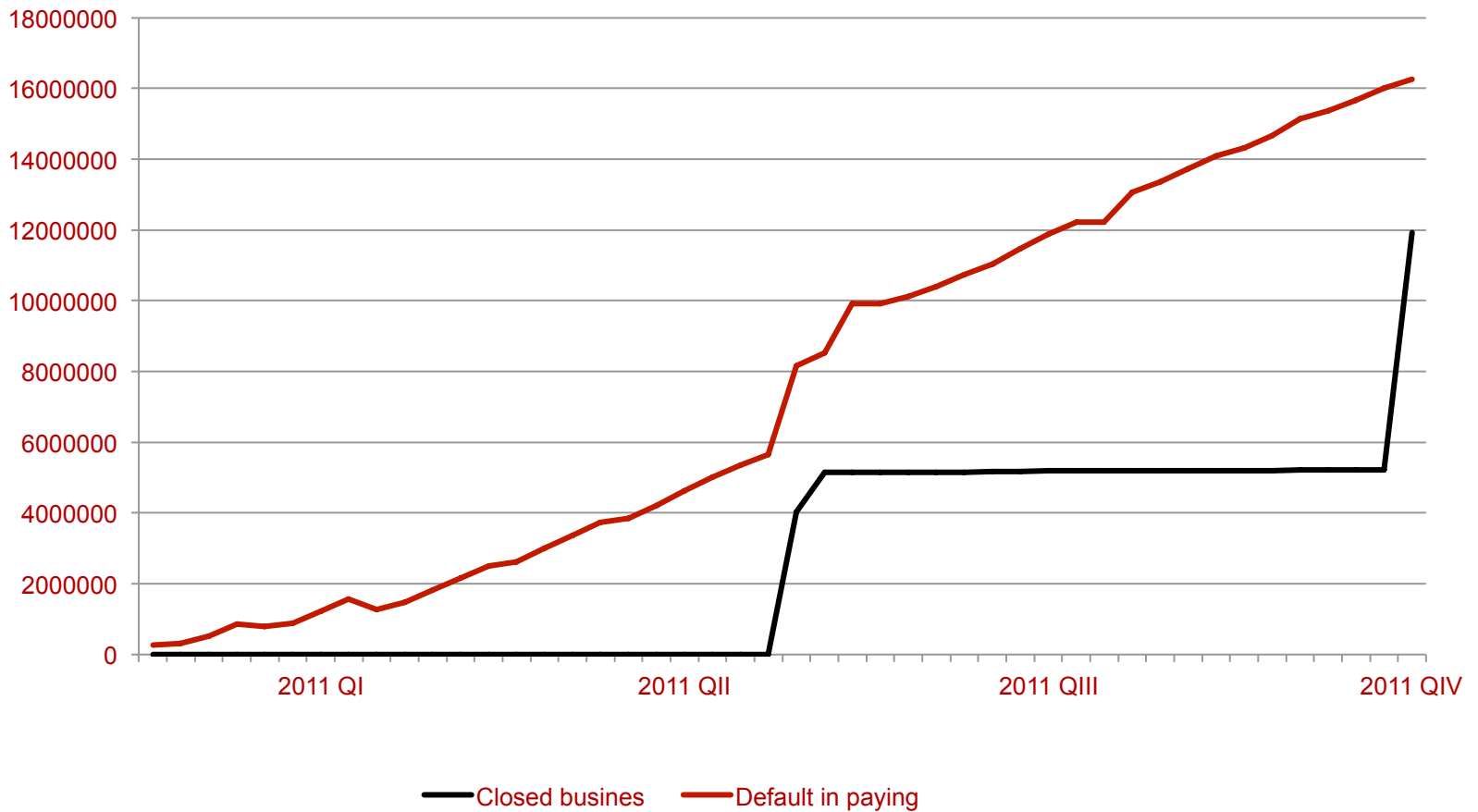
Proportion of women (%)



Loans disbursed, defaults in payment (HUF)



Defaults in payment (HUF)



Challenges, lessons

■ Relevance and consistency

- Targeting (clients, locations, service package)
- Incentives (group moral, informal guarantees)

■ External coherence

- Business environment (information gaps, administrative burden, discrimination)
- Public policy context – taxation and social transfer system (effective disincentives, high opportunity costs)

Strategic / policy recommendations

■ Programme sponsors, managers

- Assessment of target groups' needs, diversifying the service package (incl loan product and support services)
- Ongoing training and information sharing – even *post* disbursement
- Foster mutual learning within groups / among field staff
- Reinforce group cohesion and peer pressure – even *post* disbursement (community work!)
- Insistent lobbying for more stable and relaxed business environment

■ Policy makers

- Reduce administrative burden (geo-focused capacity-building of gov agencies)
- Relax financial framework regulation

Thank you for your attention!

petra.reszketo@budapestinstitute.eu

www.budapestinstitute.eu