

**A MANUAL FOR THE  
PARTICIPATORY SELF-MONITORING AND  
EVALUATION  
OF  
MICRO-ENTERPRISE DEVELOPMENT  
PROGRAMME  
NEPAL**



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## **Abbreviation/Acronyms**

ADB/N	Agricultural Bank of Nepal
CMC	Chairman and Manager Conference
DPM	District Programme Manager
EDF	Enterprise Development Facilitator
EDO	Enterprise Development Officer
DCIO	District Cottage Industry Officer
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
FNCSI	Federation of Nepalese Cottage and Small Industries
HH	Household
IEDI	Industrial Enterprise Development Institute
IGIM	Inter-Group Interaction Meeting
MEG	Micro Entrepreneurs Group
M&E	Monitoring and Evaluation
MEGA	Micro Entrepreneurs Group Association
MEDEP	Micro Enterprise Development programme
NPM	National Programme Manager
PE	Participatory Evaluation
PM	Participatory Monitoring
PRA	Participatory Rural Appraisal
PSM	Participatory Self- Monitoring
PSME	Participatory Self-Monitoring and Evaluation
SSI	Semi-Structured Interview
VDC	Village Development Committee

# The Basics of Monitoring and Evaluation

## 1.1 Background

Monitoring and Evaluation (M&E) relatively is a new concept in the field of participatory appraisal and development. The term "monitoring" was begun by human being after they learned rearing animals for milk and meat production. In other words, people learnt about monitoring as they started learning the concept of management for survival. But the formal evaluation system emerged in the UN system in the early 1950s. Consultants began to use M&E differently according to their needs. However, evaluation was undertaken with narrow concept and scope. The concept of M&E was largely focused on the delivery of physical inputs and the expected outputs rather than with the true nature of impact on beneficiaries. In recent years, the practice rapidly changed with growing understanding among development professionals and the rural people that M&E is an effective tool for objective oriented management projects and programmes in rural development aimed at the poor, women and disadvantaged people.

Rural development is a complex terminology due to many unknown factors. The term Rural development is also passing through many trial and error phases. The growth aspects of economic development model have failed to benefit the poor people who live below the poverty line. To ensure that the benefits of development would reach the poor, women and socially disadvantaged groups, there is a clear need to reorient development partners to go beyond growth criteria and focus on socio-economic objectives. Participatory M&E has come into existence in the development programme to strengthen the planning process in a truly participatory way.

**Monitoring** basically means to "keep an eye on things", i.e. to ensure that on going activities are being implemented according to a pre-determined schedule or set of interventions. It is intended to make sure funds allocated for an activity are actually spent on that particular activity, that rules and regulations are followed, and that intended outputs are achieved. Generally, monitoring involves reporting to management and the most common tools used for this purpose are formats filled in by field staff. Thus, a programme monitoring system is an information system for management and decision making.

**Evaluation** implies that activities are assessed periodically by both external parties and beneficiaries to put into perspective the contribution of programme activities and their relevance, performance, efficiency and possible impact as stated in the programme's objectives. Evaluation is usually done when an activity has been completed.

**Monitoring and Evaluation** combined means the collection of information regarding on-going activities (monitoring) and completed activities (evaluation). In projects, where some activities are on going and some being completed at the same time, both types of information form the basis for assessing performance and ensuring that an activity follows its objectives.

The terminology and the modalities used for monitoring and evaluation are often confusing as donors who finance individual projects emphasise particular areas of their interest. The following glossary has tried to clarify the concept of key terms and terminology.

## 1.2 Key Terms and Concepts of Monitoring and evaluation

We use key terms and certain concepts in the literature of M&E. We will try to define some development terms in simple language so that the readers will face no problem in understanding development jargons used in this manual.

**Objectives** are the desired results of development programmes and projects. Objectives can be arranged in a hierarchy of two or more levels, e.g., short-term, intermediate and long-range. For example, the output (short-term objective) of an bamboo enterprise is the total production of a given number of bamboo of a given size and sales of bamboo articles are effects of the which will contribute to the long term objectives. The income from sales and the well being of the target groups is termed impact.

**Programme** is a means for translating policies into action programmes. Development projects are vehicles for financing induced growth and change, it concentrates resources on selected priorities and focuses on geographic area. It also addresses special population groups.

**Programme** is an organised set of activities, projects, processes or services, which is oriented toward the attainment of specific objectives. The purpose of a programme or a programme is to convert a set of resources into desired results (objectives). The resources are called inputs. The results are divided into three broad categories: Output, effects and impacts. They are also called hierarchy of objectives, namely, short and intermediate-term and long-term. These four or other key terms are defined below.

**Inputs** are the goods, funds, services, and manpower, technology and other resources provided for an activity with the expectation of producing outputs and achieving the objectives of a programme/programme

**Outputs** are the specific products or services which an activity is expected to produce from its inputs in order to achieve its objectives. Examples of outputs of the Micro-Enterprises Development Programme for example are (a) No of men and women trained in black smith, number of enterprises established, (b) Appropriate low cost technology (specify) provided.

**Effects** are the outcome of the use of programme outputs. Examples include Production of 280 sickles, 55 khukris and 75 metal doors. Programme effect will usually begin to emerge during the implementation period; however, full effects usually do not emerge until after *full development* of a programme, that is to say, some years after programme completion.

**Impact** is the outcome of programme effects. It is an expression of the results actually produced, usually at the level of broader, long-range objectives. Impact may also be defined as the ultimate change in the living conditions of beneficiaries resulting (wholly or partially) from a programme/programme. Examples include changes in actual living standards flowing from the programme, e.g. increased income, improved nutritional status, increased literacy rates, wider participation by target groups in development planning and decision making, and increased capacity for self-reliant, self-sustained development of beneficiary groups. Impact thus may be expected at both the individual or household level (changes in income, housing, nutrition, health status) or at community and national levels (altered socio-economic relationships, devolution of decision making authority to local levels for effective beneficiary participation).

It should be pointed out that the distinction between output, effects, impact and indicators depends on the nature, scope and size, and above all, the specific objectives of a programme or programme.

Some elements of impact may begin to emerge during implementation (increased employment, incomes and nutritional levels). Others, such as improved literacy rates or capacity for self-sustained development, will by their very nature evolve some years after a programme's completion, i.e, at its full development.

**Indicators**, as the term suggests, are variables that help to measure changes in a given situation. They are tools for monitoring and evaluating the effects of an activity. Indicators are used as markers of progress towards reaching intermediate or long-term objectives. They are not numerical targets in themselves.

**Analysis** is breaking down a big block into small parts and see the relationship between those small parts and the whole picture.

**Participatory** refers to the idea that sustainable development within MEDEP programme locations should be based on the active involvement of Micro-entrepreneurs and partner organisations, on a collaborative management process.

**Integrated** refers to the idea that sustainable livelihoods should be based on the sustainable use of local resources on a regular basis with the integration and support of relevant partner organisations.

**Equity and Equality:** Equity refers to providing optimum support to poor people in relation to their needs and available resources. Equality aims at providing equal opportunity to all, be they rich or poor. Equity is a



strategic consideration to support poor, deprived, underprivileged and disadvantaged people including women. While equity implies means, equality is the end of any development programme.

**Sustainable development** of micro-entrepreneurs and ME groups would mean benefits to the programme's beneficiaries at present should sustain even after external interventions has been withdrawn by all the stakeholders.

Although monitoring and evaluation may seem a self-evident term, some understanding of basic terms is necessary to grasp its *Guiding Principles*.

### **Monitoring & Evaluation-Related Activities**

- **Monitoring** – Regular, systematic, periodic assessment
- **Studies & Reviews** – Taken up on a ad hoc basis
- **Evaluation** – Formal assessment of objectives such as mid-term, final, ex-post reports
- **Impact Assessment** – Assessment of impact of a Programme/activities/output

### **1.3 Objectives of Monitoring & Evaluation**

- To ensure that activities are kept on the right track in relation to their objectives.
- To ensure that an activity has been able to meet its objectives.
- To ensure that implementation procedures are appropriate and that they reflect the felt needs of the beneficiaries
- To collect information so as to be able to evaluate activities
- To learn from experience so as to enable an agency or organisation to plan, make strategies and develop its human resources
- Documentation of information

### **1.4 Monitoring & Evaluation as Management Tools**

M&E are management tools and without such tools, management cannot regulate or assess whether targets and objectives have been or are likely to be met. For example, as the ultimate beneficiaries of an irrigation programme are the users, it is important to have a constant flow of information from the bottom to the top and vice versa. Without such feedback, inappropriate actions, procedures and activities cannot be rectified, or strategies adjusted. Thus, there is a strong relationship between popular participation and M&E. For activities to be truly participatory and demand-driven, a two-way communication is essential.

M&E is not only a tool for effective management of development activities for immediate and short term but it also strengthens management capabilities of the concerned stakeholders in the long term. As global resources are now shrinking, recipient governments are laying greater emphasis on quality rather than quantity outputs. Thus quality of development efforts and their results is what donor agencies look for as output. It is always advisable to do few works qualitatively rather than 100 low quality works. Quality results are the essence of development and it would only be logical to suggest that the focus should be on few quality works instead of doing many activities in the absence of quality.

M&E are mainly concerned with impact on beneficiaries, efficient and effective programme implementation and early corrective actions. M&E are also recognised as a tool to develop management capabilities towards attainment of objectives.

This manual presents a set of guidelines for self-monitoring and evaluation with special focus on the Micro-Enterprise Development Programme. Micro-entrepreneurs can never enhance their total capacity if they do not evaluate themselves for corrective measures towards reaching their ultimate goals. This manual has been prepared for micro-entrepreneurs or enterprise groups as well as the implementing partner organisations of MEDEP who play roles as facilitators at the practitioner level.

## 2. Development Concept

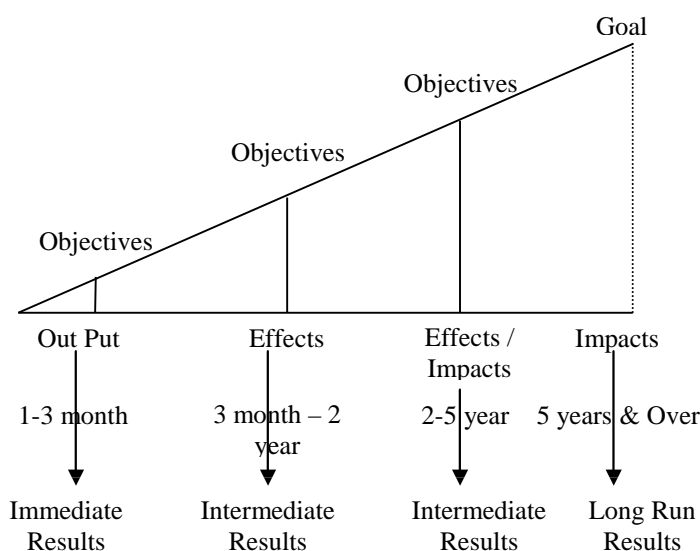
### 2.1 What is development? What are objectives, aim and goals of development programmes? How to measure results or changes of an activity?

Development is change from one state to another. Development does not entail only physical change but changes in thinking as well. In development terminology only the latent (hidden) can be made visible. For Example photograph (latent). We must always keep track of our own mistakes because mistakes are foundation for success and every programme should have its objectives. Objectives are generally concrete whereas the goals are abstract. Sometimes objectives are broken into measurable and non-measurable components. The results are generally two types: material (products) and non-material (process or capacity). The fulfilment of all objectives helps to reach goals. Poverty is intangible because we can not see poverty directly and one needs to use different indexes to measure poverty. Poverty reduction can be measured by using different qualitative and quantitative indicators as the programme's major goal is poverty reduction and its effort are directed towards poverty reduction. The goals can only be reached if we could achieve all objectives. Hence, the aim lies in between objectives and goals. The aim is an intermediate objective and this can be achieved only if certain objectives are met. It is not easy to measure goals because it is the combination of many variables, but the objectives should have quantifiable indicators. The objectives should have SMART indicators, e.g S = Specific, M= Measurable, A= Attainable, R= Relevance, T= Timely

### 2.2 Qualitative and Quantitative information

In this reference, participants should be repeatedly briefed about the philosophy of development, as every field worker should bear in mind that they are conducting an activity to achieve a goal. Development is a change and changes are the markers of progress. Changes are either qualitative (expressive) or quantitative (numerical). The changes are either quantified or felt. The feelings or public opinion are called qualitative indicators whereas the numerical changes are quantitative indicators and in certain circumstance one can find both indicators in one activity. We can find both qualitative as well as quantitative indicators in most enterprises. For example, 10 women 4 men received basket-weaving training can be viewed as an quantitative indicator while basket weaving raised the dignity of women entrepreneurs because they were able to directly make an earning can be viewed as an qualitative indicator.

Every change is measurable and participants should be briefed that development workers aided by prime stakeholders should be able to measure every change. Measurements of changes are crucial in the Micro-Enterprise Development Programme (MEDEP) as stakeholders would always like to know about the changes brought due to the activity they are involved in.



Participatory Self-Monitoring and Evaluation must entail measurement all steps of activities. This can be a very effective tool to win the confidence of the people, which will eventually motivate the entrepreneurs to participate actively towards attainment of their stated goals.

### 3. MEDEP Objectives

The development objective of MEDEP programme is to contribute to the government's efforts on poverty reduction in rural areas through the development of micro-entrepreneurs from low income families, and the creation of micro-enterprise services mechanism that will enable low income families to achieve sustainable livelihoods based on local demand. MEDEP supports this vision with two immediate objectives. (1) The development of micro-entrepreneurs, and (2) the creation of sustainable micro-enterprise service mechanisms.

#### 3.1 MEDEP Goals

To reduce poverty in rural areas through the development of micro-entrepreneurs and creation of micro-enterprise services delivery mechanism that will enable low income families to achieve sustainable livelihoods based on local demand.

The following key programme strategies have been set forth to achieve the above mentioned goal by the end of the MEDEP programme implementing period

- Demand Driven: All programme activities have been based on potentials and needs of micro-entrepreneurs and their markets.
- Sustainable enterprise partnerships: Programme investments have been aimed at strengthening and networking capabilities of local level partner organisations in supporting micro-enterprise development and mobilising local level initiatives to stimulate micro-enterprise growth to reduce poverty.

The following tools are recommended to gauge the efficiency and effectiveness of each enterprise

#### Monitoring Formats

1. Inter-group Interaction meeting (IGIM)
2. Income and expenditure
3. Activities planning
4. Impact assessment
5. Inputs, output and effects monitoring

#### Self-evaluation Formats

6. Micro-enterprise trend
7. Capacity building trend
8. Social-economic impact
9. Entrepreneurial competency development
10. SWOT Analysis
11. Group mobilisation process
12. Problems, causes and solutions

#### Objectives

Number of micro-enterprises established  
Increased income  
Raised quality of life

#### Measurements

Quantification of micro-enterprises  
Amount of profit  
Change in housing and dressing pattern, Change in health and sanitation and schooling habit, Change in quality and quantity of food

### 3.2 Result Analysis

The results are outputs (immediate results), effects (intermediate results) and the impacts are long range results. The micro-entrepreneurs aided by EDF and other supporting staff must be able to analyse the results of each micro-enterprise activity in the following manner. Examining each activity in relation to outcomes of enterprise development should be the programme's basis for result analysis. This is generally done in a framework.

**Table 1.**

Activities	Inputs	Outputs	Effects	Impact
Bee keeping	<ul style="list-style-type: none"> <li>Organised bee keeping training for 10 persons (5 male and 5 female)</li> <li>Loan investment of Rs.5,000.00 /person for 10 persons totalling Rs.50,000.00</li> <li>Account training</li> <li>Exposure visit</li> <li>Provided refreshment training on improved bee keeping</li> </ul>	<ul style="list-style-type: none"> <li>10 persons (5 male and 5 female) trained in bee keeping</li> <li>Received 10 nos. of modern bee hives with bees</li> <li>Acquired knowledge on loss and profit accounts</li> <li>Acquired knowledge of new technology on honey Purification</li> <li>5 person gained additional knowledge on bee keeping (5 males and 5 females)</li> </ul>	<ul style="list-style-type: none"> <li>Increased 10 no. of bee hive frames</li> <li>150 kg Honey production (200 per kg)               <ul style="list-style-type: none"> <li>a) 10 nos. hive production</li> <li>b) The neighbours replicated and established bee keeping enterprise</li> <li>c) 3 males and 2 females bought hives)</li> </ul> </li> <li>15 persons established a common garden</li> <li>Established community honey shop</li> </ul>	<ul style="list-style-type: none"> <li>Monthly income increased from Rs.1500.00 to 2500.00</li> <li>10 persons got Additional employment</li> </ul>

Source: PMSE workshop, MEDEP/ Nawalparasi

### 3.3. Monitoring Process

Monitoring is a continuous process of checking whether the programme is being implemented according to objectives with success. Effective monitoring also requires an efficient management information system-to collect and deliver information to show whether implementation is achieving results as planned and the adjustments required.



Monitoring is a continuous assessment of three issues:

- Functioning of programme activities
- Use of programme inputs by targeted population
- Impact monitoring

### 3.4 Monitoring – Features

- An internal activity of programme management
- Systematic recording and periodic analysis of information that has been chosen and recorded by outsiders
- Its purpose is to determine whether programme has been implemented as planned
- To provide information during the life of the programme, so that adjustments and/or modifications can be made if necessary

### 3.5 Types of Monitoring

#### Ø Input Monitoring

To determine whether resources are being mobilised as planned (e.g. Funds)

#### Ø Activity Monitoring:

Whether activities are being carried out as planned (related to efficiency and quality of operation/s – They can be quantitative schedules and/or qualitative process monitoring)

#### Ø Output Monitoring:

Whether services or products are being delivered on schedule – (outputs are tangibles and intangibles, which can be guaranteed by the management–monitoring progress of key outputs, both quantitative and qualitative)

#### Ø Impact Monitoring:

Whether the impacts are going the way as envisaged by a programme. (Is programme making a difference?)

### 3.6 Participatory Self-Monitoring

Monitoring is a process to see that everything goes, as far as possible, according to plan and those resources are not wasted. Monitoring is a continuous feedback system throughout the life of a programme or programme. When we say, monitoring, it often lacks peoples' participation and because it is usually done by outsiders this type of monitoring cannot yield desired results unlike what could have been achieved through Participatory Monitoring (Participatory Monitoring/PM). In PM, the beneficiaries themselves take interest in following-up the programme progress and taking decisions in all programme matters.

It involves overseeing or periodic review of each activity at every level of implementation to ensure that:

- inputs are readily available on time;
- work plans are followed as closely as possible;
- adjustments can be made, and corrective action taken where necessary;
- people who need to know, are kept informed;
- constraints and bottlenecks can be foreseen, and timely solutions are found; and

- resources are used efficiently and effectively..

The PM should involve beneficiaries of a programme in measuring, recording, collecting, processing and communicating information to assist both programme management personnel and group members in decision making.

## 4. What is Evaluation?

Evaluation would imply assessing appropriateness of design and implementation methods for achieving objectives and recommending necessary changes.

### 4.1 Evaluation – Broad types

Efficiency evaluation – For assessing/estimating impact and the factors determining them and recommending changes

Impact evaluation – For assessing impact or multiplier effects brought about by an activity

### 4.2 Why Evaluate?

#### Key reasons

- Achievement (seeking what has been achieved)
- Measuring progress (in accordance with the objectives of the programme)
- Improving monitoring (for better management)
- Identifying strengths & weaknesses (to strengthen the programme)
- Whether effective (if effort was effective – what difference has the programme made)
- Cost benefit (where the costs reasonable)
- Collecting information (to plan and manage programme activities better)
- Sharing experience (to prevent other making similar mistakes, or encourage them to use similar methods)
- Improving effectiveness (to have more impact)
- Allowing for better planning (more in line with the needs of people, especially at community level)

### 4.3 Benefits of an evaluation and what it does?

It cannot do everything. However it can often do the following:

- Ø It can show the main achievements or failing
- Ø Show where and how changes are required to be made
- Ø Show how to build upon strengths
- Ø Provide information and increase skills for planning and decision-making
- Ø Help those involved to get a wider perspective in the context and implications of their own work
- Ø To resolve a crisis/problem
- Ø To introduce participation where need not be a feature

### 4.4 Aspects of Evaluation

- What are the objectives? general /immediate/intermediate/long-term
- How much has been achieved? SWOL (Strength, Weakness, Opportunity, Limitation)
- What is the development impact? productivity, equity, sustainability
- What are the factors influencing impacts?
- Whether design, planning and implementation are cost appropriate?
- Whether objectives need to change?

**Evaluation** may be conducted by the programme implementation agency or by professionals from outside the implementing agency.

Evaluation can be conducted for assessing:

- Appropriateness of design for achieving objectives
- Appropriateness of implementation methods for achieving specific/general objectives and
- Recommend necessary changes

## **5. Participatory Evaluation**

Participatory Evaluation (PE) is the systematic analysis by micro enterprise group and members aided by concerned stakeholders (DPIC) to enable them to adjust and re-define policies or objectives, re-organize institutional arrangements or re-deploy resources as necessary. PE is continuous process of surveillance (monitoring) in order to assess (evaluate) programme activities and their impact on the beneficiaries. It may also assess whether the process is sustainable in the physical as well as the socio-political sense, and whether benefits are distributed equitably.

### **5.1 Benefits of Participatory Evaluation**

- Better decision-making by development workers
- Development workers develop evaluation skills
- Outsiders have better understanding of people working in projects
- Communication is strengthened among people working in the programme
- Information becomes available for management of the programme
- Entry point for participatory approach

### **5.2 Aspects of Participatory Evaluation**

- What are the objectives?
- General/overall and immediate objectives
- How much has been achieved?
- What are the SWOL (Strength, Weakness, Opportunity, Limitations) ? How much has been achieved in terms of sustainability? At what cost? And with what effect? (Which brings the issue of the next question)
- What are the Impacts (or outcome)? – short term/long term, intended/un-intended, intermediate/final, quantitative/qualitative
- Factors affecting impacts/achievement –its level, distribution, quality
- Are the designs, planning and implementation appropriate for achieving the objective? Can the design and implementation achieve its objectives?
- It is a planned intervention to achieve social change.

### **5.3 Why Participatory Evaluation**

#### **5.3.1 Decision-making**

To identify strengths, weaknesses, impact, relevance of a programme for making decisions about methodology, training, and logistics as well as to make objectives realistic and relevant.

#### **5.3.2 Improvement of performance**

Are programme activities achieving what is was intended for? How to do a better job and how best to determine progress towards our goals.

### **5.3.3 Personal evaluation**

Assessment of the performance of personnel- What are the areas, which need improvement and what might be done about it? A positive consequence can be to boost job satisfaction by enabling staff to see “progress” made.

### **5.3.4 Allocation resources**

Evaluation results help us to put limited resources to effective use.

### **5.3.5 Programme justification**

The impact of the programme on the lives of local community needs to be assessed to make informed judgement about its worth.

### **5.3.6 Determination of policy**

Those involved at the local level want to learn about the effects of a programme to be able to determine whether or not to continue, modify, expand or abandon the approaches being used. Those responsible for other projects also learn from experience of a programme.

## **5.4 Participatory Evaluation for whom?**

- Micro-entrepreneurs and their groups interested in evaluation
- Potential micro-entrepreneurs not yet covered by the programme and to assess how can it reach a wider community? Can the result be replicated/multiplied and to see if the programme may or may not benefit its target group. Can this be remedied?
- Programme Staff — Day-to-day activities may not provide enough /objective feedback to see the effects of their efforts.
- National Level – Lessons to learn
- Donors — Those who have contributed funds for support have legitimate need for information.
- Development agencies
- General Public — Those interested and those who want to learn from write-ups/articles etc.

## **5.5 Who should do the evaluation?**

- micro-entrepreneurs involved in the programme of MEG/Micro Enterprise Group Association
- potential micro-entrepreneurs not yet reached by the programme
- programme staff
- national level policy and decision-makers
- other independent agencies
- outside facilitator

## **5.6 What should be the levels of evaluation?**

### **Levels of Evaluation**

### **Illustration**

Preparation

Staff get training

Assessment of appropriate micro-enterprise

Participatory needs assessment conducted



Planning	Objectives formulated
Activities	No. of micro entrepreneurs covered
Awareness raising	Nos. attending training sessions/IGIM
Involvement	Groups formed and active
Learning	Groups can describe common goals and rules
Intermediate Action	Groups do business
Application	Groups maintain business operation
Impact	Confidence building
Objective Achievement	Achieving Programme objectives
Appropriateness	Has Programme met local felt needs
Side effects	Effects in near-by villages
Sustainability	Can the micro-entrepreneurs continue on its own ?
Efficiency	How efficient (less cost) is this approach ?

## 5.7 When to evaluate ?

**Daily/Weekly** -e.g. on going or periodic evaluation/ EDF's to NPM's visits and orientation

**Monthly** – inputs, outputs, effects on going evaluation

**Annually** – Training and its impact/micro-entrepreneurs performance/ business operation

**Every Two/Three years** – Educational attainment of Children (male and female), socio-economic impact, impact on environment.

**Mid-Term** – Overall evaluation of different aspects

**After Completion of the Programme** – Sustainability/Replication

## 5.8 What should be evaluated?

### Criteria for deciding what to Measure

- Measure progress towards meeting objectives.
  - How well those objectives were accomplished?
  - Measure only those aspects that will give needed information as each programme have their own set of lists.
  - Measurement can be both quantitative and qualitative results
  - Concentrate on those indicators that have most potential to help redirect activities.
  - Where direct measurement of important factors is not feasible, select proxy indicators.
- Measuring hard information is easy such as health, nutrition, agriculture, and horticulture  
Measuring soft information may not be easy such as attitude, relationships, motivation,

leadership, and sense of responsibility etc.

- Balance the need to know with the ability to find out. Attempt to measure only what the available skills and resources can reasonably measure.

## **5.9 Sharing results of evaluation**

Various groups interested in sharing results of evaluation:

Community Members, programme staff, programme headquarter, donors, development agencies, other agencies, General public.

### **The results/lessons should be shared to:**

- Reach right people
- Catch attention
- Keep it simple
- Make it understandable
- Evidence presented should be convincing
- Finding must be timely/coherent
- Involve people

### **Written Report**

- Keep it short
- Make it easily readable
- Edit irrelevant portion
- Use table, chart and illustrations
- Organise report in a easy-to-follow fashion

### **Basic Objective**

The objective is to create an information base/flow with people, which is essential in decision making and well as to undertake actions adequately without over-loading the system.

## **6. What is Participatory Self-Monitoring and Evaluation**

PSME is a self-help or self-reliance process of monitoring and evaluation in which the participatory approach has been adopted. PSME increases target group's control over programme or programme's designing, planning, implementation, monitoring and evaluation.

### **6.1 Advantages of PSME**

PSME is a participatory process, which will not only enhances the capability of individual micro-entrepreneur to plan and manage their own resources but also empowers and equip groups of entrepreneurs to make appropriate management decision by enhancing their knowledge, skill and capability. It does help micro-entrepreneurs and their groups in resource management by:

- increasing co-operation and collaboration actions among different stakeholders
- adopting participatory or self-help strategy for self-initiated enterprise development;
- making wise and meaningful use of resources;
- learning things by seeing and doing;
- enhancing status of women, weaker section and disadvantaged groups;
- sharing risks and responsibilities;
- increasing understanding and ability to solve the problems;
- protecting the environment and increasing productivity; and
- ensuring sustainability in local resource management.

### **6.2 Factors to be considered for PSME Exercises**

- select a quite, open and common place for meeting or discussion;
- explain clearly the objectives and procedures;
- provide essential materials;
- facilitate discussion and participation;
- listen carefully;
- respect participants' opinion;
- observe carefully;
- note the discussion, observation and key points;
- answer participants' query;
- encourage addition and corrections;
- be simple, friendly and submissive;
- be cheerful, simple, humble and polite;
- ask particular questions at right time;
- walk together with participants;
- take photographs/slides of the features;
- participate with participants while eating, sleeping and living at village;
- behave and honour the participants as friend;
- share your experiences/knowledge;
- share your food, cigarette, water, etc with participants;
- be open-minded;
- lead up to important questions;
- intervene politely and summarize; and
- act like a learner.

### **6.3 Application of PSME**

**PSME** has been found to be especially valuable for micro rural development projects in many developing countries. The participatory monitoring and evaluation task of the programme largely rests on the shoulders of micro-entrepreneurs and their groups. It is a self-reliance and self-help-oriented practice for programme self-monitoring and evaluation. **PSME** serves a triple purpose:

- (a) it improves the micro-entrepreneurs efficiency and effectiveness in management and decision making;
- (b) increases awareness and understanding of the various aspects of re- planning and implementation; and
- (c) it strengthens and enhances the spirit of collaborative actions and networking among micro-entrepreneurs and their groups to make the programme beneficial for meeting their requirements.

**PSME** is generally applied for:

- maintaining records of progress;
- assessing inputs, outputs, effects and impacts;
- getting visible show of achievements;
- indicating timeliness of inputs;
- providing information-base for discussion, review, planning and decision-making;
- developing basis for constructive change in policy, and planning of programme activities;
- justifying the evidences and visible show of achievements.

### **Core Steps in Developing PSME**

1. Identify who should and wants to be involved.
2. Clarify participants' expectations of the process and in what way each person or group wants to contribute
3. Define the priorities for monitoring and evaluating.
4. Identify indicators that will provide the information needed.
5. Agree on the methods, responsibilities and timing of information collection.
6. Collect the information.
7. Adapt the information collection methodology as needed.
8. Analyse the information.
9. Agree on how the findings are to be used and by whom.
10. Clarify if the PM&E process needs to be sustained and if so, how? Adjust the methodology accordingly.

### **6.4 Purpose of the PSME**

- To assess information or generate information at the beneficiaries level;
- To facilitate beneficiaries on how to monitor and evaluate different activities of the programme
- To increase beneficiaries' commitment and understanding in designing, planning and implementing a micro-enterprise development activities

### **6.5 Participatory Self-Monitoring & Evaluation Strength**

- Reinforcement that each participant is a stakeholder
- Based on learning and sharing experience
- Information provided for decision-making from the top and down levels
- Menu of PRA methods can be employed

### **6.6 Participatory Self-Monitoring & Evaluation is:**

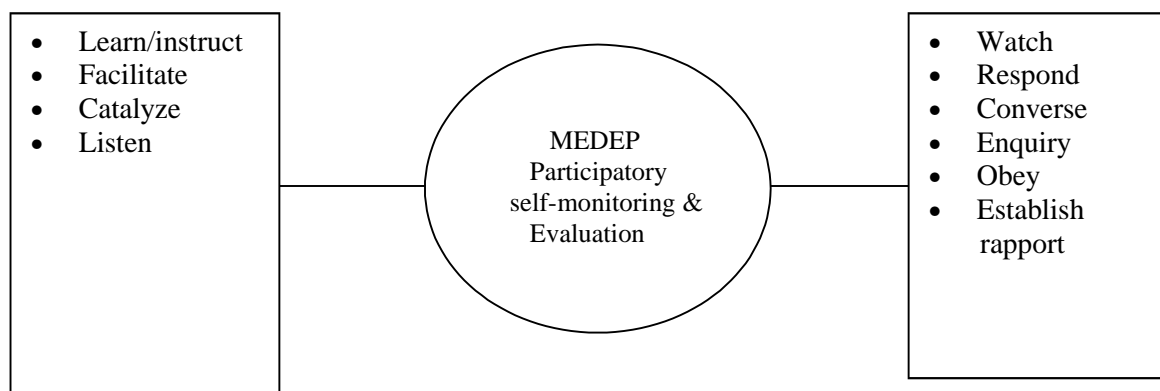
- demonstrative, not instructive in writing
- collaborative, not individualist or directive

- explanatory, not persuasive
- explorative, not reportive
- listening, not lecturing
- discussing, not dominating
- soft way of information collection, not hard statistical, empirical information collection
- Micro-entrepreneurs-oriented, not programme-oriented

Overall, PSME,

- = belongs to the micro-entrepreneurs or their groups
- = is self-help oriented or self-reliance
- = increases micro-entrepreneurs group's control over programme/programme
- = is handing over MEDEP's measuring stick to the MEGA

### Micro-entrepreneurs/Group



### 6.7 Essence of Participatory Self-Monitoring and Evaluation

Development of any community does not occur by chance or it does not occur without efforts. In this regard, participatory self-monitoring and evaluation is extremely important. It explains about the achievement, deviation from original concern and problems of the programme during its implementation and thereby helps take corrective measures. In this reference, it should imply that extension workers need to have good understanding and skills of participatory monitoring and evaluation. So, this topic aims to provide them with basic knowledge and skills on how to monitor and evaluate development programmes giving focus on participatory methods. With the help of this knowledge and skills, they will be able to apply participatory self-monitoring and evaluation techniques to collect necessary information and motivate community people/ M&E groups to take corrective measures in time.

PM involves the beneficiaries of a programme in measuring recording, collecting, processing and communicating information to assist both programme extension workers and group members in decision-making.

**Table 2. The basic differences between a traditional M&E and PSME**

<u>Traditional M&amp;E</u>	<u>PSME</u>
<ul style="list-style-type: none"> <li>• Top down approach</li> <li>• Backed by programme's objectives only</li> <li>• Indicators fixed by experts</li> <li>• Information goes to planners</li> <li>• Empowers technicians, experts and bureaucrats</li> <li>• Judgement by experts</li> </ul>	<ul style="list-style-type: none"> <li>• Bottom-up approach</li> <li>• Backed by micro-entrepreneur's objectives</li> <li>• Indicators fixed by the micro-entrepreneurs</li> <li>• Information goes to micro-entrepreneur's</li> <li>• Empowers micro-entrepreneurs</li> <li>• Judgement by micro-entrepreneur's</li> </ul>

<ul style="list-style-type: none"> <li>• Fulfils the needs at top levels</li> <li>• Complicated empirical and statistical information</li> <li>• Micro-entrepreneurs are less informed about the programme and M&amp;E</li> <li>• May discourage participatory approach and networking among prime stakeholders</li> <li>• Increases dependency on programme and discourages the idea of self-reliance and collective action</li> <li>• Carried out for programme</li> <li>• Micro-entrepreneurs may be reluctant towards programme's sustainability</li> <li>• Group dynamics may not be promoted</li> <li>• Results used by experts, professionals, institution etc.</li> <li>• Presented through report writing</li> <li>• Technical analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Fulfils the needs at community levels</li> <li>• Simple information and information based on discussion/analysis.</li> <li>• Increases micro-entrepreneur's understanding about programme and M&amp;E</li> <li>• Helps strengthen participation and networking among micro-entrepreneurs</li> <li>• Speeds up the spirit of awareness and enthusiasm for collective action</li> <li>• Carried out by micro-entrepreneur's for themselves</li> <li>• Micro-entrepreneurs may be sensitive for the programme sustainability</li> <li>• Group dynamics may be promoted</li> <li>• Results used by micro-entrepreneur's to plan, to revive and to solve the problems</li> <li>• Presented through simple diagram, sketch charts etc.</li> <li>• Collective feedback for interpretation</li> </ul>
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## 6.8 Steps of Participatory Self-Monitoring

For **PSME**, the following steps should be considered:

- Step I -- Understand the programme's or programme's goals and their objectives.  
 Step II -- Identify the proposed activities (measurement) to achieve the objectives.  
 Step III -- Develop indicators for each of the activities (measurement) to be measured.  
 Step IV -- Develop tools to measure the indicator.  
 Step V -- Present the information in formats.  
 Step VI -- Develop PSME charts for each activity of the micro-enterprise plan, target and achievement.

An example showing the application of all these steps in a PSME system has been presented below:

### Step I: Identify the proposed micro-enterprise activities (measurement) to achieve the objectives

This step includes the selection of relevant enterprise for each identified objectives.

### Step II: Develop indicators for each of the activities (measurements) to be measured

In this step, indicators/measurements are developed for assessing achievements of each objective. There is little conceptual problem with outputs and effects, which generally are measurable, but concepts such as poverty are not easily measured. Hence the need for indicators which in this context are the variables by which the objectives (less poverty, better health) can be comprehensively described and measured. Measurement is the process employed to measure change or assess results or show extent of progress achieved by the activities. There can be many kinds of measurements depending upon the objectives. For example:

#### Objectives

- i. Economic growth
- ii. Social benefit
- iii. Political empowering

#### Measurements

- Household income, production etc.  
 Level of education, gender, equity etc.  
 Level of decision making, leadership etc.

For the objectives as defined for micro-enterprise development, the measurements (the things which are to be measured or assessed) are:

- Ø Productivity brought about by the inputs delivered, in other words, effects of the output
- Ø Socio-economic impact made by the effects, that is also called impact

**Table 3. PSME as defined by the development workers**

<b>Core concept</b>	<b>Definitions/Features</b>
Monitoring	Knowing where we are Observing change Kilometre check Regular ongoing assessment Routine reflection Feedback
Evaluation	Reflection process to look back and foresee Assessment of achievements/impacts over a longer period Learning from experience Valuing Performance review
Participation (in M&E)	Shared learning Democratic process Joint decision making Co-ownership Mutual respect Empowerment

**Table 4. Similarities: Monitoring & Evaluation**

- M&E make all participants accountable
- Both M&E are integral parties of the whole programme
- M&E have different objectives and demand different types of information
- M&E activities can feedback into the implementation process
- Both are learning activities to improve qualities of decision-making and changes envisaged through projects
- M&E are there to support not punish hard working programme staff
- M&E needs to be designed on a case by case basis
- M&E feedback into implementation process

M&E have different objectives and demand different types of information

**Table 5. Comparison of Monitoring and Evaluation**

<b>Monitoring</b>	<b>Evaluation</b>
Regular information collection system to feed into planning, decision-making and implementation	Periodic review of achievements against targets feeding back into management system
Involves continuous process of checking whether programme activities are as per schedule and whether programme inputs are being used by targeted population	Periodic assessment of the relevance, efficiency and impact if programme in terms of programme objectives
It is an internal programme activity	It can be internal and external may involve comparisons based on external information in terms of time, area and population

Examples of Self –Monitoring & Evaluation, Participatory Monitoring & Evaluation and Traditional (Top-down) Monitoring & Evaluation are given below from our real life.

### Self-Monitoring & Evaluation



#### Self-monitoring

Our mother cooks rice and she keeps on watching until the rice is ready. She stirs with a *panyu* when the water in a rice pot starts boiling. She does not leave kitchen before it is ready. The process of watching and taking care of the rice is called self-monitoring.

#### What is self- evaluation then?

Yes, the evaluation is the taste of rice. If the rice is soft and well cooked we evaluate it as good rice (*mitho bhat*). If the rice is half-cooked or burnt we evaluate it as bad rice (*namitho bhat*). So we can expect good results only if we monitor well. M&E is always related with objectives and the goal. M&E is an effective tool for meeting objectives and reaching goal(s). The major objective of self monitoring is to prepare good bhat and the ultimate goal is to please every family member and make them happy

### Participatory Monitoring & Evaluation



#### Participatory monitoring

All members of a family do farm work in khetbari. Not a single person can take whole responsibility of a farm. It is the duty of all family members to carry out farm work with joint responsibility. This is called participatory monitoring.

#### What is participatory evaluation then?

We evaluate the yield of our crops after the harvest. If the yield is poor, we may conclude that we probably did not monitor well. For example, there was no good control on the quality of the seed we used, we did not monitor the necessity of weeding, or the availability of water. Bad monitoring could lead to bad seeds, excessive weeds and inadequate irrigation. Through evaluation of the harvest, we find out about the causes of the disappointing yield. Remember the main objective of participatory M&E is to get maximum yield through active participation of all family members. The main goal of participatory M&E is to raise the quality of life of all family members through increased yield.

### Traditional Monitoring & Evaluation



#### Traditional monitoring

Our children go to school daily. The teacher always calls the names of the students and keeps the daily attendance record that helps in knowing the regularity of attendance of a student. Based upon the regularity, the teachers can recognise the level of dedication of students. The teachers also monitors the behaviour of the students, in order to keep them on the right track. This is done by teachers without asking the students. This is called traditional monitoring which is a top down approach.

#### What is traditional evaluation then?

We cited the example of our school going children as how they are monitored by their teachers. Monitoring provides feedback for evaluation. The students are periodically or annually tested through written and oral examinations. The students obtain marks based upon their various tests. They are graded through different means. This is called traditional evaluation. Traditional M&E are also associated with objectives. The prime objective of top down M&E is to get best results of the school students. The ultimate goal of the school is to enhance dignity or name and fame of the school.



## 7. Participatory Self-Monitoring and Evaluation Formats

The information, once they are collected, should be presented in formats, or charts or graphs on a regular basis. These formats, charts or graphs, should represent the progress or achievement of any activities that are designed to meet the programme's specific objectives. For **PSME**'s purposes, they should be made as simple as possible so that any micro-entrepreneur can understand and fill in information in the format, charts, or graphs easily. The information can be recorded in figures, diagrams or by any other symbols.

There are many formats for **PSME**. These formats should be developed locally, based on what and which information the entrepreneurs want to monitor and evaluate. At the micro-entrepreneurs level, our objectives for **PSME** should be to monitor and evaluate the work-plan/activities and target/progress. Therefore, the development of a format to monitor and evaluate these activities will be necessary for **PSME**. The following formats are recommended for use by all micro-entrepreneurs and their groups.

<u>Formats</u>	<u>When to use</u>
<ul style="list-style-type: none"><li>• Self-Monitoring Formats</li><li>• Self - Evaluation Formats</li></ul>	From the beginning of enterprise Yearly basis

### 7.1 Work plan and Activities Monitoring Formats

Work-plan for each programme should be prepared by the micro-entrepreneur or micro-entrepreneur's groups. The work-plan should be prepared in a format. Group discussion and meetings among entrepreneurs, and enterprise development facilitator should be held while preparing work-plans and formats. A format for participatory monitoring and evaluation should also be prepared to monitor each activity as mentioned in the work-plan prepared for each programme.

### 7.2 Use simple PSME formats and charts

PSME of targets and achievements of micro-enterprises should be carried out by the individual entrepreneurs. All micro-entrepreneurs should be well trained on the PSME process. The EDF should conduct PSME training to micro-entrepreneurs group. For the PSME of targets and achievements, appropriate tools to measure the indicators are participatory field visit and group discussions. Formats for PSME of each activity should be based on their local knowledge, skill and capabilities. Group discussion and participatory approach should be made while developing the formats for PSME.

If micro-entrepreneurs are illiterate and cannot read and write simple figures and diagrams should be used to record the information in according formats. If the micro-entrepreneurs can read and write, numbers and letters can be used to record. However, the methods that can mobilize participation of all categories of micro entrepreneurs group in monitoring and evaluation tasks are highly desirable. For this purpose, the formats and legends that are to be used for **PSME** should be as simple as possible so that micro-entrepreneur can understand. Examples of some simple and locally acceptable formats for **PSME** of targets and achievements of micro-entrepreneurs based activities are given in tools bag.

In the **PSME** process, the field information should be regularly presented in the **PSME** formats. Presentation of this information can be done using various legends such as diagrams, marks, and any other local signs and figures. However, the legends should be as simple as possible, so that entrepreneur can easily recognize the meanings of the legends used.

## **PSME as defined by participants at the Philippines Workshop**

### **Monitoring**

- Knowing where we are
- Observing change
- Kilometre check
- Regular ongoing assessment
- Routine reflection
- Feedback

### **Evaluation**

- Reflection process to look back and foresee
- Assessment of achievements/ impacts over a longer period
- Learning from experience
- Valuing
- Performance review

### **Participation (in M&E)**

- Shared learning
- Democratic process
- Joint decision making
- Co-ownership
- Mutual respect
- Empowerment

## 8. Indicators

Indicators are defined as specific (explicit) and objectively verifiable measures of changes or results brought about by an activity. In other words, indicators are designed to provide a standard against which to measure, or assess, or show the progress of an activity against stated targets, towards delivering its inputs (input indicators), producing its outputs (output indicators) and achieving its objectives (effects and impact indicators). Examples are progress in delivery or use of local and outside materials for micro-enterprises, production of 100 pair of shoes, 1000 kg of washing soaps, production of 200 baskets, etc sales of 90 pair of shoes, 900 kg of washing soaps and 195 number of baskets (effect), and change in income levels and standard of living (impact). Indicators may be direct, such as those cited above (usually monitoring indicators), or indirect (proxy). Indirect indicators (usually impact indicators) are used where direct measurement is not feasible or cost effective. Indicators are not targets, and neither indicators nor targets should be confused with objectives. Targets are specified results in terms of quantity or time (usually both), but these results may relate to inputs, outputs, effects or impacts.

### Some examples of indicators:

#### Pickle

- Mixture of ingredients
- data of manufacture
- Taste
- Hotness
- Weight
- Odour

#### Soap

- Price in relation to weight
- Mixture of ingredients
- Comparative market price
- Colour
- Packaging
- Cutting/Facing/Finishing
- Usability of soap

#### Tika

- Cost
- Label
- Quality paper
- Size
- Colour
- Brightness

#### Incense stick

- Odour
- Brand
- Price
- Size

Over and above, the micro-entrepreneurs should possess good behaviour in expanding sales. The good behaviour includes politeness, patience, attractiveness and smiling appearance in dealing with the customers. One should know the technique of marketability and pricing tactics. He/she should be able to convince the customers regarding quality and standard of his/her product.

## 8.1 Measurements of indicators

The EDF should develop indicators and identity measurements of each activity of the micro-enterprise development programme. In this reference, they should help micro-entrepreneurs identify indicators and measurements by conducting meetings and holding discussions among target groups.

## 8.2 Information collection

Based on indicators and measurements, the EDF should collect information on inputs & outputs by using simple formats and tables as prescribed in the Tools.

While the choice of indicators is a matter of common sense, it should also be based on experience and knowledge of MEDEP field staff. Although, certain rules of thumb can be applied but ideally, indicators should be:

**Valid-** they should actually measure what they are supposed to measure

**Reliable-** i.e., verifiable or objective and conclusions based on them should be the same if measured by different people at different times and under different circumstances

**Relevant-**they should be relevant to programme objectives

**Sensitive-** they should be sensitive to changes in the situation being observed

**Specific-** they should be based on available information

**Cost-effective-** the results should be worth the time and money it costs to apply them; and

**Timely-**It should be possible to collect the information reasonably quickly.

## 8.3 Processing, organising and analysing

After collecting the information, the EDF and programme staff should process, organize and analyse the collected information for evaluation. For participatory evaluation, they should facilitate the target groups to make them able so as to understand the process using simplest procedures.

## 8.4 Assessment and evaluation

After the information is processed, organised and analysed, they have to assess the impact brought about through programme activities. Impacts should be assessed on the basis of information on inputs and outputs collected at regular intervals in the course of monitoring. Impacts so assessed should be compared with baseline information of the programme in order to assess the achievements.

## 8.5 Types of Indicators/Criteria

### Productivity

- i. Indicator/s of Availability
- ii. Indicator/s of Coverage
- iii. Indicator/s of Utilisation
- iv. Indicator/s of Effort
- v. Indicator/s of Efficiency

## Equity

- i. Indicator/s of Accessibility
- ii. Indicator/s of Relevance
- iii. Indicator/s of Equity
- iv. Indicator/s of Process

## Sustainability

- i. Indicator/s of Quality
- ii. Indicator/s of Impact
- iii. Indicator/s of Sustainability/Maintenance

## 8.6 Selection of Indicators

- Key indicators addressing objectives
- Indicators measurable qualitatively/quantitatively
- Indicators critical to programme success
- Those available when needed for decision-making

### Points to remember

- Inputs and activities are basic (expenditure, time, materials) and easily defined and available
- Indicators for assessing programme objectives/wider objectives/goals impacts are less easy to define

## 8.7 Types of indicators?

- **Exploratory** – Base line information exploring different aspects and issues
- **Topical** – Topic related
- **Diagnostic** – About existing systems/institutions with “6 helpers”
- **Implementation** – Different aspects of implementation such as physical, financial, individual, household, community, groups, social, economic, ecological, gender, age, class, caste and minorities.
- **Utilisation** – Awareness about programme interventions, its level, how much utilised ? When and where etc.
- **Impact** – big, small, gain, loss, short, long, medium
- **Process** – Who is involved, who are the participants/beneficiaries, people not involved and why?

## 8.8 Develop tools to measure indicators

After developing the measurements, indicators should be developed to assess or measure progress against each of the activities, which are designed to meet the specific objective.

An indicator helps to measure changes or progress. In a development programme, indicators are those variables, which are used as tools for monitoring and evaluating how the programme is doing. They are objectives of measurements of change or result brought about by an activity or the output of an activity. Therefore in all cases, indicators should be used to measure progress of each activity developed from measurements to achieve specific objectives.

The indicators should be selected based on the following concepts:

- Selection of indicators depends on individual's common sense, experience and skill;
- They can also be developed through group discussions among micro-entrepreneurs and trained EDF;
- A general consensus should be reached within micro entrepreneur's group on the selection of indicators;

...Brain-storming exercise, such as, listing all possible indicators and deleting those found unsuitable or impossible to use can also be used in selecting the indicators; and

Indicators should be developed for each activity designed to achieve specific objectives.

Points to be remembered while developing Indicators are :

- S = Specific
- M= Measurable
- A = Attainable
- R = Realistic and
- T = Time bound

Further, the following facts should not be overlooked while developing Indicators:

- should be measurable at site level;
- should not be difficult to measure or gather information at local level;
- can be many but they should be easy and measurable.

The Indicators should reflect:

- target group
- quantity
- quality
- place, site or locality
- time

(a) Indicators for Organization Strengthening

- .. Number of villagers who know or who have heard about micro-entrepreneurs or groups of micro-enterprises
- Frequency of attendance of participants in micro-entrepreneurs group meeting
- Number of meetings held per month/year
- Number of meetings conducted for chairpersons and managers (CMC) or IGIM

(b) Indicators for micro entrepreneurs group participation

- Micro-enterprise group association management
- Percentage of members (male and female) in the micro-entrepreneur's groups
- Socio-economic composition of micro-entrepreneur's group
- Number and attendance at meetings
- Local knowledge and skills used for local planning, materials and money contributed by micro-enterprise group members
- Number of members taking office-bearer's responsibilities
- Number of times the members are supervised, inspected and programs of enterprise development activities reviewed
- Joint funds collected and used for maintenance work from local sources
- Level of saving mobilized
- Capacity of maintaining local facilities



(c) Indicators for Gender Issues (Women in Development)

- Funds allocated for women in development activities
- Budget spent on women's activities
- Number of households headed by women
- Direct benefit programs target towards women
- Women receiving credits
- Proportion of benefit shared with women



- Participation of women in decision making, meetings, CMC, motivation service, and rural organization
- Women trained in various activities
- Change in literacy rate of women, health and nutrition
- Change in time spent by women in domestic and farm activities (division of labor)
- Change in women's income, expenditure and savings
- Position of women in different status
- Women as land-and loan-owners

(d) Indicators for Environment Issues

- Private trees and community forests protected, managed and utilized
- Number of trees, bamboo and other green raw materials increased
- Disposal of manufactured by-products, wastage and pollutants

(e) Indicators for Health and Nutrition of Children

- Weight and height of children by age group
- Pattern of food/diet
- Rate of food consumption
- Social support services
- Access to medical services
- Infant mortality rate
- Incidence of diseases

The above mentioned indicators may be used for **PSME** of inputs, outputs, effects and impacts of development projects. The indicators for assessing monitoring and evaluation must be identified at the time of setting enterprise development objectives and goals. For **PSME**, the indicators must be developed and decided by conscious entrepreneurs group in order to avoid negative consequences of group actions. Pre-identification of indicators would lead the participating micro-entrepreneurs to follow appropriate and positive actions so as to achieve the intended objectives of the enterprises. This will also increase awareness in entrepreneur's community about the importance of **PSME** and help them change their priorities and actions, which, in turn, will have positive effects by sustaining the programme.

## 8.9 Present the information in formats

After designing the indicators, tools to be used should be decided to measure the indicators. For **PSME**, some PRA tools can also be used to collect information. However, at the beneficiaries' level, the entrepreneurs group can collect the information through:

- group discussion among themselves
- direct observation of activities at site

Remember:

- The information should be collected in:
  - simple form
  - local language and in
  - regular intervals (monthly, quarterly, half-yearly or yearly, etc.)

Participatory mapping, pie chart, **SSI**, wealth ranking, participatory group discussion and field observation are important tools to measure the indicators for **PSME**. The tools for measuring various objectives of **PSME** process are given below:

<u>Objectives</u>	<u>Measurements</u>	<u>Tools</u>
1. Economic growth	Household income, production etc.	HH Survey/Pie chart, SSI, wealth ranking
2. Social benefit	Level of education, gender equity etc.	HH Survey/Pie-chart
3. Political empowering	Level of decision making,	HH Survey/Pie-chart/ leadership etc.

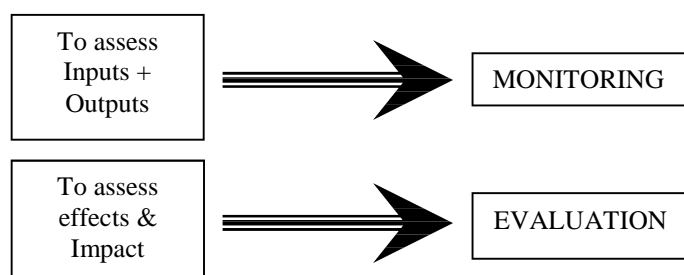
Since monitoring and evaluation is an on-going and regular process, the appropriate tools for participatory monitoring, and evaluation of any field level activities include:

- i) Participatory field visit;
- ii) Group discussions among micro-entrepreneurs
- iii) Interview with individual micro-entrepreneurs.

Field activities should be recorded regularly in the format.

Develop workable and simple PSME charts for each activity of the micro-enterprise, target and achievement

Thus,



An example of the elements of monitoring and evaluation to be done in MEDEP programme is presented below.

The objective of Participatory Self-Monitoring and Evaluation (PSME) is to monitor and evaluate programme activities by the beneficiaries themselves. **PSME** has to be done by the target groups in a systematic manner.

The term input, which is indicated above, refers to goods, services, human power, training, and technology, loan and other resources provided for an activity with the expectation of producing outputs. For example:

- 5000 Rs as loan without collateral.
- Advisory services, training provided by EDO, EDF, DPM, DCIO, IEDI, etc
- Raw materials
- Labour of the entrepreneurs
- Skills of the entrepreneurs
- Time spent by stakeholders

Similarly, output refers to specific products or services which an activity is expected to produce from its inputs in order to achieve the planned objectives. For example:

- 10 male and 30 female trained in skill development training
- Infrastructure established for micro-enterprise
- 210 Micro-entrepreneur's group formed,

Likewise, effects are the outcome of the outputs due to initiatives taken by individual entrepreneur or micro-entrepreneur's group. They are the initial impacts shown by the activity. For example:

.... Bamboo slats production, No. of Nanglo or other bamboo products manufactured

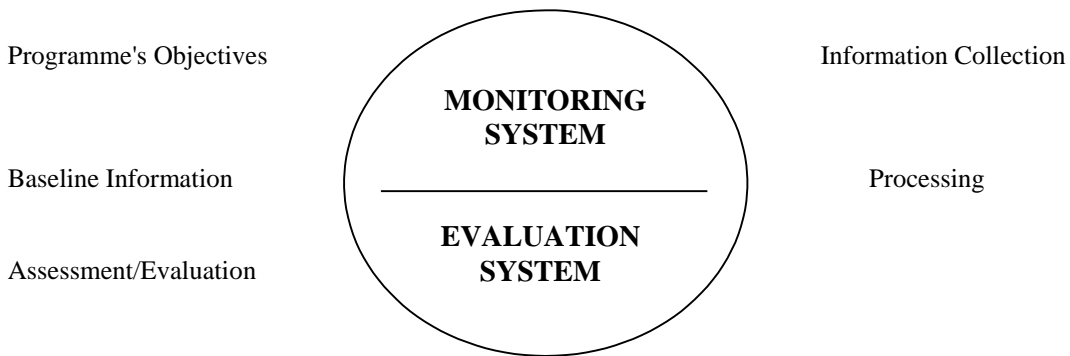


- Production of no. of manufactured goods,
- Monthly meeting, saving and credit started. Chairpersons and managers conference initiated

Finally, impacts are the outcome of the effects of the programme. They are the expressions of the result directly associated with the programme. Thus, impacts may also be defined as the ultimate change due to the programme. For example:

- able to buy better food
- able to buy better clothes
- better housing
- better health and sanitation conditions
- increased number of school going child girl

### Indicators/Measurements of M&E



## 9. Inter-Group Interaction Meeting

Inter-Group Interaction Meeting (IGIM) is an effective approach to work with micro entrepreneurs in programme locations. To ensure a real participatory approach and promote micro entrepreneurs association vertically and horizontally there is clear benefits of working through the IGIM approach rather than working through individual micro entrepreneurs. As MEDEP staff can not visit all the entrepreneurs regularly it is however possible for entrepreneurs to visit the IGIM every month. In this way, all participating micro entrepreneurs are accessible. As an initiative of the programme, Dhanusa district has already started the IGIM in the form of Chairperson and manager's (CMC) meeting.



EDF should teach group members basic technical, literacy and problem-solving skills.

### 9.1 IGIM as forum to link up with other stakeholders

To follow a real integrated approach, it is necessary to help the micro entrepreneurs and their groups to manage their resources and business. Micro entrepreneurship development means tackling a whole range of issues of business, of which many are in the mandate of other stakeholders. IGIM provides a forum for linking up with those stakeholders. The micro entrepreneurs or their groups can seek support from other stakeholders through the IGIM. The IGIMs are meetings in which chairman and manager and several entrepreneurs can interact in a common forum. This forum should be free for every micro-entrepreneur to attend while the programme location should be within easy walk for all the entrepreneurs.

### 9.2 Networking by micro entrepreneurs

IGIM should be a focal point for exchange of information or networking forum. The networking should take place at different levels.

- Between micro entrepreneurs group (MEG)
- Between MEDEP and micro entrepreneurs groups(MEG)
- Between micro entrepreneurs group, ADB/N, VDC, IEDI, FNCCI, FNCSI, and other stakeholders

The main objective of IGIM is to make micro entrepreneurs "sustainable". IGIM should focus on developing self-financing profitable and sustainable micro entrepreneurs group. The term "sustainable", would mean capable of managing their own affairs for longer periods of time without over-dependence on outside support.

MEDEP's programme activities in Dhanusa have been able to report benefits and positive results in promoting IGIM. The IGIM has lead to the development of healthier, more participatory local micro entrepreneurs organisations with entrepreneurs motivated to working in partnership with stakeholders. This is also an appropriate monitoring forum for relevant stakeholders.

IGIM is not a MEDEP forum and is still in its infancy in Dhanusha district. Although MEDEP initiated the process, the IGIM should expand its in field of activities. It is crucial that the IGIM's focus and priority should be the interest of local potential micro-entrepreneurs as well as existing micro-entrepreneur's groups.

The standard topics that should entail in IGIM are the following

- Ø Introduction
- Ø Review of last month's decision
- Ø Review of the progress made with regard to different issues of micro-entrepreneur's groups
- Ø Fixing a date for the next IGIM.

### 9.3 Pre conditions for success of IGIM

IGIM is crucial for the sustained growth of micro-entrepreneurs groups. The micro-entrepreneurs can not grow without being associated with a vertical organisation. It is therefore important for the to network with the outside world at the regional and national level. It is a fact that bigger organisations will definitely have bigger bargaining powers but it is also true that IGIM can play a paternalistic role to safeguard the interests of smaller groups.

However, successful micro entrepreneurs associations do not just "happen". Their formation and development is influenced by many factors such as the maturity of micro entrepreneurs groups that wish to form micro entrepreneurs associations, various external and local conditions and the skill of enterprise development facilitators (EDF).

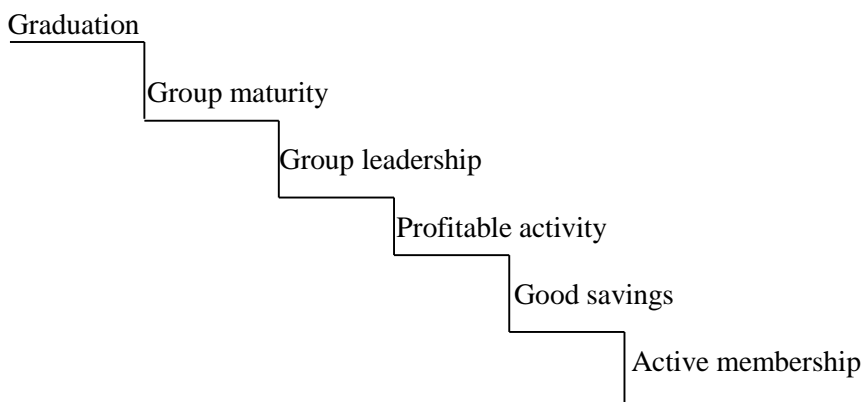
### 9.4 Micro entrepreneurs group's association

The most important pre-condition for "micro enterprise group maturity" is for micro enterprise groups to want to join together in a Micro Enterprise Group Association (MEGA). They must be ready, willing and must be able to do so. In this context experiences have shown that if they are not mature, attempts to create an MEGA will probably fail. It is therefore recommended that they set a criterion to start PSME for the groups that have already attained maturity. The criteria for determining the maturity of group maybe the following

Maturity Groups that wish to form an MEGA should have:

- good leadership, and have the active participation of members in group meetings and activities
- a high degree of solidarity among members
- well-defined micro-entrepreneurs group income-generating activities and a high level of self-reliance (e.g. they no longer need continuous support from their EDF)
- the capacity to deliver valued benefits or services to their members
- the ability to manage their financial affairs efficiently and to repay debts promptly
- a sufficient micro-entrepreneurs group savings to cover their own needs and undertake any risks or costs associated with forming and developing their MEGA
- a demonstrated interest in MEGA to solve common problems that affect neighbouring micro-entrepreneurs groups
- have confidence that MEGA will bring them concrete economic and social benefits.

Micro entrepreneurs groups that display all of these indications that lead to maturity may initiate some form of collaboration with other groups. These groups then be potential candidates for MEGA development



## 9.5 Local and external factors

**Micro entrepreneur groups have a common bond and purpose.** Forming an MEGA is relatively easy when micro entrepreneurs share similar interests, problems and needs. Micro entrepreneurs groups that share common views and opinions are more willing to work together towards common goals. They are less likely to waste time in arguments and conflicts.

However, even when micro entrepreneurs groups have different backgrounds, they may be able to develop a shared bond and vision. All they may need is a common goal that is beyond the reach of a single group acting alone for example to buy raw materials in bulk, to sell out similar products in bulk, or to build a community health clinic, etc

**MEGA should have good relations with development partners.** Local leaders may think the formation of MEGA may upset the established order in some way. To gain their support, the interested micro-entrepreneurs should reassure them that a MEGA would help everybody including the community, its leaders and micro-entrepreneurs and their groups. Once the local leaders are informed and see positive benefits of the MEGA, they will be much more supportive.

However, when the MEGA activities begin to expand outside the local area, it may need to establish good relations with outside authorities. Again, this can be done by assuring these authorities that benefit could be promising.

## 9.6 Defining Objectives

Initially, the micro-entrepreneur's groups association should identify and prioritize common problems. The group should also have a clear idea of how forming an MEGA might benefit them. Having been sure of their interests and goal they would need to define more clearly their MEGA's objectives and its proposed activities and services. If the micro-entrepreneur's groups have a clear idea of how a MEGA can help accomplish their goals, then the MEGA is much more likely to succeed. This is a critical stage in the formation of a MEGA, and requires concentrated effort.

To get the process started, interested micro-entrepreneur's groups should be encouraged to study the list of shared problems and discuss whether the micro-entrepreneur's groups have the collective capacity to solve them. It is then that they will be able to work out a strategy to solve each problem, and to assess the expected benefits and costs. It is after this assessment that they may decide that the expected benefits of their proposed strategy are not attractive which may then guide them to explore alternative strategies until they are satisfied. This is how the process might look:

### Steps

**Identify common problems**

**Define the common MEGA objectives**

**Assess internal resources and capacities**

**Define an MEGA service that helps achieve the objective**

**Assess its benefits and costs**

**Decide to go ahead or not**

### Questions to ask

What are the common problems which should we concentrated and given priority?

How will the MEGA help solve these problems? What will be its primary and secondary objectives, etc.?

What resources (land, buildings, materials, knowledge, experience, group savings) can members use to solve the problems

What services will the MEGA provide

Will the benefit to members of the MEGA be greater than the cost of running it (in terms of time, meeting place, cash contributions, equipment, facilities, etc.)?

Will the benefits to group members outweigh the costs?

- If Yes, initiate the next step

- If No, then go back and start over

## **Reaching out and co-operating with outsiders**

To achieve member service goals and become more self-reliant, MEGAs need the co-operation of their members. But they may also need occasional help from outsiders and other MEGAs. Outside and external help can provide MEGAs in getting access to needed information (e.g. on market prices, new government policies or programmes, and new technologies), entering outside markets, or obtaining other services (e.g. training, extension, credit or marketing assistance).

These co-operation arrangements or " networks " might be temporary, i.e. they aims may be limited to achieving a short-term objective, such as marketing this season's products. Or they might be more permanent, aimed at achieving a longer-term goal, e.g., ensuring improved access to government or other stakeholders' services.

### **Co-operating with outsiders:**

#### **Things to consider**

What are some of the issues that MEGAs should think about before establishing a co-operation arrangement with an outsider?

- The MEGA should have a clear objective in mind and should also have a clear idea of the objectives and capacities of its potential partners.
- The co-operation can be with friends of competitors as well as with one single partner or with several.
- The benefits of the co-operation should be equitable and positive for all parties involved.
- The co-operation networks should be kept only as long as they produce benefits for all parties concerned. Once benefits stagnate for MEGA members, it would be appropriate for members to reconsider.
- The proposed co-operation should ultimately strengthen MEGA self-reliance and not undermine it.

#### **Networking at local level**

MEGAs often have to develop temporary or more permanent alliances with local and as well as outside partners. The partners could include the VDC authorities, a small trader, a local government body, self-help groups or MEGA, or an NGO. For example, an MEGA may need the support of the local VDC to obtain access to capital for a production activity, the support of the local leaders to launch a member training programme, or a partnership with a local trader to market a particular product.

Sometimes broader community-wide co-operation requiring the collaboration of various entrepreneur's groups or individuals, including local government bodies may also be necessary.

#### **Networking among MEGAs**

Sometimes MEGAs can benefit from co-operating with other MEGAs in the same region to achieve one or more common objectives. The shared objectives can be social, economic or policy-related. Generally, opportunities for co-operation between MEGAs do take time to develop. They usually only occur once MEGAs are well established after becoming familiar with the entrepreneurs activities, problems and needs of other MEGAs in their area (e.g. in training workshop).

In the early stages, inter MEGA co-operation/association may pursue short-term goals, such as assisting the district partners in planing his or her exposure visits, accessing government credit schemes, or obtaining information of mutual interest following which MEGAs may see further advantages in establishing a more permanent arrangement, such as a federation of MEGAs.

## **Networking at higher levels**

MEGAs may also see benefits to be gained by developing co-operation agreements at the regional and national level as well. Such linkages can be useful in accessing information, services of funds, or in gaining political support. Developing these higher-level of networks, however, can be difficult for a single MEGA. It usually requires that MEGAs first link up with other MEGAs or organizations at the local or regional level in order to gain political support and bargaining power.

## **Keep the information flowing**

A key to successful networking is maintaining good and frequent communication with potential or existing partners as each party's views on the objectives and expected benefits from their co-operation are constantly changing.

Frequent meetings and exchange of information are essential. The implications of these interactions could be cost effective which can sometimes be lowered by using various communication techniques and technologies. These include inter-group exchange visits, meetings, workshops organized by local governments or NGOs, newsletters, organizing joint training events and local radio. Communicating using mobile telephones, email and the internet is an option that is widely being used by development practitioners.

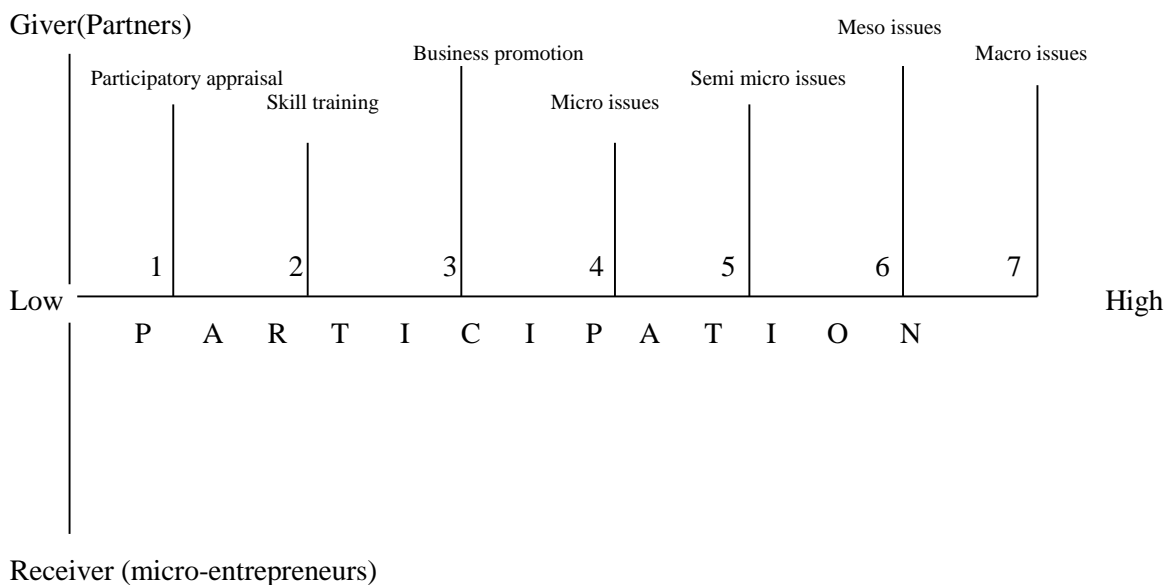
## **MODERN TECHNOLOGIES HELP MEGAS STAY IN TOUCH WITH MARKETS, DEVELOPMENT PARTNERS – AND EACH OTHER**

### **Some points to consider**

MEGA activities and services aim at satisfying the needs of entrepreneur's and groups who want to collaborate together. If they do not satisfy the group's needs, the group members could lose interest and leave.

Participation promotes equality, which MEGAs need to expand and sustain them. In Micro-enterprises, socialism does not work while selfishness with moral values does work. The need for economic benefits and development is the driving force for micro-entrepreneurial development. Challenge of running businesses should be the motivating factor for every micro-entrepreneur. The business approach and strategy should be market driven. Development usually starts with charity but it is not possible to supply money and resources on a long-term basis. Development staff should switch over from quantitative role to qualitative one and should focus on process rather than be product oriented. Development practitioners are relatively well-versed on ways to enter into the community but they must be strategically prepared how to exit following their mission. In this context "What would be the exit point for MEDEP?" As deliberation continues on the programme's withdrawal of its phasing out, it will need to hand over the PSME responsibility to MEGAs. The following modality developed by the MEDEP staff in Nuwakot district is a option to consider.

## 9.7 Micro-Entrepreneurs Group Association Model



The following action steps were described by the programme's staff in Nuwakot district for the gradual phasing out of the programme, as well as to hand over the PSME responsibility to MEGAs for the sustainability of micro-entrepreneurs.

### 1. Participatory appraisal

- a. Orientation
- b. PRA
- c. HHs survey

### 2. Training

- a. Participant selection for MEC
- b. MEC training
- c. Group formation
- d. Skill training

### 3. Business promotion

- a. Loan
- b. Start-up enterprise
- c. Exposure visit
- d. Production
- e. Market linkages

### 4. Micro Issues

- a. Inter group Monthly Interaction Meeting (IGIM)

### 5. Semi-macro issues

- a. Ilaka level micro entrepreneurs group association

### 6. Meso issues

- a. District level association

## 7. Macro issues

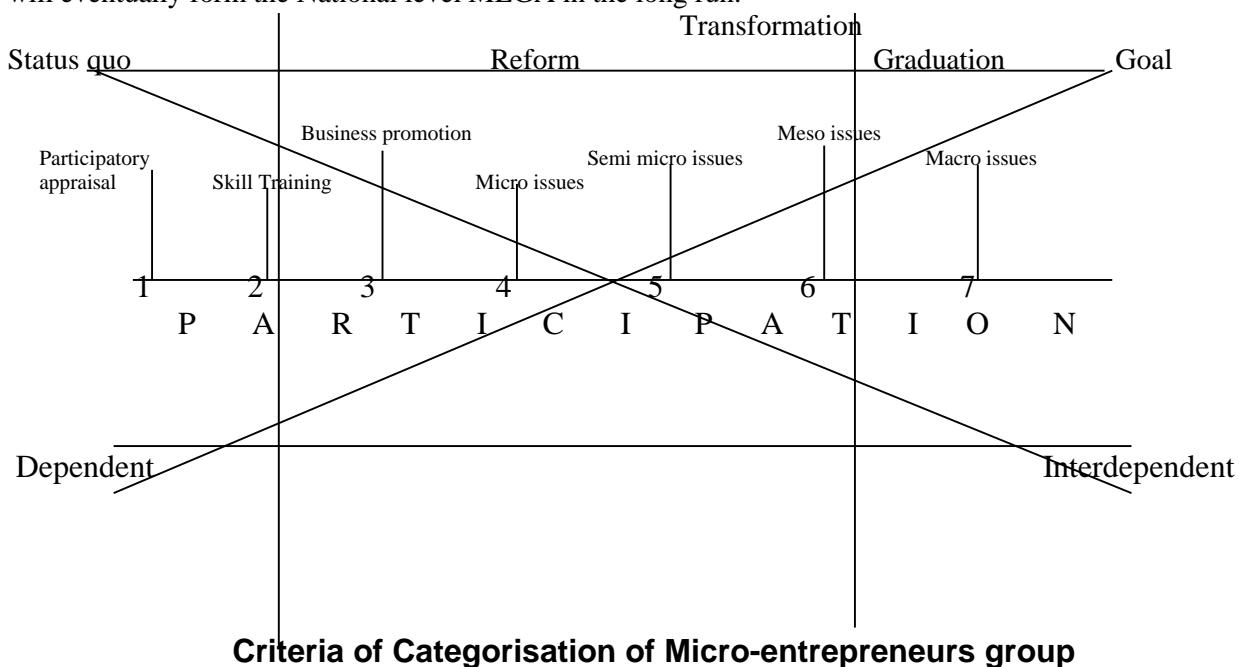
- a. National level association

### Recommended actions for future sustainability

The above exercise was conducted in Nuwakot district by MEDEP staff during the appreciative PSME orientation workshop. This has been organised, structured and grouped in participatory step in order to understand the actions needed to be followed by the MEDEP staff in association with partner institutions.

It is recommended that IGIMs be organised for active and medium active groups separately according to management capabilities. As a suggestion one village development committee in MEDEP working district should organise at least one IGIM every month. The meeting should be a joint meeting of active and medium active groups of the VDC to review the progress and problems of micro-entrepreneurs. The meeting should be informative as well as a forum for sharing experience between micro-entrepreneurs and partner institutions. Topics discussed in the IGIM should cover different aspects of micro-entrepreneurs problems and prospects.

The IGIM should be an open forum for discussion on common issues of micro-entrepreneurs and groups and it should also form the basis for all MEGA formation at the illaka (local) level. This should be followed by representation of members from the illaka level to the District level MEGA. This district level MEGA, which will eventually form the National level MEGA in the long run.



**Criteria of Categorisation of Micro-entrepreneurs group**

Category	Criteria	Duration	Class	Action needed
Active group	<ul style="list-style-type: none"> <li>Active membership (regular monthly meeting)</li> <li>Regular monthly saving</li> <li>Profitable enterprise</li> <li>Good leadership</li> <li>All group members should have started entrepreneurship</li> <li>Ability of group to keep minutes and</li> </ul>	One year and over	Maturity	<ul style="list-style-type: none"> <li>Organisation of MEGA</li> <li>Monthly visits by EDF</li> </ul>



	<ul style="list-style-type: none"> <li>records</li> <li>• Ability to monitor repayment of loan</li> <li>• Ability to put forward demand</li> </ul>			
Medium active group	<ul style="list-style-type: none"> <li>• Meeting started</li> <li>• Saving started</li> <li>• Leadership emerging</li> <li>• Enterprise started</li> </ul>	6 months and over less than a year	Pre- mature	<ul style="list-style-type: none"> <li>• Participation in IGIM</li> <li>• Trimesterly visits by EDF in monthly meeting but should compulsorily attend IGIM every month</li> </ul>
New group	<ul style="list-style-type: none"> <li>• Newly started</li> </ul>	0 - 6 months	Not matured	<ul style="list-style-type: none"> <li>• Regular visit by EDF</li> </ul>