

The PPI

- THE “*POOR*” FIRST



EDA Rural Systems
Gurgaon, INDIA

Current initiatives (EDA)

- Global reporting to the **Millennium Development Goals**
- Adding social indicators to **external reporting** (Social Performance Task Force/The MiX)
- Part of **Social Rating** – assessing social performance
- *Imp-Act* – part of a system for “**Social Performance Management**” (putting the Social into management)
- Working with **Social Investors** and MFI partners (OI/Dia Vikas, Dell Foundation)

Putting mission into practice: We measure what we value

Conventional reporting indicators

“Simple – *KISS!*”

Rural, Women

Small loan size;

Average loan outstanding

Too simple if we want to benchmark our outreach, and be able to track ‘reduction in poverty’

Context data for 'poverty' - INDIA

NSSO 2006

< \$2.00 (at PPP)	75%
<\$1.50	57%
<\$1.25	42.6%
<\$1.00	25.4%
National line	17.0%
Bottom half below \$1	9.5%

PPI indicators

- Not unfamiliar
- Statistically linked to each poverty level
- Tool for microfinance – any development programme; MFIs/researchers
- Can complement (or replace) existing methods (means test, household income/spend)

Challenges

Any new tool/approach

- We are already busy/short of time
- It must be useful/relevant
- It must be practical

PPI – is it useful?

If we have a social goal to serve the ‘poor’

Internal: contributes to decision-making

- Board – keeping track of mission (defining outreach; tracking change over time)
- Management – segmenting the market: tracking operations, staff appraisal/incentives; products and services

External

- Demonstrates value to the social investor
- Public reputation - regulation

PPI – Is it practical?

- Data collection - quick
- Data entry – Excel
- Reporting: linked to staff/branch as well as overall

Key issues - organisational

- **Buy-in across the organisation:** essential motivation – being a ‘social enterprise’; integrate within systems to check data quality, generate reports, discuss in meetings
- Pushes you to think of **different market/poverty segments**

Key issues - application

- Separate your clients: **new clients** = “start”/**older clients** = potential change
- Select a few **additional indicators** to (i) identify different livelihoods/markets and (ii) reflecting key quality of life indicators in local context
- Track the **exit** rate – and profile of dropouts (affects analysis of change over time)