

High-Level Meeting on USAID's Poverty Measurement Effort Decisions and Action Items

February 15, 2006 8am – 2pm

The High-Level Meeting on USAID's Poverty Measurement Effort involved selected senior members of the microenterprise community, particularly those involved in the drafting of the poverty tools-related legislation. Participants were given an update on the status of the tools and other findings emerging from this process. Discussion was then held on ways to move forward to meet the legislative mandate, and decisions were made. The relevant decisions and action items are outlined below.

Participants

Brian Beard, IRIS	Scott Kleinberg, USAID
Nigel Biggar, Grameen Foundation-USA	Kate McKee, USAID
Joanne Carter, RESULTS	Jonathan Morduch, NYU
Susy Cheston, Opportunity International	Leila Nimatallah, RESULTS
Alex Counts, Grameen Foundation-USA	Rekha Reddy, ACCION
Patrick Crompton, FINCA	Elisabeth Rhyne, ACCION
Sam Daley-Harris, Microcredit Summit Campaign	Don Sillers, USAID
Kate Druschel, IRIS	Evelyn Stark, USAID
Chris Dunford, Freedom from Hunger	Anne Trenolone, FINCA
Anna Cora Evans, WOCCU	Thierry van Bastelaer, IRIS
Laura Foose, ACT and POWG Facilitator	Jason Wolfe, USAID
Syed Hashemi, CGAP	Stacey Young, USAID

This document discusses three areas:

- Project Status to Date (relevant findings)
- Consensus Issues
- Action Items: Three Thematic Groups and how they will move forward

Developing Poverty Assessment Tools: Status to Date

Participants were provided with an update on the project. More information can be found at <http://www.povertytools.org>.

Significant findings relevant to this discussion are:

- Tools will need to be created at the country-level. Creating one tool across countries significantly reduces accuracy.
- BPAC is the best measurement of accuracy for this purpose. (See this BPAC [technical note](#) to find out more about what BPAC is and how it works.)
- Categories of indicators are similar across countries and include education, housing, consumer goods, and assets.
- The tools are proving relatively easy to implement, although it requires resources, especially technical assistance and training, to do correctly.

Consensus Issues

A number of issues were raised during the course of discussion, many of which had broad agreement among the event's participants.

- Everyone agreed that the intent of the legislation is that the tools should be applied on new clients (those with the program six months or less), and Congress will be asked to clarify this without seeking a legislative amendment.
- Participants also agreed that tools not developed by IRIS are also eligible for certification. USAID, with input and feedback from the microenterprise community, will decide on a certification process and standards that all tools to be certified must meet. At a minimum, the certification process/standard will need to address:
 - Benchmarking to an LSMS or other reputable household survey;
 - Meeting some acceptable threshold of accuracy (to be determined, and will probably vary, depending upon the poverty incidence in each country);
 - Solutions for those countries in which no household survey data is currently available;
 - Solutions for those countries in which data collection is constrained by security or other issues (e.g., Iraq); and
 - Congress will be asked to sign off on the process that is developed and the acceptable accuracy thresholds the community puts forth.
- Consensus was reached on the issues of phasing in country-specific tools. Tools will not be developed for all 70+ countries by October 1, 2006. Tools that are closest to meeting the certification criteria currently would cover up to 21 countries. Congress will be asked to clarify that a phasing-in process is suitable, such that we can cover those countries with 80-90% of USAID MED funding as quickly as possible and phase the rest in gradually.
- All participants agree that greater dissemination of the poverty measurement tools and process – outside of the microfinance community - would be beneficial. Outreach efforts will be undertaken to include enterprise development practitioners, those in other fields such as health or education, as well as widening the scope to non-USAID players in the microfinance field (e.g., the MIX).

Action Items

Over lunch, the group (loosely) broke into three thematic teams, each to tackle a separate area for action. The team assignments for moving forward are as follows.

Congressional Team

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| • <u>Joanne Carter and Leila Nimatallah – RESULTS</u> | • <u>Kate McKee, Results</u> |
| • Susy Cheston – Microenterprise Coalition & OI | • Alex Counts – Grameen Foundation – USA |
| • Kate Druschel – IRIS | • Anna Cora Evans – WOCCU |

This team is tasked with determining what requires a Congressional letter in order to move forward and then going to Congress to achieve results.

Decisions:

A letter from Congress will be requested that asks for clarification on the following points:

- Phasing-in the tools will be fine, as long as the process for developing the tools is clearly laid out (spirit of the legislation is still being achieved)
- “New“ clients
- What to do in countries where there is no tool (in FY2007)

Joanne, Leila and Kate will provide an update with timing issues and to ensure that items the other teams need to accomplish are appropriately integrated into any congressional requests (particularly true of the Tools Team).

Buzz Team

- Laura Foose – POWG
- Syed Hashemi – CGAP
- Patrick Crompton – FINCA
- Alex Counts - GFUSA
- Sam Daley-Harris – MCS
- Brian Beard – IRIS
- Jason Wolf – USAID

This team is tasked with creating poverty assessment “buzz“ with the wider microenterprise community, including non-financial organizations (i.e., BDS or ED) and non-USAID microfinance related activities (e.g., the MIX, the social performance groups, etc.)

The team leader (not yet appointed) will provide an update with an indication of possible (or confirmed) dissemination strategies and incorporate other members of this team (or their designees) to help achieve the dissemination goals.

Tool Team

- Chris Dunford – FFH
- Evelyn Stark – USAID
- Simon Stenner – OI
- Rekha Reddy – ACCION
- Anthony Leegwater – IRIS
- Nigel Biggar – GFUSA
- Thierry van Bastelaer – IRIS
- Don Sillers – USAID
- Jonathan Morduch – NYU
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This team is tasked with offering options and recommendation for the development of a certification process and standards for accuracy which all tools must meet.