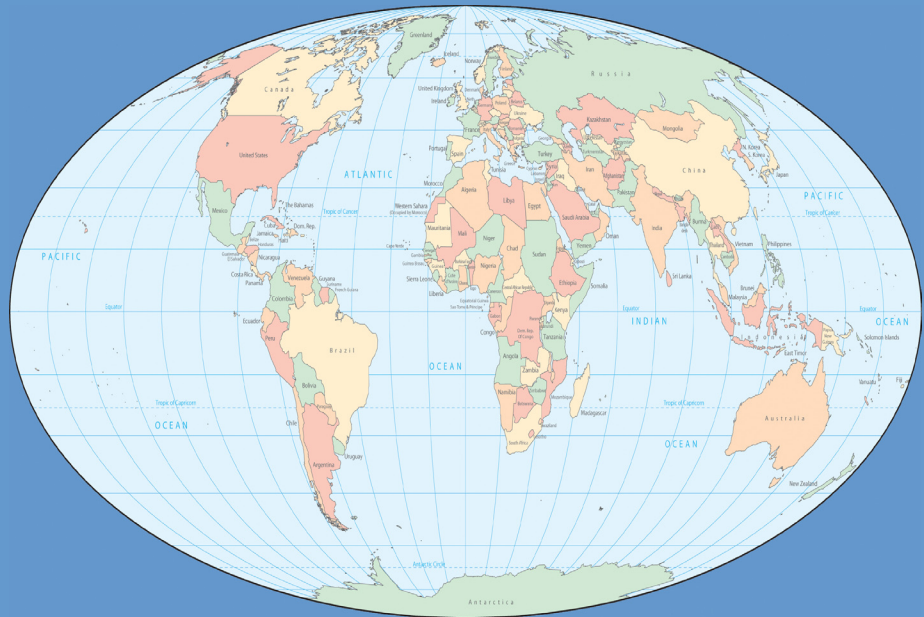




Implementing The PPITM: *Organizations Share Experiences Through an Innovative Peer Learning Network*



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Introduction

Anne Hastings, Director of Fonkoze—a microfinance institution (MFI) in Haiti, reviewed the client interviews her staff had completed as a first step toward implementing the Progress out of Poverty Index (PPI), a new poverty assessment tool. Hastings wanted to make sure loan officers had accurately recorded the responses from microfinance clients during face-to-face discussions in the clients’ homes. Hastings knew that quality control of these preliminary data was a crucial building block in using the PPI to target and track the progress of Fonkoze’s clients.



Anne Hastings,
Director, Fonkoze (Haiti)

Continents away, Gomby Maramba, Manager of Research and Development for Negros Women for Tomorrow Foundation (NWTF), a Philippines MFI, was facing the same question. Had his loan officers gathered the appropriate information and scored it accurately? If not, the analysis of their clients’ poverty levels would be skewed.

During an innovative international conference call in March, Hastings and Maramba shared their mutual concern, and discovered how each had addressed the problem. Fonkoze, said Hastings, was verifying the initial data collected by loan officers by employing “social impact monitors” to return to clients’ homes and confirm the preliminary information. The program was starting small, with social impact monitors working in seven of Fonkoze’s 34 branches, but Hastings planned to expand the effort due to its results; the follow-up interviews showed a lot of variation from the loan officers’ initial interviews, said Hastings. Not only did the verification effort clarify data, it also helped to show which loan officers needed more training, she said.



Gomby Maramba,
Manager of the Research and Development
Department, NWTF (Philippines)

From the Philippines, Maramba agreed that verification of preliminary data collection was critical to the assessment process. He was employing spot checks of the data, carried out by branch and area managers. Spot checks were random, he said, and they verified only the most recent data collected. Maramba was intrigued by the social monitor approach used by Fonkoze. He and Hastings planned to have a separate call to explore their mutual challenge in more detail.

The Fonkoze-NWTF exchange is one small, yet effective, result of a new program instituted by the Social Performance Management Center (SPMC) of Grameen Foundation.

The program, a Peer Learning Network (PLN) for Social Performance, was established to enable MFIs from around the world to communicate in real time about issues and opportunities they encounter while implementing and piloting the PPI.

Setting up the PLN was no small challenge. In the beginning, program participants represented MFIs in nine different countries, spanning the globe from Mexico to the Philippines. Obvious barriers to communication were language, technical issues with differing telephone and Internet connections, and time zones. Yet the MFIs were anxious for new ways to learn from each other as they sought to integrate the PPI into their operations.

What is the Social Performance Peer Learning Network?

The Peer Learning Network (PLN) for Social Performance is a network of individuals worldwide working with Grameen Foundation to help their institutions implement the PPI. By sharing solutions and challenges with each other, network participants seek to build their own capability to understand clients' movement out of poverty and to instill organizational changes that enhance this movement. Grameen Foundation established the PLN for Social Performance in 2007. Because the PPI is a new tool, pilot-testing and implementing it involves a process that can present varying operational issues for MFIs. Grameen Foundation envisioned the PLN as an effective way to assist MFIs with specific problems by providing a real-time channel for sharing ideas and successes.

PLN members meet online each quarter using VOIP (Voice Over IP) technology. Grameen Foundation plays the role of knowledge facilitator for these web-based-plus-audio discussions, helping to guide conversation among members and providing case studies, documents and other materials that comprise tactical guides. Members, however, steer the discussion topics of the forum and determine in advance the agenda for the year.

Currently, members of the Social Performance Peer Learning Network represent the following 20 organizations, each of which has begun work in piloting the PPI:

Peer Learning Network Participating Partners



Philippines

- Negros Women for Tomorrow Foundation (NWTF)
- Tulay Sa Pag-unlad, Inc. (TSPI)
- The Center for Agricultural and Rural Development (CARD)
- The Center for Community Transformation (CCT)
- Alalay sa Kaunlaran, Inc. (ASKI)
- Oikocredit



India

- Grameen Koota (GK)
- Sonata
- Evangelical Social Action Forum (ESAF)
- Michael and Susan Dell Foundation (MSDF)



Morocco

- Foundation Zakoura
- Foundation pour le Developement Local et le Partenariat – Micro-credit (FONDEP)



Pakistan

- Urban Poverty Alleviation Program (UPAP)
- Kashf Foundation



Bolivia

- Pro Mujer Bolivia
- Fondo de Desarrollo Comunal (Fondeco)



Haiti

- Fonkoze



Mexico

- Al Sol



Peru

- Oikocredit



South Africa

- Small Enterprise Foundation (SEF)

Each PLN meeting is structured around short presentations by two or three designated MFI representatives with follow-up time for open questions and discussion. Participants are encouraged to continue discussions with each other after the meeting, either online, by telephone, or in person when possible. In this way, the PLN functions as a discussion starting point and a connecting force for members with common interests and issues.

The PLN as a Support Service for MFIs

Grameen Foundation had long recognized the value of peer learning through personal interaction. As the PPI began to take root in MFIs around the world, challenges—and opportunities—emerged from implementation processes that varied by country and region. Grameen Foundation sought to support MFIs by helping them to share their experiences and, in so doing, to develop a set of best practices for piloting, testing, and applying the PPI. The Foundation realized that a peer learning program could encourage open exchange in an atmosphere of trust.

The PLN as a concept was itself a crucial decision. Kate Druschel, Grameen Foundation’s Regional Director for East and Southeast Asia, explains. “Phones are not always reliable, and people don’t use them as a result,” she says. “We knew that a listserv was not the open-ended approach we wanted. So how could we develop a network that would function in real time to encourage sharing---that was the challenge.”

That is why the combination phone-Internet technology was chosen. With some deficiencies, that vehicle has worked so far. Druschel, who advocated for a peer learning approach within Grameen Foundation, sees a growth of participants and increasing trust in the network itself. It is meeting a critical need.

New network participants are introduced to the PLN through the following steps:

- Explanatory letters on the PLN and how it works
- Basic training on the use of the online communications system
- Background information on all current MFI participants
- Agendas and overviews of topics are in advance of each meeting

The meetings are audio-recorded. Within a few days, presenters are sent notes on their comments to ensure accuracy. Within a week, all participants receive copies of the presentations, audio recordings of the meeting, and notes and meeting summaries containing the proposed dates and topics for the next meeting.

Progress to Date: Key Issues Discussed

To date, there have been six PLN meetings, from October 2007 through January 2009. The following key themes were discussed:

- Framework for PPI Analysis and Uses of PPI Data
- Staff Role/Burden
- Loan Officer Training, Sampling Techniques and Quality Control
- Integrating PPI Data with MIS Systems
- Cross-Referencing PPI Data with Financial Data
- Experiences and Difficulties that Affect PPI Roll-out

Highlights of a Sample Meeting

Eleven out of 18 organizations, participated in the September meeting. Nigel Biggar, SPMC Director, presented some preliminary findings of research related to several NWTF programs. Gomby Maramba (NWTF) led a discussion of the issues, which are relevant to many other MFIs. Key findings were:

- **Borrower improvement was notable in the first six months, then stagnated until the fifth year, when it picked up again.**

Time in the program related to poverty movement is an issue of interest for all MFIs. NWTF offers, and encourages, a three-month loan cycle which—in this case—could be the problem. The shorter-term loan results in a larger amortization, perhaps leading borrowers to earn income just to pay their loans, discouraging ongoing participation and improvement. NWTF will consider eliminating the three-month loan cycle, perhaps changing it to six months, to see if that would make a difference.

- **Results for the agricultural product showed weak performance in terms of poverty movement.**

NWTF observed that borrowers with agricultural loan products uniformly did less well moving out of poverty than clients in all other enterprises. NWTF will study whether the loan product itself is ineffective, or if the agricultural activities caused the weak performance in movement out of poverty. NWTF will consider adjusting its agricultural loan product accordingly.

- **The research found that clients engaged in production and processing enterprises had more difficulty saving.**

NWTF considered the possibility that rapid cash turnover, or problems with cash flow for these enterprises, resulted in less savings. NWTF will consider addressing this problem with bridge loans or other special loans, then determine the outcome.

Results

In one year, the PLN has grown from 10 to 20 participating organizations, representing nine countries around the world. Five organizations participated in the first meeting; 14 attended the sixth, or most recent, meeting.

Participants are enthusiastic about the calls, for a wide variety of reasons. For example, Hastings says she gains perspective by hearing from participants at different stages of using the PPI. She adds that “it’s a great way for new staff members to listen in and understand the PPI. We continue to have conversations about the issues raised.”

Grameen Foundation also continues the conversations internally. “It’s good for us to get a broader understanding of the day-to-day issues facing different organizations,” says Biggar. “We can use those learnings to create solutions through more focused training, enhanced technology and other innovations.”

As for the method of the PLN calls themselves, Hastings says, “I am really impressed with how the technology is beginning to work for us. It’s not ideal, but it’s workable. It’s better than I anticipated.”

The PLN Branches Out

Borrowing from the structure of the PLN online, two regions are working to adapt variations of in-person or “live” PLNs.

In Peru in July, staff from six Peruvian MFIs involved in piloting the PPI met with representatives from Oikocredit, Grameen Foundation and Catholic Relief Services to share their experiences and compare challenges and solutions. Some of the issues discussed were:

- Origin and timeliness of some indicators in the PPI
- Monitoring and supervision of data collection
- Data interpretation and analysis
- Comparison of PPI data with data from other tools
- Understanding and using poverty levels for targeting, tracking and improving products and services



Live PLN, Latin American Forum

Meeting participants concluded that the group would profit from regular interaction to channel the learning and the momentum. They have since begun an e-mail exchange, sharing issues, ideas and data.

In Mexico at a forum for Latin American MFIs in September, representatives of three MFIs working with the PPI shared their experiences and participated in a group discussion. Each MFI was at a different point in the implementation of the PPI.

Following are some of the challenges they described:

- Fondecó in Peru was just beginning its PPI implementation. Its challenge was communicating the value of the tool to the staff who would be using it. Through several meetings with branch managers and loan officers, Fondecó managers sought to help staff understand how the PPI could help them be more effective and successful in their jobs.
- AISol in Mexico, an early adopter of the PPI, spoke about its success in Chiapas. AISol counseled MFIs to consider the PPI scorecard indicators as a whole, rather than focusing on individual indicators.

- Fonkoze in Haiti had been using the PPI for more than a year. The tool had confirmed for Fonkoze the difference among poverty levels of its clients, and helped the organization match specific clients with one of its varied loan products. As an additional example of how the PLN encourages MFI experiences and insights on a range of topics, Fonkoze also used the opportunity to introduce to the forum its year-old program for the very poor. The program provides an asset such as a goat or chickens to help a client create a business from scratch. This resource-intensive effort was created for poor clients not being reached through group-lending programs. Forum attendees found this concept very exciting and sought more information about it.

Conclusions

After more than one year of global dialogue among a growing number of PLN participants, the network itself has become a reliable forum through which MFIs and PPI adopters can learn from and support each other as they pilot and implement the PPI. In the process, practitioners have shared invaluable experiences about the products and services they offer to clients. They have improved their ability to target clients based on poverty levels and to track client poverty level changes over time. It is clear that what began as a support tool for PPI implementation has evolved into an information and education model for sharing all the ways in which clients can be served better.

PLN participants themselves now represent a vanguard of practitioners, supporting and furthering a process that can help all of them understand and address client issues in a more effective way. As a result, the PLN is now a global platform by which the concept of social performance is examined, tested, promoted and grown.

About Grameen Foundation

Grameen Foundation is a global non-profit organization that combines microfinance, technology, and innovation to empower the world's poorest people to escape poverty. It has established a global network of partners in 28 countries that has impacted an estimated 34 million lives in Asia, Africa, the Americas, and the Middle East. Based in Washington, D.C., Grameen Foundation was founded by Alex Counts, who began his work in microfinance with 2006 Nobel Peace Laureate Dr. Muhammad Yunus, the founder of Grameen Bank. Dr. Yunus is a founding and current member of Grameen Foundation's board of directors. For more information on Grameen Foundation, please visit www.grameenfoundation.org.



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