

Outcomes Working Group Webinar 6: CASHPOR's EXPERIENCE

24 November 2015

SPEAKERS:

Mukul Jaiswal, MD Cashpor Micro Credit
Graham Wrigley, social investor, board member
Frances Sinha, Facilitator of this working group



Agenda

- Introduction by Frances
- CASHPOR – investor perspective
- Presentation by CASHPOR MD
- Discussion with participants

Our speakers today



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Investor perspectives

- “Is Microfinance the new Sub Prime, with specific reference to the Indian market?” Dissertation topic 2007
- The importance of “corporate soul”
- The increasing need to “anchor” the mission and measure impact with scale

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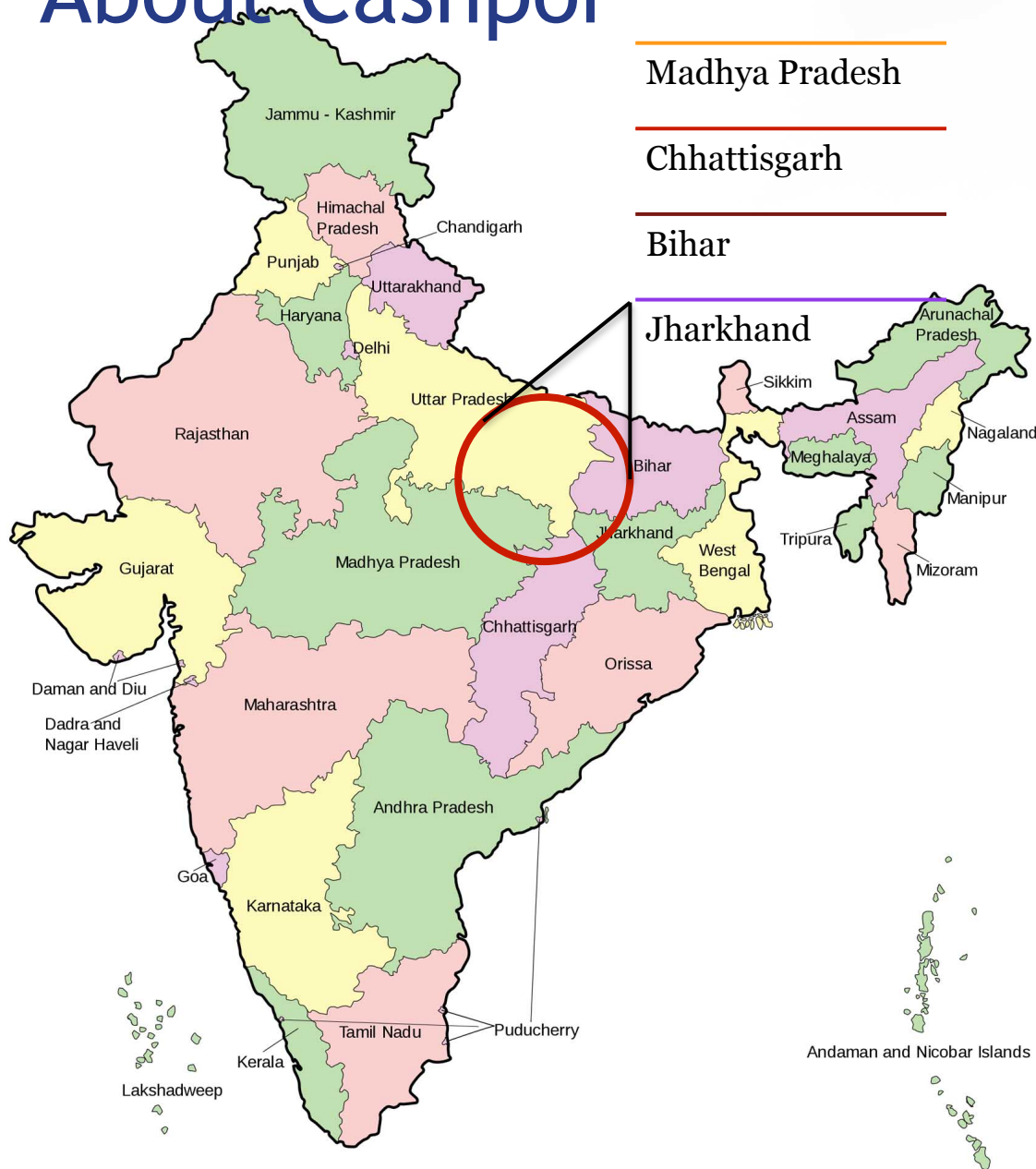
CASHPOR MICRO-CREDIT (CMC)- A poverty focused, not-for-profit MFIs with a measured Social Impact

- We measure the core elements of our mission and vision
- We have used the findings to adapt our mission and adjust our strategy

OUR VISION: We see all BPL women in rural areas of [named] states having access to microfinance services, and many utilizing them to lift themselves and their families out of poverty. At the same time we see that their families have become healthy, and their children are in school

OUR MISSION IS TO identify and motivate ‘below poverty line’ (BPL) women in rural areas of [named] states and to deliver financial and other vital health and education services to them in an honest, timely and efficient manner so that our Vision is realized and Cashpor itself remains a financially sustainable microfinance institution for the poor

About Cashpor



Uttar Pradesh

Madhya Pradesh

Chhattisgarh

Bihar

Jharkhand

Started 2002

In poor underserved areas of North India

830,000 active loan clients (Sep '15)

314,000 savings accounts - via Business Correspondent


Pension products to more than 180,000

51,000 clients – 15 modules of health education (Mar'15)

8840 households covered under financial literacy programme

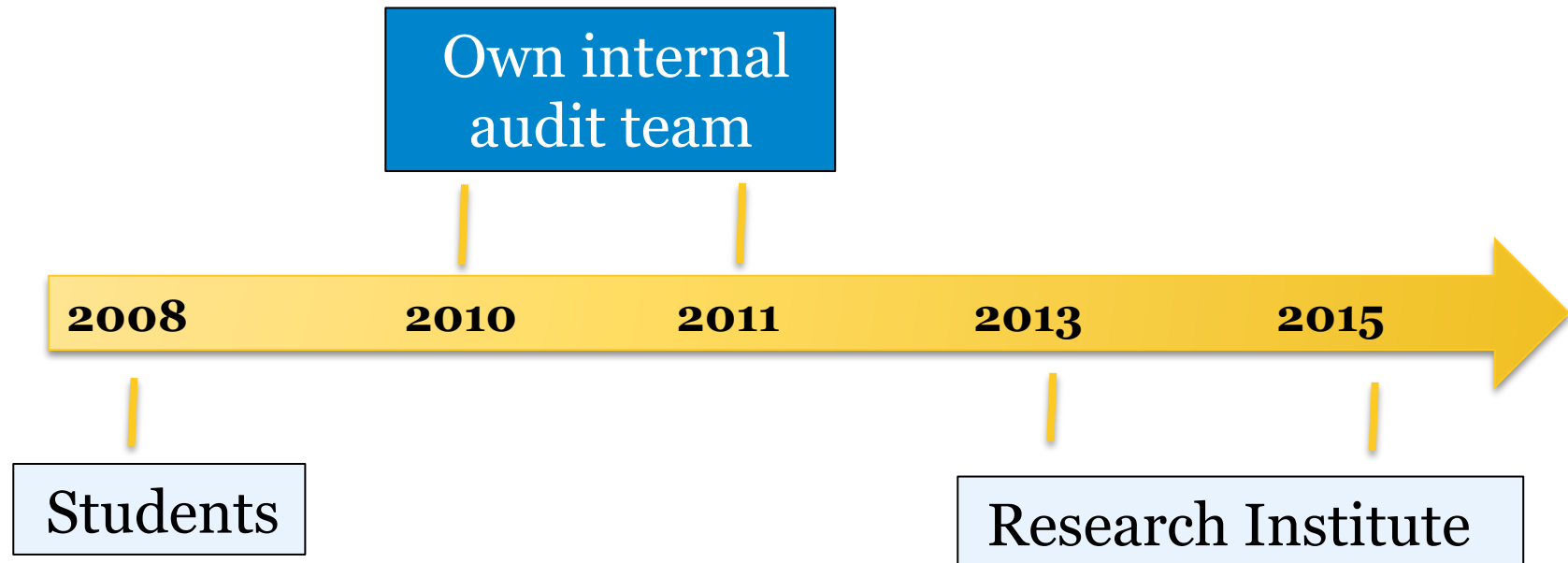
493 Branches

Tracking social impact - or outcomes

	Methods	Focus
1	Regular: track client exit rate (MIS) and reasons for exit (sample survey)	<ul style="list-style-type: none">• Recognising that not all clients continue with CMC - assumption of benefit is linked to continued association with CMC.
2	Regular: bi-annual sample survey of clients 	<ul style="list-style-type: none">• Capture client perception of benefit• Include questions related to client protection• Specific information currently of interest (e.g. mobile phone)• Track changes in poverty - PPI
3	Periodic sample surveys	<ul style="list-style-type: none">• Address specific questions about our non-financial services

Regular sample survey of clients

- Evolution of approach: who conducts the survey?



Why the shift to external?

	Pros	Issues
Own internal audit team (& responsible for client exit survey)	<ul style="list-style-type: none">• Independent – under direction of Chair• Strong understanding of microfinance and the clients – how to ask questions	<ul style="list-style-type: none">○ Not seen as independent enough by external stakeholders
External research agency – local university/research institute	<ul style="list-style-type: none">• Professor involvement - more professional, independent• More credibility with external stakeholders	<ul style="list-style-type: none">○ Surveyors not knowledgeable about microfinance, less suited to interacting with clients○ Delays in reporting○ Small assignment – not a priority

Sampling

Loan cycle	2015 N (sample)
1-2	231
3-4	157
>5	94
Total	482

Method: random stratified sampling
(by loan cycle) drawn equally from across Cashpor's 3 regions

Representative, though incomplete data for 46 reduced the number for analysis (mainly later loan cycles)

Regionally representative, but sample not adequate to analyse within region for mature clients (5th cycle +)

Capturing - what do clients say?

Cashpor loans – \$70-\$250, annual cycles. At entry: HH income/spend <\$120/m

(est. from PPI, 95% households <\$1.88 at ppp, rural)

- To the question: how much, if any, have you benefitted from CASHPOR's loans?

	%	Main reason for 'a lot' (card)	%
A lot	50	Less dependency	36
Some	34	Income increased	27
None	2	Sources of income increased	23
No response	14	Improvement in living conditions	14
N=517	100	N=264	100

- This provides an assurance of benefit in line with our Theory of change. And evidence to the Taxman

Tracking movement out of poverty

Baseline: Robust targeting -

- Cashpor housing index + PPI in Member Form 1 – all clients.
- 90% have to be below specified PPI score (since 2010 - some changes in the target)

Collect PPI data at endline

- After 3-4 and 5 cycles;
- sample includes cycle 1-2 (as a check on our MIS data)

Options for analysis of PPI score:

- a) compare baseline (MIS) with endline score (sample);
- b) compare sample scores across loan cycles

Focus on PPI indicator

- Change in main source of income from agricultural labour with seasonal income, to self-employment

PPI tracking - data

	Loan cycle:	1-2	3-4	5+
% < PPI 24		61.0	49.7	52.1
% main income source = labour		55.4	49.0	53.2
% < \$1.25 (at PPP)				49%

- *Observation: significant difference between 1-2/3-4 loan cycles; note smaller sample at loan cycle 5+; clearer if could compare with actual baseline data*
- *Significant proportion still below \$1.25 after 5 loan cycles*

Why we started health education

Continuing poverty –and issue of client retention

- 20% dropout rate – annually; so just 25% still with us after 5 years
- of these, 49% still in poverty

Illness a common problem

- Cases from our survey and other studies:
 - Savings get used up, whatever increase in income is lost.
 - Health problems and related expenditure - threat to our efforts to reduce poverty through access to financial services

Partnership with NGO (health- Healing Fields)

- Training mature clients as community health facilitators
- Centre meetings as platform

5% of our annual net profit allocated

Is health education useful?

Pilot (2013)

Baseline - sample focus on key health behaviours: new mothers, oral rehydration, mosquito nets, toilets, clean water

Follow up after 6 months: quick study, involved field staff in data collection

Sample (300) results showed substantial improvement in early child care, use of mosquito nets; toilets, water still a gap

Sufficient evidence to go for roll out, with focus on improving the gaps

Third party impact study - 2015

Issues - and future plans

Next survey – may go back to internal audit team (!)

Deeper disaggregation of the data: marginal communities; distribution - not just the average

We have added quality of life indicators to the Member form (beyond the PPI, in line with Opportunity international - Aus). These will be added to the survey form.

Track longitudinally – comparison with actual baseline, and access to services, if that data is maintained in the MIS

Larger sample

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Thank you

- For follow up, please contact: info@sptf.info, francesinha@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>