



Progress out of Poverty Index[®]

Certification Report:

Asasah



This PPI Certification Report provides a summary of the
PPI Certification results for: Asasah

Onsite Visit: 30th Apr – 4th May 2012

Bankers Without Borders volunteer:

Tayyaba Razi



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Our Mission

To enable the poor,
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to create a world without poverty.

Subject: **PPI Certification Report**

Dear Executive Director of Asasah,

Grameen Foundation has completed its certification review of Asasah's process for using the PPI. The certification review covered intent, data collection, training, processing, and reporting. This certification opinion is based on census approach used by Asasah in the pilot phase (Apr - Jun 2010) and the implementation phase (Apr 2011– Mar 2012) with funding support and technical assistance provided by Plan Pakistan.

Grameen Foundation conducted the certification review based on the PPI Certification Standards published in November 2010, attached as Appendix A. Grameen Foundation developed these standards through a participatory process that engaged a variety of stakeholders, from MFIs to investors, across the microfinance field. These standards represent the minimum quality standards an institution should have in place to collect and report poverty level information accurately and in a transparent manner.

This PPI Certification Report is limited to the process Asasah has in place for the PPI as described above in the first paragraph and should not be considered as a certification of a report on any other aspect of Asasah and its operations.

In our opinion, the process used for PPI data collection at Asasah is sound and should produce accurate results for analysis and dissemination to stakeholders. Based on the review and analysis of Asasah documents and processes, interviews with staff and clients, and the onsite visit completed by Tayyaba Razi, Grameen Foundation certifies that Asasah meets the PPI Certification Standards Basic and Advanced Levels, as summarized below. The following pages provide details on each of these standards according to intent, data collection, training, processing, and reporting.

Grameen Foundation thank you for your time and effort during the certification process and looks forward to working with you in the future.

Sincerely,

Steve Wright
Director, Social Performance Management Center
Grameen Foundation
swright@grameenfoundation.org

PPI Certification: Results		
BASIC*	Meets	Asasah meets all 19 basic standards.
ADVANCED**	Meets	Asasah meets at least one standard within each category
TRACKING OVER TIME***	Not Meeting	Asasah does not meet the three standards.

*PPI Users must meet all 19 basic standards to qualify for basic certification.

**PPI Users must meet one advanced standard from each category to qualify for advanced certification.

***PPI Users must meet all three tracking over time standards to qualify for tracking over time certification.



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Detailed Certification Results Review

INTENT		
BASIC	Meets	Meets Basic standards 1, 2, 3
ADVANCED	Meets	Meets Advanced standard 3
Strengths	Asasah is clear on its intent to make use of PPI and develop products for the poorest.	
Areas for Development		
COLLECTION		
BASIC	Meets	Meets Basic standards 4, 5, 6, 7
TRACKING OVER TIME	Not Meeting	Does not meet Tracking over Time standard 1
Strengths	PPI form/ translation look up tables etc. have been provided by and assessed by Plan Pakistan.	
Areas for Development	Clients are not educated and may not even understand Urdu. Perhaps an appropriate translation in regional languages is also required. Also, Community Development Officers require a deeper understanding of the concept of PPI as they are at the front-end in this process.	
PROCESS		
BASIC	Meets	Meets Basic standards 8,9
ADVANCED	Meets	Meets Advanced standards 5,7,8
Strengths	PPI data entry and compilation process is automated and access is restricted.	
Areas for Development	It is imperative that only the Branch Accountant enter data and the Branch Manager should verify this data. Care should be taken that there is no leniency in this process.	
TRAINING		
BASIC	Meets	Meets Basic standards 10,11
ADVANCED	Meets	Meets Advanced standards 9,10
Strengths	Training guide exists that explains different aspects of PPI.	
Areas for Development	Field staff needs more training on the concept of PPI.	
REPORTING		
BASIC	Meets	Meets Basic standards 12, 13, 14,15, 16, 17, 18, 19
ADVANCED	Meets	Meets Advanced standard 12
TRACKING OVER TIME	Not Meeting	Does not meet Tracking over Time standards 2,3
Strengths	New software has been developed to collect and analyze data.	
Areas for Development	Reports should include details of population. External reporting of PPI can be more regular and thorough.	

Onsite Visit Analysis

The onsite PPI Certification visit took place from 30th Apr – 4th May 2012 and the final results review meeting on 27 June 2012. The information collected was graciously provided by Asasah management and staff during and after the onsite visit.

Below is a summary of the areas of strength and those for development. We have also included some ideas for improvements.

Overall Institutional Strengths:

- *New Product Development:* Asasah takes PPI seriously and has developed several products that cater to the population below poverty line. These include scholarships, interest-free loans, etc. The PPI Manager is very well aware of the process and does her job diligently.
- *Specialized software:* Asasah has developed new software for MIS reporting. This will help in reporting and analyzing data easily.

Overall Areas for Development and Ideas for Improvement:

(Basic Standards: 13, 18 and 19)

- *Staff Training:* The PPI Lead in Asasah has taken initiative and conducts regular trainings, however, branch staff particularly field staff involved in PPI survey process need to have a deeper understanding of the concept behind the PPI questions and responses.
- *Reporting:*
 - All reports must indicate what population the results represent. For example: incoming clients, mature clients, rural branches, all regions, all new clients in 2010, all mature clients as of 1/1/2010 etc. A description of how that representativeness is achieved must be provided.
 - External reports and communications need to indicate the PPI version (or underlying dataset) upon which the results are based (such as, 2004 Annual Poverty Indicators Survey in the Philippines).

(Advanced Standard: 6)

- *Process:* Asasah needs to ensure that the process indicated in the PPI manual is followed by everyone involved and to consider mitigation procedures when there are problems with electricity or low staffing.

(Tracking over time)

- Overtime, Asasah should collect and compare information to determine client drop-out rate and poverty levels of the clients. By tracking trends the MFI will be able to better serve their clients with more targeted outreach, services and products.

Overview of PPI Use

- PPI Collection Methodology: PPI form has been made a part of the loan application form in order to ensure that all new and repeat clients are made a part of the PPI collection process. The Community Development Officer (CDO) conducts the PPI interview at clients' homes while filling out parts of the loan application form. The Branch Manager verifies 100% of the forms by visiting clients' homes. The Branch Accountant enters the PPI data in PPI Intake Tool. Going forward data will be entered in specialized software. The Branch Manager checks 100% of the PPI data entered. This data is emailed every fortnight to Central Office where PPI Lead collects and combines data from all branches. The PPI Lead then prepares a monthly MIS report for senior management. This process is sometimes delayed when branches are late in sending data to central Office due to electricity breakdowns, hardware issues, etc. Central Office has conducted trainings for branch staff in order to instill the importance of PPI in the staff. Sub-centers randomly verify 15% of all PPI interviews and data entered.
- PPI Results¹: The PPI pilot phase findings are that 67.88% clients fall in the category of Poverty line 2004 (poverty below the \$2.50 per day). This analysis shows that ASASAH is quite close to the criteria of client selection on the basis of poverty distribution according to the results of poverty distribution 2004 (poverty below the \$2.50 per day).

¹ Based on PPI Survey Report 13th Jul, 2010

APPENDICIES

Acknowledgements

We acknowledge the efforts of Tayyaba Razi, a Bankers without Borders volunteer, in conducting the certification and material produced for this report.

Appendix A: PPI Standard of Use

Appendix B: Onsite visit agenda

Appendix A

BASIC Progress out of Poverty Index (PPI) Standards of Use

The BASIC PPI Standards of Use enumerate the minimum standards for appropriate PPI use and reporting. A PPI User fulfilling all of the following required standards is using and reliably producing accurate and transparent PPI results.

BASIC Standards	
INTENT	
1	Agreement to the following statement: <i>My organization agrees to use PPI results to assess performance against our social mission as well as for product and service design and improvement.</i>
2	The Board recognizes and approves the use of the PPI.
3	Written (action) plan for PPI use is in place.
COLLECTION	
4	The PPI is administered inside the client's home (that is, not in a centralized place like the branch office or group meeting).
5	The PPI, as collected by the organization, has no significant deviations from the original country-specific PPI (questions, values and lookup table) as found on the website, www.progressoutofpoverty.org .
6	Translations of the PPI match the national income/expenditure survey, on which the PPI is based.
7	The latest available version of the PPI (scorecard and lookup table) is in use within one year of release.
PROCESS	
8	PPI information (including client scores and lookup tables) is stored in an electronic manner that allows for analysis. A basic system like a spreadsheet is acceptable.
9	A quality control check of the accuracy of PPI collection occurs to verify that (a) the interview actually happened, and (b) the responses recorded by the staff (or enumerator) are reasonably close to those found also be the checker. This quality control check includes checking at least 5% of PPI scorecards collected. The check is performed by someone other than the original staff (or enumerator).
TRAINING	
10	Field staff (or enumerators) involved in PPI survey process understand the precise meaning of the PPI questions and responses.
11	Data entry staff (or individuals involved in data entry) are properly instructed on the PPI data entry process.
REPORTING	
12	PPI results are reported to management with an appropriate frequency according to the organization's PPI integration plan. For example, upon completion of one time data collection or quarterly for continuous data collection.
13	All reports must indicate what population the results represent. For example: incoming clients, mature clients, rural branches, all regions, all new clients in 2010, all mature clients as of 1/1/2010 etc. A description of how that representativeness is achieved must be provided.
14	PPI results include the number of PPIs analyzed.

15	Computation of the percentage of clients below each poverty line is accurately calculated.
16	PPI results indicate the dates when data collection occurred.
17	PPI results indicate the poverty line(s) used for analysis.
18	External reports and communications display confidence level and interval of PPI results, if information is available.
19	External reports and communications indicate the PPI version (or underlying dataset) upon which the results are based (such as, 2004 Annual Poverty Indicators Survey in the Philippines).

ADVANCED Progress out of Poverty Index (PPI) Standards of Use

The following ‘ADVANCED PPI Standards of Use’ outline the features of an integrated advanced PPI user. Organizations must meet all the BASIC standards and at least one advanced standard from each of the following categories to be classified as ADVANCED PPI users.

ADVANCED Standards	
INTENT	
1	The organization has identified a SPM/PPI "Champion" (or clearly articulated responsibilities for various staff) to manage and monitor the SPM/PPI process.
2	PPI results have informed a policy or operational shift.
3	PPI results have informed product design decisions and/or market research.
PROCESS	
4	All staff (or individuals) involved in the PPI process (collection, entry, training, analysis, and reporting) have clear descriptions of each element in the process.
5	The capture of PPI data is integrated into the organization's management information system (MIS).
6	PPI data entry process is checked for accuracy. This check includes at least 5% of PPI data and takes place after the data is entered into the data collection system. This check is performed by someone other than the data encoder.
7	Access to consolidated PPI data in the MIS is restricted to a small number of key staff.
8	A back-up (either physical or electronic) exists for the collected PPI scorecards for back checking.
TRAINING	
9	Internal staff capacity exists to train new and current staff on the PPI. Training includes PPI concepts and operational requirements.
10	Staff (or individuals) involved in data analysis are properly trained in accurate PPI analysis and reporting guidelines.
REPORTING	
11	Poverty level results are integrated with other available client information in management reports (such as client demographics, product information, and other social indicators).
12	Poverty level results are included in the Annual Report.
13	Poverty level results are communicated regularly to field staff (for example, results are discussed at branch office meetings).
14	Poverty level results are communicated/reported to the board and/or investors.
15	Poverty level results are reported to the MIX (in the Social Performance/Poverty Measurement section) and/or to national associations.

16	An indication is made in external reporting whenever a specific donor or investor funded the use of the PPI within the organization.
17	Actions and policy changes resulting from PPI data analysis are tracked.
18	Poverty level results are compared with the local poverty rates of the country/region/state when available.

TRACKING OVER TIME Progress out of Poverty Index (PPI) Standards of Use

The 'TRACKING OVER TIME PPI Standards of Use' outline the basic features of a PPI User using the PPI over time to track changes in poverty levels.

TRACKING OVER TIME Standards	
COLLECTION	
1	Repeat collection of PPI data from the desired population is taking place. If tracking changes in poverty levels, repeat collections occur at least once every three years.
REPORTING	
2	Inclusion of drop-out information (drop-out rate or poverty levels of clients that drop out if possible) of clients within the population being tracked over time with the PPI.
3	Regular reporting to management on PPI results and trends (after each data collection or appropriate intervals).

Appendix B

Day 1 30 April		Day 2 1 May		Day 3 2 May		Day 4 3 May	Day 5 4 May
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Onsite Agenda:

Arrival day	9:30	Introduction Meeting with Rafia Naqvi (PPI Project Lead) to review process	8:30	<u>FIELD VISIT</u> Interview with Abid Ali (Loan officers or data collectors) Meet with Branch Manager and Branch Accountant	9:30	Meeting with Bazgha Masood	Complete Certification Spreadsheet Report
	10:00 – 11:30	Interview with <i>Rafia Naqvi</i> (PPI Project Lead)		- Collect client (Majeeda Bibi's story).	11:00 – 11:30	Meeting with Zareen Aamir (Microfinance head)	
	13:00	Lunch	13:30	Lunch	13:00	Lunch	
	14:00 – 14:30	Interview with <i>Rafia Naqvi</i> (PPI Training and analysis person)	14:30	Volunteer Working session	14:00 – 14:30	Interview with (Tabinda Jaffery) CEO - Discuss response to results	Departure day
	15:30	Volunteer Working session			15:00 – 16:00	Wrap up meeting and discuss next steps with PPI Project Lead	
	16:00	Interview with <i>Rafia Naqvi</i> (PPI collection process lead)					