



# **ETHIOPIA SUSTAINABLE AGRIBUSINESS INCUBATOR (ESAI)**

## **Monitoring and Evaluation Plan**

August 2014

Addis Ababa

# TABLE OF CONTENTS

ACRONYMS.....	1
1. Introduction and overview .....	2
2. Result Framework .....	4
3. Logical Framework.....	5
4. Data quality assurance .....	7
5. Performance monitoring tasks.....	7
6. Project Evaluation .....	9
7. Monitoring and Evaluation task schedule .....	10
8. Performance indicator reference sheets (PIRS).....	12
9. Performance indicator tracking table .....	33

## ACRONYMS

CoP:	Chief of Party
DCoP:	Deputy Chief of Party
DO:	Development Objective
DQA:	Data quality assessment
ESAI:	Ethiopia Sustainable Agribusiness Incubator
ETG:	Economic Transformation Group
FINBA:	Finance and Business Advisory
FTE:	Full-time Equivalents
FY:	Fiscal Year
IR:	Intermediate Results
M&E:	Monitoring and Evaluation
MEP:	Monitoring and Evaluation Plan
PI:	Precise Insight
PIRS:	Performance indicator reference sheets
PLC:	Private Limited Company
RF:	Results Framework
SIR:	Sub Intermediate Results

## 1. Introduction and overview

Under a cooperative agreement with USAID-Ethiopia, Precise Consult International has been implementing Ethiopia Sustainable Agribusiness Incubator (ESAI) since November 2012. ESAI has been organized to contribute to the transformation of the Sesame, Honey and Dairy subsectors of Ethiopia.

Although agriculture is the predominant economic sector in Ethiopia, it is still in its rudimentary stage of development and the role of private sector in adding value to primary agricultural production still leaves much to be desired.

The Agribusiness incubator project is the first of its kind in Ethiopia. The project is therefore expected to provide rich business problem/solution experiences which can be disseminated and applied throughout affected sectors and subsequently other sectors as well.

The business development strategy underlying the project involves first the identification, recruitment and support of pioneer firms. These pioneering businesses are expected to serve as test beds for the formation of new kinds of sector wide value addition and as demonstration platforms for new business models which link farms to market in new and more valuable ways. Next, ESAI's business strategy entails stimulating and promoting emerging dynamic entrepreneurs as well as nurturing the creation of their innovative businesses. The new Incubatees will fill in missing links in existing farm to market chains and well experiment with the commercial application of new products, new technologies, new business models and the opening of new markets.

The pioneer and incubatee companies, while contributing for the alleviation of identified critical value chain problems, will also create a large number of job opportunities both at up and down streams of the value chains and significantly enhance the income of farmers and other value chain actors.

The purpose of this Monitoring and Evaluation Plan (MEP) is to guide the project's Monitoring and Evaluation efforts. The project will give due emphasis to Monitoring and Evaluation (M&E) because of its multifaceted benefits in terms of providing project management with evidence to better inform all tasks related to planning/design, implementation, management and reporting. More specifically the project will use M&E to:

- Identify and address issues during the life of a project, thereby improving project performance and maximizing its impact.
- Build knowledge and learning that leads to improved planning and more effective project designs.
- Address stakeholder accountability and beneficiary/community targeting requirements and highlight the value of foreign assistance.

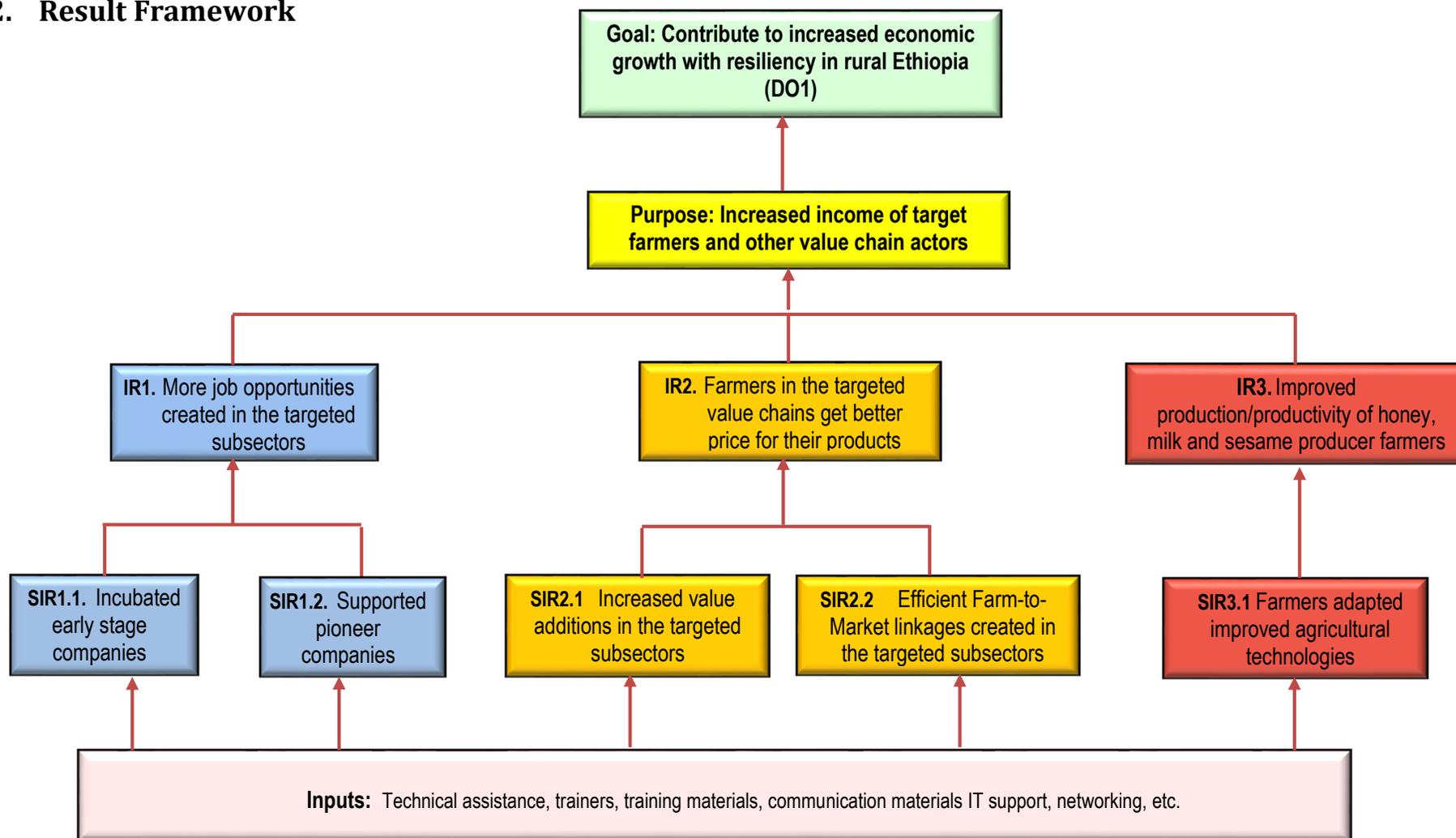
The MEP is developed with a technical support from Earnest and Young and consists of the following major components:

- **Result Framework** – A graphic display of cause-effect relationships among the projects' interrelated results at the strategic planning phase.

Each level identifies the results that are “necessary and sufficient” to achieve the level above. The RF shows how the achievement of lower level sub-results (Sub Intermediate Results (SIRs)) leads to the achievement of the middle level results (Intermediate Results (IRs)) that in turn leads to the next higher order of objectives, ultimately resulting in the project purpose and contributing to its overall goal.

- **Logical Framework:** Outlines the causal linkages between project inputs, outputs, and desired outcome (or purpose).
- **Data quality assessment (DQA) procedure:** Highlights the DQA procedures the project intends to employ.
- **Performance monitoring task schedule:** Indicates who is doing what and when
- **Project evaluation:** outlines the project evaluation plans
- **Performance indicator reference sheets (PIRS):** A comprehensive record of all output (9), outcome (10) and impact (1) indicators included in this section.
- **Performance indicator tracking table:** A format which will be used to track indicators. It will record baseline data, baseline year and periodic changes against each indicator.

## 2. Result Framework



### 3. Logical Framework

Narrative Summary		Indicators	Data Sources	Assumptions
<b>Goal:</b> Contribute to increased economic growth with resiliency in rural Ethiopia (DO1)				
<b>Project Purpose</b> Increased income of target farmers and other value chain actors		<ul style="list-style-type: none"> <li>Average annual income of target farmers and other value chain actors</li> </ul>	<ul style="list-style-type: none"> <li>Sample survey</li> </ul>	
<b>Sub-Purposes</b>				
<b>IR1:</b> More job opportunities created in the targeted subsectors		<ul style="list-style-type: none"> <li># of direct and indirect job opportunities attributed to the project</li> </ul>	<ul style="list-style-type: none"> <li>Progress monitoring reports</li> </ul>	
<b>IR2:</b> Farmers in the targeted value chains get better price for their products		<ul style="list-style-type: none"> <li>Average price of products project supported farmers receive</li> </ul>	<ul style="list-style-type: none"> <li>Sample survey</li> </ul>	
<b>IR3:</b> Improved agricultural production/productivity of honey, milk and sesame producer farmers involved with the project		<ul style="list-style-type: none"> <li>Gross margin per hectare, animal or hive of selected products</li> </ul>	<ul style="list-style-type: none"> <li>Sample survey</li> </ul>	
<b>Outputs</b>				
1.1. Incubated early stage companies		<ul style="list-style-type: none"> <li>Number of new companies established and are operating</li> </ul>	<ul style="list-style-type: none"> <li>Field monitoring &amp; project monthly progress reports</li> </ul>	<ul style="list-style-type: none"> <li>No major shifts in government trade/agriculture policies</li> </ul>
1.2. Supported pioneer companies		<ul style="list-style-type: none"> <li># of pioneer companies supported by the project</li> </ul>	<ul style="list-style-type: none"> <li>Field monitoring &amp; project monthly progress reports</li> </ul>	
1.3. Companies' secured finance from different sources		<ul style="list-style-type: none"> <li># of project incubatees and pioneer companies which secured finance for their businesses</li> </ul>	<ul style="list-style-type: none"> <li>Monthly reports of ESAI's FINBA Unit</li> </ul>	
		<ul style="list-style-type: none"> <li>Value of incubatees and pioneer companies' new investment leveraged by the project</li> </ul>	<ul style="list-style-type: none"> <li>Monthly reports of ESAI's FINBA Unit</li> </ul>	
2.1. Increased value additions in the targeted value chains		<ul style="list-style-type: none"> <li># of value added products introduced as a result of the project support</li> </ul>	<ul style="list-style-type: none"> <li>Field monitoring &amp; project monthly progress reports</li> </ul>	
		<ul style="list-style-type: none"> <li># of companies engaged in value addition activities as a result of the project's assistance</li> </ul>	<ul style="list-style-type: none"> <li>Field monitoring &amp; project monthly progress reports</li> </ul>	
2.2. Efficient Farm-to-Market linkages created in the targeted value chains		<ul style="list-style-type: none"> <li># of direct market linkages created between project supported companies and farmers</li> </ul>	<ul style="list-style-type: none"> <li>Field monitoring &amp; project monthly progress reports</li> </ul>	
3.1. Farmers adopted improved agricultural technologies		<ul style="list-style-type: none"> <li># of farmers that applied new technologies as a result of the project's assistance</li> </ul>	<ul style="list-style-type: none"> <li>Project monthly progress reports</li> </ul>	
<b>Inputs</b>	<b>Activities</b> <ul style="list-style-type: none"> <li>➢ Selection of potential incubatees and provision of incubation supports (business plan preparation, market linkage, technology access, etc.)</li> <li>➢ Organize skill upgrading training programs in selected core business competence areas for incubatees and pioneer companies</li> </ul>			<ul style="list-style-type: none"> <li>Continued government's willingness to support private sector initiative</li> </ul>

	<ul style="list-style-type: none"><li>➤ Support incubatees to access finance from different sources</li><li>➤ Support pioneer companies to develop and implement innovative business models</li><li>➤ Support pioneer companies to access different sources of finance</li><li>➤ Encourage and support companies to engage in agro processing activities in the target subsectors</li><li>➤ Facilitate negotiations between producers and suppliers</li><li>➤ Support technologists and entrepreneurs to develop improved agricultural technologies</li></ul> <p><b>Resources</b></p> <ul style="list-style-type: none"><li>➤ Technical assistance, trainers, training materials, communication materials, IT support, networking, etc.</li></ul>	<ul style="list-style-type: none"><li>• Bank loans and/or grant fund supply are available</li><li>• Training and technical support is of sufficient quality to ensure that incubatee/pioneer companies feel confident applying the new techniques.</li></ul>
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#### 4. Data quality assurance

As Data Quality plays a central role in effective project management, ESAI will put a system in place to ensure the data should reasonably meet the following five standards of data quality:

1. **Validity:** refers to the extent to which a measure actually represents what the project intend to measure.
2. **Reliability:** data should reflect stable and consistent data collection processes and analysis methods over time.
3. **Integrity:** focuses on whether there is improper manipulation of data.
4. **Precision:** data have a sufficient level of detail to present a fair picture of performance and enable management decision-making.
5. **Timeliness:** Data should be available and up to date enough to meet management needs.

Data quality considerations are made while designing the project's result framework, the different hierarchies of results, and the performance indicators. Efforts will also continue throughout the M&E period to make sure that the data is of acceptable standards. The project's Chief of Party (CoP) and Deputy Chief of Party (DCoP) will give close attention to data quality issues. More specifically ESAI will give emphasis to determining the quality of monitoring data submitted through different methods by:

- Design and implement transparent data collection methodology and tools which minimize measurement errors, bias, data manipulations, and miscommunications
- Data verification including occasional spot checks during field visits to make sure data provided is, in fact, collected according to the standard definitions of indicators consistently over time
- Documentation of original verification documentation for performance indicators
- In rare cases where serious data quality concerns observed to specific indicators, adjust, supplement, or replace problematic indicator data.

#### 5. Performance monitoring tasks

Monitoring is the ongoing and routine collection of performance indicator data to inform whether desired results are being achieved and whether implementation is on track. It continues throughout the life and activity of the project. It helps to compare actual results achieved against the targets set at the beginning of a project and provides regular feedback that helps track implementation of activities, and quality of services provided.

The project will employ the following methods to monitor and report progress and results:

- Conduct structured and purposive surveys to determine baselines and project end term statuses of appropriate indicators.
- Organize weekly progress update meetings where by each value chain coordinator will make a briefing on the progresses made and results made in the week.

- Project core staff monthly progress review and update
- Organize monthly management review meetings
- Quarterly and annual project progress reports
- Monthly progress reports by project supported new and pioneer companies. A reporting format will be developed and employed for this purpose.
- Planned field monitoring visits to sites of project supported companies. Value Chain coordinators, M&E focal person, CoP and DCoP of the project will participate in the monitoring visit as necessary.
- Upload data on the Feed the Future Monitoring system (FTFMS) and Aid Tracker+ automated online monitoring systems.

While the PME focal person of ESAI will be responsible to coordinate M&E related activities of the project, the following parties will also have major roles in the process:

- Value Chain Coordinators will be responsible for tracking, recording and analyzing data in their respective value chain.
- The project's Finance and Business Advisory (FINBA) Unit experts will track financial related progresses and results of ESAI supported new and pioneer companies.
- Precise Insight (PI), a unit with in Precise Consult International, which is responsible for handling research and analysis activities, will play a leading role in activities related to baseline data collection and analysis.

Specific tasks related to M&E are depicted in section 7 with schedules and responsible persons.

## 6. Project Evaluation

Evaluation is the systematic collection and analysis of information about the characteristics and outcomes of programs and projects as a basis for judgments, to improve effectiveness, and/or inform decisions about current and future programming.

Evaluation:

- provides feedback that helps analyze consequences, outcomes and results
- provides feedback to assess relevance, scope and sustainability

ESAI will conduct mid-term evaluation at the end of the second year (**December 2014**). The mid-term evaluation will be conducted internally with involvement of the Economic Transformation Group (ETG). Findings of the mid-term evaluation will be used as input to refine project strategies and directions.

Terminal Project evaluation is expected to be conducted by USAID at the end of the project period (**October 2015**). Key project stakeholders including Subsector board members, incubatee and pioneer companies, etc. will be involved in the terminal evaluation. Evaluation findings will be shared with government institutions, donor partners, and other relevant partner organizations. The findings will be used to inform future project designs.

As agribusiness incubation is a new approach in Ethiopia, it is imperative that new experiences and lessons will be gained along the different stages of project implementation. The project will carefully document these experiences and lessons to share them with different stakeholders. This will help to avoid re-invention of the wheel and facilitate future up scaling and out scaling efforts. The project will also facilitate linkages and learning between incubatees and pioneer companies by organizing subsector based networking events.

## 7. Monitoring and Evaluation task schedule

No	Tasks	Responsible	Time Schedule	Relevant Indicators and data	
				Ref No.	Data/issues to be covered
1	Baseline Survey				
	<ul style="list-style-type: none"> <li>Survey design and development of data collection tools</li> </ul>	M&E Focal person	October 2014	0,2,3	<ul style="list-style-type: none"> <li>Average annual income,</li> <li>Average farm get prices, Average consumer prices,</li> <li>Production, value of sale, volume of sales, input costs, unit of production</li> </ul>
	<ul style="list-style-type: none"> <li>Data collection</li> </ul>	PI Team /Value Chain Coordinators	November 2014		
	<ul style="list-style-type: none"> <li>Data compilation and analysis</li> </ul>	M&E Focal person/ PI Team	December 2014		
2	Supported companies progress report			1, 2.1A, 2.1B	<ul style="list-style-type: none"> <li>Jobs created, value addition activities, partnership agreements concluded, finance secured, new technology accessed, input procurement, production, marketing, supports the company provided to farmers, and major challenges encountered</li> </ul>
	<ul style="list-style-type: none"> <li>Reporting format development</li> </ul>	M&E Focal person	September 2014		
	<ul style="list-style-type: none"> <li>M&amp;E Training for incubatees</li> </ul>	M&E Focal person	December 2014		
	<ul style="list-style-type: none"> <li>Data recording and reporting</li> </ul>	Incubatee and pioneer companies	Monthly		
	<ul style="list-style-type: none"> <li>Compilation of data at subsector level</li> </ul>	Value Chain Coordinators	Quarterly		
	<ul style="list-style-type: none"> <li>ESAI level Compilation and data analysis and interpretation</li> </ul>	M&E Focal person	Biannually		
3	Track the overall progresses related to the various supports provided to incubatee and pioneer companies	Value Chain Coordinators	Regularly	1.1, 1.2, 2.2	<ul style="list-style-type: none"> <li>Supports provided to incubatee and pioneer companies and results obtained will be documented including: companies established, business plans prepared, financial accesses facilitated, local and/or international market (input and/or output) linkages created, technology accesses facilitated, etc.</li> </ul>
4	Record progresses related to financial accesses facilitated and value of investment leveraged with the project's support	FINBA Unit	Regularly	1.3A, 1.3B	<ul style="list-style-type: none"> <li>Companies secured financial access</li> <li>Total value of investment leveraged from different sources including own contribution, banks, equity investment, grant, crowd funding, partnership arrangements, capital goods lease, and others</li> </ul>
5	Brief weekly updates on progresses and results	Value Chain Coordinators	Every Friday	All	<ul style="list-style-type: none"> <li>Brief bullet point reports will be prepared and shared internally. Based on these updates short meetings will be organized every Monday mornings and the entire project staff will get a chance to reflect on progresses made, results achieved, and outstanding issues.</li> </ul>

Ethiopia Sustainable Agribusiness Incubator (ESAI)

No	Tasks	Responsible	Time Schedule	Relevant Indicators and data	
				Ref No.	Data/issues to be covered
6	Project core staff monthly progress review and update	DCoP, VC Coordinators, Communication Officer, and M&E Focal Person	Monthly	All	<ul style="list-style-type: none"> <li>Project core staff will meet monthly to discuss issues related to project performance, results obtained, technologies developed and adopted by farmers, new opportunities, inter departmental relations, challenges encountered, etc.</li> </ul>
7	Management review meetings	CoP and All Department Heads	Monthly	All	<ul style="list-style-type: none"> <li>Progresses, challenges, and achievements</li> </ul>
8	Quarterly performance reports	Value Chain Coordinators and M&E Focal person	Quarterly	3.1	<ul style="list-style-type: none"> <li>Planned activities versus achievements, lessons learned, and challenges encountered.</li> </ul>
9	Field monitoring visits	Value Chain coordinators, M&E focal person, CoP and DCoP	A separate field oversight plan will be developed	All	<ul style="list-style-type: none"> <li>Progresses made on the ground, challenges encountered, additional supports required, companies' relationship with communities and government bodies, management of backward and forward linkages, etc.</li> </ul>
10	Upload indicator data and reports on the Feed the Future Monitoring system (FTFMS) and Aid Tracker +	M&E Focal person	Yearly	1, 1.1, 1.2	<ul style="list-style-type: none"> <li>Jobs created, companies supported, success stories, project locations</li> </ul>
11	Project mid-term evaluation	ETG, DCoP, and Monitoring Focal Person	December 2014	All	<ul style="list-style-type: none"> <li><b>Relevance</b> of the project and its approaches</li> <li><b>Efficiency and Effectiveness</b> of results achieved</li> <li>Validity of the assumptions on which the project's likely <b>Impact</b> was based</li> <li><b>Sustainability</b> of the project initiatives</li> <li><b>Lessons</b> with strategic significance for replications and improvements in future similar actions</li> </ul>
12	Project terminal evaluation	USAID	October 2015	All	
13	Data quality assurance	CoP, DCoP, and M&E focal person	Regular	All	<ul style="list-style-type: none"> <li>Validity,</li> <li>Reliability,</li> <li>Integrity,</li> <li>Precision, and</li> <li>Timeliness,</li> </ul>
14	Subsector based learning and sharing platforms	DCoP, Value Chain Coordinators, Incubatee/Pioneer companies, Subsector Board members	Quarterly	All	<ul style="list-style-type: none"> <li>Good practices, lessons, subsectoral issues, etc.</li> </ul>

## 8. Performance indicator reference sheets (PIRS)

PERFORMANCE INDICATOR REFERENCE SHEET 0	
<b>Project Purpose:</b> Increased income of target farmers and other value chain actors	
<b>Indicator Title:</b> Average annual income of target farmers and other value chain actors	
<p><b>DEFINITION:</b></p> <p>“<b>Average annual income</b>” refers to the average revenue a person generated during the reporting period from activities related to the production and marketing of commodities related to the project’s intervention. Average income of 12 months will be considered for estimation of this indicator.</p> <p>“<b>Target farmers</b>” are farmers directly and indirectly participating in the project’s interventions.</p> <p>“<b>Other value chain actors</b>” include owners and employees of new and existing companies receiving ESAI’s supports.</p>	
<p><b>RATIONALE:</b></p> <p>This indicator measures the achievement of the purpose of ESAI. All interventions of the project are expected to contribute to this result.</p>	
<p><b>UNIT:</b></p> <p>Birr</p>	<b>DISAGGREGATE BY:</b>
	<p><b>Activity</b></p>
	<p><b>Targeted commodity</b></p>
	<p><b>Sex of project participant</b></p>
	<p>Farming, Non-farming</p> <ul style="list-style-type: none"> <li>• <b>Farming:</b> activities directly related to animal and crop productions</li> <li>• <b>Non-farming:</b> other agribusiness activities across the value chains of commodities including: processing, transporting and marketing.</li> </ul>
	<p>Honey, Milk, Sesame</p>
	<p>Male, Female</p>

<b>TYPE:</b> Impact	<b>DIRECTION OF CHANGE:</b> Higher is better
<b>DATA SOURCE:</b> Sample Survey	
<b>MEASUREMENT NOTES:</b> <ul style="list-style-type: none"><li>➤ <b>Who collects data for this indicator:</b> Value Chain Coordinators and temporary data collectors</li><li>➤ <b>How should it be collected?</b> Survey a sample of participating farmers and other value chain actors.</li><li>➤ <b>Frequency of collection:</b> Data should be collected for baseline and end of the project. To avoid variations due to seasonal price and quantity variations, this indicator should always be measured at the same time in the baseline and end of project.</li></ul>	

**PERFORMANCE INDICATOR REFERENCE SHEET 1**
**IR1:** More job opportunities created in the targeted subsectors

**Indicator Title:** Number of direct and indirect job opportunities attributed to the project

**DEFINITION:**

**“Job opportunities”** are all types of employment opportunities created during the reporting year in agriculture or business related activities. Jobs lasting less than one month are not counted in order to emphasize those jobs that provide more stability through length. Jobs should be converted to full-time equivalents (FTE). One FTE equal 260 days or 12 months. Thus a job that lasts 4 months should be counted as 1/3 FTE and a job that last for 130 days should be counted as 1/2 FTE. Number of hours worked per day or per week is not restricted as work hours may vary greatly.

**“Direct job opportunities”** refers to the number of individuals directly employed by ESAI supported companies

**“Indirect job opportunities”** refers to job opportunities created as a result of the operation of ESAI supported companies where job holders are not direct employees of the companies but generate income by engaging in various support activities related to supply of inputs, marketing of products, etc.

**“Attributed to project”** includes farming and non-farm jobs where ESAI’s intervention are intentional in assisting in any way to expand (or contract) jobs.

**RATIONALE:**

This indicator is a direct measure of improved livelihoods, as it measures creation of employment and related income

UNIT:  Full Time Equivalents (FTEs)	DISAGGREGATE BY:	
	Location:	Urban, rural
	Duration:	New, Continuing: <ul style="list-style-type: none"> <li>• <b>New</b> = this is the first time the person holds a job created by ESAI</li> <li>• <b>Continuing</b> = the person continues to hold a job from a previous fiscal year created by ESAI</li> </ul>
	Sex of job-holder :	Male, Female (if one FTE is evenly split by a male and a female, then it would be 0.5 FTE for females and 0.5 FTE for males)
	Relation to ESAI’s operation	Direct, indirect :

<b>TYPE:</b> Outcome	<b>DIRECTION OF CHANGE:</b> Higher is better
<b>DATA SOURCE:</b> Incubatee and pioneer companies' monthly progress reports	
<b>MEASUREMENT NOTES:</b> <ul style="list-style-type: none"><li>➤ <b>Who collects data for this indicator:</b> Value Chain Coordinators</li><li>➤ <b>How should it be collected?</b> Incubatee and pioneer companies are expected to prepare monthly reports and submit to ESAI based on the reporting format prepared and distributed by the project. The reports include information on the number of job opportunities created by the company's operations. The data will be verified by Value Chain Coordinators, CoP, and DCoP during field monitoring visits. The information will be quarterly compiled by value chain coordinators and submitted to the PME unit for project level compilation.</li><li>➤ <b>Frequency of collection:</b> Biannually</li></ul>	

### PERFORMANCE INDICATOR REFERENCE SHEET 1.1

**Output 1.1:** Incubated early stage companies

**Indicator Title:** Number of new companies established and are operating

**DEFINITION:**

The indicator counts **new agri-business companies** established and are operational during the reporting period and/or **new business lines** pursued by existing companies as a result of ESAI's incubation supports.

The company will be reported under this indicator only if it continues its business operation after its establishment and had received the project's support in the reporting period.

**“Project supports”** include ESAI's incubation supports provided to incubatees including technical assistance in business plan preparation, facilitation of financial access, facilitation of market linkages, technology access, hand holding services, etc.

**RATIONALE:**

The indicator is a direct count of companies established as a result of the project's incubation supports.

<b>UNIT:</b> Number	<b>DISAGGREGATE BY:</b>	
	<b>Activity</b>	Manufacturing, Non-manufacturing <ul style="list-style-type: none"> <li>• <b>Manufacturing:</b> companies/businesses engaged in manufacturing of value added products using either honey, dairy, or sesame products as raw materials</li> <li>• <b>Non-manufacturing:</b> companies/businesses engaged in other types of businesses</li> </ul>
	<b>Companies</b>	New companies, Existing companies' new businesses
	<b>Subsector</b>	Apiculture, Dairy, Sesame
<b>TYPE:</b> Output	<b>DIRECTION OF CHANGE:</b> Higher is better	

**DATA SOURCE:** Incubatee and new companies' progress tracking format

**MEASUREMENT NOTES:**

- **Who collects data for this indicator:** Value Chain Coordinators
- **How should it be collected?** Value Chain Coordinators will regularly document the progress of incubated companies businesses. The data will be supported by registration certificates of the companies issued by the relevant regional/Federal government authorities.
- **Frequency of collection:** Quarterly

## PERFORMANCE INDICATOR REFERENCE SHEET 1.2

**Output:** Supported pioneer companies

**Indicator Title:** Number pioneer companies supported by the project

**DEFINITION:**

The indicator measures the number of existing companies receiving ESAI's various supports in the reporting period. The supports include new business model development, project design, financial access, technology access, local and/or international market linkages, partnership facilitation, etc.

**“Pioneer companies”** refer to lead companies targeted for ESAI's support based on their potential contribution to the alleviation of identified value chain bottlenecks in the target subsectors and have the potential to contribute for subsector transformation.

**RATIONALE:**

The indicator is a direct count of pioneer companies receiving ESAI's supports.

**UNIT:**

Number

**DISAGGREGATE BY:**

	<b>Activity</b>	Manufacturing, Non-manufacturing <ul style="list-style-type: none"> <li>• <b>Manufacturing:</b> companies engaged in manufacturing of value added products using either honey, dairy, or sesame products as raw materials</li> <li>• <b>Non-manufacturing:</b> companies engaged in other types of businesses</li> </ul>
	<b>Subsector</b>	Apiculture, Dairy, Sesame

**TYPE:**

Output

**DIRECTION OF CHANGE:**

Higher is better

**DATA SOURCE:** Incubatee and new companies' progress tracking format

**MEASUREMENT NOTES:**

- **Who collects data for this indicator:** ESAI Value Chain Coordinators
- **How should it be collected?** Value Chain Coordinators of each subsector will document pioneer companies receiving ESAI's supports and the types of supports they are receiving
- **Frequency of collection:** Quarterly

### PERFORMANCE INDICATOR REFERENCE SHEET 1.3A

**Output 1.3:** Companies' secured finance from different sources

**Indicator Title:** Number of project incubatees & pioneer companies which secured finance for their businesses

**DEFINITION:**

The indicator counts the number of incubated new companies which accessed finance in the reporting period with ESAI's support.

**“Securing Finance”** refers to accessing finance from different sources including grant programs, private/public banks, equity investment, crowd funding, capital goods leasing or partnership arrangements to cover either investment or recurrent costs of the business.

**“Incubatees”** are individuals/organizations who are selected based on the project's eligibility and selection criteria and enrolled in ESAI's incubation program and receiving all rounded incubation supports until they graduate from the program. They may be individuals/group of individuals planning to establish a new business company or existing companies planning to establish a new business venture.

**“Pioneer companies”** refer to lead companies targeted for ESAI's support based on their potential contribution to the alleviation of identified value chain bottlenecks in the target subsectors and have the potential to contribute for subsector transformation.

**RATIONALE:**

Securing finance is a major pre-requisite for establishing and running a business operation and directly related to SIRI.I.

**UNIT:**

Number

**DISAGGREGATE BY:**

**Finance Source**

Bank, Equity investment, Grant, Crowd funding, Partnership arrangements, Capital goods lease, and others

**Subsector**

Apiculture, Dairy, Sesame

**Type of Companies**

Incubatees, Pioneer Companies

**TYPE:**

**DIRECTION OF CHANGE:**

Output	Higher is better
<b>DATA SOURCE:</b> Progress reports of ESAI's Finance and Business Advisory (FINBA) Unit	
<b>MEASUREMENT NOTES:</b> <ul style="list-style-type: none"><li>➤ <b>Who collects data for this indicator:</b> FBAU experts handling the respective business plans of incubatees</li><li>➤ <b>How should it be collected?</b> FINBA will document incubated companies securing finance from different sources through ESAI's supports. The data will be supported by banks/grant programs fund approval documents.</li><li>➤ <b>Frequency of collection:</b> Biannually</li></ul>	

## PERFORMANCE INDICATOR REFERENCE SHEET 1.3B

**Output 1.3:** Companies' secured finance from different sources

**Indicator Title:** Value of incubatees and pioneer companies' new investment leveraged by the project

**DEFINITION:**

The indicator measures total value of new investment made in the reporting period by ESAI incubated new companies. The investment finance may be contributed by owners themselves (cash, in-kind or both) or can be secured from different sources including grant programs, private/public banks, equity investment, crowd funding or partnership arrangements.

**“Incubatees”** are individuals/organizations who are selected based on the project's eligibility and selection criteria and enrolled in ESAI's incubation program and receiving all rounded incubation supports until they graduate from the program. They may be individuals/group of individuals planning to establish a new business company or existing companies planning to establish a new business venture.

**“Pioneer companies”** refer to lead companies targeted for ESAI's support based on their potential contribution to the alleviation of identified value chain bottlenecks in the target subsectors and have the potential to contribute for subsector transformation.

**“Investment”** is defined as any use of private sector resources intended to increase future production output or income.

**“Leveraged by the project”** indicates that the new investment was directly encouraged or facilitated by the project's interventions.

**RATIONALE:**

Increased investment in the agribusiness sector will contribute to increased jobs and income. Private sector investment is critical because it indicates that the investment is perceived by private agents to provide a positive financial return and therefore is likely to lead to sustainable increases in agricultural production.

<b>UNIT:</b>	<b>DISAGGREGATE BY:</b>	
Birr	<b>Finance Source</b>	Owner's contribution, Bank, Equity investment, Grant, Crowd funding, Partnership arrangements, Capital goods lease, Others
	<b>Type of Companies</b>	Incubatees, Pioneer Companies

<b>TYPE:</b> Output	<b>DIRECTION OF CHANGE:</b> Higher is better
<b>DATA SOURCE:</b> Progress reports of ESAI's Finance and Business Advisory (FINBA) Unit	
<b>MEASUREMENT NOTES:</b> <ul style="list-style-type: none"><li>➤ <b>Who collects data for this indicator:</b> FBAU experts handling the respective business plans of incubatees</li><li>➤ <b>How should it be collected?</b> FINBA will document incubated companies securing finance from different sources through ESAI's supports. The data will be supported by banks/grant programs fund approval documents.</li><li>➤ <b>Frequency of collection:</b> Biannually</li></ul>	

## PERFORMANCE INDICATOR REFERENCE SHEET 2

**IR2:** Farmers in the targeted value chains get better price for their products

**Indicator Title:** Average price of products project supported farmers receive

**DEFINITION:**

The indicator measures the prices (in Birr) project supported farmers receive for their products (raw honey, milk, and sesame). To distinguish price increases due to inflation, the price will be adjusted with the prevailing inflation rate.

**“Project supported farmers”** are farmers involved in out-grower schemes or linked to product markets with the project’s facilitation supports

**RATIONALE:**

This is a direct measure of the prices farmers receive for their products and is directly proportional to their income level.

**UNIT:**

Birr

**DISAGGREGATE BY:**

**Targeted commodity**

Honey, Milk, Sesame

**TYPE:**

Outcome

**DIRECTION OF CHANGE:**

Higher is better

**DATA SOURCE:** Sample Survey

**MEASUREMENT NOTES:**

- **Who collects data for this indicator:** Value Chain Coordinators and temporary data collectors
- **How should it be collected?** Data will be collected through a survey of project supported farmers
- **Frequency of collection:** Data should be collected for baseline and final reporting. To avoid variations due to seasonal price variations, this indicator should always be measured at the same time and from same source/place in the baseline and final reporting years.

## PERFORMANCE INDICATOR REFERENCE SHEET 2.1A

**Output 2.1:** Increased value additions in the targeted value chains

**Indicator Title:** Number of value added products introduced as a result of the project support

**DEFINITION:**

The indicator measures the number of new honey, sesame, or dairy value added products project supported incubatee and pioneer companies produced in the reporting period.

“**Value added products**” refers to processed agricultural products with enhanced values as a result of a changed physical state or form which better suits customer’s interests. Potential value added products that may be introduced as a result of the projects’ interventions include: refined honey, bees-wax, cosmetic products, cheese, pasteurized milk, hulled sesame, tahini, and sesame oil.

**RATIONALE:**

An increase in value addition activities has the potential to increase demands for agricultural raw materials and stimulate agricultural production. As companies produce more and more value added products to satisfy customer needs, they will buy increased volume of agricultural raw materials. As the demand for their products increase, farmers’ negotiation power will be improved and they will more likely get better prices for their products (Intermediate Result 1.1 of the project). Expanded value addition activities will also contribute for the creation of more job opportunities (Intermediate Result 1.1 of the project)

**UNIT:**

Number

**DISAGGREGATE BY:**

**Company**

New, Existing

**Targeted commodity**

Honey, Milk, Sesame

**TYPE:**

Output

**DIRECTION OF CHANGE:**

Higher is better

**DATA SOURCE:** Incubatee and pioneer companies’ monthly progress reports

**MEASUREMENT NOTES:**

- **Who collects data for this indicator:** ESAI Value Chain Coordinators
- **How should it be collected?** Incubatee and pioneer companies are expected to prepare monthly reports and submit to ESAI based on the reporting format prepared and distributed by the project. The reports include information on number and value of new value added products introduced with the help of the project. The information will be quarterly compiled by value chain coordinators and submitted to the M&E unit for project level compilation.
- **Frequency of collection:** Biannually

## PERFORMANCE INDICATOR REFERENCE SHEET 2.1 B

**Output 2.1:** Increased value additions in the targeted value chains

**Indicator Title:** Number of companies engaged in value addition activities as a result of the project's assistance

**DEFINITION:**

The indicator counts the number of new and existing companies which started to produce at least one value added product in the reporting period using honey, sesame, or dairy products.

**Value added products** refers to processed agricultural products with enhanced values as a result of a changed physical state or form which better suits customer's interests. Potential value added products that may be introduced as a result of the projects' interventions include: refined honey, bees-wax, cheese, pasteurized milk, hulled sesame, tahini, sesame oil, etc.

**RATIONALE:**

An increase in value addition activities has the potential to increase demands for agricultural raw materials and stimulate agricultural production. As more companies engage in production of value added products to satisfy customer needs, they will buy increased volume of agricultural raw materials. As the demand for their products increase, farmers' negotiation power will be improved and they will more likely get better prices for their products (Intermediate Result 1.1 of the project). Expanded value addition activities will also contribute for the creation of more job opportunities (Intermediate Result 1.1 of the project)

**UNIT:**

Number

**DISAGGREGATE BY:**

**Companies**

New, Existing

**Targeted commodity**

Honey, Milk, Sesame

**TYPE:**

Output

**DIRECTION OF CHANGE:**

Higher is better

**DATA SOURCE:** Incubatee and pioneer companies' monthly progress reports

**MEASUREMENT NOTES:**

- **Who collects data for this indicator:** ESAI Value Chain Coordinators
- **How should it be collected?** Incubatee and pioneer companies are expected to prepare monthly reports and submit to ESAI based on the reporting format prepared and distributed by the project. The reports include information on number and value of new value added products introduced with the help of the project. The information will be quarterly compiled by value chain coordinators and submitted to the M&E unit for project level compilation.
- **Frequency of collection:** Biannually

## PERFORMANCE INDICATOR REFERENCE SHEET 2.2

**Output 2.2:** Efficient Farm-to-Market linkages created in the targeted value chains

**Indicator Title:** Number of direct market linkages created between project supported companies and farmers

**DEFINITION:**

The indicator measures ESAI facilitated market linkages created for the supply of agricultural products.

**“Direct Market linkages”:** refers to formal agreements signed between ESAI supported companies and farmers or their cooperatives for the supply of raw or semi processed agricultural products.

**“Project supported companies”:** refers to new companies established with the support of ESAI’s incubation program and pioneer companies being assisted by the project which will use agricultural products as an input for their business operation.

**RATIONALE:**

When farmers are in a position to directly sell their products as a raw material to companies, they will benefit in several ways. Companies will buy in bulk reducing transaction costs, middle men which in many cases are redundant will be avoided, and the farmers will have a guaranteed sustainable market for their products. All these will contribute to the creation of efficient marketing chain which will in turn help farmers to get better prices for their products.

<b>UNIT:</b>  Number	<b>DISAGGREGATE BY:</b>	
	<b>Subsector</b>	Apiculture, Dairy, Sesame
	<b>Companies</b>	New, existing
<b>TYPE:</b>  Output	<b>DIRECTION OF CHANGE:</b>  Higher is better	

**DATA SOURCE:** Incubatee and new companies’ progress tracking format

**MEASUREMENT NOTES:**

- **Who collects data for this indicator:** ESAI Value Chain Coordinators
- **How should it be collected?** Value Chain Coordinators of each subsector will document market linkages facilitated by ESAI. The data will be supported by agreements signed by buyers and suppliers.
- **Frequency of collection:** Biannually

### PERFORMANCE INDICATOR REFERENCE SHEET 3

**IR3:** Improved agricultural production/productivity of honey, milk and sesame producer farmers involved with the project

**Indicator Title:** Gross margin per hectare, animal or hive of selected products

**DEFINITION:**

The gross margin is the difference between the total value of small-holder production of the agricultural product (sesame, milk, honey) and the cost of producing that item, divided by the total number of units in production (hectares of sesame, number of animals for milk, or hive count for honey). Gross margin per hectare, per animal, or per hive, is a measure of net income for that farm/livestock/beekeeping activity.

Gross margin is calculated from five data points, reported as totals across ESAI's direct beneficiaries:

1. Total Production by direct beneficiaries during reporting period **(TP)**
2. Total Value of Sales (Birr) by direct beneficiaries during reporting period **(VS)**
3. Total Quantity (volume) of Sales by direct beneficiaries during reporting period **(QS)**
4. Total Recurrent Cash Input Costs of direct beneficiaries during reporting period **(IC)**
5. Total Units of Production: Hectares planted (for crops); Number of Animals in herd (for milk); or Number of Hives (for honey) for direct beneficiaries during the production period **(UP)**

**Gross margin per ha, per animal, per hive =  $[(TP \times VS/QS) - IC] / UP$**

**Notes:**

- Gross margin targets should be entered at the commodity level. Targets do not need to be set for each of the five data points.
- If there is more than one production cycle in the reporting year, farmer's land area should be counted (and summed) each time it is cultivated, and the other four data points (Total Production, Value and Quantity of Sales, Recurrent Cash Input Costs) summed across production cycles if the same crop was planted.
- Input costs included should be those significant cash costs (approximately more than 5%) that can be easily ascertained. Cash input cost items may include: purchased water, fuel, electricity, seed, feed, fertilizer, pesticides, hired labor, hired enforcement, and hired machine/veterinary services. Capital investments and depreciation should not be included in cash costs.
- Unpaid family labor, seed from a previous harvest and other in-kind inputs do not have to be valued and should not be included in costs.

<b>RATIONALE:</b>	
Improving the gross margin for farm commodities for small-holders will directly contribute to the IR3 of improving production/productivity and the project purpose of increased income of target farmers.	
<b>UNIT:</b> • Birr/hectare (Sesame); • Birr/animal (milk); or • Birr/hive (honey)	<b>DISAGGREGATE BY:</b>
	<b>Targeted commodity</b>   Sesame, Honey, Milk
	<b>Sex of farmer</b>   Male, Female, Joint, Association-applied.
<b>TYPE:</b> Outcome	<b>DIRECTION OF CHANGE:</b> Higher is better
<b>DATA SOURCE:</b> Sample Survey	
<b>MEASUREMENT NOTES:</b>	
<ul style="list-style-type: none"> <li>➤ <b>Who collects data for this indicator:</b> Value Chain Coordinators will coordinate the process</li> <li>➤ <b>How should it be collected?</b> Sample surveys will be conducted</li> <li>➤ <b>Frequency of collection:</b> Data should be collected for baseline and final reporting</li> </ul>	

### PERFORMANCE INDICATOR REFERENCE SHEET 3.1

**Output 3.1:** Farmers adopted improved agricultural technologies

**Indicator Title:** Number of farmers that applied new technologies as a result of the project's assistance

**DEFINITION:**

This indicator is a total count of farmers who applied technologies introduced with the support of ESAI. Technologies to be counted here are agriculture-related technologies and innovations which will contribute to the increased farmers' productivity and quality of honey, sesame and dairy. Technologies developed for the first time or technologies which were available elsewhere but newly adapted to the Ethiopian context with the ESAI's support will be counted. Relevant technologies here include development and production of:

- Improved Farm implements to be used for planting, harvesting, and land preparation.
- Modern bee hives and accessories
- Improved milking machine, storage facilities, other equipment and modern inputs
- Higher-yielding or better quality varieties and other modern farm inputs

**RATIONALE:**

Technological change and its adoption by farmers will be critical to increasing agricultural production/productivity, which is the Intermediate Result under which this indicator falls (IR3).

<b>UNIT:</b>	<b>DISAGGREGATE BY:</b>	
Number	<b>Targeted commodity</b>	Sesame, Honey, Milk
	<b>Sex of farmer</b>	Male, Female
	<b>Duration</b>	<p><b>New</b> = This reporting period is the first time the person applied the improved technology</p> <p><b>Continuing</b> = The person first applied the improved technology in the previous reporting period and continues to apply it in this reporting period.</p>
<b>TYPE:</b> Output	<b>DIRECTION OF CHANGE:</b> Higher is better	

**DATA SOURCE:** Project quarterly performance reports

**MEASUREMENT NOTES:**

- **Who collects data for this indicator:** ESAI Value Chain Coordinators
- **How should it be collected?** Value Chain Coordinators of each subsector will document farmers adapting technologies introduced as a result of ESAI's supports
- **Frequency of collection:** Annually

## 9. Performance indicator tracking table

Indicator #	Name of Indicator	Unit of Measurement	Disaggregation	Baseline year	Baseline Value	FY2013		FY 2014		FY 2015	
						Target	Actual	Target	Actual	Target	Actual
0	Average annual income of target farmers and other value chain actors	Birr	<b>Activity</b>								
			• Farming								
			• Non-farming								
			<b>Targeted commodity</b>								
			• Honey								
			• Milk								
			• Sesame								
			<b>Sex of project participant</b>								
			• Male								
• Female											
1	# of direct and indirect job opportunities attributed to the project	Full Time Equivalent	<b>Location</b>			<b>300</b>	<b>129</b>	<b>420</b>		<b>520</b>	
			• Urban				9				
			• Rural				120				
			<b>New/Continuing</b>			<b>300</b>	<b>129</b>	<b>420</b>		<b>520</b>	
			• New			300	129	120		100	
			• Continuing				-	300		420	
			<b>Sex of job-holder</b>			<b>300</b>	<b>129</b>	<b>420</b>		<b>520</b>	
			• Males			210	28	294		364	
			• Females			90	101	126		156	
			<b>Relation to ESAI's operation</b>								
			• Direct								
• Indirect											
1.1	# of new companies established and are operating	Number	<b>Activity</b>								
			• Manufacturing								
			• Non-manufacturing								
			<b>Companies</b>								
			• New companies								
			• Existing companies' new businesses								
			<b>Subsector</b>								
			• Apiculture								
• Dairy											
• Sesame											

Ethiopia Sustainable Agribusiness Incubator (ESAI)

Indicator #	Name of Indicator	Unit of Measurement	Disaggregation	Baseline year	Baseline Value	FY2013		FY 2014		FY 2015	
						Target	Actual	Target	Actual	Target	Actual
1.2	# of pioneer companies supported by the project	Number	<b>Activity</b>								
			• Manufacturing								
			• Non-manufacturing								
			<b>Subsector</b>								
			• Apiculture								
			• Dairy								
1.3A	# of project incubatees & pioneer companies which secured finance for their businesses	Number	<b>Finance Source</b>								
			• Bank								
			• Equity investment								
			• Grant								
			• Crowd funding								
			• Partnership arrangements								
			• Capital goods lease								
			• Others								
			<b>Subsector</b>								
			• Apiculture								
			• Dairy								
			• Sesame								
			<b>Type of companies</b>								
			• Incubatees								
• Pioneer Companies											
1.3B	Value of incubatees and pioneer companies' new investment leveraged by the project	Birr	<b>Finance Source</b>								
			• Bank								
			• Equity investment								
			• Grant								
			• Crowd funding								
			• Partnership arrangements								
			• Capital goods lease								
			• Others								
			<b>Type of companies</b>								
			• Incubatees								
• Pioneer Companies											

Ethiopia Sustainable Agribusiness Incubator (ESAI)

Indicator #	Name of Indicator	Unit of Measurement	Disaggregation	Baseline year	Baseline Value	FY2013		FY 2014		FY 2015	
						Target	Actual	Target	Actual	Target	Actual
2	Average price of products project supported farmers receive	Percentage	<b>Targeted commodity</b>								
			• Honey								
			• Milk								
			• Sesame								
2.1A	# of value added products introduced as a result of the project support	Number	<b>Company</b>								
			• New								
			• Existing								
			<b>Targeted commodity</b>								
			• Honey								
			• Milk								
			• Sesame								
2.1B	# of companies engaged in value addition activities as a result of the project's assistance	Birr	<b>Company</b>								
			• New								
			• Existing								
			<b>Targeted commodity</b>								
			• Honey								
			• Milk								
2.2	# of direct market linkages created between project supported companies and farmers	Number	<b>Subsector</b>								
			• Apiculture								
			• Dairy								
			• Sesame								
			<b>Companies</b>								
			• Existing								
3	Gross margin per hectare, animal or hive of selected products	<ul style="list-style-type: none"> <li>• Birr/hectare (Sesame);</li> <li>• Birr/animal (milk); or</li> <li>• Birr/hive (honey)</li> </ul>	<b>Targeted commodity</b>								
			• Honey								
			• Milk								
			• Sesame								
			<b>Sex of farmer</b>								
			• Male								
			• Female								
			• Joint								
			• Association-applied								