THE RURAL FINANCE INFORMATION SYSTEM

Mission Report

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RFS

Contents

Introduction

This mission was not a report-writing mission about project implementation, project evaluation or strategy development. According to the terms of reference for this mission (see Annex 1.), the Financial Operations Specialist for Rural Financial Services was to:

"… *assist PFIs/FSCs to design new and/or upgrade existing software that is suitable for operating the rural financial services under the UDLF and the FSC revolving funds and train concerned staff in using the software."*

and:

"…study how best the PFI/FSC operations can be linked to the programme's MIS for the rural financial component and subsequently design/adjust the operational systems software with the PFIs/FSCs accordingly."

These tasks were executed according to plan in the period between 15 July and 15 October 2000. Because of insecurity in the region, travel of the consultant was limited to Davao City during the second part of the mission. This has limited the contacts between the consultant and the Partner Finance Institutions (further on as "PFIs"). The consultant has the impression that, if rural visits were allowed, more progress could have been made regarding the first task of this assignment. As this was not possible, more time and energy has been invested in the second part of the assignment, resulting in the linking of the Rural Finance Information System into the UDP MIS and even the linking of the MIS with the GIS, which was not part of the terms of reference.

Assistance to PFIs

The consultant has visited all PFIs during the first 6 weeks of the mission. It is only the Rural Bank of Digos that was not visited because at the time the RBD became a UDP partner, the consultant was no longer allowed to do rural visits. The PFIs used the following MIS systems:

Name	**MIS**	**Specifics about the MIS**
1. CAMTRIMCO, Cateel Mandaya Tribal Multi-Purpose Coop.	Manual Administration	Uses Word and Excel on neighbor's computer.
2. Magsaysay Farmers Multi-Purpose Coop.	"Integrated Monitoring System" from Sharon Lomantas, Davao	Dos based, handles shares, savings accounts and loans. Very basic. No accounting.
3. Malita Multi-Purpose Coop.	MIS from Alan Loganio, Year 2000 Computer Innovations Sales & Services, Davao	An integrated system for coops with membership, deposits, loans, inventory and accounting.
4. Mangloy Multi-Purpose Coop.	Manual Administration	Effort to develop custom made software was

		abandoned.
5. Maragusan Valley Development Coop.	Manual Administration	Effort to keep a computer running was abandoned.
6. Network Rural Bank	FAO Microbanker with micro-lending reporting module in development.	Savings, loans, accounting computerized.
7. Rural Bank of Alabel	Uses Puspus deposits tracking programme. Nothing else.	
8. Rural Bank of DARBCI	Uses Puspus deposits tracking programme. Nothing else.	
9. Rural Bank of Digos	Uses FAO Microbanker.	Savings, loans, accounting computerized.
10. Rural Bank of Montevista	Uses Puspus deposits tracking programme.	Some branches also have loan tracking computerized. Monte Vista is not using it because it doesn't fit their specs. Accounting not computerized.
11. Rural Bank of Tampakan	Uses Puspus deposits tracking programme. Nothing else.	
12. Sarangani Rural Bank	Uses FAO Microbanker.	Savings, loans, accounting computerized.

The main conclusions here are:
- There are 2 coops with a manual administration (Camtrinco and Maragusan).
- There are 4 rural banks and 1 coop with a partially automated administration. For the rural banks (Rural Banks of Montevista, Alabel, Tampakan, DARBCI Maitum) this is only a deposit tracking program, for the coop this is a shares, deposit and loan tracking program (Magsaysay Farmers Multi-Purpose Coop.).
- There are 3 rural banks and 1 coop with a fully automated (and integrated) system (Network Bank, Rural Bank of Sarangani, Rural Bank of Digos[1] and Malita Multi-Purpose Coop). A fully automated system means here: deposit tracking, loan tracking, shares and inventory (the last 2 in case of coops) and accounting. As all these administrations are also linked to each other, we speak of an "integrated" system.

However, in all cases rural finance data was not automated up to the group member level. Wherever possible, PFI's kept the administration of the relationship between the coop/bank and the group on their computerized MIS system, but had to do the administration of group members separately in a manual system. As of now, this doesn't pose a problem as the amount of data is still very marginal. However with the second and third batch of barangays coming up and the extension to loan administration, the quantity of data can increase quickly. Therefore the consultant thought it wise to organize a

[1] Information from the Rural Bank of Digos has not been verified.

workshop on MIS systems for the PFIs to prepare the organizations for important decisions that they will have to take regarding the future of their administrative systems.

Setting up of a Rural Finance Reporting System

From the beginning for UDP, it was clear that PFI's would be free to choose their own software solution to administer rural finance data. UDP was not going to dictate anything. For the integration of the PFI's rural finance data into the UDP MIS, it would have been easier if all PFI's would use the same software. However the consultant could not count on this. In the end this would mean that every PFI could choose its own solution, making the integration with the UDP MIS more difficult and more expensive as well.

Initially the consultant reviewed the indicators of the UDP logic framework as the output of the UDP MIS had to be directly related to these indicators. The indicators were redefined as follows:

Indicator 5.1: Number of UDLF's established by PFI's, operated profitably and expanding - servicing all 30 program municipalities by 2006.

Comment: The adjective "operated profitably and expanding" implies that UDLF's which are not operating profitably or which are not expanding, should not be included in the count. We don't think that this is the case, therefore this indicator should read simply: *"Number of Upland Development Loan Funds established by PFI's"*.

The alternative would be that this indicator is a summery of 3 sub-indicators:
1. Number of Upland Development Loan Funds established by PFI's.
2. Number of profitable Upland Development Loan Funds established by PFI's.
3. Number of expanding Upland Development Loan Funds established by PFI's whereby expanding is defined as having a growing loan portfolio.

During a workshop of the Rural Financial Services component on 24 August, management agreed to take up the alternative definition. For the reporting system this means that 3 different items will be measured instead of one item.

Indicator 5.2: FSC's established and operated (with average seed capital of at least P50,000) in 30 municipalities servicing all programme barangays and sitios.

The Rural Financial Services component had no comment on this indicator.

Indicator 5.3: At least 9,600 beneficiary HHs have accessed loans from FSC or UDLF.

Comment: Indicator 5.3 talks of HHs, meaning households. There is a practical problem here that banks and coops don't register "households" but "customers", meaning individuals. The Rural Financial Services component therefore proposes to change indicator 5.3 as follows:

At least 12,000 beneficiaries have accessed loans from FSC or UDLF.

As the number of individuals is supposed to be higher than the number of households - some members come from the same household - the number of 9,600 should be adjusted. As we expect 5 members to come from 4 households, we replace the 9,600 households by 12,000 beneficiaries.

During the discussion at the workshop, there was some debate about the number of 12,000, which seamed so much higher. However, in the end, the number was accepted, as well as the fact that Rural Financial Services was going to measure individual clients and not households.

Indicator 5.4: 75% reduction in level of dependence on high-cost informal sources of credit of majority of beneficiaries.

Comment: Indicator 5.4 talks of "*reduction in level of dependence*". The question is how to measure this. If this indicator is important and if it can be measured at all (!), the project should now conduct a field study in every barangay where it is going to work to measure this level of dependency and do the same survey again in 2006. This is not an indicator that can be measured by an MIS system.

The conclusion of the workshop was that these surveys should be done and that this indicator is not something that can be measured by an MIS system.

Indicator 5.5: At least 75% of beneficiaries save at least once per month into an account

Comment: Indicator 5.5 implies that we have to measure the frequency of savings transactions. It means that you count the number of transactions (we propose deposits only, excluding withdrawals) in the period and divide this by the age of the account, measured in months. For 75% of the accounts, this average should be above 1. This is not a standard reporting feature for off-the-shelf MIS systems, but it could be added.

An alternative would be to measure the average age of the last savings transaction. The target would be 30 days. This indicator is easier to measure than the frequency. Another alternative would be to calculate the average savings balance per member. If over time, you see that this balance increases, you know that people are saving.

In the first 2 cases it will be difficult to calculate these indicators if there is only a manual administration or if the savings administration of the group members is done manually.

The workshop didn't come to a conclusion on this item. Later on this indicator has been made operational by counting the number of "in-active" accounts at reporting date. "In-active accounts" are then defined as accounts without transactions during the last 30 days.

Indicator 5.6: FSCs have an average membership of at least 150.

The Rural Financial Services component had no comment on this indicator.

Indicator 5.7: FSCs have repayment rate of at least 95%.
and
Indicator 5.8: UDLFs have a repayment rate of at least 92%.

Comment: the Rural Financial Services component wonders why Indicators 5.7 and 5.8 – the repayment rates – have different targets and proposes to put both at 95%.

The workshop agreed to this modification.

The Rural Finance Reporting System

During the above workshop draft formats were presented to the UDLF officers for reporting from PFI to PPO. One is for quantitative data, the other for qualitative data. The formats were tested with data from the second quarter of the year 2000 and was evaluated and refined during a second workshop on 14 September. The main issue here was whether this system is to produce monthly or quarterly data. As filling out the data-collection form would be tedious – especially for non-automated PFI's – and as UDP needs this data only on a quarterly basis, we decided to have the quantitative data collection quarterly and the qualitative data monthly.

We also decided to collect data in its most rudimentary form. This is at the group level. The argument is that if UDP can collect basic data for each Savings and Loans Group, it is less limited to generate add-hoc reports at a later stage. The privacy issue has been discussed with the PFI's. As long as UDP receives data at group level, there is no problem here. It would be different if UDP wanted data at group-member level. See annex 2 and 3 for the reporting formats.
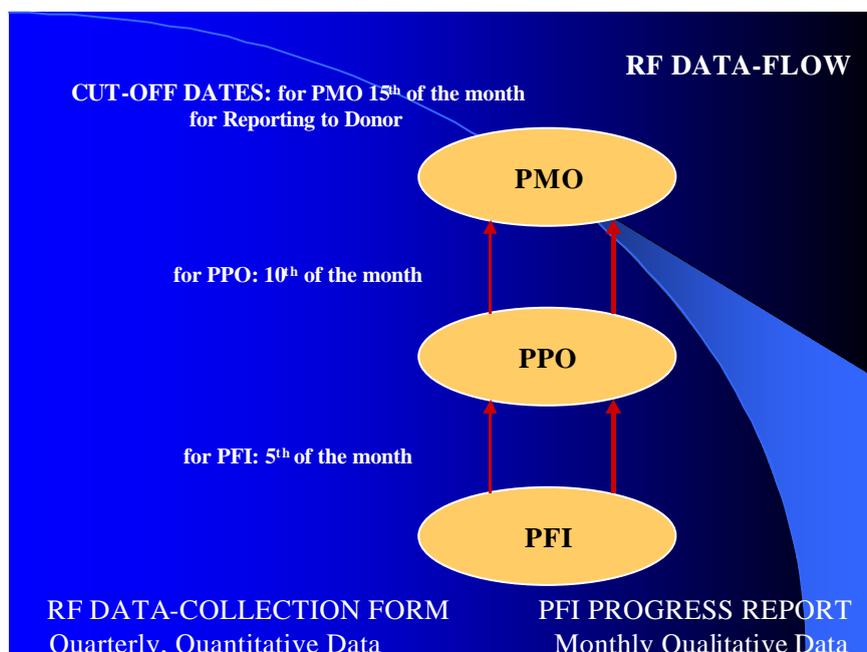
RF DATA-FLOW

CUT-OFF DATES: for PMO 15th of the month
for Reporting to Donor

PMO

for PPO: 10th of the month

PPO

for PFI: 5th of the month

PFI

RF DATA-COLLECTION FORM
Quarterly, Quantitative Data

PFI PROGRESS REPORT
Monthly Qualitative Data

The Quarterly Data Collection Form is to be submitted at the latest 5 calendar days after the end of each quarter by the UDLF officers to the PPO rural finance officer. The RFO checks the forms whether they are filled up correctly, makes a copy and submits them to PMO-RFS not later than 10 calendar days after the quarter ended.

In time, PFI's could generate the quantitative reports in digital format from their MIS systems and PPO could upload these into the UDP MIS database, thereby eliminating tedious paper work.

Workshop on MIS for Rural Finance

The workshop on MIS systems for Rural Finance took place from 12 to 14 September. See annex 4. for the agenda of the workshop. All PFI's participated with their managers and MIS-administrators or accountants. On the first day representatives from supporting organizations held brief presentations of their software. On the second and third day, each PFI had a computer available where their representatives could test out certain software. The conclusions from this workshop were that:
1. Most PFI's didn't have a need to immediately automate their rural finance data up to group member level as the amount of data was still small.
2. All PFI's realized however that this was just a temporary situation and that they had to look out for suitable software in the near future.
3. All PFI's appreciated very much this occasion where they could "peek" into other software packages.

But the big question from the PFI's was how much UDP would assist them in their automation efforts. At that time UDP could not give a final answer.

Just before the end of the mission, 3 of the PFI's made up their minds and opted for one of the MIS systems presented during the workshop. They wanted to wait with the implementation until the consultant is expected back next year.

Linkage to UDP MIS

The MIS system at which the MIS-administrator at PMO is working, is still in its rudimentary form. There is no programme component – except now RFS - that is linked to this system. The consultant has extended this system for the SLG's, FSC's and SLG data. Based on the information that UDP receives from the PFI's, the consultant created a data-validation program that is to be implemented at PPO level.

The UDP MIS database will be implemented at 2 levels for a start: PMO and PPO. Possibly in a later stage this can be extended to Municipal level too, depending on the data collection that will be done at this level. It will exist independently at PPO and PMO level. Each PPO will have its own database.

The UDP MIS database is an MS Access database with the name "UDP_MIS". This is a single file of type "MDB". It is not encrypted. It contains database tables, queries, reports and - maybe later also - entry forms, macros and coded modules.

MS Access databases allow the definition of user groups and the attribution of user rights. The highest level is the Administrator. The user, who logs in as Administrator, can add/modify/delete all objects, entire tables or queries, forms, reports, macros and modules. Lower access levels can be created whereby the read, update, insert and delete permissions can be defined per table, query, report, form, macro and per coded module.

Besides general access levels whereby certain users are allowed to add/modify/delete records in certain tables, UDP needs validations for inserting, updating and deleting records in order to avoid data being inconsistent.
The UDP_MIS database has core tables, queries and forms that are password protected at 2 levels. The core is the well-protected system part of the database that can never be accessed directly, except by certain authorized persons from PMO, who know the highest access level. Nobody at PPO level can enter the database at this highest access level.

The PPO access level is read-only for the core of the system. All data-entry for the core part of the database, should be done by external programs that allow data validation. These external programs have to set up a connection to the database at administrator level in order to be able to write to the database. The connection string with user name and password has to be hard-coded into this application.

At the same time, the user at PPO level should be able to add tables for his own sake. Not only does this stimulate a higher degree of involvement of the PPO in the MIS, it can also lead to useful contributions that outgrow the limited capacity of PMO in the development of the MIS.

The "free" tables created by PPO should be linked to the core data via index keys. The users at PPO level need to receive training in how to do this. The user at PPO level can directly access these tables, not the core tables. If PMO feels the need to extend the core system with these free tables, it can do so. Once these tables fall in the core system, they cannot be accessed directly anymore. All PPO's will then get these new tables as well as an external data-entry module to validate new entries.

Besides the addition of new tables, staff at PPO level will have the need to create their own queries and reports. Here again, some queries and reports are well protected and PMO staff can only run these standard queries and reports but cannot modify them. However PMO staff can create additional queries/reports. Just like the tables, PMO has the right to declare certain queries/reports of general interest and integrate them to the core system.

Whenever an external program is created to validate data entry into the UDP MIS, it should be developed in such a way that it does not allow user access to the data without going through the proper data-entry forms. For that reason it is not possible to create data-entry screens in the UDP_MIS file or in any other "mirror" file. As soon as a connection with the tables is established whereby the user gets add/update/insert/delete permissions, he/she can access the tables also directly, without going through the proper data-entry forms. This should be impossible in all cases.

The program also has an export module where PPO can export the SLG and FSC data for the last quarter into a separate file that can be emailed to PMO and be uploaded to the PMO MIS.

During the last days of his mission, the consultant gave a training for the data-controllers and loan officers at PPO to work with this system. Installation disks have been provided to setup this system at PPO level, but some assistance might be needed for the actual implementation. It is expected that the Software Development Specialist at PMO can give this assistance. He is also in possession of the source code for the Rural Finance Data-Entry Program, so that – if needed – he can make adjustments.

The creation of this data-entry program for Rural Finance makes it possible for the RFO's to enter the information from PFI's into the MIS at PPO level, create an export file for the last quarter and email this as an attachment to PMO-M&E. The last person has the responsibility to update the MIS database at PMO.

Linkage to UDP GIS

Together with the Watershed Management Specialist, the consultant has been working on the linkage of the GIS with the MIS. As long as the SLG's have different coordinates, they can be presented on maps and any information that is or can be linked to these SLG's can be presented on these maps. The ArcView software – using DBF tables itself to store native data - makes it possible to connect to an MS Access database via an ODBC link and to create ad-hoc queries as the basis for data representation on maps. The challenge now is to create pie and bar chart map templates that can connect to the MIS database dynamically. If the underlying data changes, the parts of the pie or the bars on the map change with them. Although the automatic links with the database can be established, the automatic charting is currently not yet possible.

Achievements

1. All PFI's were visited with the exception of Rural Bank of Digos.
2. A workshop was held on MIS systems and automation of Rural Finance for the PFIs.
3. A reporting system has been setup between PFIs and PPO and between PPO and PMO regarding rural finance data. Data-collection forms were developed to collect rural finance data from the PFIs.
4. UDLF officers were trained to use this form.
5. A contribution was made to award bids for the tender of computer equipment and software for the UDP programme.
6. The UDP Management Information System has been improved and extended with rural finance data.
7. A security system has been setup to prevent un-authorized, direct data-entry into the UDP Management Information System and at the same time to allow users to create their own tables, queries and reports that they need.

8. A data-entry software program was created to enter – and validate – rural finance data from the PFI's into the UDP Management Information System.
9. A workshop was held for PPO data-controllers and credit officers to enter data from the quarterly data-collections forms into the UDP Management Information System.
10. A link with the GIS system was developed - together with the Watershed Management Specialist - in order to present data from the MIS geographically.

Conclusions

1. UDP's Partner Finance Institutions don't have an urgent need to automate their rural finance data.
2. UDP's Partner Finance Institutions are aware that they will need some software solution to automate their rural finance data within the next six to nine months.
3. UDP's Partner Finance Institutions have been made familiar with the alternatives for extending their MIS systems to include rural finance data (see Annex 5. Slideshow: Intro Workshop on MIS Systems for Rural Finance).
4. It is expected that in the second half of next year the PFIs need more assistance with the automation of rural finance data.
5. The UDP Management Information System is still in development. A start has been made with the setup of the system and building the Rural Finance component into the UDP MIS. However, this is the first UDP component to supply data for the MIS and a lot more needs to be done. The reporting part is not finished and links with the other components have to be established as well.

Recommendations

1. It will not be possible to work efficiently at PPO level on only one standalone computer for MIS and GIS. Therefore, PPO should have a simple peer-to-peer network so that people from different components can work together on a common MIS/GIS database from their own workstations.
2. The Rural Finance part of the UDP MIS system is to be extended with reporting features, especially on the loans part and on tracking of the indicators of the logical framework. Also for visualization of rural finance data in the GIS, certain standard templates have to be developed.
3. The UDP MIS is to be extended with data from other components. Time and manpower – a data-analyst/programmer - should be allocated for these tasks.
4. As soon as the loan administration will take off, the PFI's will need further assistance with their MIS systems. This is expected during the next 6 to 9 months.
5. UDP will soon receive a batch of more than 100 computers for PMO, PPO and Municipalities. It is the opinion of the consultant that UDP programme needs a full-time staff member as MIS-administrator at PMO and a second person to assist PPO's with their MIS development needs.

The consultant proposes a follow-up mission of 3 months in the period June-August 2001 for recommendations 2) and 4).

Annex 1.

Terms of Reference

Financial Operations Specialist for Rural Financial Services

Micro Finance is commonly known as banking with the poor. There is consensus among stakeholders that Micro Finance is innovative and unique and requires a special approach and methodology in order to reach out to the many poor clients. The UDP concept of rural financial services to upland farm households is similar to this micro finance approach.

Successful lending to the poor is presently done by specialist financial institutions, commonly called Micro Finance Institutions (MFIs). They have emerged worldwide often following the Grameen Bank model. The formal banking system, as is also the case in Southern Mindanao, has shown little interest in entering the micro finance lending business. However some rural banks and other financial institutions in the region have been identified as potential for handling UDP's credit revolving funds (UDLFs). UDP's actual lending services to farm households will mainly be done by Community based Financial Services Centres (FSCs) to be established, linked to the PFIs for technical and financial support.

To extend micro finance services professionally, successfully and profitable under the rural financial component, specific expertise is required to introduce appropriate financial operating systems for the micro finance activities of the PFIs and FSCs. Specifically the consultant will assist PFIs/FSCs to design new and/or upgrade existing software that is suitable for operating the rural financial services under the UDLF and the FSC revolving funds and train concerned staff in using the software.

Another important task of the expert will be to study how best the PFI/FSC operations can be linked to the programme's MIS for the rural financial component and subsequently design/adjust the operational systems software with the PFIs/FSCs accordingly.

The expert should be familiar and experienced with micro finance operation systems that have proved to work. A total input of 8 man-months distributed over four years starting from year 2000 is allocated. The consultant will work closely with the expatriate and national rural finance specialists and programme staff who both are not familiar with software programming.

Annex 2. Quarterly Rural-Finance Data-Collection Form

Name and Branch of Partner Financial Institution:				
Name of Entry-Person (UDLF Officer):		Entry Date:		Valid for Quarter Ending:

No.	Indicator\Unit	1	2	3	4	5
1	Name SLG					
2	Sitio					
3	Barangay					
4	Municipality					
5	Name of FSC					
6	No. of Members Start of Quarter					
7	No. of New Members in Quarter					
8	No. of Drop-Outs (Members who left during Quarter)					
9	No. of Members End of Quarter					
10	No. of Women Members End of Quarter					
	Share Capital					
11	Share Capital Build Up in FSC End of Quarter					
	Savings					
12	Savings Balance as of End of Quarter					
13	Savings Balance of Women as of End of Quarter					
14	Number of In-Active Accounts (No transactions for > 30 days)					
15	Balance of In-Active Accounts					
	Loans					
16	Seed Capital (in case of FSC)					
17	Other Loan Fund Capital (in case of FSC)					
18	Principal Balance Start of Quarter					
19	No. of First Time Loans Disbursed During the Quarter					
20	No. of Repeat Loans Disbursed During the Quarter					
21	No. of New Loans Disbursed to Men During Quarter					
22	Amount of New Loans Disbursed to					

	Men During Quarter					
23	No. of New Loans Disbursed to Women During Quarter					
24	Amount of New Loans Disbursed to Women During Quarter					
25	No. of New Loans Disbursed for Production During Quarter					
26	Amount of New Loans Disbursed for Production During Quarter					
27	No. of New Loans Disbursed for Consumption During Quarter					
28	Amount of New Loans Disbursed for Consumption During Quarter					
29	No. of Active Loans End of Quarter					
30	Principal Balance as of End of Quarter					
	Loan Repayments					
31	Principal Past-Due Start of Quarter					
32	Principal Due in Quarter					
33	Principal Pre-Paid for next Quarter					
34	Principal Repaid in Quarter					
35	Principal Past Due End of Quarter					
36	Interest Past-Due Start of Quarter					
37	Interest Due in Quarter					
38	Interest Pre-Paid for next Quarter					
39	Interest Repaid in Quarter					
40	Interest Past-Due End of Quarter					
41	No. of On-Time Loans End of Quarter					
42	No. of Loans up 1 to 30 days late					
43	No. of Loans from 31 to 90 days late					
44	No. of Loans more than 90 days late					
45	Outstanding Loan Amount of Loans in Arrears of more than 30 days old					
46	No. of Rescheduled Loans					
47	No. of Written Off Loans					
48	Principal Amount of Written Off Loans					
	Profit					
49	Annual Profit (only in Report Oct-Dec)					
Date Received PPO:			**Name and Signature:**			

Date Received PMO:		Name and Signature:	

How to fill up the Quarterly Data Collection Form

Introduction

The basis for the Quarterly Data Collection Form is the Savings and Loan Group. The information collected is consolidated only at SLG level, it is not consolidated at higher levels. One form can be used to fill up information on up to 5 SLG's. The SLG's can be of the same barangay or the same municipality, but this is not necessary as the names of barangay and municipality can be filled up for every column.

The data collected is for a period of **3 months**. Sometimes this means that end of quarter balances are required (Savings Balance as of End of Quarter), sometimes this means that mutations are required (Number of New Members During Quarter).
Quarters are defined as Jan-Mar, Apr-Jun, Jul-Sep and Oct-Dec. This means that a loan with monthly installments disbursed on 1 June will have the first installment due on 1 July. The disbursement will then be part of the Apr-Jun report, while the first amounts due (of 1 July, 1 August and 1 September) will be part of the Jul-Sep report.

Submission

1. The Quarterly Data Collection Form is to be submitted at the latest 5 calendar days after the end of each quarter by the UDLF officers to the PPO Rural Finance officer.
2. The RF officer checks the forms whether they are filled up correctly, makes a copy and submits them to PMO RFS Component not later than 10 calendar days after the quarter ended.

Items

12 - # 15. Savings includes **free and forced savings**.

14/5. **In-Active Accounts** are defined as group member savings accounts without transactions for the last 30 days as of last day of quarter.

16 - # 48. Loans are **monitored as loans to group members**. If a PFI has disbursed 1 loan to a SLG in the last quarter and this loan was to serve 5 group members, the UDLF officer has to fill up this form as the PFI having supplied 5 loans, NOT 1 loan! The same with regards to all other items. If at the end of the quarter one group loan is in arrears for 31 to 90 days, we have to look into the arrears of the group members. It is then possible that 2 (member-) loans are 1 to 30 days late and 1 (member-) loan is 31 to 90 days late.

25 - # 28. For UDP, loans are either classified as **production loans or consumption loans**, there is no other category. If PFI's use other categories (like 'Housing Loans', 'School Fees' etc.), they have to be grouped under consumption.

29. No. of **Active Loans** end of quarter means number of loans with outstanding balances. This does not include loans that are paid of in quarter and written-off loans.

31 - # 45. A loan is in **arrears** or is **past-due,** if the installment due for a specific day is not paid on that day. The next day this loan is 1 day in arrears. The amount that should have been paid is the **past-due** amount. If also the second installment is not repaid, the past-due amount has doubled.

33. and # 38. **Pre-paid** amounts are amounts paid for the principal and interest due in the next quarter.

46. A loan is **rescheduled** if a change has been made in the dates or amounts of the remaining due installments. This includes an increase in the loan amount.

47/8. A loan is **written off** if the accounts department considers this loan as a loan that will never be repaid and books the outstanding balance as a loss. For the credit department this means that the loan is no longer part of the active portfolio and will not be part of the portfolio reports. However it does not mean that this loan will not be pursued anymore. Any further repayments on this loan will be regarded as profits, not as loan capital.

49. The **annual profit** of the SLG should be filled up only in the form of the last quarter.

In all cases the following **checks** should be made:
1. No. of Members start of quarter (# 6.) should be equal to:
   No. of Members end of quarter (# 9.) on the last filled up form.

2. No. of Members end of quarter (# 9.) must equal to:
   Members at start of quarter (# 6.) plus:
   New Members during quarter (# 7.) minus:
   Drop-outs (# 8.).

3. No. of Women members (# 10) must be less than or equal to:
   No. of Members (# 9.).

4. No. of Inactive Accounts (# 14.) cannot be higher than:
   No. of Members end of quarter (# 9.)

5. Balance of In-Active Accounts (# 15.) cannot be higher than:
   Savings Balance end of quarter (# 12.)

6. Principal Balance start of quarter (# 18.) must be equal to:
   Principal Balance end of quarter (# 30.) of the last filled up form.

7. No. of New Loans disbursed to men (# 21.) plus:
   No. of New Loans disbursed to women (# 23.) cannot be more than:
   No. of Members end of quarter (# 9.).

8. No. of New Loans disbursed to women (# 23.) cannot be more than:
No. of Women Members end of quarter (# 10.).

9. If there are no written-off loans, then:
No. of Active Loans end of quarter (# 29.) must be equal to:
No. of On-Time loans (# 41.) plus:
No. of Loans 1 to 30 days late (# 42.) plus:
No. of Loans 31 to 90 days late (# 43.) plus:
No. of Loans of more than 90 days late (# 44.)

10. No. of First-Time Disbursements (# 19.) plus:
No. of Repeat Loans (# 20.) – is total no. of loans disbursed – must be equal to:

No. of new loans disbursed to men (# 21.) plus:
No. of new loans disbursed to women (# 23.), which must also be equal to:

No. of new loans disbursed for production (# 25.) plus:
No. of new loans disbursed for consumption (# 27.).

11. The amount of new loans disbursed to men (# 22.) plus:
The amount of new loans disbursed to women (# 24.), must be equal to:
The amount of new loans disbursed as production (# 26.) plus:
The amount of new loans disbursed as consumption (# 28.)

12. The Principal Balance end of Quarter (# 30.) must be equal to:
The Principal Balance start of Quarter (# 18.) plus:
Amount of New Loans Disbursed to Men during the Quarter (# 22) plus:
Amount of Loans Disbursed to Women during the Quarter (# 24.) minus:
Principal Repaid during Quarter (# 34.) minus:
Principal Pre-Paid for the next Quarter (# 38.) minus:
Principal Amount Written Off during Quarter (# 47.).

13. Principal Past-Due start of quarter (# 31.) must be equal to:
Principal Past-Due end of quarter (# 35.) of the last filled up form

14. If there are no written-off loans, then:
Principal Past-Due end of quarter (# 35.) must be equal to:
Principal Past-Due start of quarter (# 31.) plus:
Principal Due in quarter (# 32.) plus:
Pre-Paid Principal for the current quarter (# 33.) minus:
Principal Repaid in quarter (# 34.)

15. Interest Past-Due start of quarter (# 36.) must be equal to:
Interest Past-Due end of quarter (# 40.) of the last filled up form

16. If there are no written-off loans, then:
    Interest Past-Due end of quarter (# 40.) must be equal to:
    Interest Past-Due start of quarter (# 36.) plus:
    Interest Due in quarter (# 37.) plus:
    Pre-Paid Interest for the current quarter (# 38.) minus:
    Interest Repaid in quarter (# 39.)

Note that the forms have to be **signed** by PPO and PMO. This is in order to establish responsibilities in case there are delays.

If a SLG has **dissolved**, it is no longer found on the Quarterly Data-Collection Form. The Monthly Progress Report from the PFI should indicate this.

Annex 3. Monthly Rural-Finance Progress Report

Name of Partner Financial Institution:	
Name of Entry-Person (Manager):	
Entry Date:	
Valid for Month Ending:	

A. Planned Activity Implementation

Planned Activity per AWP by Result	Achievement Status	R/I*	Remarks/Issues	Recommendation/ Action Taken
1.1				
1.2				

*) Mark R for Remarks, I for Issues

B. Completion of Non-AWP Activities

Activity	Achievement Status	R/I*	Remarks/Issues	Recommendation/ Action Taken
1.1				
1.2				

*) Mark R for Remarks, I for Issues

C. Narrative Summary Report

D. Targets for the Next Month

Target per AWP	Quantity	Location/Details

Date Received PPO:		**Name and Signature:**	
Date Received PMO:		**Name and Signature:**	

Annex 4. Agenda Workshop on MIS for Rural Finance

Agenda Tuesday 12 September (Green Heights, Buhangin):		
08.00 – 09.00	Registration	UDP
09.00 – 09.15	Opening	Arnold Garzon, UDP
09.15 – 10.00	Introduction: Why is it Necessary to have a workshop on MIS for Rural Finance?	Hans Verkoijen, UDP
10.00 – 10.15	Coffee Break	-
10.15 – 11.10	Pearl Software for Micro-Finance	Merlene Flores, CUES
11.10 – 12.00	Assistance MABS	Anthony Petalcorin, MABS
12.00 – 13.00	Lunch	-
13.00 – 13.45	Savings Module	Archie Puspus, Big Byte Shop
13.45 – 14.45	Microbanker	Mac Franceau Panuncialman, MB Philippines
14.45 – 15.00	Experience Network RB with MB	Norjun Bernasor, Network Bank
15.00 – 15.15	Coffee Break	-
15.15 – 16.00	Loan Performer	Hans Verkoijen, Crystal Clear Software Ltd.
16.00 – 16.45	BSP-WARR-System Central Bank Reporting System	Renato Lebrun and Lemuel Trazon, TL Software Systems Co.
16.45 – 17.30	MIS System for Coops	Alan Loganio, Year 2000 Computer Innovations Sales & Services
17.30 – 17.45	Experience Malita Multi Purpose Coop	?, Malita MPC
17.45 – 18.00	Day Closing	Hans Verkoijen, UDP
Agenda Wednesday 13 September (Green Heights, Buhangin):		
08.00 – 12.00	Training Session Loan Performer	Hans Verkoijen, Crystal Clear Software Ltd.
12.00 – 13.00	Lunch	
13.00 – 17.00	Training Session Loan Performer	Hans Verkoijen, Crystal Clear Software Ltd.
Agenda Thursday 14 September (Green Heights, Buhangin):		
08.00 – 10.00	Evaluation PFI-UDP Reporting System	Arnold Garzon, UDP
10.00 – 10.15	Coffee Break	
10.15 – 12.00	MIS System for Coops	Alan Loganio, Year 2000 Computer Innovations Sales & Services
12.00 – 13.00	Lunch	
13.00 – 14.15	BSP-WARR-System Central Bank Reporting System	Renato Lebrun and Lemuel Trazon,

		TL Software Systems Co.
14.15 – 15.00	Evaluation	Arnold Garzon and Elena Sollano, UDP
15.00 – 15.30	Closing	Arnold Garzon and Elena Sollano, UDP

Annex 5. Slideshow Introduction to Workshop on MIS Systems for Rural Finance

MIS SYSTEMS FOR RURAL FINANCE

UDP Workshop 12-14 September

EXPECTED WORKSHOP RESULT

Improved Capacity of
UDP Partner Finance Institutions
to Decide what is an Appropriate MIS for their Organisation.

Uplands Development Program, Davao, 12 September 2000

WORLDWIDE: NO WORD OR WORDPERFECT

- FI's have divergent information needs
- Differences in definitions
- Different methodologies
- Issues related to scale
- Myriad ways of accounting practices
- Centralized/de-centralized processing
- etc ..

SOFTWARE LIFE-CYCLE

- Feasability Study
- Analysis
- Design
- Programming/acquisition
- Conversion and Testing
- Training and Implementation
- Revisions

THE CREATION OF AN MIS

WHAT ARE OUR CHOICES?
- Start From Scratch
- Buy Off-the-shelf
- Customise

(DIS-) ADVANTAGES

	Advantages	Dis-advantages
Tailor-made	very flexible, adapted to institutions policies	very expensive
	source code available and can be adapted in future to match changes in policies	needs extensive testing
	technical support is close (in-house or contracted)	long development time-frame
Off-the-shelf	relatively bug-free	technical support might be far away
	low costs	may not match policies
	short time-frame for implementation	cannot be modified if policies change
Customisation of off-the-shelf software	likely to operate relatively bug-free	medium costs
	medium time-frame	technical support might be far away
	can be adapted to institution's policies	

BEST PRACTICES

- Buy Off-the-Shelf and fine-tune

- Be content with the Essentials, the more you demand, the more complex, the more risks for failure

- Be willing to adapt some of your institution's rules to the standard of the MIS

- Be willing to have less automation in order to be more flexible

MANAGE A PROJECT

- IT Project Team
  (members, tasks, responsibilities, dead-lines, budget, reporting lines)
- IT Project Plan
  (purpose, strategies, activities, dead-lines, budgets)
- Project Implementation and Management
- Project Evaluation

UDP REQUIREMENTS?

See Quarterly Data Collection Form and Monthly Progress Report

PFI REQUIREMENTS?

Too Many? You name them…

CONSTRAINTS?

Budget

Time

Capacity (know-how)

PFI FUNCTIONAL SPECIFICATIONS

- What does the program have to do?
- Who is going to work with it?
- Single or Multi user?
- What limitations regarding hardware?
- What user levels? Who can access what?
- Centralized or De-centralized?
- Online or Batch processing?
- How is data protected?
- How are backups made?
- Which data-entry screens are needed?
- Which data must be modifiable?
- How flexible do reports have to be (time, product range, order etc.)?
- How and where is help available?
- What reports are needed?
- Etc, etc…

DIFFERENCES BANKS-COOPS

COOPS:
SHARES
INVENTORY
DEPOSIT TRACKING
LOAN TRACKING
GENERAL LEDGER

BANKS:
DEPOSIT TRACKING
LOAN TRACKING
GENERAL LEDGER

RURAL-FINANCE:
All Plus: TRACK MEMBER DEPOSITS
TRACK MEMBER LOANS
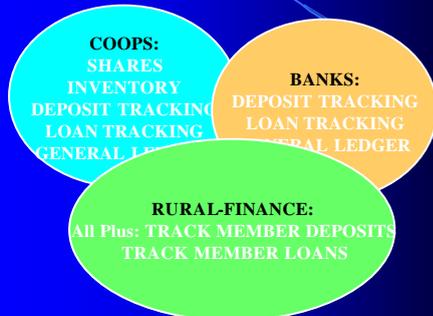
RF: CURRENT VS NEEDED

RELATION SHIPS COVERED BY MIS

NOT COVERED BY MIS
==➔ GROUP ==➔ MEMBERS
==➔ MEMBERS

WHERE DO WE START?

- Manual Administration (2 Coops)
- Semi Automated (5 Banks, 1 Coop)
- Fully Automated MIS (2 Banks, 1 Coop)

In All Cases: Manual Group Member Adm.

NOT COVERED IN MIS:

- Membership within Groups (male/female)
- Gender Distribution Deposits in Groups
- Loans to Group Members According to Gender, First Time and Repeat Loans, Production vs Consumption, Age of Arrears

SYSTEM DEVELOPMENT

Current Situation	Realistic Future Perspective	Desired Future
Old Banking Software	New Banking Software	Integrated Banking and
Manual Administration		Rural Finance Software
Manual Rural Finance Administration	Rural Finance Software	
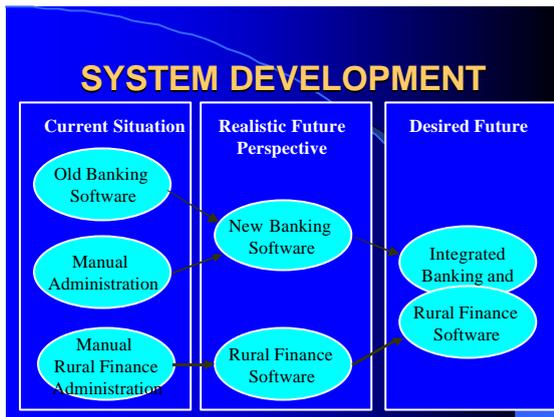
OPTIONS 1/3

PFI'S WITH MANUAL SYSTEMS:

– For Banking Operations:
   Use Off-the-Shelf Banking/Coop Software

– For Rural Finance:
   1. Use Excel or:
   2. Add Off-the-Shelf Rural Finance Software

OPTIONS 2/3

PFI's WITH ONLY SAVINGS AUTOMATED:

– For Banking Operations:
   1. Build on current savings program or
   2. Add Off-the-Shelf programs for loans/accounting or
   3. Replace by Off-the-Shelf Banking/Coop Software

– For Rural Finance:
   1. Use Excel or
   2. Add Off-the-Shelf Rural Finance Software

OPTIONS 3/3

FULLY AUTOMATED PARTNER FINANCE INSTITUTIONS:

– For Banking Operations: none

– For Rural Finance:
   1. Use Excel or
   2. Add Off-The-Shelf Rural Finance Software and/or
   3. Integrate RF Requirements in Current MIS

Ad 3:
   1. Modify current MIS to suit Micro-Finance Reporting (MABS)

   2. Modify current MIS to track members in groups (UDP)

RURAL FINANCE ADMINISTRATION

For Not (Fully) Automated PFI's

Options	Advantage	Dis-Advantage
Excel	Cheap Learning Experience	Has to be Developed (and Maintained) Prone to Errors No Data-Protection
Off-The-Shelf for RF	Relatively Easy to Implement Reliable	Dependence on Supplier Support

Savings and Loans Administration

For PFI's With Only Savings Automated

	Advantage	Dis-Advantage
Build Additional Modules on Current Software	Tailor Made	Costly Tedious No End
Add Off-the-Shelf Software for Loans, Accounting, Inventory	No New Savings Program	Different Non-Integrated Systems
Replace by Off-the-Shelf Banking/Coop Software	Fully Functional in Short Time	Data-Conversion Modifications still needed (No Complete MIS available)

FULLY AUTOMATED PFI'S

	Advantage	Dis-Advantage
Excel	Cheap Learning Experience	Has to be Developed (and Maintained) Prone to Errors No Data-Protection
Modify Current MIS for RF	One Integrated System	Costly Tedious Possible?
Add Off-The-Shelf RF Software	Ready Made	Two Systems or: One System if Import/Export Interface

Annex 6.
Participants Workshop on Rural Finance and MIS, 12 - 14 Sep 2000 Green Heights

Organization	Name	Function	Phone
Cateel Mandaya Tribal Multipurpose Coop	Rebecca Edar	Manager	None
	Jovie Canete	UDLF Officer	
Magsaysay Farmers MPC	Arlene Alindajan	Encoder	082-5100165
	Genoveva Mateo	Bookkeeper	
Malita MPC	Susan S. Mohammed	Bookkeeper	0973-199805 (phone/fax)
Mangloy Multi Purpose Coop.	Arlyn Cortidor	Bookkeeper	None
	Perla Luay	Ag. Tech.	
	Severino Cavan	UDLF Officer	
Mavadeco, Maragusan Vally Dev. Coop.	Elena Dalagon	Loan clerk	None
Network Bank network@interasia.com.ph	Kathryn T. Lopez corpo@myezmail.com	Mgt. System Specialist	082-2343866 0917-4286001 082-2341255 (fax)
	Norjun S. Bernasor norjun@hotmail.com	IT group	082-2343312 082-2343556
Rural Bank of Alabel	Romulo Nolasco	Manager	083-5082066
	Adi Olaybal	Bookkeeper	
Rural Bank of Darbci (Maitum)	Romarico Tanedo	Manager	083-3015463
	Alexander A Doctor	Bookkeeper	
Rural Bank of Digos	Isabel Abosolo	?	
	Dioselin Putong	Accountant	
Rural Bank of Montevista	Jason Daquigan	Manager	0919-3260185
	Arman Mahinay	MIS Rural Finance	
Rural Bank of Tampakan	Antonio Sunga	Manager	083-5074126
	Ema Arellano	UDLF Officer	
Sarangani Rural Bank Gen Santos City srbi@gslink.net	Francisco Laiz	Manager	083-5522572 083-5524077 083-5535942 083-5532384 (fax)
	Aimee Senapilo	UDLF Officer	

Annex 7. Working with the UDP MIS
Handout for credit officers and data-controllers at PPO , Saturday 17 October 2000

The UDP MIS database is an MS Access database with the name "UDP_MIS" and is located in the c:\rfdata folder on one of the computers at PPO level. This is a single file of type "MDB". It contains database tables, queries and reports.

Before installation: check that you have Access of Office 2000 installed on your machine. You might get problems with Office 97.

Steps for Installation:
1. Put the CD in the drive.
2. Double click "My Computer" on the desktop.
3. Double click the CD-Drive.
4. Double click the Setup.exe file. This will start the installation program.
5. Click "Continue" on the "Welcome to the Rural Finance Data-Entry Program" screen.
6. Enter Name and Organization and confirm the entries.
7. The installation folder is C:\RfData by default. Leave this as it is and click "Ok"
8. On the next window, click the large button with the computer.
9. You should get "Rural Finance Data-Entry Program was completed successfully". Click "Okay".

One more thing: if you start your computer and you don't get a login screen, you have to do the following:
1. Click on (windows) start button, settings, control panel.
2. Double click Users.
3. Click "New User".
4. Click "Next"
5. Enter your name (or any name).
6. On the password screen you may enter a password.
7. On the Personalized Items Settings, you can leave everything as it is or fill out things as you like, then click "Next".
8. Then click "Finish".
9. Close all windows and restart your computer. You will get a login screen. Enter your name (and password) and continue.

How to run the Rural Finance Data-Entry program:
1. Open Windows Explorer
2. Click on the C:\RfData folder
3. Click on RF.EXE on the right window. This will start the program.
4. You will first get a "Select Database" screen. Click on the UDP_MIS database, then on "OK". If you don't see the UDP_MIS database, make sure you have the C:\RfData folder selected and the file type set to "Access".
5. Only if this is the first time that you start Rf.Exe, the "Select Database" screen will come up again and again, up to 10 times more! Don't worry; this is normal

behavior. What it does, it creates a RfData-MS-Foxpro-database with file names RfData.DBC, RfData.DCT and RfData.DCX, that is linked to the MS Access UPD_MIS database.

6. Then you arrive at the main menu of the program. Pick one of the 3 options (Data-Entry FSC, SLG or Export Data), then move the cursor keys down until you reach the "OK" button. What is important here is that you move down with the cursor keys to the "OK" button and **don't click with the mouse**. Clicking with the mouse will make data-entry impossible (this is an MS bug).

7. If you want to close the program, just click "Exit".

All data-entry for rural finance has to pass through this "Rural Finance Data-Entry Program". Data will be saved in the UDP_MIS Access database. There is no way that you can access the data and insert or update records directly by opening the file in Access.

Working with the UDP_MIS database in MS Access
You can open the UDP_MIS database by double clicking on the file in Explorer or open it from MS Access. The file is located in C:\RfData. You will have to enter a user name and password. These are:

User name: **PPOUser**   with password: **spider**

Note that name and password are case sensitive and typing 'S' instead of 's' will refuse access.

You will have read-only access to all core components. The core is a well-protected system part of the database that can never be accessed directly, except by certain authorized persons from PMO who need to do system maintenance. Nobody at PPO level can enter the database at this level. All data-entry for the core part of the database, will be done by external programs, which allow data validation.

However, the user at PPO level is able to add tables for his own sake. The "free" tables created by PPO have to be linked to the core data via index keys. The user at PPO level can directly access these tables and update them (this is not the case with the core tables). If PMO feels the need to extend the core system with these free tables, it can do so. Once these tables fall in the core system, they cannot be updated directly anymore.

In addition to the creation of new tables, staff at PPO level can also create their own queries and reports. The queries and reports, that are there initially, are well protected and PMO staff can only run these standard queries and reports but cannot modify them. However PMO staff can create additional queries/reports. Just like the tables, PMO has the right to declare certain queries/reports of general interest and integrate them to the core system.

Listed below are the core tables, queries and reports of the UDP_MIS to which PPO staff will have read-only access only.

UDP_MIS Core Tables 1)

Table	Description
tblProvince	Table of Provinces
tblMunicipality	Table of Municipalities
tblBarangay	Table of Barangays
tblSitio	Table of Sitio's
tblPFI	Table of PFI's
tblPFIBranches	Table of Branches of PFI's
tblFSC	Table of FSC's 2)
tblFSCData	Table of quarterly data from FSC's
tblSLG	Table of SLG's
tblSLGData	Table of quarterly data from SLG's

1) All tables start with 'tbl'
2) As there are no FSC's at the moment of writing this document, we have created "Dummy" FSC's, one for each Municipality. They will be replaced by real names once they are operational.

UDP_MIS Core Queries 1)

Query	Description
qry PFI and Branches	Query of PFI's and PFI Branches
qry Sitio, Barangay, Muni, Prov Names	Query of Sitios, Barangays, Municipalities and Provinces
qry Sitio	Query of Sitios and their codes
qry SLG's by FSC and PFI	Query of SLG's, FSC's, PFI Branches, PFI's and Municipalities
qry SLG's by PFI and Municipality	Query of PFI's, SLG's, FSC's, PFI Branches, and Municipalities

1) All queries start with 'qry'

UDP_MIS Core Reports 1)

Report	Description
rpt PFI, Branch, FSC, SLG Municipality	Report with coverage of PFI, PFI Branch, FSC, SLG and Municipality
rpt Progress Report SLG Savings Data	Report per SLG of all available quarters with membership and savings
rpt Progress Report SLG Savings Data for 1 SLG	Same report but for 1 SLG only
rpt SLG Savings Data for 1 Qtr	Same report but for 1 quarter only

1) All reports start with 'rpt'

Annex 8.
Support Organizations for Automation of Rural Banks and Coops

Organization	Name	Function	Phone
Big Byte Shop	Archie T. Puspus	Director	085-3426583 0919-8136161 0918-4063574 085-3418450 (fax)
CUES cues@skyinet.net	Lois Kitsch	Director	082-2973123 082-2973289 082-2973290 082-2973122 (fax)
	Luis JR Sasuman lsasuman@skyinet.net	Dep. Proj Dir.	
	Merlene Flores	Credit Management Analyst	
MABS-M (Rizal Street, PhilAm bld, Davao) mabs@interasia.com.ph	Philip C. Broughton	Chief of Party	082-2243261/2/3 082-2262843 (fax)
	Raike Quinones	Micro-enterprise Outreach Specialist	
	Ed DiCastro	Micro-Finance Specialist	0919-4047773
	Antony Petalcorin (Ton-Ton)	MIS specialist	0917-7001831 082-2226151 (home)
	Peter Glibbery	MIS manager	
MB-Philippines	Mac Franceau Panuncialman	Manilla based	632-5364744, 632-5364748
	Melly Barbarona	Davao based	082-2226247
TL Software Systems/ Diagnostic Computer Center, Gen Santos City smarteyecon@hotmail.com	Renato Lebrun	Director Hardware	083-5533646 (also fax)
	Lemuel Trazon	Director Software	083-5546230 0917-7142059
Year 2000 Computer Innovations Sales & Services	Alan Loganio		0917-4903354 082-2410340 0912-7041479
YeePeeCom	Jay Edades		082-2229308 082-2228615