Outcomes Working Group
Webinar 4:
THE SOCIAL INDICATORS PROJECT 2005-9

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Agenda

Qs & DISCUSSION

- Looking back – Siem Reap   (*5-10 mins*)

- Looking further back **–** the Social Indicators Project (SIP):
    - what was it, who was involved?
    - why was it important, & still significant today?
    - what were the issues and findings?

          (40-45 *mins*)

- Looking ahead – plans for the working group

          (*5-10 mins*)

SIEM REAP

- We solicited feedback at many points:
  - Working group pre-meeting
  - Plenary and break-out sessions
  - Survey

- Four priority areas emerged:
  1. Guidelines on outcomes for financial service providers
  2. Guidelines on outcomes for investors
  3. Short list of recommended outcome indicators
     - Begin with a focus on poverty, housing/assets, business
  4. Continued webinars to share practice

Background

- The UN Millennium Development Goals, September 2000, defined areas of development focus: poverty reduction, primary education, gender equality and health – and metrics to capture their achievement.

- Linked to expectations from microfinance (Ford, CGAP, 2003):

The potential of microfinance relates to a range of services including loans, savings, insurance, transfer payments – which the poor can use not only for business investment in microenterprises but also to invest in health and education, and to manage household emergencies. Access to financial services can enable poor people – including women as clients – to increase their household incomes, build assets, have better nutrition and send children to school

Aims

- To develop a small set of <u>meaningful, robust and globally comparable indicators</u> for MFIs to report on their contribution to achieving the Millennium Development Goals

- To explore <u>how MFIs can apply these indicators </u>to report on the socio-economic profile of their clients and the social outcomes of their programmes

Who participated?

- 61 MFIs
- 5 networks and their 51 partner MFIs

Latin America, Africa - Pro Mujer, Grameen Foundation, Finca
Africa, India – Trickle UP; Global – Opportunity International

- 10 other MFIs

LA: FDL (Nicaragua)   E Eur: Prisma (Bos&Hz)
Afr: ACSI (Ethiopia), K-Rep Dev Assoc (Kenya), SEF (Za)
Asia: ASA, BASIX (India), Nirdhan (Nepal), CFPA (China), CEP (Vietnam)

Approach

- Phase 1 (2005-6) – identify the relevant indicators

- Phase 2 (2007-8) – action research to apply and report on relevant indicators

- Phase 3 (2008-9) – action research continued, follow up (endline vs baseline)

Significance

- First attempt to co-ordinate globally across MFIs
- Identifying core indicators – adapted to and tested in different contexts
- Different approaches to data collection – pros and cons of each
- Systems issues – lessons documented (SEEP learning products)
- Contributed to application of the PPI, to Social Performance Standards for reporting to the MiX, and to client level indicators and reporting systems covered in Social Ratings

The relevant MDGs

- **MDG1 – Poverty reduction**
- **MDG2 – Universal primary education**
- **MDG3 – Gender equality and women's empowerment**
- MDG4 – Reduce child mortality
- MDG5 – Improve maternal health
- MDG6 – Combat HIV/AIDS, malaria, other endemic diseases
- **MDG7** – Ensure environmental sustainability
- MDG8 – Develop global partnerships

Defining the relevant, practical indicators

MDG1 – Poverty reduction

❖ **% new client households below benchmarked poverty line**
❖ **% 3/5 year client households above the benchmarked poverty line, who were below the line at entry**
❖ **After 3/5 years: % poor clients in Year 1 still with MFI, % of them now above the poverty line, % still below the poverty line**

Tools:

• PPI - recently introduced	- 10 indicators, mainly assets, statistically benchmarked to national and international lines
• In-house poverty index	- 10+ indicators
• Key assets, quality of life indicators	- E.g. own land, livestock, TV, cycle/vehicle, housing, food security
• Household income (or expenditure)	- Per capita calculations

Defining the relevant, practical indicators

MDG2 – Universal primary education

MDG3 – Gender equality and women's empowerment

- ❖ **% girls/boys of primary school age, attend school**
- ❖ **% girls/boys of secondary school age, attend school**
- ❖ % households with children of primary school age, all children attend school
- ❖ % households with children of secondary school age, all children attend school

Relevance:

- Relevant in countries where school attendance is not near universal (< 90%)

- Analyse with reference to children's age, as appropriate to <u>different education levels</u> in different countries

- Disaggregate by gender – a good indicator of gender (in)equality particularly where school attendance is low

Defining
relevant, *additional* indicators

MDG3 – Gender equality and women's empowerment

- **% women clients who**
- ❖ **are head of household (no adult earning male) = vulnerable segment**
- ❖ **Involved in managing financed enterprise – by self, with husband/son, or not**
- ❖ **have house or land registered in their name or jointly**
- ❖ Report that they participate in household decisions relating to   (i) purchase of assets (ii) family issues – children's education, medical care, children's marriage, (iii) routine expenses
- ❖ Report purchasing something personal for themselves
- **% women MFI board members and staff (senior/middle, field levels)**

- Data at client and institution level

- Interesting and relevant for stakeholders with a real interest in gender issues

- Evidence of women's agency and participation (jointly, not only independently)

- Decision-making more qualitative – choose decisions relevant in local context

Defining
relevant, *additional* indicators

MDG7 – Environmental sustainability

❖ **% client households using own/improved water source**
❖ **% client households using own/improved toilet**

- Ownership is a first step

- Quality of water and sanitation – identify what is relevant to context

- Critical to health (MDGs4&5) – client level information highlights need/opportunity, as MFIs introduce credit products for water and sanitation,

Issues

Apply to all indicators

- Focus – a small number collected and analysed well vs many which *might be interesting*

- <u>Reference to context</u> for defining relevance, interpreting findings, setting targets

- Data collection approach – <u>field staff or separate</u>, pros and cons; sampling

- <u>Additional questions when tracking change</u>

- Clear, concise reporting – external and internal use

1   Context, context, context

Benchmarking – comparing with national data

Examples of country ranges (relevant to participating MFIs)

Indicator	Low	High
% < national poverty line	14%- Mexico	57% - Mali
% <$1.25 at PPP	32% - India	51% - Burkino Faso
Geographical variations	urban	rural
	And regions/provinces within countries	
Secondary enrolment -%girls/%boys	62/59 Nepal	85/82 - Ecuador

Latest country data as of 2013

PPI: poverty rates by country reference spreadsheet, www.progressoutopverty.org/learning materials - data management and analysis.

Unesco Institute of Education Statistics www.uis.unesco.org/country profiles

2 Data collection approaches

Integrated – field staff & MIS

Fits with existing forms – must be clear, unambiguous questions

Not just the data collection, needs a <u>systems</u> approach: training, checks, reporting

In-house R&D

Control at all stages

Must be quality checks, clear reporting

External - commissioned

'Academic', 'objective'

Less experience of microfinance operations and issues
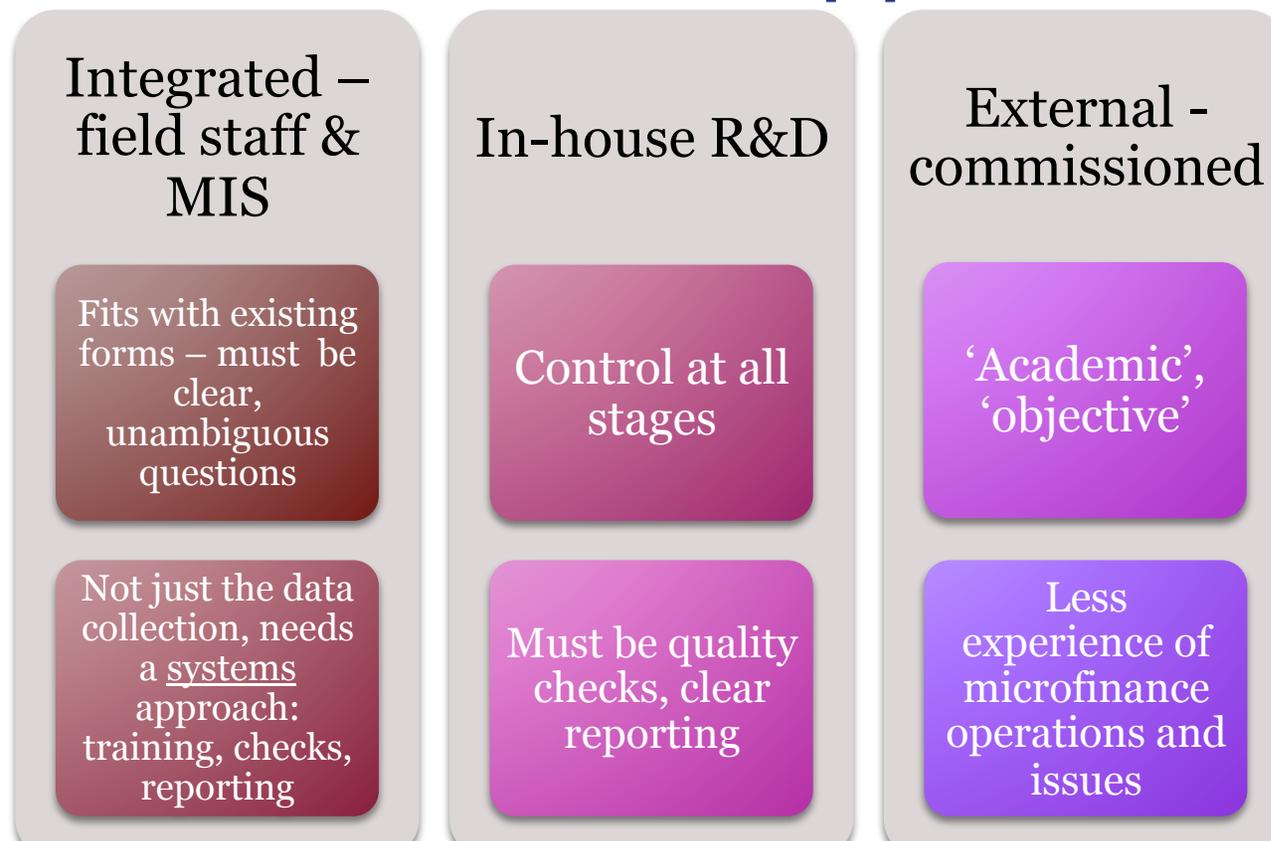
Combinations: build on existing systems, in-house skills + TA & option for external studies

3   Census vs sample

- <u>Integrated approach</u> provides option for census for baseline profiling, dropouts/exits and 'endline' for change
  - ❖ Census advantage – indepth analysis, market segmentation; link portfolio tracking to individual clients

- <u>R&D/external approach</u> requires a sample: quicker, but
  - ❖ Sample issues – ensuring sample size and selection is representative [SEEP Learning Product]; always state sample numbers and approach to sampling (cluster, random)

Combination: census for baseline,
              option to sample for add-on research and endline

4   Tracking change

- How much time for change?
  - ❑ 1-2 years not adequate for change
  - ❑ Minimum 3 years, ideal 5

- Entry level/new clients vs mature clients
  - ❑ do not mix the loan portfolio
  - ❑ disaggregation of portfolio by loan cycle/over time

- Additional questions to explore perception of change and reasons
  - ❑ 'What has changed for your family? Could be +ve/-ve. What were the reasons? What role if any from financial services?
  - ❑ Easy to ask and to analyse

5 PPI – with/without?

PPI

- At the core – data is relatively easy to collect; & can benchmark index scores, national/international data
- <u>As important</u>, to develop the systems and checks
- Indicators good for outreach, less flexible to change

Alternatives:

- Additional indicators – locally relevant, try to benchmark against rural/urban national data
- Per capita household income or expenses – very doubtful accuracy in informal sector

Include additional indicators of quality of life to supplement PPI

Some of the findings
Poverty outreach – 9 countries
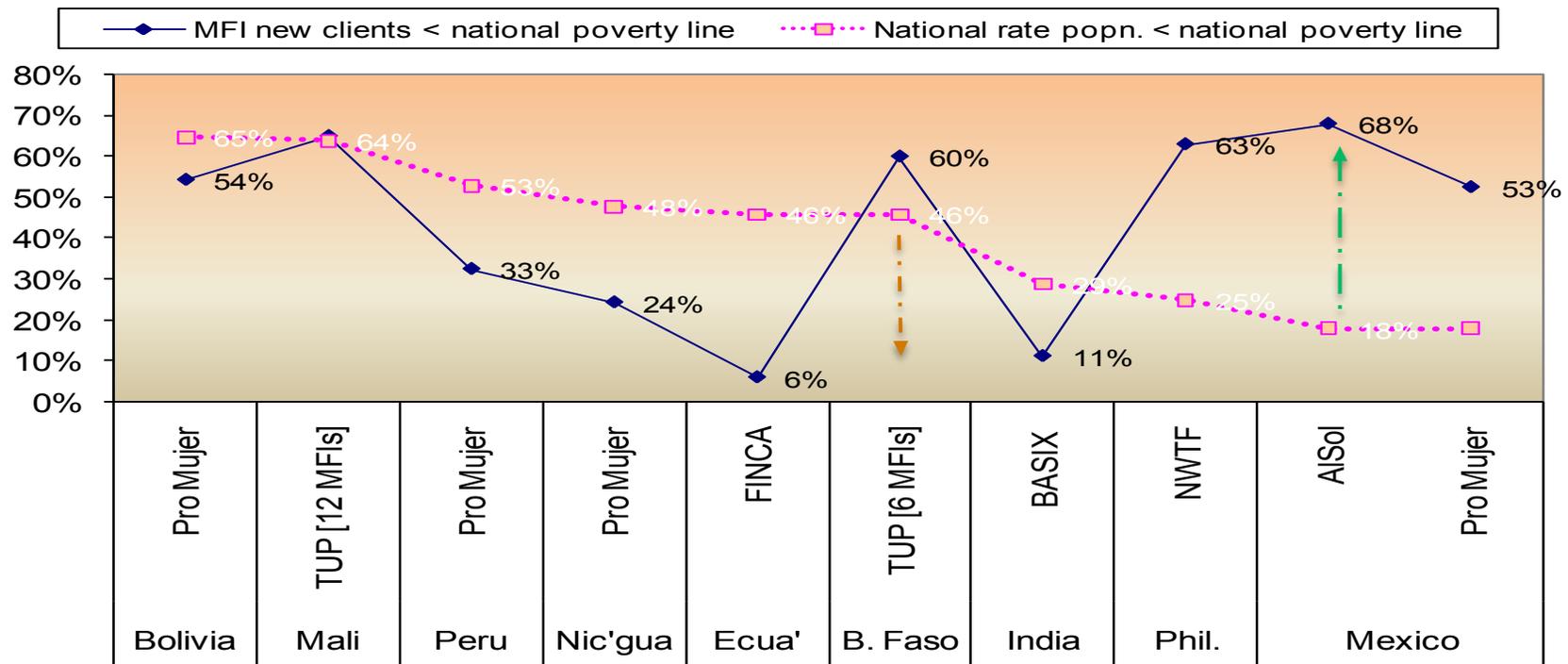
-variation to national rate = poverty gap: positive and negative

Some of the findings
Poverty outreach – 3 countries, rural/urban

Pro Mujer

Urban

Rural

Urban chart — MFI new clients / National rate:
- Bolivia: 43% (National rate 54%)
- Peru: 31% (National rate 43%)
- Nicaragua: 18% (National rate 31%)

Rural chart — MFI new clients / National rate:
- Bolivia: 66% (National rate 84%)
- Peru: 34% (National rate 72%)
- Nicaragua: 36% (National rate 69%)
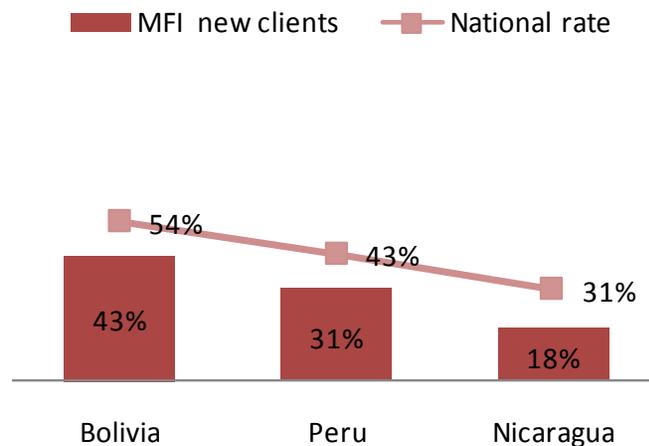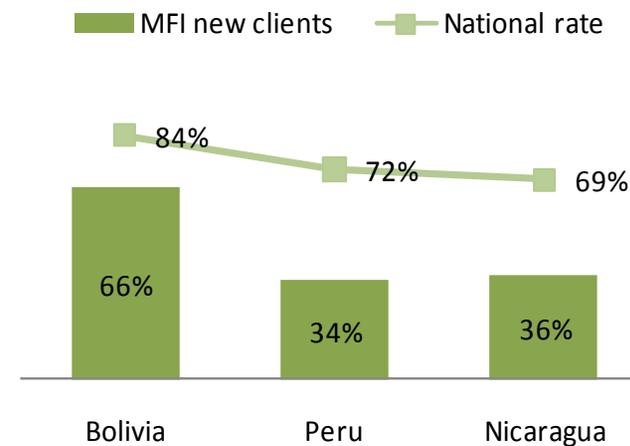
lower % poor clients in urban areas, negative poverty gap both urban and rural; potential to deepen particularly in rural areas

Some of the findings
Girls/boys attending secondary school

Legend: Clients' Girls · Clients' Boys · National – Girls · National – Boys

	FINCA	ASA	Nirdhan	ACSI
	Ecuador	India	Nepal	Ethiopia
Clients' Girls	65%	70%	84%	25%
Clients' Boys	66%	55%	79%	30%
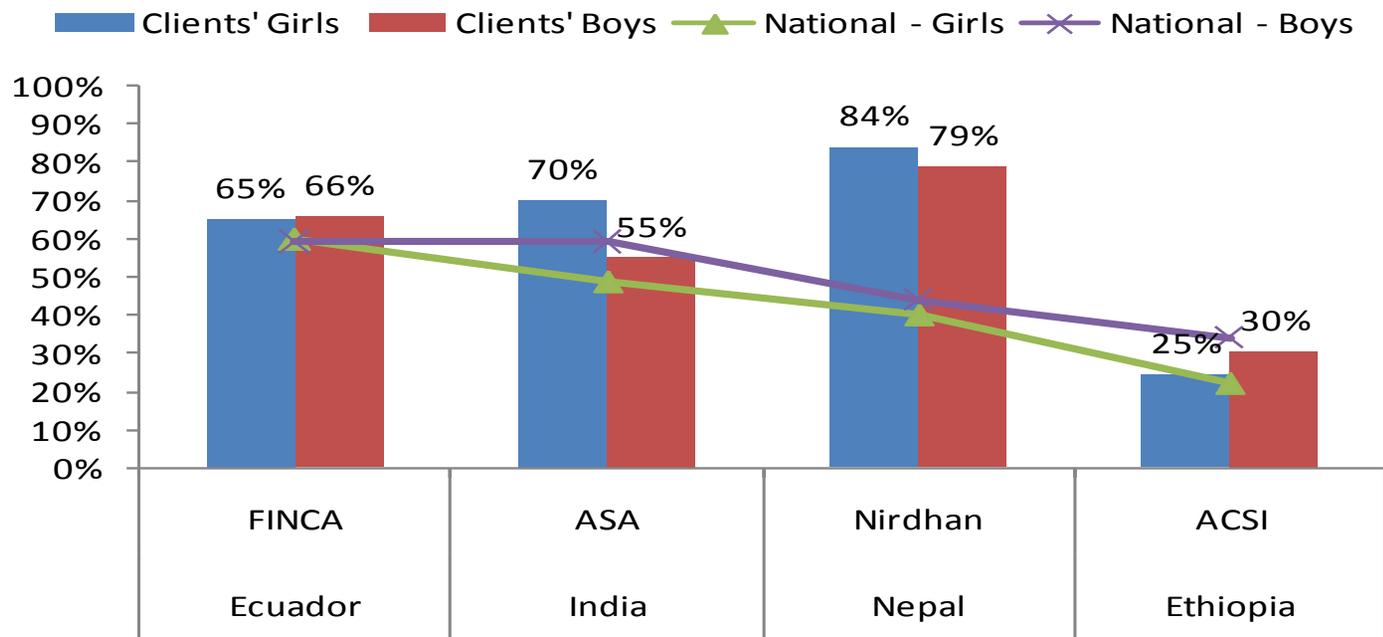
Includes new and mature clients; likely to be regional differences
Cannot conclude impact of microfinance, but indicates opportunities

Concluding observations & resources

❖ Clear examples of adaptation of indicators, with different approaches to data collection

❖ Practical to implement, but as with any piece of information, requires a level of skill and attention. Cannot be done casually

❖ Focus on external reporting. Next step - link to social targets and programme design, as part of SPM

❖ Participant interviews, case studies and implementation lessons in SEEP Technical Notes, December 2009:

➢ TN1 Selecting a Sampling Methodology for Social Indicators
➢ TN2 Microfinance Social Indicators in Practice
  – Dissecting SIP Partners' Experience
➢ TN3 Why use Social Indicators?
  – Making the Case to MFIs and other stakeholders

Looking ahead: OWG next steps

- 3 sub-working groups to work on outcomes indicators

- Draft guidelines for FSPs on how to use outcomes date to improve operations

- Finalize concept for outcomes guidelines for investors – kick-off will be at e-MFP in Nov. 2015

- Next webinar: October 15, on IDEPRO

- Possible: translations of key resources

Thank you

- For follow up, please contact: info@sptf.info, francessinha@edarural.com

- Please note: presentations and recordings from all Outcomes Working Group Meetings are being posted to the SPTF website, working groups page: http://sptf.info/sp-task-force/working-groups