

Minutes from POWG update meeting on poverty assessment tool development
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1. Brief Summary of the International Tools Note written by IRIS – Anthony Leegwater

Creating an International Tool that would work in many countries has been difficult. To test the viability of International Tool(s), IRIS developed two tools for the 11 countries where they are testing – one for the countries with a high incidence of poverty, and one for the countries with a lower incidence of poverty. The distinction between low and high poverty improved the results somewhat, but does not yield a high enough level of accuracy. The only real solution is to develop country-specific tools that can be updated every 3 to 7 years.

2. Status of the Practicality Tests. This discussion provided feedback on what the IRIS team has learned throughout the practicality tests, particularly in terms of sampling, organizational buy-in, staff incentives, and importance of getting staff trained to process the poverty data. – Brian Beard

Recent debriefing trips have been made by IRIS to Kenya, Tanzania, Cambodia, India and Sri Lanka – focus group discussions took place with organizations that carried out practicality tests. Most of the first drafts of final reports from the practicality tests will be in to IRIS by next week. USAID will receive a final summary that incorporates the findings from these tests.

3 methods were analyzed for the implementation of the surveys:

- 1) Intake method – this has proven to be the easiest. The survey should be conducted after the client knows she is getting a loan, so as to not bias the data.
- 2) Ongoing Monitoring – often done during or after group meetings. It is convenient, but problems arise because of lack of privacy – hard to get isolation for the interview.
- 3) Household Survey – dependent on direct observation. Much more labor and time intensive than other methods. Occasional sensitivity involved in interviewing people in their own homes. Better accountability and higher confidence, but logistically very difficult so might not be worth the cost. Seasonality also affects when clients are home or not.

******The practicality tests showed that incentives are extremely important.**

- 1) Management needs to have high level of buy-in and convince staff how important this information is to learn about your clients. Loan officers should be involved in adapting the questionnaire and also be sufficiently trained so they understand the importance of the work--so the buy-in is there from the interviewers as well.
- 2) Timing of client interview should take place at disbursement or later, not during application so as to limit client manipulation of answers.
- 3) Incentives for staff – staff should be told that quality of work is important, not number of very poor clients they reach. Staff should collect data...and then the analysis can take place back at the office.
- 4) Outsourcing can eliminate some of the staff bias that might take place, but external interviewers will not know program or clients—so there are tradeoffs.
- 5) It is important to isolate interview to limit bias.

Some other lessons learned:

- Sampling and data processing need trained people to carry this out.
- Importance of help desk. The manual is not enough. Practitioners urged to keep the help desk.
- Outsourcing – university students were hired in some places and it was successful. Project management needs to be in house, however, to ensure quality of data.
- In India, an organization used recent hires to be the interviewers. They found this to be an effective strategy because they did not have as large of a workload and were more enthusiastic to get this information.
- Clients have been willing to do surveys as long as their schedule is respected and taken into account.
- The introduction of the survey is extremely important to build rapport with clients.
- Some sensitive indicators – not enough food to feed family, or head of household is not living with them, difficulty to quantify some household assets and clothing expenditures.
- Interviews are taking 12 to 15 minutes to complete. There are a variety of questions in the different surveys, so the average time depends on which survey is carried out. Some questions, such as total expenditures on clothing, take a lot more time to implement. This does not include the time that is needed to enter the data in the MIS system.
- Megan added that it is low cost to organization and low cost to client. Some clients felt that the added questions showed that the organization cared more about them as a person, not just as a financial client. In some cases clients did not want to portray themselves as very poor because they were afraid they would not get a loan.

- Client intake method was favored.
- Organizations they worked with needed a lot of assistance in understanding sampling.
- Megan has written a note from the field regarding the practicality testing, which is listed on the MicroLINKS website and as an annex to this report.

3. Evelyn Stark gave an update on the results of the High Level Poverty Task Force meeting that took place in February. As a result of the meeting, three teams have been created to complete follow-up work. The work is as follows:

Tools Team - Provided input on criteria necessary for tools certification. USAID will use that and the practicality testing feedback to come up with criteria.

Buzz Team - Will send a letter to broader ME community clarifying what the new tools 'will' and 'will not' do or require, and what is being done to develop the tools.

Congressional Team - working on a letter to Congress to clarify intent of legislation (incoming clients using a sample, as opposed to all clients), notify Congress about need for country-specific tools, and to request exemptions for certain situations (smaller ME orgs, smaller grants, or temporary waivers for countries where a tool has not yet been developed).

4. The POWG will conduct a survey of POWG members to investigate whether organizations become more proactive about understanding who their clients are as a result of the legislation. Has the legislation prompted more people to get involved with social performance? Are organizations making an effort to find ways to target the very poor – is this new or is it what the organization has always done? What strategies are being used to recruit and/or serve very poor clients?

Brian Beard noted that several organizations that have conducted the practicality testing have learned the value of learning more about their clients – something they had not done proactively in the past but look forward to exploring in the future.

5. Laura Foose encouraged POWG members to respond via email about timing for the mid year meeting on either May 22nd or May 24th.

Practicality testing of USAID's Poverty Assessment Tools continues to reveal unique challenges on the ground. – By Megan Gash

The latest chapter in the testing of [USAID's Poverty Assessment Tools](#) comes from FINCA Tanzania (FT). Made possible by USAID's Accelerated Microenterprise Advancement Program, the Poverty Assessment Tools project aims to create tools that gauge the poverty level of microfinance recipients and specifically differentiate the poor from the very poor, according to project definitions. The University of Maryland's [IRIS Center](#) developed these tools and enlisted the assistance of microfinance and business development organizations to conduct the second phase of testing in the project: that of practicality. IRIS assigned each participating organization a specific tool and asked them to answer the following question: Is this tool cost-effective and easy to implement while maintaining accuracy? Future data analysis by IRIS will answer the question of accuracy, experience of the organization. For FT, assessing cost-efficiency did not pose a problem, but judging ease did. With commendable candor, Megan Gash explains some of the obstacles, missteps, and lessons learned from the testing process: Even when a survey tool is short and simple to use, the method used to test the tool can make judging the ease of implementation a long and complicated process. FINCA International sent individuals from its headquarters in Washington, D.C. to carry out the project instead of using in-country staff as a way to improve upon techniques in its own poverty assessment methodology, the FINCA Client Assessment Tool (FCAT). FCAT consists of a client survey recorded with a Palm-Pilot that collects information on client demographics, outreach to the poor, business profitability and wealth creation, and clients' social well-being, and then uses the data to calculate a client's household poverty level.

Although using outside staff may come with advantages—such as a fresh perspective on the project, preventing current staff from being distracted from other works in progress, and maintaining closer management over implementation—we found it also brings challenges.

Client Overexposure

The biggest challenge we encountered during interviewing was the hazard we like to call “interviewing fatigue.” The marketing team at FT conducts customer service surveys and focus group discussions on a regular basis, which we assumed would have familiarized the clients with the interviewing process and facilitated the exercise overall. Unfortunately, their experience created the opposite effect. Many clients claimed they were tired of giving their personal information and opinions and were reluctant to do it again. One banking group refused to be interviewed at all. To help encourage participation, we provided snacks during their meetings, but eventually some clients began demanding these treats regardless of interview participation. We soon ceased our “incentive program” and realized that we would need to visit more village banks than expected to fulfill our projected sample.

Risks in Outsourcing

We hired an employment agency to assist us in retaining project interviewers. Instead of expediting the process, this decision prolonged it. We were misled about the interviewers' prior experience, their wage rates, their relationship with the representative, the representative's fee, and receipt of payment for the services. We also encountered difficulty when dealing with the representative's supervisor. Additionally, the man hired to translate the survey from English to Swahili managed to squander three weeks of our

time before completing the job. Although the interviewers' linguistic skills and cultural knowledge later proved to be an invaluable asset, we realized that much closer screening of outsourcing staff should be exercised in the future.

The Power of Probing

Lacking experience in interviewing, our surveyors did not fully understand the importance in probing clients for answers. When asked for estimations of household clothing expenditures and values of dishes and metal pots, one interviewer claimed that clients said they "don't know how much and don't want to lie." Whereas two interviewers probed the clients for estimates, the third interviewer did not, resulting in the elimination of almost 30 percent of all surveys completed. We learned to stress probing not only in interviewer trainings but also in quality control checks throughout the data collection process.

Among the insights gained from probing include: some clients' hesitation in giving us personal information stemmed from a fear that FT would go to their homes to verify their answers, or that the project staff would rob them of their claimed belongings; and some clients who claimed nine months as the "number of days ill and unable to participate in normal daily activity" were actually referring to pregnancy. Additionally, when asked "who is the main income earner in your household throughout the year," one client became confused by the term 'main income earner' since in Swahili the same phrase also means OB/GYN. She responded by asking how the doctor could be considered part of her household since he works in the hospital and does not live with her. Our experience provides further support for the saying, "it never hurts to ask."

Travel Planning Pains

Our sample plan required the interviewing team to travel to northern Tanzania to conclude the final rounds of interviewing. To cut costs, we opted to take buses and ferries to get us to our destinations instead of flying. Unfortunately, this experience included a non-air-conditioned 33-hour bus ride to the first city, an 8-hour ferry ride to the second city, a 4-hour (but precarious) return ferry ride to the first city, and a 27-hour return bus ride to Dar es Salaam. The route to and from included a not-so-convenient detour through Nairobi, Kenya, where the team incurred visa fees at the border high enough to close the savings gap in land versus air travel. Even though the trip included some fond moments, such as laughing along with the crowd while watching "The Gods Must Be Crazy" on the bus TV, we made a mental note to be more vigilant when making travel plans.

When writing our final report and responding to IRIS's request to judge the ease of implementing the tool, the FT practicality testing team responded with a qualified answer. Although we accomplished all testing requirements and gathered useful data, using in-house staff could certainly ease the process.