

CASE STUDY

Gratia Plena Social Action Center and the PPI®

A rural development organization uses the Progress out of Poverty Index® to understand the relationship between the rural poor and organic farming.

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The Progress out of Poverty Index® (PPI®) allows poverty-focused organizations and businesses to measure poverty among the households they affect. Each PPI is created by [Mark Schreiner](#) of Microfinance Risk Management, L.L.C.

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For more information on the PPI, visit www.progressoutofpoverty.org.

Introduction



This case study explores how Gratia Plena Social Action Center (SAC-GP), an agricultural development organization, has used the Progress out of Poverty Index®, or PPI®, to better understand the needs of poor farmers. SAC-GP helps to organize

farmers into people's organizations which are then organized into a federation. SAC-GP then works with the federation to produce and market organic rice, and also market sugar and other organic products under the Full of Grace brand. SAC-GP is committed to both the prosperity of the farmer and the long-term health of the land; it will not support an agricultural practice that exploits either.

Management at SAC-GP sought poverty data on farmers so that it could determine if its organic farming programs were inclusive of the poor. This case study reveals the findings of SAC-GP's initial PPI implementation and discusses the path forward for SAC-GP.

About the Progress out of Poverty Index, or PPI

Development practitioners need a reliable and practical poverty measurement tool. Since development practitioners often operate on limited resources, and since they need poverty data to be readily available, this tool cannot be expensive or require specialized expertise. To meet this need, we partnered with Microfinance Risk Management, L.L.C., CGAP, and Ford Foundation to create the Progress out of Poverty Index, or (PPI). The PPI is a country-specific poverty scorecard that allows an organization to measure the rate of poverty among its clients. Using the PPI, pro-poor practitioners can better determine their poorest clients' needs, which programs are most effective, how quickly clients leave poverty and what helps them to move out of poverty faster. The indicators in the PPI are inexpensive to collect, easy to answer, simple to verify, strongly correlated with poverty and liable to change over time as poverty status changes. The PPI is widely used by poverty-focused organizations in countries where a PPI scorecard has been developed.

PROGRESS OUT OF POVERTY INDEX® (PPI®) CASE STUDY



The History of the Gratia Plena Social Action Center (SAC-GP)

What started as a relief and rehabilitation scheme for calamity-stricken farmers in Nueva Ecija evolved into a comprehensive rural and agricultural development program that extends to nearby towns. This is the story of Gratia Plena Social Action Center (SAC-GP), founded by Bishop Leo Drona and Fr. Cesar Vergara in the mid-1980s to help the poor farming population covered by the Diocese of San Jose after the destruction of typhoon Saling.

It was Fr. Vergara's vision to bring development to these rural areas and improve agricultural practices and farming production. In the years that followed, SAC-GP intensified its rural development program by linking with donors and funding agencies, expanding to other areas within the diocese, and continuing its formation work that also involved providing financial and technical assistance to the farmers. Relief and rehabilitation continued to be provided, particularly after the strong July 1990 earthquake that struck the area.

SAC-GP embarked on an integrated rural and agricultural development program that aimed to improve farmers' access to resources, appropriate technologies and other support systems. It would take an integrated development project spanning almost 20 years and a long-term relationship with the German Catholic Bishops' Organisation for Development Cooperation (MISEREOR) Germany to help achieve the overarching goal of contributing to the development of a responsive church of the poor and to contribute to the reduction of poverty in the areas covered.

The Work of the Gratia Plena Social Action Center

Formation and community organizing is at the heart of SAC-GP's work and is the farmer's entry point to the programs. SAC-GP believes that farmers have more power and resources collectively than they do individually. Farmers can organize themselves at multiple levels; a small group of farmers, normally with about five members, is called a *Damayan Kristiyano* or DK. When farmers form a DK, they are pledging that they will support each other in times of need. DKs can unite and organize themselves into people's organizations, which can register with a government authority to form a federation. Apart from formation and community development, SAC-GP's advocates the use of organic farming technologies for sustained agricultural production.

Why organic?

SAC-GP believes that organic agriculture is a strategic response to the harmful environmental and social effects of the Green Revolution, which became popular in the Philippines between the 1960s and 1970s and was intended to dramatically increase agricultural production through high-yielding variety of grains, modernized farming techniques, and synthetic fertilizers and pesticides. The Green Revolution also brought about the farmers' vicious dependence on traders and suppliers for loans and inputs, for selling their produce and for other needs. This dependence brought farmers deeper into poverty, leaving the traders and suppliers profiting and making big businesses out of the poor farmers' plight.

SAC-GP's commitment to organic agriculture is built on the belief that organic farming can reverse environmental destruction by using natural and organic materials in farming. SAC-GP also supports a farming system where farmers are less indebted to big business entities and are able to keep food for themselves, and therefore benefit from greater food security. Its services in this area include technical support such as training and knowledge sharing, production support and financial assistance. SAC-GP, together with the federation, carries the



Full of Grace Organic Rice in the packaging stage



Full of Grace sugar ready to be distributed

Full of Grace brand, which has a number of organic agricultural products (e.g., rice and sugar) and by-products (e.g., jams, jellies) produced by organic agriculture producers who are also members of the federation's network of organic producers. Various service centers, such as the Central Consumer Center and the Central Marketing Center, were also established to provide support in packaging, marketing and selling the Full of Grace products.

SAC-GP closely works alongside the federation, which has been registered with the Cooperative Development Authority. About 230 farmers are currently members of the federation and are being assisted by SAC-GP.

Piloting the PPI

The PPI was introduced to SAC-GP in 2012. For about eight days between February and March 2013, five of SAC-GP’s field staff visited farmer-members in seven towns where SAC-GP has presence. A total of 206 farmer-members were covered by the pi-lot, and the following were the key findings:

- ▶ Out of all the respondents, 27.2% or 56 farmers are below the poverty line, while 44.8% are below the \$2.50/day poverty group.
- ▶ When broken down to towns where SAC-GP operates, Carrangalan has the highest concentration rate of 48.8%, followed by Pantabangan with 35.5% and Nampicuan with 30.5%.

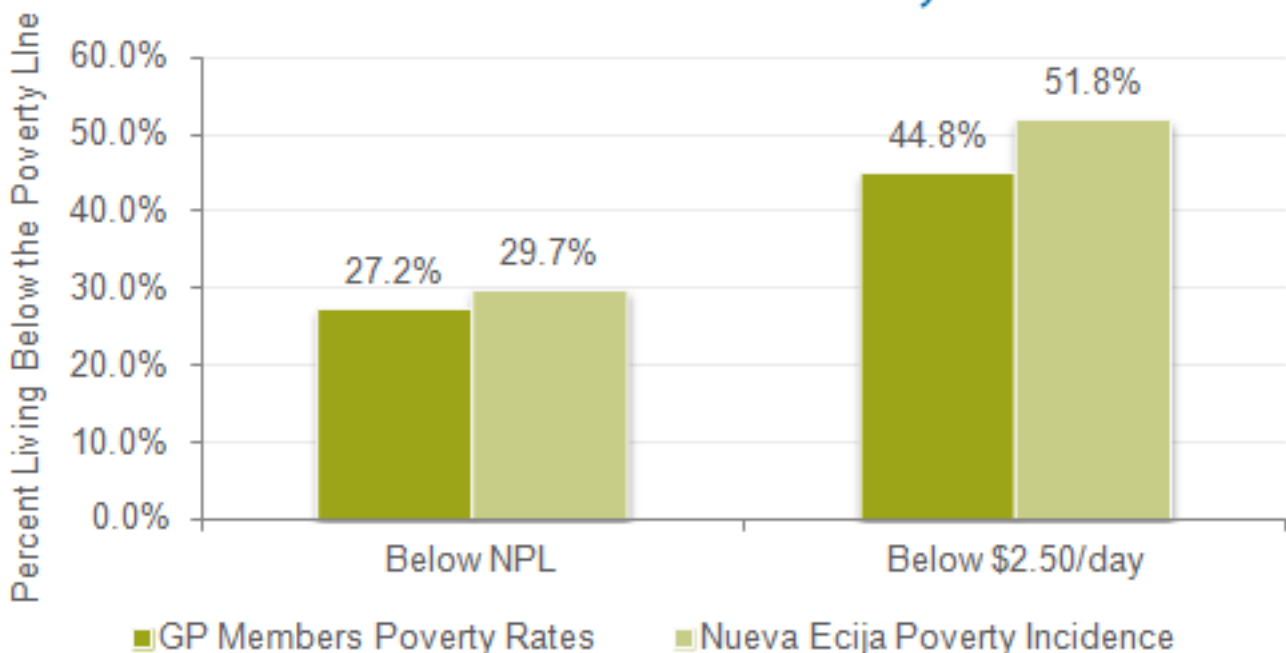


Key Insights

SAC-GP as a poverty-focused social enterprise clearly targets poor rural farmers. In fact, when SAC-GP decided to pilot and expand its programs beyond Nampicuan, it selected towns where the concentration of poor farmers was perceived to be high. These towns were Carrangalan, Cuyapo, Guimba, Llanera,

Pantabangan and Rizal. Results from the PPI pilot allowed SAC-GP to get the poverty profile of its members and the areas they are serving. Results show that SAC-GP is indeed reaching poor rural farmers in the Diocese. High concentration of poorer members from the towns of Carrangalan, Pantabangan and Nampicuan likewise indicates that farmers with non-irrigated farms are poorer than those who farm with irrigated lands. Non-irrigated

Concentration vs. Provincial Poverty Incidence



farms are very dependent on rainfall, have lower yield and normally have one production cycle only in a year.

The PPI results are also helping SAC-GP better understand why farmers are dropping out of the Sustainable Agriculture program, which includes the production of organic rice. SAC-GP has been implementing the program since the mid-1990s but currently only 40 farmer-members are participating. SAC-GP is learning that organic farming can be expensive for a poor farmer to adopt. It is expensive because it is more labor-intensive, and organic fertilizers and pesticides may be more expensive than the commercially-available ones.

As SAC-GP begins to understand why poorer members are leaving their organic agriculture program, it is learning how they can be more strategic in fulfilling their mission and helping the poor:

- ▶ What organic crops are most appropriate? SAC-GP does not plan to scale down its organic agriculture program, despite the difficulty that poor farmers face in growing organic rice. Instead, SAC-GP will evaluate the suitability of other organic and environmentally-friendly crops that are abundant in the communities, such as bamboo.
- ▶ Is the financing scheme appropriate? SAC-GP provides financing to farmers in order to help them adopt organic farming. The PPI results are helping SAC-GP better understand whether loans, and its corresponding terms and features, are appropriate given the poverty status of its members, and whether other forms of support are needed (e.g., appropriate formation, planning and organizing) prior to financing.

Lessons and Future Plans

SAC-GP will continue to use the PPI and will integrate it in its organizational processes. The insights from the initial PPI results shed light on a number of areas that they need to review and revisit, and have motivated SAC-GP to use the PPI to make more strategic decisions to better serve its members through improved programs and services.

Evaluate programs. SAC-GP will use the PPI to evaluate the appropriateness of various organic and eco-friendly crops for poor farmers, starting with bamboo. Bamboo is considered more environmentally friendly than other forest trees because it is resilient, grows fast, and can be quickly harvested. SAC-GP sees increasing demand for bamboo in the Philippines as traditional lumber becomes scarce, specifically for flooring, laminated furniture, and construction material. Under this new program, SAC-GP supports farmers to propagate and cultivate bamboo trees through an “engineered bamboo” technology.



Propagating young bamboo cuttings as planting materials.

Profiling and understanding program dropouts. SAC-GP will continue to use the PPI to get a better profile of its members, and better understand the progress of its poorest participants. With the PPI, SAC-GP will know if they are reaching – and retaining – poor farmers.

Product and target client fit. Since SAC-GP was formed, it has practically adopted a one-size-fits-all approach in providing programs and services to its members. The same programs apply to all types of members, regardless of location and poverty status. Profiling and segmenting its members based on their poverty lev-

els can help them develop and deliver programs and services that are better suited to different poverty groups.

Providing evidence. The PPI can help SAC-GP show stakeholders and funders evidence of its social performance. SAC-GP plans to use the PPI to track poverty levels over time, and if its programs are successful it will see its farmers moving out of poverty. This alone will not prove impact because the farmers could be escaping poverty as a result of other factors beyond SAC-GP's programs. SAC-GP will need to analyze the whole context of the farmers' success to know whether SAC-GP's programs are likely responsible for the change.

Conclusion

SAC-GP's strategic choice of employing organic agriculture does not only intend to help farmers with sustainable agricultural production but also to contribute to environmental preservation. The spiritual and social elements in their formation work make their approach to rural development holistic and integrated.

As a poverty-focused organization, SAC-GP believes that poverty measurement is important in their work and PPI can be a useful tool in this process. According to Fr. Vergara, the PPI can organize and put a system to poverty measurement at SAC-GP. More importantly, however, poverty measurement tools such as the PPI should help organizations like SAC-GP make better and informed decisions in making their programs more strategically aligned with their mission so that its farmer-members are more likely to experience meaningful and positive changes in their lives. ■

“The earth is part of humanity, and humans are part of the earth; they have common destiny. We need to develop a renewed theology of the earth and to promote ecology in all aspects.” – Gratia Plena Social Action Center

