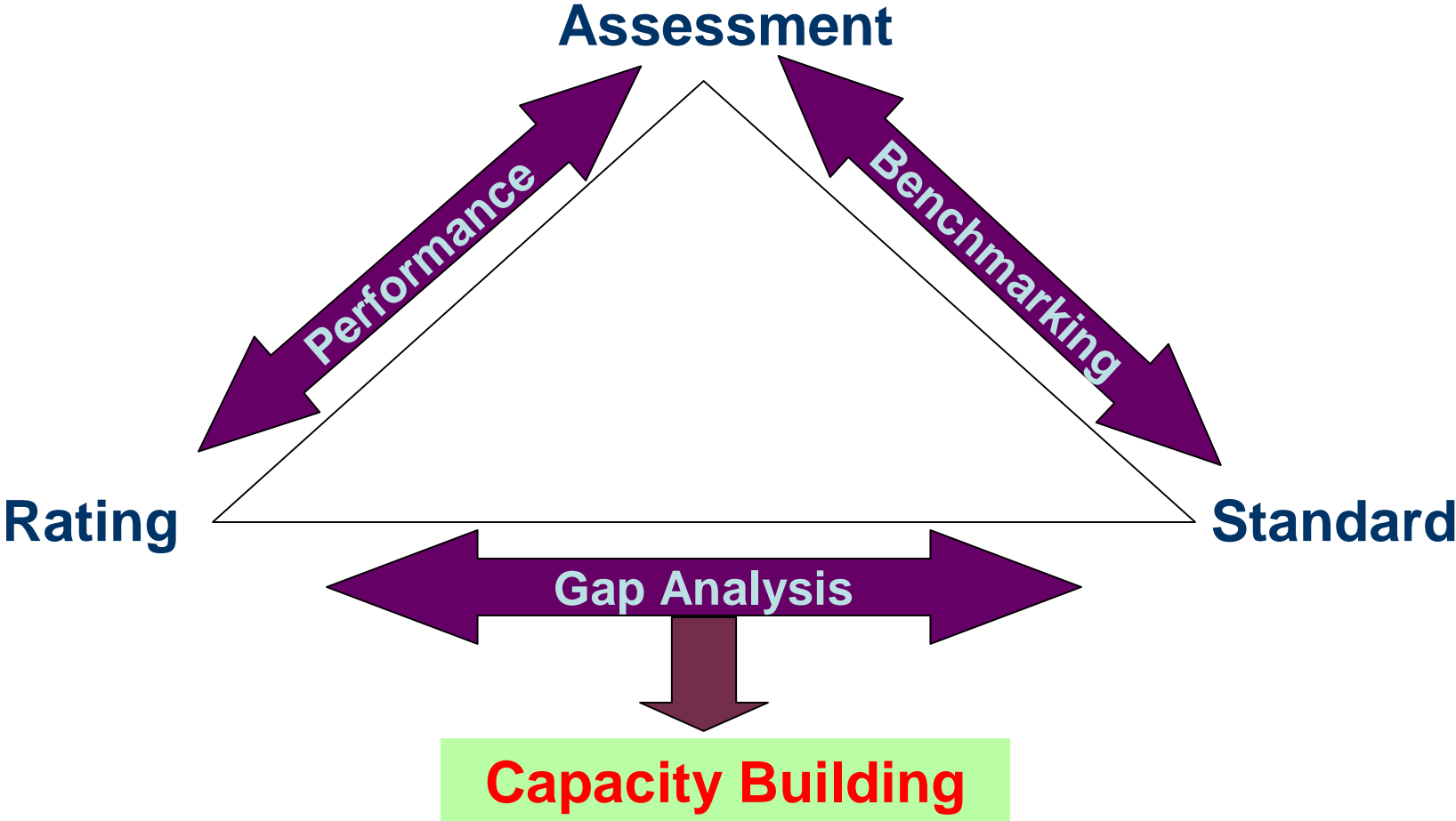


# Welcome

Quality Assessment (QA) Team



# Quality Assessment... the concept



# Quality Assessment

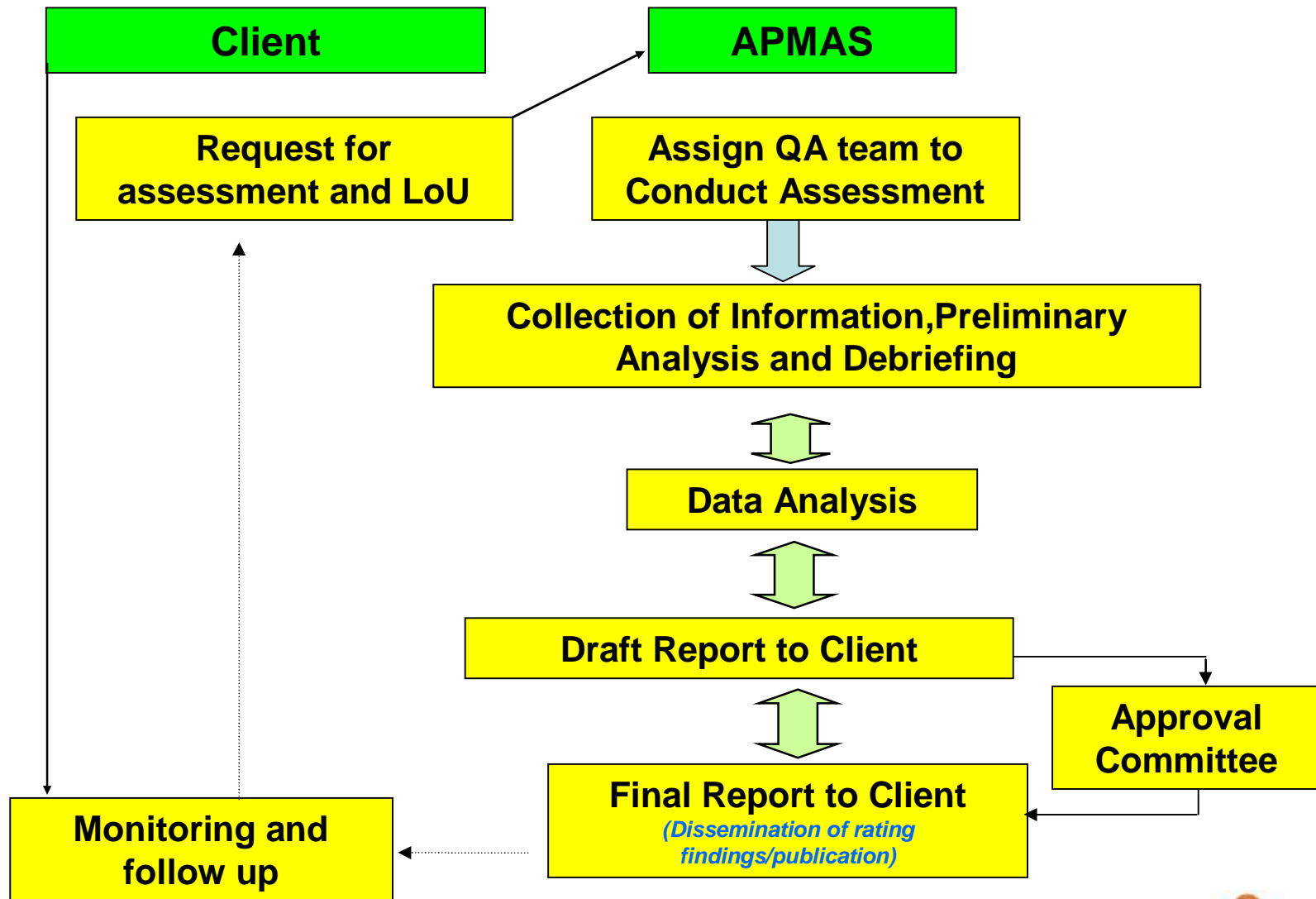
**Focus:** SMFIs and SHPIs  
(NGOs, Special Projects etc.)

## Objectives:

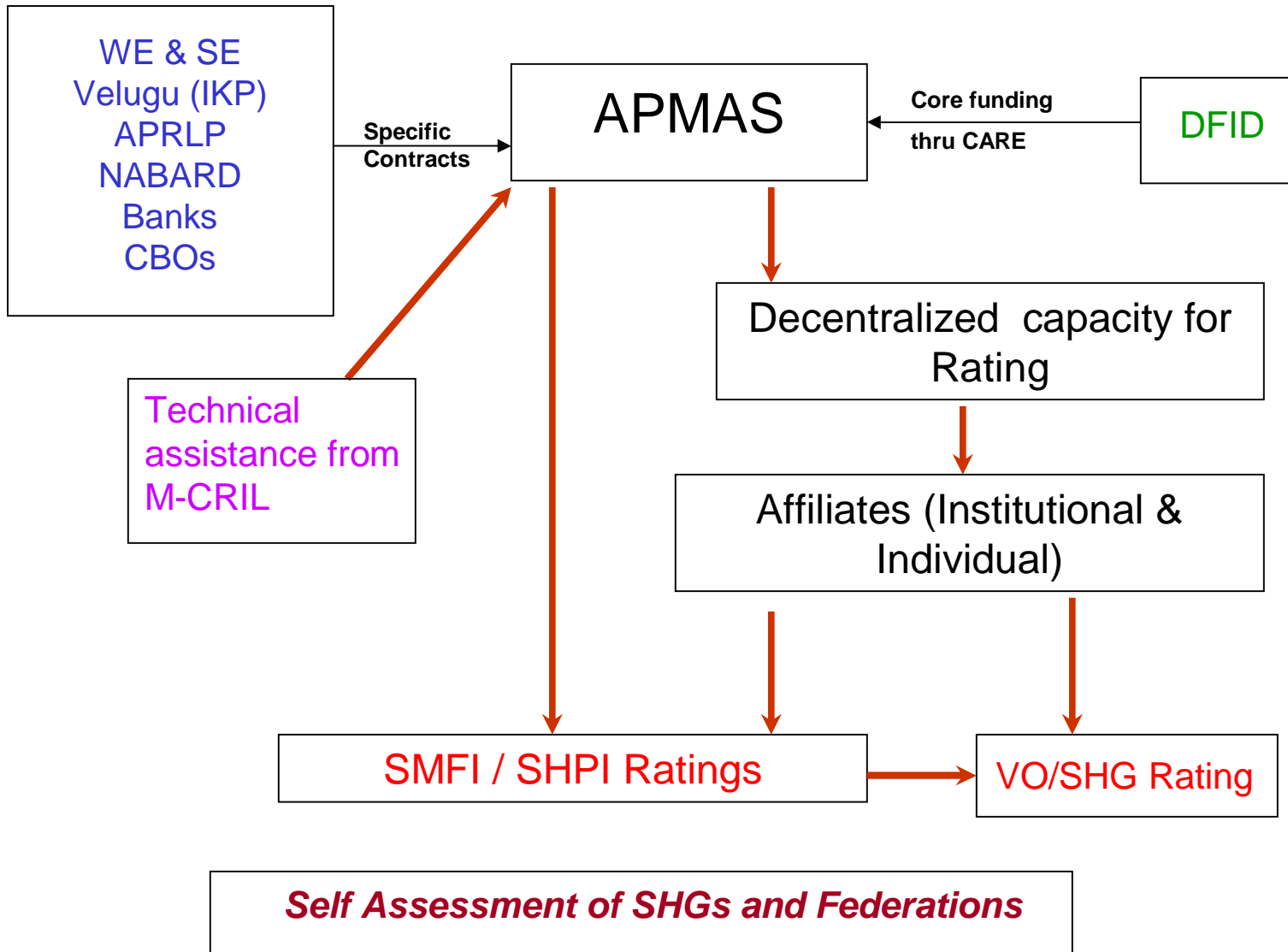
- To assess Credit Worthiness
- To assess Self Management, Financial Viability and long-term Sustainability
- To identify Gaps for planning Capacity Building inputs
- Benchmarking for promotion of Best Practices
- Generating awareness for Self-Assessment



# QA Process



# Quality Assessment: Design



# QA Development Process

S#	Stage of QA development	Year 2002									
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Dec	
1	Review of Literature	■									
2	MoU with M-CRIL		■								
3	QA system developed			■							
4	Field Testing - I of QA System				■						
5	Revision of the QA system					■					
6	Field Testing - II of QA System					■	■				
7	Meeting with NABARD						■				
8	State Level Consultation						■				
9	District Level workshops							■			
10	Meeting with MF team, SERP								■		
11	GRADES developed								■		
12	Pilot Testing								■	■	



## G R A D E S 2.0 Weightage

	Category	Marks	Weight
<u>G</u>	<u>G</u> overnance	80	16%
<u>R</u>	<u>R</u> esources	30	6%
<u>A</u>	<u>A</u> sset Quality	50	10%
<u>D</u>	<u>D</u> esign and Implementation of Systems	50	10%
<u>E</u>	<u>E</u> fficiency and profitability	60	12%
<u>S</u>	<u>S</u> ervices to Constituents or SHGs	30	6%
	<u>S</u> HG Performance	200	40%
	Overall Total	500	100%



# QA Grading Scale

Score	Grade	Description		
		Comment	Self Governance	Operations
>90%	<b>A+++</b>	worth emulation	very high level	excellent quality
85.1% - 90%	<b>A++</b>		high level	excellent quality
80.1% - 85%	<b>A+</b>	emulate, with modification	high level	good quality
75.1% - 80%	<b>A</b>		reasonably high level	good quality
70.1% - 75%	<b>A-</b>		reasonably high level	good quality
65.1% - 70%	<b>B+</b>	needs Capacity Building (CB) assistance	moderate	good quality
60.1% - 65%	<b>B</b>		moderate	moderate quality
55.1% - 60%	<b>B-</b>		needs improvement	
50.1% - 55%	<b>C+</b>	Needs substantial CB assistance	needs improvement	
<50%	<b>C</b>		low level	poor quality



## Level of Effort for QA of an SMFI

Activity	Person Days
Preparatory Work	1
Field Travel & Data Collection	6
Data Analysis & Draft Report Preparation	4
Feed-back from clients/ Approval Committee	1
Finalization	2
Total	14
Assessment always done by a 2-member professional team	



# Tool / systems development

Name of the Tool/System	Status	Description
<u>GRADES</u>	Revised and being used	For assessing SMFIs (SHG and Grameen Model federations) who are engaged in financial intermediation
<u>Coop RATE</u>	Finalised to be shared with the CDF	For assessing Cooperate model of federations (who would not receive the outside borrowing)
Rapid Assessment Tool ( <u>RAT</u> )	Finalised and is being used in some Dists.	Rapid rating of SHG federation performance by field staff with minimum training, to know status of their own promoted federations
<u>Commitment Tool</u> (for SHGs with disability members)	Finalized, shared with Commitment NGOs	To assess the performance of SHGs which have disability (incl. SHG and Disability related indicators)
Social Intermediation Tool ( <u>SIT</u> )	In progress (Proto-type tool finalized)	For assessing of SMFIs who are engaging social intermediation
Self Assessment Tool ( <u>SAT</u> )	In progress (indicators finalized)	Self assessment of SHG federation by Board themselves on periodical basis
SHG Rating	Developed shared with MAVIM	For assessing the performance SHGs
Data Base	Draft version finalized	To create data base for Quality Assessment done by team



## Grade wise Distribution

Grade	2001-02		2002-03		2003-04		2004-05	
	No.	%	No.	%	No.	%	No.	%
<b>A</b>					1	1%		
<b>A-</b>			4	9%	4	5%	11	24%
<b>B+</b>			6	13%	9	12%	15	33%
<b>B</b>	42	63%	4	9%	12	16%	10	22%
<b>B-</b>			9	20%	10	13%	6	13%
<b>C+</b>			4	9%	11	14%	2	4%
<b>C</b>	25	37%	18	40%	29	38%	2	4%
<b>Total</b>	<b>67</b>	<b>100%</b>	<b>45</b>	<b>100%</b>	<b>76</b>	<b>100%</b>	<b>46</b>	<b>100%</b>



## Assessments done - 31.12.2006\*

S#	Promoting Organisation	#	2-tier	3-tier
1	SERP/UNDP (incl. repeat assessments)	32		32
2	TPMU, Adilabad	10		10
3	DRDA (7 Districts)	74	73	1
4	ASP	70	70	
5	YIP	10	10	
6	APRLP, Kurnool (VOs)	10	10	
7	APRLP, Anantapur (VOs)	10	10	
8	CARE	84	83	1
9	FWWB	3	3	
10	NGO promoted Fed.s/MACS	21	3	18
11	CDF Thrift coops	8	2	6
12	CARE- Orissa	6	6	
13	MAVIM-Maharashtra	12	12	
15	BASIX	2	2	
16	ASP-Krishna Dist.	11	11	
	<b>Total</b>	<b>363</b>	<b>295</b>	<b>68</b>



## Customized QA

- 70 MACS and 315 SHGs in 13 dist for ASP by a 8 member team during Feb-May 02
- 6 SHG Fedns and 26 SHGs for DRDA Prakasam
- CBNA of Grama Siri for SFMC
- Women's Banking Institution Feasibility for at Ukhrul, Manipur for NERCRMS
- Institutional assessment for LAYA, Vishakapatnam
- Pre – Feasibility Study Fountain of Development Research and Action (FODRA), New Delhi
- Camel MACS, Nagarajpuram, Sullurpet , Nellore District
- QA of Oazoane – Tamil Nadu



## Other Activities

- Flagship Programs
  - Financial Management Course
  - Accounting and Book Keeping Trainings
  - Delinquency Management and Interest rate setting
- Designing systems
- Impact Studies
- Trainings
- Research Studies



## Impact of QA

	Overall Rating				Change (%)	
	Old	New	Change (%)	Trend	NGOs	Govt.
<u>G</u>	51%	61%	10%	é	13%	8%
<u>R</u>	64%	71%	7%	é	17%	(3%)
<u>A</u>	37%	37%	0%	ç	12%	(11%)
<u>D</u>	48%	63%	15%	é	17%	13%
<u>E</u>	65%	71%	6%	é	12%	0%
<u>S</u>	43%	58%	15%	é	19%	10%
<u>SHG</u>	58%	61%	3%	ç	5%	2%
<b>Overall</b>	<b>50%</b>	<b>61%</b>	<b>11%</b>	<b>é</b>	<b>18%</b>	<b>3%</b>



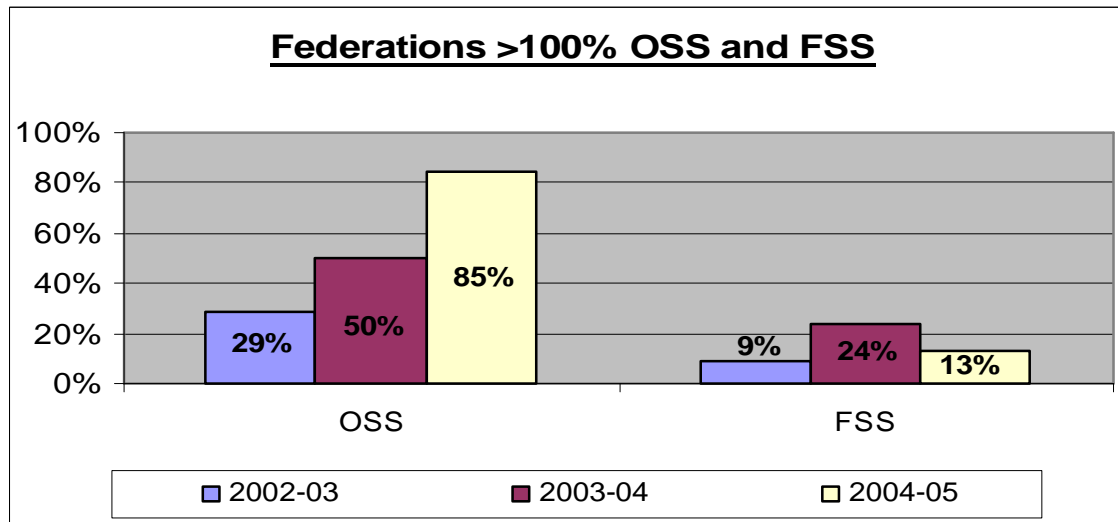
## Impact of QA..

- ❑ Increased quality consciousness among federations and promoters and working towards
- ❑ Recognition of the importance for financial audit and legal compliance among federations and performing the compliance
- ❑ Recognition for systems required for the federations and implemented in most of the federations
- ❑ Identified Need based CB for the Fed. Board and increased self management of SMFIs
- ❑ Using the QA report for bulk lending to the federation and few of the assessed federation are availed financial assistance
- ❑ Reaching to sustainability as mantra through OSS & FSS



# Improving Sustainability

Category	2002-2003		2003-2004		2004-2005	
	OSS	FSS	OSS	FSS	OSS	FSS
<50%	33%	47%	34%	41%	7%	35%
50%-60%	16%	0%	4%	8%	0%	9%
60%-70%	4%	24%	1%	5%	2%	13%
70%-80%	4%	4%	1%	12%	0%	11%
80%-90%	7%	13%	1%	7%	2%	15%
90%-100%	7%	2%	8%	4%	4%	4%
>100%	29%	9%	50%	24%	85%	13%



# Client (Staff and Promoters) Feedback

## What is Good

- ü The process of QA - i.e interacting with Board members, staff, SHGs, verification of books of accounts, knowing systems,
- ü The QA has helped members/promoters to understand the present status and the area of improvement.
- ü Board members have are very conscious about the ratings
- ü QA report in telugu (local language)
- ü Debriefing to the Federation Board members at the end of field assessment
- ü QA helpful in planning for future CB – Staff
- ü Helped them in self assessing of their federations.



# Client (Staff and Promoters) Feedback

## Areas of Improvement

- û Present SHG sample size is small
- û Variance in perceptions of different team members during QA
- û Some times interaction are more like fault finding - way of questioning is harsh and causing hurt to the members
- û Not allowing the Federation staff and promoters to facilitate, viewed by QA team
- û Only FGD and participatory interactive used, no other participatory tools
- û Avoiding the members who are talkative
- û Telugu as well English reports are required for external linkages



## Feedback on QA done so far

Name	Promoters (% Yes)	Assesses (% Yes)
Timely Report	75%	58%
Understanding of the report (without external facilitation)	75%	9%
Quality of Report	100%	45%
Quality of recommendations	88%	67%
Utility of report	88%	88%
Discussions on report	88%	80%
Action taken on report	100%	91%
Was it beneficial ?	100%	100%
Were they demoralized ?	0%	17%
Any trainings based on QA ?	75%	58%
Ready for re-assessments ?	50%	92%
Can they pay ?	33%	50%
Do they need any trainings ?	67%	100%
Would they take trainings from APMAS?	88%	73%
Would they be able to pay ?	42%	27%
Do they need follow-up?	100%	100%
Was it beneficial ?	50%	86%
Did they change any systems?	100%	83%



## Lessons learnt

- Assessment (Rating) system for SMFIs is needed
- Consolidation presentation leads to action plan
- § Where ever NGO is there significant improvement in federation after QA (some follow up)
- § Follow-up support is must, hence need to be packaged for all future QA
- Combine planning is needed by QA & QE for assessment and follow up
- Flexibility to spend more time in field if necessary
- Split in qualitative indicators, no scope for subjectivity and bias in Grades-2.0
- Board members presence while making a presentation of consolidated findings is useful
- Action plan workshops post QA, to be included for all SHPIs



## Lessons learnt

- Report writing to include local jargon/dialect and reduced technical jargons
- Gaps in data entry/collection taking lot of time during preparation of consolidated presentations
- Reports to be reached to all levels – promoter, staff and federation
- Improvement in report writing with specific implement-able recommendations, rather than making broad suggestions.
- Information about QA dates to be given to Federations
- Regular and periodical Impact Studies and follow-up visits
- Regular monitoring/post follow-up with Action Taken Reports
- Share of fee to be borne by Federation for the Federation to own the rating



# Issues/Concerns/Challenges

## External

- Ⓢ Complex of rating for different federations
- Ⓢ Doing QA and Follow-up by QA team
- Ⓢ Meeting the demand for QA
- Ⓢ No significant demand from FIs
- Ⓢ Availability : Data (FSs, loan schedule) and concern staff
- Ⓢ Credibility for GRADES
- Ⓢ Client acceptance

## Internal

- Ⓢ Retention quality staff and availability competent staff
- Ⓢ Data integrity, database management (incl. tracking the impact)
- Ⓢ Integration of QA & QE
- Ⓢ Routine for staff (only doing assessments)
- Ⓢ Complicated job working in QA
- Ⓢ High expectation from other teams



# Systems & Processes

## q Systems:

- § Monthly Time sheets – individual and consolidated
- § Monthly Progress Report
- § Quarterly Progress Report
- § Quarterly Plan vs Progress ppt
- § Half-yearly Plan vs Progress ppt
- § 9 months Plan vs Progress ppt
- § Annual Plan vs Progress

## q Processes:

- § Filing
- § Consolidation of Approval Committee feedback
- § Process Documentation
- § Monitoring sheet
- § QA Costing



# Thank You

