

microLINKS Speaker's Corner 3:

Microenterprise Results Reporting

This third Speaker's Corner online conference, held January 26-28, 2005, answered questions on filling out the MRR forms and discussed the recent legislative changes affecting the Microenterprise Results Reporting done by missions.

Experts Stacey Young and Sharon Williams will answered questions from an online audience. Stacey Young, Ph.D. is the Senior Knowledge Management Advisor at USAID, and Sharon Williams, M.S. is a microenterprise development specialist at Weidemann Associates, Inc.

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“Event Welcome”

01-26-2005

Sharon Williams

Hello and welcome to the third microLINKS Speaker’s Corner, “Microenterprise Results Reporting (MRR).” Hosting this electronic discussion will be Stacey Young, Senior Knowledge Management Advisor in USAID’s Office of Microenterprise Development and Sharon Williams, Managing Associate at Weidemann Associates, Inc., the contractor responsible for managing and maintaining the MRR system.

USAID’s budget system does not currently have a code for microenterprise. As a cross-cutting strategy that draws on funding from different sectors, microenterprise development programs do not correspond with data reported through USAID’s internal budgeting system. As a result, Microenterprise Results Reporting (MRR) was created in 1996 to track USAID’s microenterprise funding and program data.

To date nearly all USAID Bureaus and Missions have reported obligations and approximately 1,400 institutions have reported their results to the MRR system. Obligation data is regularly used by USAID’s central and regional budget offices and other USAID offices for a variety of purposes, including use in the annual report and in the preparation of planning and budget documents. Funding data is also used to determine whether USAID has met Congressionally mandated funding targets for microenterprise development on an annual basis. Institution data reported through the system allows MRR to describe partner performance and outreach. This data is important to the Agency, partner organizations, and the U.S. Congress. Reports drawing on this data inform the public and those working in the sector about trends in USAID microenterprise funding and activities.

The deadline for Missions to report actual 2004 obligations and projections for 2005 and 2006 is February 7th. We hope you will use this Speaker’s Corner discussion to raise any questions or concerns you may have about your Mission’s obligation reporting. What challenges has your Mission faced in entering microenterprise obligation data? What sections of the MRR site are especially difficult to understand/fill out? Are there particular circumstances that make it difficult for you to report only on the ‘micro’ portion of your obligation? Do you have questions about how USAID defines a microenterprise? Feel free to post any questions you may have so that all Missions can learn from this exchange. By engaging in this discussion we hope to make the reporting process much easier for you.

“Does Agriculture Count?”

01-26-2005

Gabriela Salazar

Dear Sharon, I have some questions in regards to the MRR. The ADS states that microenterprise excludes crops, however, MRR requests for this year state:

Please provide all microenterprise obligations data, including Title II/FFP funding. Microenterprise obligations should fit within USAID's definition of microenterprise which is: an economic activity that employs 10 or fewer workers, in which the owner/operator of the enterprise (the microentrepreneur") is considered poor. In the case of agriculture, a microenterprise can be dairy, horticulture, small livestock, or any crop or agribusiness activity that is commercialized.

We have an agricultural program MAPA that is supporting agriculture and agribusiness associations in Bolivia, the funding used is DA/agriculture. This is not a financial program but a Business Development one. Do we need to report MAPA activities?

Thanks.

01-26-2005

Sharon Williams

Thank you for your question, it is a good one. All activities involving agriculture and agribusiness associations, like MAPA, should be reported if the beneficiaries meet the Agency's definition of a microenterprise: an enterprise with 10 or fewer workers, including the owner (the microentrepreneur" and any unpaid family workers and the agricultural activities are for commercial purposes.

MRR tracks financial, business development services (BDS) activities as they affect microenterprises.

01-26-2005

Stacey Young

Sharon, thanks for this clarification. I know there's a lot of confusion about the status of agribusiness/horticulture etc. because we used to say that agriculture never counted as microenterprise, and this has changed. I just wanted to further clarify that we now include these activities as microenterprise only when they are undertaken to produce goods for marketing, not for personal/household consumption. In addition to meeting the other criteria for microenterprises (fewer than 10 workers

including unpaid family members, etc.), qualifying micros must be producing their ag/etc. goods to sell.

Thanks, everyone. -- Stacey

01-27-2005

Andy Reuter

Stacey,

How much has the inclusion of agribusiness/horticulture increased the numbers of the reported microenterprise activity? I assume it would be a pretty significant increase.....

01-27-2005

Stacey Young

Great question. There has been an increase, though attribution (to the changed policy vs. other factors) is difficult. Sharon and I have chatted about this and she's going to post a more detailed explanation of the increase that we've seen and the various potential causes of it.

Stacey

01-27-2005

Sharon Williams

Thanks Stacey. The obligations total did increase significantly after Missions received details regarding the inclusion of agribusiness/horticulture in microenterprise reporting. However, we can not definitively attribute the entire increase to the inclusion of agribusiness/horticulture. At the time Missions were in the midst of budget reviews at the request of USAID/Washington. This review was done much later in the reporting cycle than normal. As a result, many Missions came back to MRR with higher projections than what they had provided several months earlier.

“Training for MRR?”

01-28-2005

Natalia Berezhna

Is there a special training that you would recommend to attend for those responsible for MRR reporting and monitoring? It is quite interesting that the year of 2005 became an international year of microcredit. It gets more and more attention from U.S. Congress and international donors worldwide.

01-28-2005

Sharon Williams

Thanks for your questions Natalia. Training on the MRR system is a good idea, particularly since it is a yearly reporting requirement. We don't currently have any formal training sessions planned, however, we can do 'virtual' training. What MRR has done in the past is called Missions that required guidance through the system. Once you are on a computer we can walk you through the system fairly easily. In addition, some Missions have used trips to USAID/Washington to receive in person training on MRR. If you know you will be in Washington we could schedule a morning or afternoon training session either at USAID or at our offices.

“When Microenterprise is part of a larger activity”

01-27-2005

Sharon Williams

One challenge that Missions are often faced with is how to report microenterprise obligations when microenterprise development is part of a larger activity serving other target groups or sectors. How does your Mission address this? Can MRR help you in addressing this challenge?

01-28-2005
Natalia Berezhna

Sharon/Stacey:

When we report the portion of microenterprise development component, we seek input from CTOs and implementers. Each year we ask them to estimate the best percentage of the obligation money that will support microenterprise development activities. Only that percentage is reported then. We screen all Mission activities (health, democracy, economic growth, agriculture, etc.) for microenterprise components per guidance provided by EGAT and MRR.

Like, we call them or send them an e-mail "Please advise what is the percentage of micro enterprises that your program works with and what is the main purpose of these obligations (4 categories are listed below. It could be not just one category)? Based on this number we will then pro-rate the obligations in the MRR database. USAID's definition of microenterprise is: an economic activity that employs 10 or fewer workers, in which the owner/operator of the enterprise (the "microentrepreneur") is considered poor. In the case of agriculture, a microenterprise can be dairy, horticulture, small livestock, or any crop or agribusiness activity that is commercialized." If needed, we then provide further guidance, so that we all understand what we talk about.

Of course, we realize that this is only estimations and we heavily rely on our CTOs and implementers judgment. Likewise, most of our activities contributing to MED are SMEs, agriculture, access to credit, microlending, local governance, policy and DCA activities.

It would be very beneficial if we could prepare a universal assessment tool (like a checklist) that would help easily identify an activity that supports microenterprise. It is really difficult to see a microenterprise component in HIV/AIDS, TB or environment programs.

Thank you.
Natalia Berezhna

01-28-2005
Sharon Williams

Natalia this is an excellent example of how a mission can approach the issue of pro-rating. First, you are seeking the input of those closest to your programs -- CTOs and implementers. Secondly, you are asking for their best estimations based on the USAID definition of a microenterprise. MRR also recognizes that these are estimations. The USAID definition is the only 'rule of thumb' we currently have to identify microenterprise activity.
Thank you for sharing your approach with this discussion.

“Can the category ‘Other’ include no-year money?”

01-28-2005
Natalia Berezhna

When entering obligations in the MRR for a particular year (i.e. FY04), only two types "NOA" and "Other" appear when attributing obligations. I used "Other" category for carryover funds (FY03c/o). Will this "Other" category include no-year money as well (recovery funds)?

01-28-2005
Sharon Williams

Thanks Natalia. The "Other" category can be used for monies outside of the OYB. The main component of this is carryover funds, however, it can also include no-year money as well.

“Listing recipients of obligations”

01-27-2005
Sharon Williams

As you know the deadline to report your 2004 actual obligations and recipient institutions, as well as your microenterprise projections for 2005 and 2006 is February 7th, just over one week away.

Please tell us what challenges you face when entering your microenterprise obligations to the MRR system. What's the hardest part of reporting to MRR?

We look forward to receiving your comments/questions so that we can make the MRR reporting process smoother for you.

01-27-2005

John Caracciolo

Sharon,

I completed my reporting today.

Please say hello to my old friend Wes for me.

Kindest regards,

John Caracciolo

01-27-2005

Sharon Williams

John,

Thank you for entering your 2004 actual obligations as well as your projections for 05 and 06.

Please also list the recipients of the 2004 obligations that you have listed. You can do this by doing the following:

1. Click on the "List Recipients (0: \$0)" link. This link will bring you to a screen titled "List of recipients under the following obligation set:".
2. Click on the [ADD]link at the top of the screen. This will bring you to a screen titled "Add Institution or Activity under the following Obligation"
3. There is a drop down box for the "Institution Name" field. Select the institution from the drop down box. If the institution name does not appear, click on the [ADD Institution] link at the top of the screen and enter the institution's name and contact details. After submitting this info, you will be brought back to the screen mentioned above. The institution should now appear in the drop down box.

If there is more than one institution receiving the obligation repeat the above steps. The total obligation showing under List Recipients should equal the total overall obligation entered.

Let me know if you have any questions or need further guidance. Thanks again for submitting your data on time.

Best wishes,
Sharon

“Include funds that finance operational costs in obligations?”

01-27-2005
Lilian Monterroso

Dear Sharon,

Shall we include in the obligations the funds that finance operational costs of microenterprise program?

Thank you for your answer.

Lilian J. Monterroso Way

01-28-2005
Sharon Williams

Thanks Lilian. Missions should include in their obligations reporting the funds that finance operational costs of their microenterprise program. The way to do this would to designate the funds as Microenterprise Support. In the case of Guatemala you would select "Micro Support/Guatemala" from the drop down box of institutions and indicate the amount of those funds. Other funds that can be included in your microenterprise obligations reporting under 'Microenterprise Support' are staff salaries for microenterprise technical officers, training related to microenterprise, and any other costs directly associated with MED program operation.

“Implementers contractually obligated to complete questionnaires?”

01-27-2005

Sharon Williams

The response rate from Missions to enter their obligations has been slower this year. Are there particular issues Missions are facing, which we could help you address?

01-28-2005

Natalia Berezhna

In some cases implementers were not able to complete in full questionnaires that we assigned to them due to lack of data (MFIs and BDSs). One or two implementers were slightly reluctant to complete questionnaires, saying that it was not their contractual responsibility or they do not have staff to do this. Which clause should we refer to when asking them to complete questionnaires if it's not provisioned in their contracts?

01-28-2005

Sharon Williams

Thanks Natalia. If an institution does not have a provision in their contract with you regarding MRR reporting, there is no other clause we can refer them to. Some Missions have included reporting to MRR in their contract agreements since it is a yearly reporting requirement. Since microenterprise reporting will continue other Missions might want to include this as part of their standard contract agreements.

If your institutions are hesitant in reporting to MRR the Mission could gather the institutional data and report it to MRR for the institutions. Another suggestion might be to explain that USAID/Missions are required to report on their microenterprise portfolios. As USAID partners, institutions are expected to share their program information.

“Constantly changing figures? This is a dynamic database”

01-28-2005

Natalia Berezna

This is good that the MRR database is alive and can accept changes. Most of our (Ukraine/Moldova) obligations are pro-rated since micro is only a part of more complex activities, and therefore, we adjust the amount each time budget change happens. This leads to increased/decreased amounts reported throughout the year. Only after September 30 we know exactly how much we obligated for microenterprise development in the particular FY. What if this amount significantly differs from what was estimated and reported a year ago? Does MRR have a margin of error when it provides info to senior management? Thank you.

01-28-2005

Sharon Williams

Thanks Natalia. It is important to remember that the MRR dataset is live, therefore, Missions are able to log onto the system at any time to update an obligation entry and/or enter a new entry. When MRR sends its yearly request to Missions it asks for actual obligations for the most recently completed fiscal year, and projections for the two subsequent years. For example, the data that Missions provided last year for 2004 are viewed as projections until the point in time when the Mission updates the projection with what was actually obligated as of September 30, 2004. At this time it is also expected that the Mission can tell us what institution(s) received the obligation. Any reports provided to Senior Management are presented as projections only until the fiscal year has ended and Missions have updated the projections with actual obligations. Using 2004 as an example again, any reports generated for Senior Management are still presented as projections because Missions are in the process of updating their 2004 projections with actual obligations.

01-28-2005

Stacey Young

I just want to confirm what Sharon said and assure everyone that when we present projections to USAID senior management, we make clear that the database is dynamic and the numbers are subject to change.

Stacey

“Adding a new country to the database”

01-28-2005

Natalia Berezhna

It is more like a technical question. We need to add the country of Belarus to the MRR database. Is there a special procedure?

01-28-2005

Sharon Williams

Hi Natalia -- Only an MRR administrator can add a country or Mission to the database. I have added Belarus for you. In a separate email I will send you the username and password for Belarus so you may enter your information.

“MRR and AR numbers: Almost always different”

01-28-2005

Natalia Berezhna

Annual Report (AR) application includes tables where we report microenterprise obligations by FY. But this figure comes different from what is reported in the MRR, since it (AR) only counts economic growth

programs. We include in MRR our democracy and social programs as well, since they have components dealing with microenterprise. Do we have an understanding of that? How can we correctly attribute the same information in both places (MRR and AR)?

01-31-2005

Scott Kleinberg

Natalia –

Here is the answer to your question. The Annual Report collects information for our annual budget request to Congress, as part of the appropriations process. Therefore its focus is on the use of currently appropriated funds and plans for two years into the future. Since the AR only looks at funding by year of appropriation, this can differ from the level of obligations for a number of reasons (carryover, deobligation/reobligation, etc.). The AR is the only reporting mechanism in the Agency that tracks programs by Appropriations.

The AR also reports funding at the SO level, so at that level of generality, there's no way to capture microenterprise components of larger activities in other SOs. This can also contribute to differences between AR numbers and other reports on Agency programs, including MRR.

By contrast, the MRR tracks data to determine whether the Agency is meeting a Congressionally-defined funding target. The rules of the game here are a bit different, and we can identify microenterprise programming in any SO or program. Also, the funds can come from any source or fiscal year. Therefore, the numbers will almost inevitably differ.

Scott