

UTILITY BEYOND COMPLIANCE

Major Categories prioritized in Task 2: Wide Angle Report

- Tool or indicators can be used for market research, targeting, and other management decisions.
- Tool or indicators can be useful to measure impact
- Reports using the tool or indicators can be useful to report to social investors and donors
- Reports using the tools or indicators can be useful to guide or target other programs (e.g. a government-funded program for housing or nutrition)
- **Note:** Beyond compliance goals could be in separate modules of a particular compliance tool (or separate compatible tools to be applied during same data collection period) if they cannot be accomplished by using the same indicators and same tools needed for USAID purpose. Also, client satisfaction data from different poverty strata could be collected at the same time, even though it would not be needed for USAID compliance.

Key Issues

- Tool or indicators can be used for market research, targeting, and other management decisions.
- Will yield valuable information to:
 - improve service delivery
 - do targeting for new products or new branches
 - do market research
 - identify needs of clients for new products or services
 - to inform product development
 - listen to and understand clients, individually and collectively
 - target the very poor
 - maintain a client focus for both MF and BDS
- Tool or indicators can be useful to measure impact (which is not mandated by USAID but useful to the institution and its external stakeholders)
- Will yield valuable information to:
 - be sensitive to measure socio-economic impact indicators, related to hypotheses of how institutions expected their clients to change as a result of the services and products provided to them
 - to serve as baseline information when doing further research with the indicators/tools for followup
 - to avoid a possible perverse incentive under the legislation that would penalize the institution if the clients became less poor during their use of the institution's services
 - provide periodic client monitoring of their progress
 - identify additional needs or dissatisfactions with the services
- Reports using the tool or indicators can be useful to report to social investors and donors.

- Will yield valuable information to:
 - report to non-USAID donors on client status and progress
 - report to social investors who are looking for depth of outreach as a trade-off to receiving less financial return
 - Note: this data collection could be funded separately than the compliance data collection.
 - Note: some institutions which are savings-based will not have the same concern to report to outside donors or investors.
- Reports using the tools or indicators can be useful to guide or target other programs (e.g. a government-funded program for housing or nutrition)
- Will yield valuable information to:
 - provide to others information on the poverty status of the institutions clients
 - provide information to others on the types of needs that clients, or others like them, have

Challenges and possible solutions

- Keep it inexpensive in terms of time and money – simplicity of tools
- Pushing aside or adding to the reporting and monitoring that staff have to do already – keep it simple
- Added time and cost to staff burden – consider it an investment in program quality
- Management ability to make use of the data collected – training of the management, staff and even board members of how to use the data well
- Relative lack of sophistication in research skills of practitioners in MF or BDS – intensive training will be needed to accompany the first year or two of implementation of the tools by practitioners
- Credibility and validity of the reports to external stakeholders – train the personnel how to collect the data in an objective manner
- Hard for a few tools to accomplish all of the purposes – IRIS should indicate for each of the tools how that tool could serve dual purposes of USAID goal and Beyond Compliance Goals
- Avoid the perverse incentive related to clients moving out of poverty and thus causing the program to lose funding from USAID – by focusing the compliance measurement on incoming clients

On-going concerns or questions (from the group and from the zoom-lens reporter)

- By using the tools, management may be motivated to target the very poor (which is important to the US Congress) but may not be the population segments most important to the local economy or to the sustainable growth of the institution

- Utility beyond likely will require additional indicators, modules, or tools and thus will cost more than just compliance. How much more costs are OK for the practitioner?
- With what frequency will the tools need to be used for USAID compliance?
- Social performance is not the same as impact analysis. Social performance is measuring the degree to which the poor being reached while impact assessment is looking at how the client, her business, household, and community are being benefited.
- Monitoring is more continuous while impact assessment is periodic. How often will these tools be used by the institution?

Diversity concerns

- rural/urban
- male/female
- intrahousehold poverty
- according to the different types of services
- in relation to the clients served by the institution as a whole versus the very poor being targeted for USAID funding
- different regions of the world have very different levels of poverty (e.g. poor in Eastern Europe do not have the same characteristics or proxies as poor in Africa)