

Introduction to the PPI®

Participant Workbook

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McGraw-Hill

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About Grameen Foundation

Grameen Foundation, a global nonprofit, helps the world's poorest people lift themselves out of poverty by providing financing, technology support and management services to organizations that serve them. It also spearheads technology initiatives that create new microbusiness opportunities for the poor and improve the poor's access to health, agricultural and financial information and other services. Founded in 1997, Grameen Foundation today has offices in Washington, DC; Seattle, WA; Colombia; Ghana; Hong Kong; Indonesia; the Philippines; Indonesia; and Uganda. Microfinance pioneer Dr. Muhammad Yunus, founder of Grameen Bank and winner of the 2006 Nobel Peace Prize, is a founding member of its Board of Directors and now serves as director emeritus. For more information, visit www.grameenfoundation.org.

About the Progress out of Poverty Initiative

In 2005, Grameen Foundation launched the Progress out of Poverty Initiative, dedicated to advancing social performance. Specifically, the initiative champions the development of the Progress out of Poverty Index® (PPI®), a client-level poverty measurement tool, and provides products and services to support the PPI. The PPI is developed by Mark Schreiner of Microfinance Risk Management, L.L.C. For more information, visit www.progressoutofpoverty.org.

About *Introduction to the PPI*

Introduction to the PPI is a four-hour workshop that provides an overview of the essential aspects of the PPI. *Introduction to the PPI* is geared toward technical and program headquarters staff of development organizations who are interested in increasing their knowledge of the PPI and learning how it could be used in their organization. This course is not industry-specific and is appropriate for anyone interested in poverty measurement.

Workshop Objectives

By the end of the workshop, you will be able to:

- ▶ describe the PPI in the context of social performance management;
- ▶ define the PPI in terms of purpose, construction and use;
- ▶ explain key steps and best practices in the implementation of the PPI; and
- ▶ explain key uses, challenges and benefits of the PPI.

Agenda

SESSION	TIME
<i>Welcome and Introductions</i>	10:00 - 11:15
<i>PPI Fundamentals</i> <ul style="list-style-type: none">▶ Social Performance and the PPI▶ The PPI: A Measurement and Management Tool	
<i>BREAK</i>	11:15 - 11:30
<i>PPI Fundamental, Continued</i> <ul style="list-style-type: none">▶ The PPI's Construction	11:30 - 01:00
<i>PPI Implementation: Key Steps and Best Practices</i> <ul style="list-style-type: none">▶ PPI Implementation Cycle▶ PPI Standards of Use	
<i>The PPI and Your Organization</i> <ul style="list-style-type: none">▶ Uses, Challenges, and Benefits: Through the Lens of Fonkoze▶ Next Steps for Your Organization	01:00 - 02:00
<i>Wrap-up and Close</i>	

Self-Assessment

Please complete the following self-assessment. This self-assessment is for your own use during the *Introduction to the PPI* workshop, so please be as frank as possible in your responses.

I can easily explain the concept of social performance management.

0	1	2	3	4	5
Not at all	Minimally	To some degree	Mostly	Almost completely	Completely

I have a good understanding of the general uses of client-level poverty data.

0	1	2	3	4	5
Not at all	Minimally	To some degree	Mostly	Almost completely	Completely

I have a good understanding of how organizations use the PPI as a measurement tool.

0	1	2	3	4	5
Not at all	Minimally	To some degree	Mostly	Almost completely	Completely

I have a good understanding of how organizations use the PPI as a management tool.

0	1	2	3	4	5
Not at all	Minimally	To some degree	Mostly	Almost completely	Completely

I have a good understanding of how the PPI is constructed.

0	1	2	3	4	5
Not at all	Minimally	To some degree	Mostly	Almost completely	Completely

The PPI is country specific.

True	False
------	-------

The PPI is composed of 15 indicators.

True	False
------	-------

The indicators on the PPI are the same for all countries.

True	False
------	-------

The PPI can only be used by microfinance institutions.

True	False
------	-------

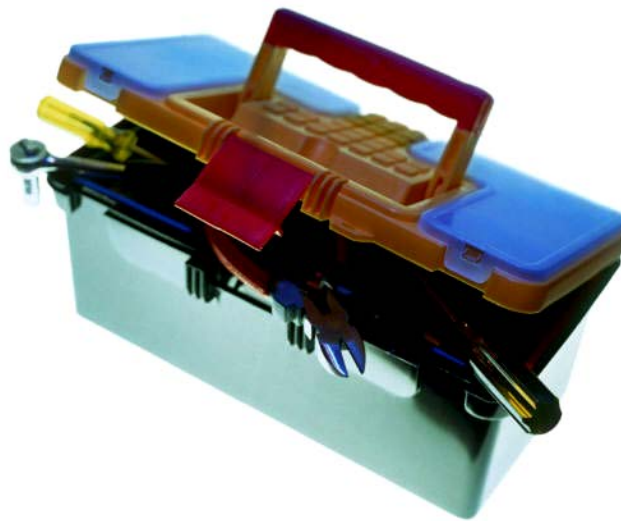
The PPI can demonstrate an organization's impact.

True	False
------	-------

PPI Fundamentals: Social Performance and the PPI

Definitions

- ▶ **Social Performance** is the effective translation of an institution's mission into practice in line with accepted social values.
- ▶ **Social Performance Management** refers to the processes and tools that an organization implements to translate the social goals of its mission into practice.



Notes:

Client-level Data Tools

Examples of client-level data tools include, but are not limited to, the following:

- ▶ **CASHPOR Housing Index (CHI)** – The CHI is an index of six indicators based on the height of a house’s wall and the materials used for the wall and roof. The logic of the CHI is based on the premise that poor people spend their money on basic necessities and social obligations, while any surplus is invested into their home. A better quality house not only reduces vulnerability, but also denotes higher social status and self-esteem. Therefore, the quality of a house is a reflection of prosperity of the household.
- ▶ **Multidimensional Poverty Assessment Tool (MPAT)** – The MPAT assesses and supports rural poverty alleviation efforts in developing countries. It takes a step back from assessment methods that are focused on economic- and consumption-oriented indicators and strives to provide an overview of fundamental and relatively universal dimensions of rural livelihoods and rural life, and thus of rural poverty. The MPAT provides an assessment of 10 dimensions central to rural livelihoods, highlighting where additional support or interventions are likely to be most needed.
- ▶ **Multidimensional Poverty Index (MPI)** – The Multidimensional Poverty Index (MPI) is an international measure of poverty. It complements income poverty and Millennium Development Goals (MDGs) measures by reflecting the acute deprivations that people face at the same time. It identifies people who contend with multiple deprivations across three dimensions: education, health, and living standards. The MPI is compiled by the University of Oxford.
- ▶ **Participatory Wealth Ranking (PWR)** – The PWR is one of several Participatory Rapid Appraisal (PRA) tools. The RWR relies on criteria that poor communities define themselves, and the criteria are used to assess those they deem to be poor and those that are relatively better off. Other PRA tools include seasonality and life-cycle tools. PRA tools, including the PWR, are used in the context of community-based focus group discussions.
- ▶ **Poverty Assessment Tool (PAT)** – The PAT is a country-specific tool that assesses the poverty status of microenterprise beneficiaries and is used to measure and report the share of those beneficiaries who are very poor. The tool is used by implementing partners of the United States Agency for International Development (USAID). The PAT consists of a short survey, administered in about twenty minutes or less, and a data entry template.
- ▶ **Progress out of Poverty Index (PPI)** – The Progress out of Poverty Index® (PPI®) is a poverty measurement tool for organizations and businesses with a mission to serve the poor. The PPI is statistically-sound, yet simple to use: the answers to 10 questions about a household’s characteristics and asset ownership are scored to compute the likelihood that the household is living below the poverty line – or above by only a narrow margin. With the PPI, organizations can identify the clients, customers, or employees who are most likely to be poor or vulnerable to poverty, integrating objective poverty data into their assessments and strategic decision-making.

The PAT and the PPI

	PAT	PPI
DATA TYPE	<ul style="list-style-type: none"> ▶ Poverty rate of a group 	<ul style="list-style-type: none"> ▶ Poverty rate of a group ▶ Likelihood that a single household is living at or below a poverty line
DATA USES	<ul style="list-style-type: none"> ▶ Measure poverty outreach ▶ Track changes in poverty rate over time 	<ul style="list-style-type: none"> ▶ Measure poverty outreach ▶ Track changes in poverty rate over time ▶ Target customers based on poverty level ▶ Segment results by products and services
MAIN SPONSOR AND DEVELOPER	United States Agency for International Development (USAID) with IRIS Center at the University of Maryland	Grameen Foundation with Mark Schreiner of Microfinance Risk Management, L.L.C.
NUMBER OF COUNTRIES WITH TOOL <small>(AS OF FEB. 28, 2012)</small>	38	46 and one expert-based poverty scorecard for China

Notes:

The PAT: Example

Client Assessment Survey - Peru

Interviewer: Text in bold should be read aloud. Text in *italics* are instructions and should not be read aloud.

You should use probing questions if necessary to elicit responses to all questions. If, however, a response is still not forthcoming, the following codes should be used: 99 - not applicable; 98 - no response given.

Fill out the information below before the survey begins. Do not ask the respondent for this information.	
Date of Interview (dd-mm-yyyy)	<input type="text"/>
Interviewer (code)	<input type="text"/>
Branch (code)	<input type="text"/>
Region	<div><div>1 <input type="checkbox"/> Costa Norte</div><div>2 <input type="checkbox"/> Costa Centro</div><div>3 <input type="checkbox"/> Costa Sur</div><div>4 <input type="checkbox"/> Sierra Norte</div><div>5 <input type="checkbox"/> Sierra Centro</div><div>6 <input type="checkbox"/> Sierra Sur</div><div>7 <input type="checkbox"/> Selva</div><div>8 <input type="checkbox"/> Lima Metropolitana</div></div>
Client Location	<div><div>0 <input type="checkbox"/> Urban</div><div>1 <input type="checkbox"/> Rural</div></div>
Months in Program	<input type="text"/>
Client or ID #	<input type="text"/>

Quality Control Checks
Field Supervisor
Date <input type="text"/> Initials <input type="text"/>
Headquarters
Date <input type="text"/> Initials <input type="text"/>
Data Processor
Date <input type="text"/> Initials <input type="text"/>

Hello. My name is _____. I work for the organization _____. We are conducting a survey to learn a little bit more about the clients we work with. My records indicate that [name] is the main point of contact between [organization] and your household. May I please speak to [name]?

If person is desired respondent, read only the instructions marked 2.

If person is NOT desired respondent, read both 1 and 2 when desired respondent is located.

1. Hello. My name is _____. I work for the organization _____. We are conducting a survey to learn a little bit more about the clients we work with. My records indicate that you are the point of contact between [organization] and your household.

2. The interview should only take about 20 minutes and your answers will be put together with answers from other households. All of your answers are completely confidential and your name will not be given with your answers. Are you willing to answer these questions today?

After he/she agrees, proceed with the text below.

First, I would like to ask you about your household. Let me tell you what we mean by 'household.' For our purposes today, members of a household are those that usually live and eat together in this dwelling. It should include anyone who has lived in your house for 6 or more of the last 12 months, as well as the person you identify as the head of household if he or she has been absent for more than 6 of the last 12 months and infants under 6 months of age who normally live and eat here. Do you have any questions about that?

Answer any questions the respondent has before proceeding.

The PAT: Example

Survey Number _____

Now I would like you to identify each person in your household and answer some basic questions about each person. Let's start with the names of each person in your household. Shall I identify you as [name]?

If the respondent is reluctant to provide his or her name or those of others in the household, record relationships instead (ex: Respondent, Husband, etc).

Use row 1 for respondent.

Are you the head of the household or is someone else?

If not the respondent, record the Head of Household's name next, then continue filling in column A with each household member before asking questions in the remaining columns.

A. Household Member's Name	B. Is [NAME] female or male?	C. What is the relationship of [NAME] to [HOUSEHOLD HEAD]?	D. How old is [NAME]?	E. Ask only if age 12 or older What is [NAME]'s marital status?	F. Ask only if age 3 or older What is the last level of education that [NAME] has obtained?
1.		Head 1 Spouse/Partner 2 Son/Daughter 3 Son-in-law/Daughter-in-law 4 Grandchild 5 Parents/Parents-in-law 6 Other Relative 7 Domestic Worker 8 Pensioner 9 Other, Non-relative 10	(complete years)	Under age 12 99 Lives with a partner 1 Married 2 Widowed 3 Divorced 4 Separated 5 Single 6	Under age 3 99 None 1 Preschool 2 Primary School, Incomplete 3 Primary School, Completed 4 Secondary School, Incomplete 5 Secondary School, Completed 6 Technical School, Incomplete 7 Technical School, Completed 8 University, Incomplete 9 University, Completed 10 Graduate School 11
1)					
2)					
3)					
4)					
5)					
6)					
7)					
8)					
9)					
10)					
11)					
12)					
13)					
14)					
15)					

The PAT: Example

Survey Number _____

Now, I would like to ask you a few questions about your home.

2. Not counting bathrooms, kitchens, hallways, or garages, how many rooms does this dwelling have?

enter number

3. What is the predominant material used in the roof of your dwelling?

- 1 ☐ Reinforced Concrete
- 2 ☐ Wood
- 3 ☐ Tile
- 4 ☐ Tin sheet, fiber cement, or similar material
- 5 ☐ Cane or reed mat with mud
- 6 ☐ Reed mat
- 7 ☐ Straw, palm leaves, etc.
- 8 ☐ Other

4. What fuel is usually used in your household to cook food?

- 1 ☐ Electricity
- 2 ☐ Liquefied Petroleum Gas
- 3 ☐ Natural Gas
- 4 ☐ Kerosene
- 5 ☐ Coal
- 6 ☐ Firewood
- 7 ☐ Other
- 8 ☐ Do Not Cook

Next, I would like to ask you about a few items that members of your household may own and use.

5. Does your household own a gas stove?

- 0 ☐ No
- 1 ☐ Yes

6a. Does your household own a radio?

- 0 ☐ No
- 1 ☐ Yes

6b. How many radios does your household own?

number or "0" if 6a response was "0"

7a. Does your household own a color TV?

- 0 ☐ No
- 1 ☐ Yes

7b. How many color TVs does your household own?

number or "0" if 7a response was "0"

8a. Does your household own a refrigerator or freezer?

- 0 ☐ No
- 1 ☐ Yes

8b. How many refrigerators or freezers does your household own?

number or "0" if 8a response was "0"

9a. Does your household own a car, van or pick-up truck?

- 0 ☐ No
- 1 ☐ Yes

9b. How many cars, vans or pick-up trucks does your household own?

number or "0" if 9a response was "0"

Look over the survey to see if you have missed any questions, then end the interview.

Those are all the questions I need to ask you today. Thank you for your time and effort in completing this survey.

[illegible]

The PPI: Example

PPI® Scorecard for Peru

To assist with collection, organizations can use the household roster located on the third page to assist with questions 1 & 2.

Entity	Name	ID	Date (DD/MM/YY)
Participant:			Joined: _____
Field agent:			Today: _____
Service point:			Household size: _____

Indicator	Response	Points	Score
1. How many members does the household have?	A. Seven or more	0	
	B. Six	7	
	C. Five	12	
	D. Four	17	
	E. Three	22	
	F. Two	27	
	G. One	34	
2. In the past week, how many household members ages 14 or older did any work? (not counting household chores)	A. One or none	0	
	B. Two	2	
	C. Three	6	
	D. Four or more	9	
3. What is the highest educational level that the female head/spouse completed?	A. None, pre-school, or kindergarten	0	
	B. Grade school (incomplete)	3	
	C. Grade school (complete), or high school (incomplete)	4	
	D. No female head/spouse	6	
	E. High school (complete), or non-university superior (incomplete)	7	
	F. Non-university superior (complete), or higher	13	
4. How many rooms are used only as bedrooms?	A. None	0	
	B. One	2	
	C. Two	4	
	D. Three or more	8	
5. What is the main material of the exterior walls?	A. Mud, matting, wattle and daub, adobe, stone with mud, or other	0	
	B. Wood, stone, stone blocks with mortar or cement, or brick or cement blocks	4	
6. What fuel does the household most frequently use for cooking?	A. Charcoal, kerosene, or other	0	
	B. Firewood	3	
	C. Gas (LPG or natural), electricity, or does not cook	7	
7. Does the household have a refrigerator/freezer?	A. No	0	
	B. Yes	3	
8. Does the household have a blender?	A. No	0	
	B. Yes	6	
9. How many color televisions does the household have?	A. None	0	
	B. One	5	
	C. Two or more	9	
10. Does the household have a cellular telephone?	A. No	0	
	B. Yes	7	

Microfinance Risk Management, L.L.C., microfinance.com

Score: _____

This PPI was created in December 2012, based on data from 2010. For more information about the PPI, please visit www.progressoutofpoverty.org

The PPI: Example

Peru PPI®: Lookup Tables

The following lookup tables convert PPI scores to the poverty likelihoods below each of the poverty lines.

PPI Score	National Food (%)	100% National (%)	150% National (%)	200% National (%)
0-4	73.7	100.0	100.0	100.0
5-9	70.6	98.5	99.5	100.0
10-14	57.5	95.8	99.4	100.0
15-19	43.3	91.7	99.4	100.0
20-24	39.7	84.5	96.7	99.6
25-29	27.5	77.0	94.8	99.3
30-34	17.8	66.9	90.7	98.1
35-39	9.5	52.0	85.3	95.4
40-44	4.8	38.9	76.8	93.6
45-49	1.4	26.5	63.9	83.9
50-54	0.6	16.8	53.6	77.2
55-59	0.0	8.1	38.5	67.9
60-64	0.0	3.6	25.8	53.3
65-69	0.0	1.5	14.5	38.3
70-74	0.0	0.7	6.5	20.2
75-79	0.0	0.0	2.1	8.3
80-84	0.0	0.0	0.0	4.5
85-89	0.0	0.0	0.0	0.0
90-94	0.0	0.0	0.0	0.0
95-100	0.0	0.0	0.0	0.0

Source: [Microfinance Risk Management, L.L.C.](#) Based on Peru's 2010 National Household Survey.

This PPI was created in December 2012, based on data from 2010. For more information about the PPI, please visit www.progressoutofpoverty.org

What About Impact?

The following definitions will be useful in our discussion of the PPI's relationship to impact:

- ▶ **Outputs** are the results of an organization's programs, projects or activities. Examples are the number of workshops held, the number of new clients, percentage of women clients and the percentage of clients currently living below \$2/day.
- ▶ **Outcomes** are changes that occur, usually over time, among an organization's clients. Examples are the percentage of clients who have moved above the \$2/day poverty line after three years and the number of clients who have a tin roof or better after three years.
- ▶ **Impact** addresses cause-and-effect relationships. In other words, they are the outcomes that are directly attributable to a program, project or activity.

The PPI measures outputs and, more specifically, outcomes. It measures change, but it cannot measure the extent to which changes in outcomes are directly attributable to the organization's programs, projects and activities. **Therefore, the PPI does not measure impact. No client-level poverty data tool measures impact.**

Notes:

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PPI Fundamentals: Measurement and Management

The PPI as a Measurement Tool



As a measurement tool, the PPI can be used for (a) client targeting and market intelligence and (b) understanding movement over time.

Client Targeting and Market Intelligence

- ▶ Who and where are the poor?
- ▶ What are the demographics of the poor?

Movement over Time

- ▶ Are the organization's clients becoming more or less poor over time?

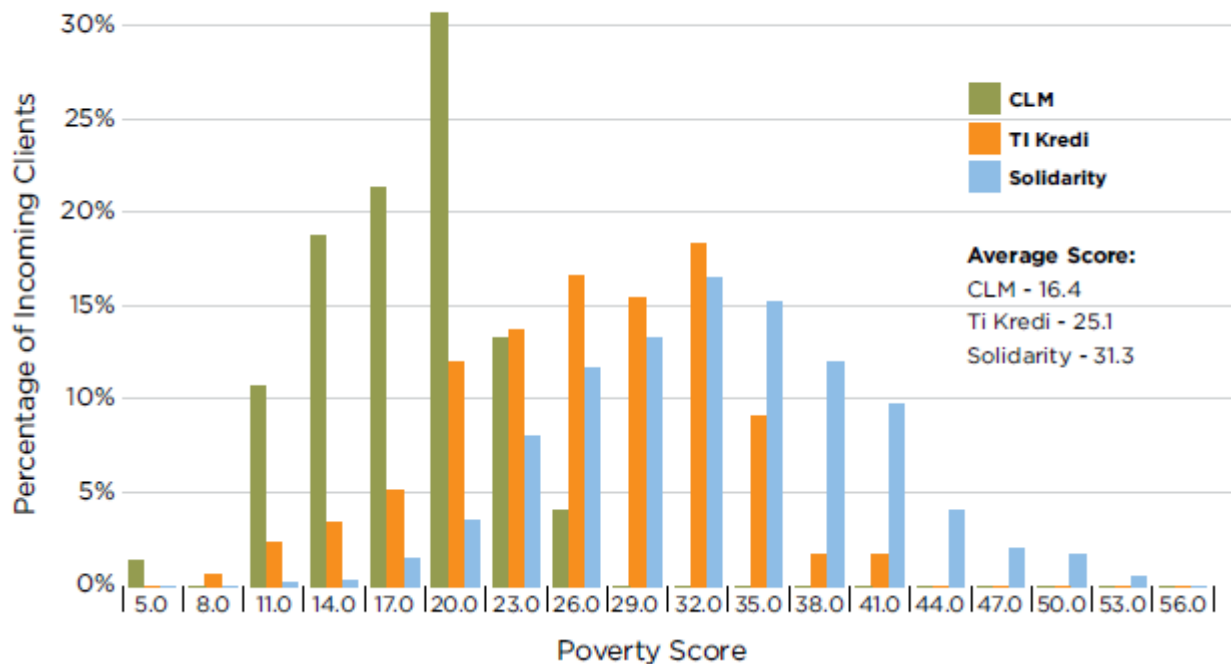
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Example: Fonkoze

The following examples demonstrate how one organization, Fonkoze, is using the PPI as a measurement tool. Fonkoze is the largest microfinance institution in Haiti and offers a full range of financial services to rural-based poor. Fonkoze is committed to the economic and social improvement of the people and communities of Haiti and to the reduction of poverty in the country.

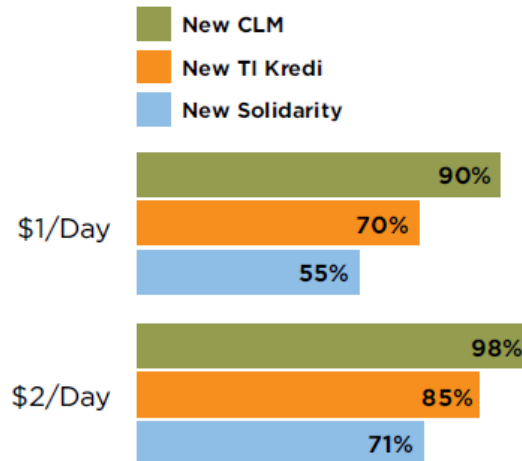
The examples are taken from Fonkoze's 2010 Social Performance Report.

Poverty Scores of Incoming Fonkoze Clients in 2010



- ▶ CLM = non-credit livelihoods programs
- ▶ Ti Kredi = introductory lending program
- ▶ Solidarity = primary lending program

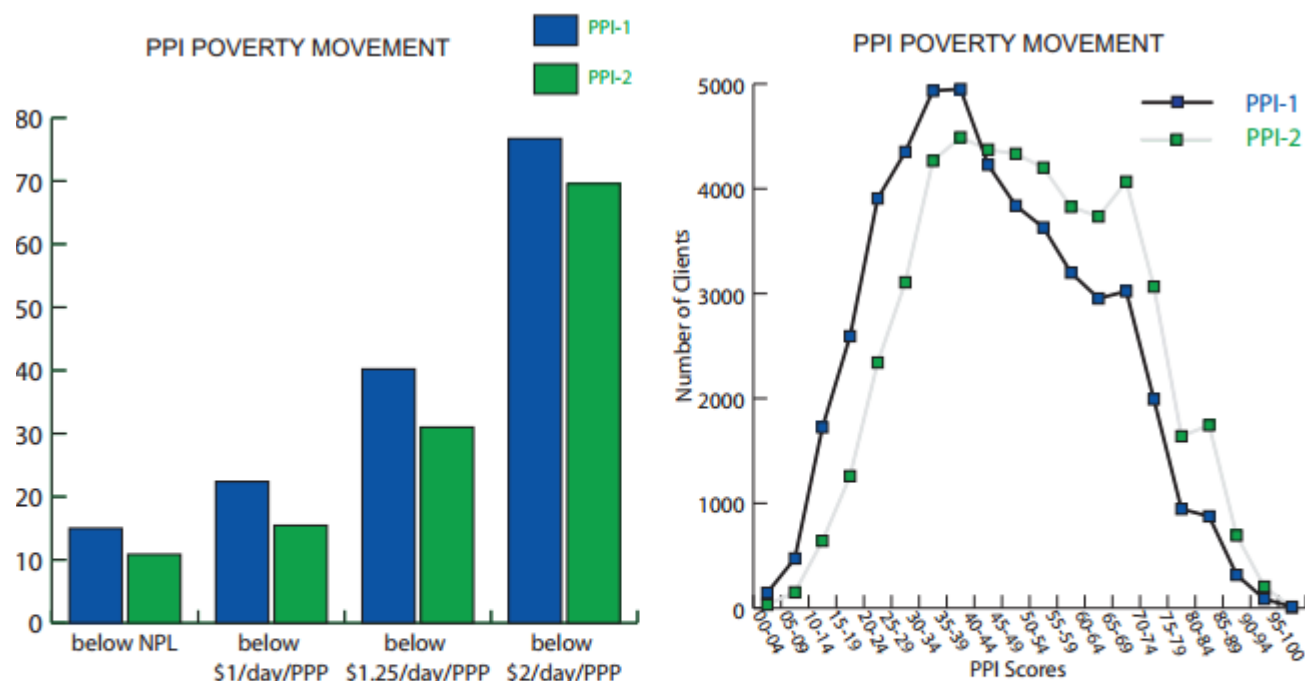
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Example: Grameen Koota

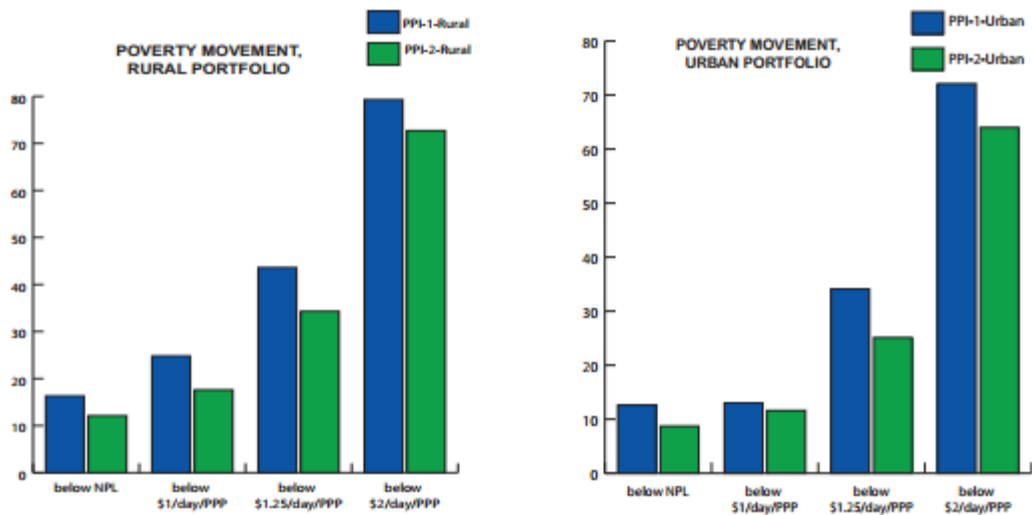
The following examples demonstrate how another organization, Grameen Koota in India, uses the PPI to track movement over time. Grameen Koota, a non-banking financial company, works with the rural poor and low-income households, particularly women, to provide them with financial assistance and non-financial services.

The examples are taken from a case study published by Grameen Foundation.



	Below National Poverty Line	Below \$1/day/PPP	Below \$1.25/day/PPP	Below \$2/day/PPP
National Poverty Rate (% of Total Indian Population)	17%	25%	43%	75%
PPI - 1	15%	22%	40%	77%
PPI - 2	11%	15%	31%	70%

Example: Grameen Koota, continued



Rural/Urban	# of PPIs Assessed	Below National Poverty Line	Below \$1/day/PPP	Below \$1.25/day/PPP	Below \$2/day/PPP
PPI-1 - Rural	30823	16%	25%	44%	79%
PPI-2 - Rural	30823	12%	18%	34%	73%
PPI-1 - Urban	17351	13%	18%	34%	72%
PPI-2 - Urban	17351	9%	12%	25%	64%
90% confidence interval: +/- 0.4% to +/- 0.9% depending on poverty line used for analysis					

Notes:

[illegible]

PPI data, especially if used in combination with other data, can be used as a performance management tool.

- ▶ Program Evaluation
- ▶ Mission Advancement
- ▶ Product Development
- ▶ Operations

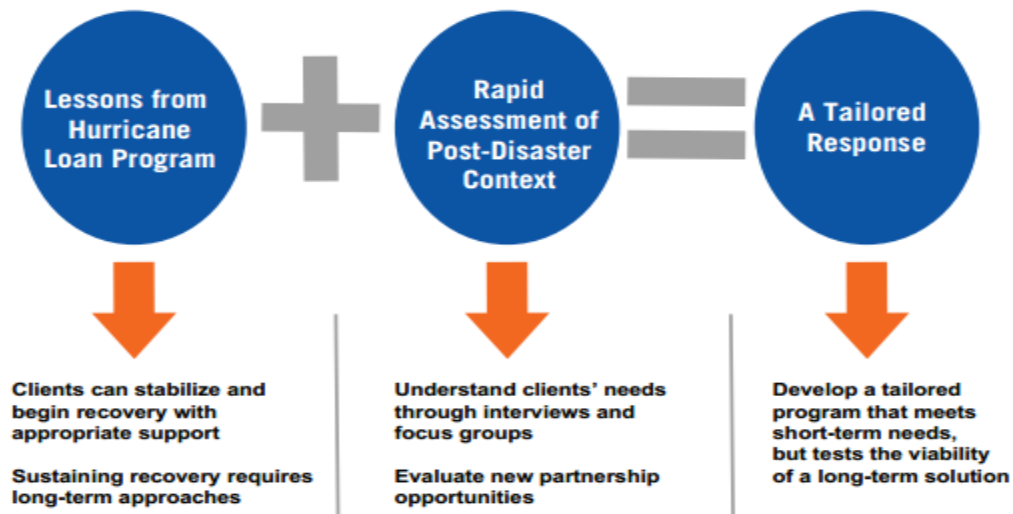
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Example: Fonkoze

PROGRAM EVALUATION

DECIDING ON AN APPROPRIATE POST-EARTHQUAKE RESPONSE



EVALUATING FONKOZE'S HURRICANE LOAN PROGRAM

Poverty Scorecard Results	Food Security Results	Client Focus Groups
<ul style="list-style-type: none">Progressed out of poverty at the same rate as non-hurricane-affected clientsImproved living conditions and small-asset ownership	<ul style="list-style-type: none">17% moved out of most vulnerable categoryPercent of clients considered "food secure" increased by only 1%	<ul style="list-style-type: none">Businesses re-startedIncreased loyalty to FonkozeDemand for better protection in case of future disasters

Example: PT Ruma and CARD Bank



PT Ruma is an Indonesian social enterprise established in 2009 to demonstrate that microfranchising can be an effective tool for poverty alleviation. PT Ruma provides those living on less than \$2.50 per day opportunities to earn revenue by selling mobile phone airtime.

MISSION ADVANCEMENT

- ▶ Bylaws state that 80% of all customers must be below the USD\$2.50 per day poverty line.
- ▶ PPI data showed that the actual figure was 64%. Based on this, PT Ruma created a more effective targeting and screening process.



CARD Bank is a Filipino microfinance institution created for and owned by rural women. The bank is licensed by the Central Bank of the Philippines to accept deposits. CARD Bank serves more than 580,000 clients.

PRODUCT DEVELOPMENT

- ▶ Voluntary savings products were not widely used.
- ▶ PPI data helped show that a client's poverty status does not influence that client's ability to save as much as the products available to that client.
- ▶ CARD Bank lowered minimum savings levels and increased access points for savings deposits.

PPI Fundamentals: The PPI's Construction

The PPI is a Formula

The PPI is a reliable and accurate tool for poverty measurement because it has a solid statistical foundation. Changing any part of the PPI disregards this foundation and may have harmful consequences on the usability of the tool.

H₂O is a familiar formula. It is the chemical formula for water. What happens if you change the formula to H₂O₂? On paper, the change appears minimal, but we've actually created hydrogen peroxide. A small change can have a drastic impact. Remember this because changing the questions to the PPI, even if only the wording of questions, can appear small but drastically change outcomes of the PPI. The PPI would no longer be statistically sound.

Notes:

PPI Scorecard: Uganda Example

Uganda Progress out of Poverty Index® (PPI®): Scorecard

To assist with collection, organizations can use the household roster located on the second page to assist with question 1 and 2.

Entry	Name	ID	Date (DD/MM/YY)
Member:			Joined:
Field agent:			Today:
Service point:			Household size:

Indicator	Value	Points	Score
1. How many members does the household have?	A. Six or more	0	
	B. Four or five	6	
	C. Three	9	
	D. Two	14	
	E. One	27	
2. Do all children ages 6 to 18 currently attend school (government, private, NGO/religious, or boarding)?	A. Not all attend	0	
	B. All attend government schools	2	
	C. No children ages 6 to 18	4	
	D. All attend, and one or more attend a private, NGO/religious, or boarding school	5	
3. What is the highest grade that the female head/spouse completed?	A. No female head/spouse	0	
	B. P.5 or less, or none	2	
	C. P.6	6	
	D. P.7 to S.6	8	
	E. Higher than S.6	19	
4. What is the major construction material of the roof?	A. Thatch, straw, or other	0	
	B. Iron sheets, or tiles	5	
5. What is the major construction material of the external wall?	A. Un-burnt bricks, mud and poles, thatch/straw, timber, stone, burnt bricks with mud, other	0	
	B. Burnt bricks with cement, or cement blocks	2	
6. What is the main source of lighting in your dwelling?	A. Firewood	0	
	B. Tadooba, or other	11	
	C. Paraffin lantern, or electricity (grid, generator, solar)	17	
7. What is the type of toilet that is mainly used in your household?	A. Bush (none)	0	
	B. Covered pit latrine (private or shared), VIP latrine (private or shared), uncovered pit latrine, flush toilet (private or shared), or other	4	
8. Does any member of your household own electronic equipment (e.g., TV, radio, cassette, etc.) at present?	A. No	0	
	B. Yes	7	
9. Does every member of the household have at least two sets of clothes?	A. No	0	
	B. Yes	5	
10. Does every member of the household have at least one pair of shoes?	A. No	0	
	B. Yes	9	

Source: Microfinance Risk Management, L.L.C., <http://www.microfinance.com>

This PPI was created in September 2011 based on data from 2009/10. For more information about the PPI, please visit www.progressoutofpoverty.org.

PPI Household Roster: Uganda Example

Uganda PPI®: Household Roster

Complete the household roster using the key definitions¹. Then record household size and responses for scorecard questions 1 and 2.

Name of household member	How old is [name]? (in completed years)	Does [name] currently attend school? (ask only for ages 6 to 18)	Who manages the school [name] attends? (ask only for ages 6 to 18)		
			Does not attend	Govt.	Private, NGO/religious, or boarding
1.		Not 6 to 18 No Yes			
2.		Not 6 to 18 No Yes			
3.		Not 6 to 18 No Yes			
4.		Not 6 to 18 No Yes			
5.		Not 6 to 18 No Yes			
6.		Not 6 to 18 No Yes			
7.		Not 6 to 18 No Yes			
8.		Not 6 to 18 No Yes			
9.		Not 6 to 18 No Yes			
10.		Not 6 to 18 No Yes			
11.		Not 6 to 18 No Yes			
12.		Not 6 to 18 No Yes			

Use an additional sheet if there are more than 12 household members.

- Record the total number of household members under “household size” at the top of the scorecard
- Mark scorecard Question 1 based on the total number of household members
- Mark scorecard Question 2 based on school attendance by household members ages 6 to 18

A *household* is a person or people, related or unrelated, who live together, who acknowledge a head of household, and who ate their meals together for at least 6 of the last 12 months. Infants, newlyweds, and others present for less than six months are *household members* if they expect to remain. So are students and seasonal workers who have not been living in another household. Servants and farm workers are members if they live and eat there. People who live in the same dwelling, but who do not share food expenses or eat meals together, are not members. Visitors are not members. Polygamous marriages are separate households if each wife and her children live and eat separately.

Currently attending school refers to primary, secondary, vocational/technical, or professional school. Students are counted as currently attending if they are not attending because they are on holiday, on vacation, studying for exams, or if school is temporarily closed. Government, private, NGO/religious, or boarding refers to who manages the school. “Day and boarding” counts as “Boarding”.

Please consult the “Interview Guide” and “Guidelines for the Interpretation of Scorecard Indicators” for further details and definitions.

¹ Key definitions are located in the “Interview Guide”, “Interpretation of Indicators” and “PPI: A Simple Scorecard for Uganda”.

This PPI was created in September 2011 based on data from 2009/10. For more information about the PPI, please visit www.progressoutofpoverty.org.

PPI Look-up Tables: Uganda Example

Uganda PPI®: Look-up Tables

Use the following look-up tables convert PPI scores to the poverty likelihoods below each of the poverty lines.

PPI Score	Food (%)	National (%)	150% National (%)	200% National (%)	USAID 'Extreme' (%)
0-4	87.6	94.2	100.0	100.0	78.9
5-9	82.0	90.5	100.0	100.0	70.9
10-14	62.7	87.4	100.0	100.0	47.7
15-19	51.6	74.0	97.9	98.8	45.3
20-24	35.5	65.1	86.1	95.8	31.9
25-29	25.0	47.9	73.7	90.2	24.9
30-34	11.3	38.1	69.9	85.7	13.7
35-39	12.0	27.3	64.8	85.2	13.4
40-44	4.3	15.1	47.2	73.0	4.2
45-49	4.0	10.7	41.1	66.8	3.9
50-54	1.8	6.7	34.6	57.1	0.5
55-59	0.7	2.9	18.3	41.6	0.9
60-64	0.2	0.8	17.5	33.5	0.0
65-69	0.0	0.5	6.2	18.8	0.0
70-74	0.0	0.7	6.0	13.5	0.0
75-79	0.0	0.0	1.8	2.9	0.0
80-84	0.0	0.0	0.0	3.9	0.0
85-89	0.0	0.0	0.0	0.0	0.0
90-94	0.0	0.0	0.0	0.0	0.0
95-100	0.0	0.0	0.0	0.0	0.0

PPI Score	\$1.25 Intl 2005 PPP (%)	\$2.50 Intl 2005 PPP (%)	Sulaiman \$1.25/day (%)
0-4	100.0	100.0	97.1
5-9	92.1	100.0	89.5
10-14	100.0	100.0	78.9
15-19	92.3	98.8	58.4
20-24	82.6	100.0	55.3
25-29	67.0	95.5	38.1
30-34	61.8	94.8	29.2
35-39	55.3	93.0	16.7
40-44	38.0	86.5	13.3
45-49	31.3	83.7	6.3
50-54	24.6	78.1	5.4
55-59	11.3	61.5	3.1
60-64	6.2	47.4	0.0
65-69	2.5	32.1	0.0
70-74	2.8	14.3	0.0
75-79	0.0	9.3	0.0
80-84	0.0	5.7	0.0
85-89	0.0	0.0	0.0
90-94	0.0	0.0	0.0
95-100	0.0	0.0	0.0

Source: *Progress out of Poverty Index®: A Simple Poverty Scorecard for Uganda*, by Mark Schreiner.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

The Uganda National Household Survey is 22 pages in length, asks hundreds of questions and takes 60 to 90 minutes to administer.

```
graph TD; A[100 Questions] --> B[Logistic Regression]; B --> C[15 Indicators]; C --> D[Peer Review and Field Testing]; D --> E[10 Indicators]; E --> C; A --> C
```

[illegible]

USING THE PPI SCORECARD AND LOOK-UP TABLES

1. Refer to the Ugandan PPI Scorecard and Look-up Tables on pages 24 and 25.
2. Work in pairs – one person will be the interviewer and one person will be the client.
 - ▶ **Interviewer:** Read each question and tally the score.
 - ▶ **Client:** Respond to each question. You can answer truthfully or choose your own answers. Results will be shared with the group.
 - ▶ **Interviewer:** Sum up the total score.
3. Use the Look-up Tables to determine the poverty likelihood of that score using the national poverty line.
4. Record your score.
5. Switch roles to conduct the interview again.
6. As a group, average everyone's scores to determine the poverty rate of the group.

Notes:

[illegible]

PPI Fundamentals: PPI Implementation Cycle



Notes:

DESIGN

COLLECT

REPORT

UNDERSTAND

DECIDE

PPI Fundamentals: PPI Standards of Use

Grameen Foundation developed the *PPI Standards of Use* with input from a variety of organizations working in the area of social performance. The standards cover aspects of intent, data collection, training, processing and reporting and represent the processes and systems an organization should have in place to collect and report poverty-level information accurately and in a transparent manner. While the standards were developed to certify that an organization is consistently and accurately using the PPI, these standards can also be used as a self-audit tool for organizations to use in their PPI implementation.

The standards cover three levels of use:

1. Basic
2. Advanced
3. Tracking over time

The basic standards are mandatory for all PPI users wishing to be certified, while the advanced and tracking-over-time standards apply to institutions that are long-term users of the PPI or are tracking changes over time.

Notes:

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Standards of Use: Basic

INTENT

Agreement to the following statement:

- 1 *My organization agrees to use PPI results to assess performance against our social mission as well as for product and service design and improvement.*
- 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 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).

Standards of Use: Advanced

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.

Standards of Use: Tracking over Time

PROCESS

- 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).

Individual Exercise

PPI IMPLEMENTATION CYCLE AND BASIC STANDARDS OF USE

Instructions

1. Refer to the Basic Standards of Use on page 32.
2. For each standard of use, indicate to which stage(s) of the PPI Implementation Cycle the standard most applies.
3. Be prepared to share your work with the group.

TIME: 10 minutes

Notes:

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

The PPI and Your Organization

Group Exercise – Part One

Uses, Challenges, and Benefits: Through the Lens of Fonkoze

Instructions

1. In groups of 3 to 4, discuss and answer the questions below about Fonkoze’s experience with the PPI. To answer the questions, refer to the case study “Rapid Response in the Wake of Disaster.” Also, reflect on the video and the examples we reviewed earlier when discussing the PPI as a measurement and management tool.
2. Be prepared to share your answers with the entire group.

TIME: 10 minutes

Questions

1. Page 2 of the case study maps the social performance management process at Fonkoze. What aspects of this process are similar to those you have in place in your programs? Are there any aspects of Fonkoze’s process that might be interesting for you to put in place in your programs? Why?

2. Page 5 of the case study states that using the PPI as part of an integrated SPM process has helped Fonkoze to a) maintain a holistic understanding of its clients’ changing needs; b) build capacity and skills to quickly solicit actionable information following crises; and c) establish and strengthen critical information-sharing and communication channels. Based on what we discussed earlier and what we saw in the video, what are one to two specific examples of a, b, and c? In thinking about your own programs, could the PPI help in the same ways? How?

Group Exercise – Part Two

Next Steps for Your Organization

Instructions

1. In groups of 3 to 4, discuss and answer the questions below.
2. Be prepared to share your answers with the entire group.

TIME: 10 minutes

Questions

1. What would your organization want to with PPI data? Select all that apply.

- ☐ Understand overall client profile.
- ☐ Use information to understand clients' preferences for products and services.
- ☐ Track poverty levels over time.
- ☐ Target clients.
- ☐ Other: _____

2. For the uses you selected above, explain why they are important for your organization.

3. Refer to the Standards of Use, starting on page 32. In thinking about your programs, which standard would you foresee as a challenge? Why? What are some ways you might address this challenge?

INTENT

COLLECTION

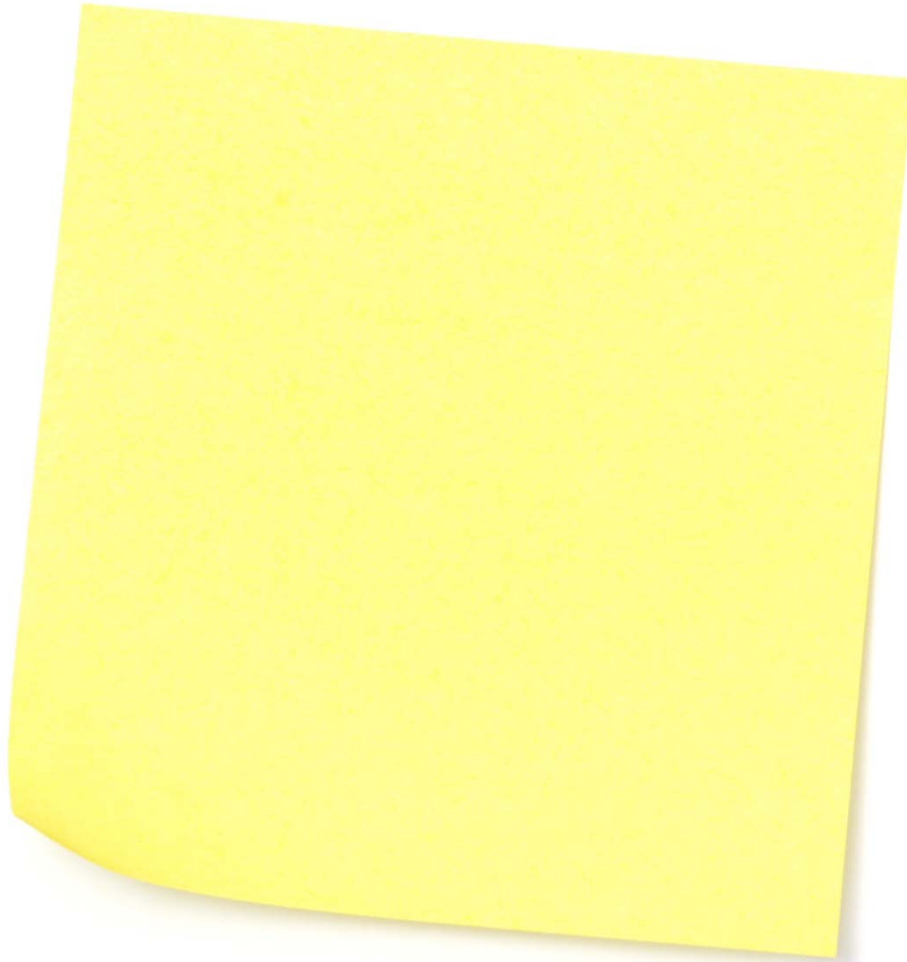
PROCESS

TRAINING

REPORTING

Wrap-up

What would you put on the Post-it® below as a reminder, follow-up, or to-do about poverty measurement as it relates to your programs? ...about the PPI?



Notes:

Learn More



www.progressoutofpoverty.org

Now that you have a better understanding of the PPI, you can continue learning about the tool at the Progress out of Poverty website. There you will be able to:

1. find the PPI for your country;
2. download PPI documents;
3. download learning materials;
4. ask questions and share information on the discussion forum;
5. find case studies and a blog with the most current information on the PPI;
6. watch instructional videos, and more.



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