

Partner profile - ASKI

Alalay sa Kanularan, Inc. (ASKI) was established in 1987, the brainchild of a group of local business leaders who wanted to instigate a positive response to poverty in the Philippines. With a small capital investment from Australia's Maranatha Trust (a predecessor of Opportunity International Australia), ASKI began to reach out to the working poor, providing desperately needed microfinance and social services.

ASKI is currently providing over 70,000 clients with small loans, giving them a chance to break out of the cycle of poverty. ASKI aims to ensure the economic security of clients by providing financial services and technical expertise, while enhancing their lives through various community enrichment activities.

Group lending

ASKI provide small loans to groups of clients, enabling those who are traditionally ignored by banks to start or expand small businesses.

Groups meet once a week to discuss issues concerning their businesses and make loan repayments. The meetings are also a time for members to support each other.

Group training is delivered in a client-driven format. Clients complete a 'training needs assessment' form, which highlights gaps in their knowledge and allows them to request a specific type of training. ASKI can then deliver training in requested fields, such as livelihood and leadership training, which will have the greatest benefits for clients.

Training sessions are usually conducted by professionals from the Philippines Government's Technical Education and Skills Development Authority, ensuring the content is specialised and current.

The businesses of clients are many and varied, and include clothing stores, bakeries, fruit and vegetable stalls, transport, tailoring, food manufacturing, repairs, convenience stores, canteens and recycling shops.



Source: Multimap

Group members are encouraged to save part of their income, which many then use to reinvest in their businesses or pay for their children's education.

Bridging the gap

ASKI offers a bridging loan to help clients make a smooth transition between group and individual loans. The loan is designed for group clients who have displayed entrepreneurial ability and ambition to expand their businesses. The bridging loan features no co-guarantee, flexible repayment terms, low service fees and optional group meetings.



Zenaida Santiago runs her sari-sari store from 6am to 9pm everyday. When the store is quiet, she sews dresses to supplement her income. A small loan from ASKI allowed Zenaida to purchase more materials and expand her dressmaking business.

Individual lending

This program is designed to assist those clients who have shown the potential to significantly expand their businesses and who require larger amounts of capital to do so. The goal is to enable these clients to become agents of transformation in their communities by employing other people and becoming key members of local business networks.

Business development support services

ASKI's business development support services aim to improve distribution and product quality by linking poor entrepreneurs with larger markets, giving their products exposure and helping them improve their business processes.

Specific training includes simple bookkeeping, paralegal training and teaching skills that are specific to a client's business, such as animal husbandry.

ASKI also facilitates educational visits to established businesses and encourages clients to take part in trade fairs to promote their products. For many clients, this is the first education they have undertaken since primary school, exposing them to ideas and techniques that will help their business ventures to succeed.

Financial Literacy

In partnership with Opportunity and the Australian Government, ASKI is piloting an innovative Financial Literacy Project. The project aims increase the capacity of its clients to understand basic financial terminology and management principles. With increased financial literacy, ASKI clients will be empowered to make informed financial decisions and plan effectively for the future.

The project features an integrated visual learning syllabus, including DVDs, promotional materials and comics. The syllabus covers topics such as financial management, the advantages of saving and educates clients on how to effectively budget.



¹Exchange rate used is A\$1:Php.44.3377

***Portfolio at risk** is a stringent measure of an MFI's loan portfolio quality. It calculates the total value of outstanding loan balances for loans with at least one payment being overdue by more than 30 days. PAR is used to highlight potential future repayment problems.

****Operational sustainability** is the ability of an organisation to cover the costs of its lending program with the revenue earned from its lending program.

"We endeavour to... ensure economic security of our clients by providing financial services and technical expertise."

ASKI's mission statement

Community development

ASKI works closely with communities to build their capacity to identify and address issues that affect them. As a result, many communities have instigated projects to improve health, water and sanitation, food and nutrition, and environmental awareness and protection.

ASKI also conducts marriage enrichment, gender sensitivity and leadership training courses. As a Christian organisation, ASKI is committed to supporting the welfare of families and enabling individuals to fulfil their potential. Other social support provided by ASKI includes day care centres and a scholarship program for clients' children.

Achievements

For the third time, ASKI was presented the National award for most outstanding Non-Governmental Organisation in 2011. The award recognises ASKI's contribution to empower marginalised communities to become self-sufficient through microfinance services.

ASKI was also recently awarded the 'Seal of Transparency' award by *MFTransparency*—commending their commitment to making the microfinance market in the Philippines increasingly transparent.

Performance indicators	December 2011
Active borrowers	72,212
Outstanding loan portfolio (A\$ 000) ¹	24,755
Number of branches	38
Operational sustainability*	114%
PAR** > 30 days	4%

Sources: ASKI, United Nations Human Development Report 2009