



**S P E E D**

Support for Private Enterprise Expansion & Development

## **Performance Monitoring Plan**

*Submitted by:*

**Chemonics International Inc.**

*In collaboration with:*

**Crimson Capital Corporation, Inc.  
J.E. Austin Associates, Inc.**

A USAID-funded Project  
Contract # PCE-I-00-99-00007-00

**August 31, 2001**

## TABLE OF CONTENT

---

<b>SECTION I. INTRODUCTION .....</b>	<b>1</b>
A. SPEED’s Mandate .....	1
B. Role of SPEED within the USAID S07 Framework.....	1
C. Monitoring and Evaluation .....	2
<b>SECTION II. PERFORMANCE MONITORING PLAN .....</b>	<b>3</b>
A. SPEED Results Framework.....	3
B. M&E System Design .....	4
C. Approach to Monitoring and Evaluation .....	4
D. Types of Indicators.....	5
1. Impact Indicators.....	6
2. Performance Indicators .....	6
E. Data Collection and Reporting .....	6
1. Responsibilities of KRA Groups .....	6
2. Baselines and Data Entry.....	7
3. Quality Control .....	7
4. Reporting and Review.....	7
<b>SECTION III. INDICATORS AND TARGETS .....</b>	<b>9</b>
A. Project Level Impact .....	9
B. Business Capacity .....	11
1. KRA 1: BDS Providers Strengthened .....	12
2. KRA 2: Agribusiness Capacity Strengthened.....	12
3. KRA 3: Capacity in Non-Agricultural Sectors Strengthened.....	12
C. Financial Services.....	17
1. KRA 1: SME Financing Increased .....	17
2. KRA 2: MFIs Commercialized .....	18
D. Business Environment .....	22

## TABLE OF EXHIBITS

---

Exhibit 1. SPEED Results Framework .....	3
Exhibit 2. Project SO Indicators .....	10
Exhibit 3. Indicators for Business Capacity Component .....	13
Exhibit 3a. Indicators for Business Capacity KRA 1 .....	14
Exhibit 3b. Indicators for Business Capacity KRA 2 .....	15
Exhibit 3c. Indicators for Business Capacity KRA 3.....	16
Exhibit 4. Indicators for Financial Services Component.....	19
Exhibit 4a. Indicators for Financial Services KRA 1 .....	21
Exhibit 4b. Indicators for Financial Services KRA 2 .....	21
Exhibit 5. Indicators for Business Environment Component .....	23

## SECTION I

---

### Introduction

#### A. SPEED's Mandate

Support for Private Enterprise Expansion and Development (SPEED) is a three-year USAID-financed project developed by Chemonics International Inc., in collaboration with Crimson Capital Corporation, Inc. and J.E. Austin Associates, Inc., under SEGIR Financial Services IQC Task Order 805.

SPEED's *mandate* under the terms of the USAID technical assistance contract is to increase:

- the use of financial services by SMEs by packaging business opportunities in which both MFIs and FIs can participate;
- levels of effective demand for Business Development Services (BDS) through improvements in the range and quality of services and providers;
- the capacity of the commercial justice system to respond to business needs.

#### B. Role of SPEED within the USAID S07 Framework

SPEED is designed to assist USAID/Uganda and its partners to further the mission's Integrated Strategic Plan (ISP). Specifically SPEED falls under the mission's Strategic Objective (SO) 7—Expansion of Sustainable Economic Opportunities for Rural Sector Growth. The strategy to achieve SO7 places priority on assisting the GOU to reduce rural-based poverty by expanding economic opportunities and incomes. Three key outcomes of the strategy are expected:

- Increased household income in selected regions
- Increased number of off-farm enterprises
- Increased employment in on- and off-farm enterprises

SO7 will be measured by four intermediate results (IRs):

- increased food security for vulnerable populations in selected regions
- increased productivity of agriculture and natural resources systems in selected regions
- increased competitiveness of enterprises in selected sectors
- improved enabling environment for broad-based growth

SPEED contributes directly to the latter two results and to elements of the first two results as well. In order to monitor progress towards these results, SPEED will establish a monitoring and evaluation (M&E) system.

## C. Monitoring and Evaluation

Monitoring progress and evaluating results are key management functions in any performance-based management plan. Performance monitoring is an on-going process that allows managers to determine whether or not a program or activity is making progress towards its intended results. Performance information plays a critical role in planning and managing decisions. The strength of an M&E system lies in its ability to provide performance information, which is used to manage for results and to improve project performance.

Evaluation is the periodic assessment of a project's relevance, performance, efficiency, and impact—both expected and unexpected—in relation to stated objectives. Evaluation helps to identify effects that are attributable to the program.

This document presents the SPEED M&E system that will provide the foundation for tracking the project's delivery of expected outputs and quantitative impacts to measure progress, as well as supporting USAID/Uganda's M&E needs by providing input to the mission's SO7 and associated IR indicators. The overall goal of this M&E system is to establish a means of providing critical information for decision-makers to assist them in guiding implementation of project activities towards attainment of project objectives. This goal recognizes that specific elements of the implementation program may require adjustment to respond to evolving conditions either within or external to the project. Hence, the M&E system is a management tool for systematically reviewing project progress, troubleshooting problems and issues during project implementation, and assessing areas where project activities may need to be refocused to ensure plans, schedules, and assignments remain current.

The implementation of the M&E system will involve the entire SPEED technical and management team. This is necessary for several reasons:

- *Efficiency.* SPEED technical team members have intimate knowledge of activities and immediate results in their areas of work, and are best suited to collect basic M&E data in their respective technical areas.
- *Ownership.* By being involved in the M&E system, the system will be owned by the entire team. This will ensure that the set of information generated is relevant and consistent with the interests of the entire team and SPEED partners.
- *Feedback.* Having collected and analyzed M&E information, SPEED technical team members will have first-hand information on project progress and will be able to use the M&E system to guide program implementation.

The M&E system is based on an impact design linking activities to desired outcomes and impacts. This design is reflected in the SPEED Results Framework.

## SECTION II

### Performance Monitoring Plan

#### A. SPEED Results Framework

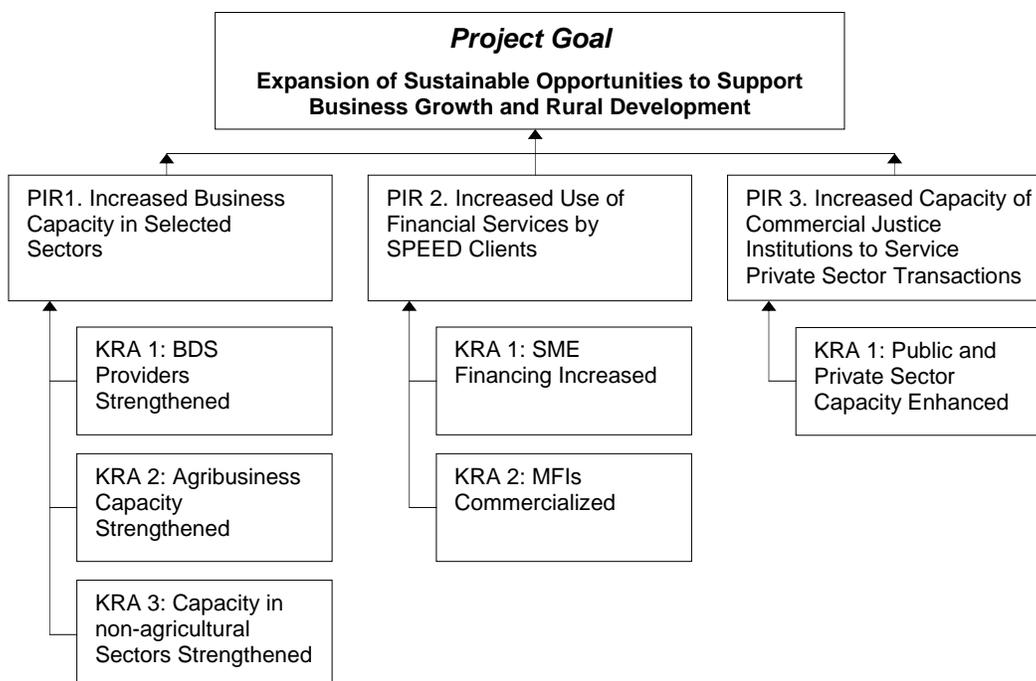
The SPEED Results Framework (RF), finalized during the May 2001 strategic planning workshop, is presented in Exhibit 1. SPEED is comprised of three components that contribute to project intermediate results (PIRs). The components are:

- Business Capacity
- Financial Services
- Business Environment

To attain these results, SPEED has identified Key Result Areas (KRAs) for each PIR, as shown in the RF and described in the first-year Work Plan. To capture the impact of project technical assistance to Uganda's MSME, finance, and commercial justice sectors, SPEED has identified a list of end of project (EOP) impact indicators for each PIR. For the KRAs, a mix of performance and impact indicators are identified. The indicators are designed to:

- capture major project impacts,
- supply information concerning major activities undertaken through SPEED technical assistance,
- provide a picture of implementation progress, and
- contribute to USAID's own M&E data needs.

**Exhibit 1. SPEED Results Framework**



The SPEED M&E system will target data collection primarily on activities directly implemented by SPEED and its partners, and the direct impacts of those activities. This principle of manageable interest ensures that the results reported by the SPEED M&E system are those that are within the project's ability to influence. SPEED will also design and implement specific M&E surveys and studies to investigate secondary impacts of SPEED where appropriate. The results of these surveys and studies will fill the gap between quantitative results from the project's M&E system and information required by USAID/Uganda for its own results reporting. Details concerning indicator definitions, units of measure, collection methods, report frequency, and responsible parties are presented in Section III.

## **B. M&E System Design**

The users of the M&E system include project staff, partners, collaborators, clients, USAID, as well as the host government. Therefore, establishing an effective performance measurement system requires developing an understanding and agreement among all stakeholders of the project as to what is to be achieved and how important performance management decisions will be made. Hence, where appropriate, SPEED will include stakeholders in the design and implementation of the M&E system and subsequent performance reviews.

M&E implementation began with the strategic planning workshop in May 2001 when the SPEED team reached consensus on the project's technical approach and finalized the project RF. The consensus strategies for each PIR and KRA are described in details in the first-year Work Plan, presented to and approved by the SPEED Steering Committee and USAID/Uganda.

The design of the SPEED M&E system was contingent upon the approval of USAID/Uganda's own ISP by Washington, which came in July. With this development, the SPEED team proceeded to finalize its M&E design while taking into account USAID/Uganda's ISP and assuring that the project M&E system will accurately measure progress and impact while answering the mission's own M&E needs. With this in mind, the SPEED M&E specialist, Mr. James Menya, aided by Chemonics' M&E specialist, Mr. Felix Lee, prepared a list of illustrative indicators that was presented to the project technical staff for comments and refinement. This led to the final draft of the indicators presented in Section III.

Upon approval of the SPEED Performance Monitoring Plan (PMP) by USAID, the project M&E specialist will work with technical staff to implement the various databases and spreadsheets for M&E data collection and provide training to staff and selected partners on the operations of the M&E system.

## **C. Approach to Monitoring and Evaluation**

SPEED will employ a three-prong approach to M&E:

- Data collection by project staff
- Partner participation
- Surveys and Special Studies

*Data collection by project staff.* The information needed for M&E comes from different sources. The various administrative and technical records of the project are main sources of data from which we will collect basic M&E information. The majority of performance indicator

data will come from this source. We will also consult various government records, surveys, and databases; USAID and other donor reports; and NGO reports and records as additional sources of information and data.

*Partner participation.* Another main source of M&E information is the project's partners (SMEs, producer groups, BDS providers, MFIs, banks). Where needed, SPEED will work with selected partners to strengthen their M&E capacities by helping them build data spreadsheets and databases to monitor results. The M&E specialist will provide specific monitoring data spreadsheets to SPEED partners and train them to maintain those spreadsheets with regular data input. This will be formalized as part of the service agreements or MOUs with partners, who will provide the monitoring information to SPEED to be incorporated into the overall M&E system. The list of information to be provided by SPEED-assisted partners will be determined together by the M&E specialist and KRA teams, and may include:

- Nature of business/sector
- Employment data by gender
- Annual revenue
- Outstanding financing
- Local and foreign direct investments
- Production or manufacturing output volumes
- Personnel trained through SPEED, disaggregated by gender
- Types of training received

*Surveys and Special Studies.* Not all performance measures are quantitative or can be collected directly. SPEED will conduct periodic and ad hoc surveys, studies, and samplings to gain in-depth understanding of project impacts, infer quantitative results from sampling, acquire additional qualitative information to supplement quantitative data, and highlight specific success stories from SPEED. The SPEED M&E specialist is responsible for these tasks, and may employ consulting assistance when needed. Where appropriate, SPEED will engage partners and collaborators to participate in these survey activities. These surveys will also serve to provide USAID/Uganda with information on the overall progress of the expansion of sustainable economic opportunities in Uganda and a better picture of how SO7 objectives are being achieved.

It should be noted that there must be a balance between M&E data collection and technical work. SPEED has designed the M&E system such that it will not become a data collection burden for project staff and partners. Care was taken to eliminate correlated indicators and those that are not indicative of project impact or performance. SPEED will employ appropriate information technology in M&E implementation to ease the burden of data entry and management, employing user-friendly software systems for data entry and analysis. Where applicable, SPEED support staff will participate in data collection and entry to relieve technical staff of these tasks.

#### **D. Types of Indicators**

To provide the comprehensive coverage needed for project progress review, troubleshooting and other management tasks, the M&E system will track two main types of indicators: impact and performance. Where appropriate, indicators will be disaggregated by gender, business sector, and geographic location. Chemonics has considerable experience operating

Geographic Information Systems (GIS), especially through its implementation of the Famine Early Warning System Network (FEWS NET) project. This experience will be used by SPEED to provide M&E data analysis with a spatial dimension where applicable. Consequently, SPEED will include GIS maps in its M&E reports to highlight the geographic dimension of specific indicators.

### **1. Impact Indicators**

Impact indicators, such as employment generated, increased sales, and improved management capabilities, measure the effects, or results, of project output. Impact indicators contribute directly to USAID/Uganda's SO7 reporting and for the purpose of SPEED, are grouped according to the PIRs. The list of proposed impact indicators is described in Section III.

The list of indicators in Section III includes proposed end-of-project targets, or benchmarks, for the indicators. These benchmarks represent contract level outputs of SPEED, which in turn are directly linked to USAID's SO7 and IR level indicators. The corresponding USAID SO and IR indicator numbers are included in the list to highlight these linkages. Upon final approval of the PMP, SPEED will collect baseline information for these indicators and establish annual targets.

### **2. Performance Indicators**

Performance indicators track the immediate inputs and outputs of the project, as well as deliverables. These are products that are directly attributed to SPEED activities, such as, the number of agents trained, studies conducted, and entities assisted. Performance indicators provide the means for monitoring project progress. They also provide feedback to managers on project performance and help identify areas where implementation strategies may need to be adjusted. Performance indicators for the M&E system are selected based on the overall strategic approach to the project and closely reflect the work plan, capturing the main activities of the project.

## **E. Data Collection and Reporting**

The M&E system will be the basis for semi-annual and annual reports to USAID. The SPEED team will collect and analyze performance information regularly, which will help determine whether adjustments to the implementation plan are required. The M&E specialist will ensure that all M&E data and information from the project is easily accessible by our partners and readily convertible into USAID's own internal reporting systems. The Information Technology specialist will post M&E results on the project intranet. Each KRA manager will be responsible for managing primary data collection and entry in his or her KRA. The M&E specialist will be responsible for collating the various M&E databases from KRA teams and partners to update the M&E system and performing analyses. The Chief Of Party (COP), Mr. Phil Broughton, will supervise the overall M&E system.

### **1. Responsibilities of KRA Groups**

The SPEED team is organized into KRA groups, each responsible for progress towards one of the six KRAs. The SPEED M&E system will require input from all KRA teams and key partners. The building blocks of an M&E system are the various data elements that make up indicators and benchmarks. These data elements come from every aspect of program implementation, covering diverse topics such as information dissemination, technology transfer, and capacity strengthening. To manage these data elements effectively requires active involvement of the technical staff concerned. Consequently,

*members of the various KRA groups are best placed to take charge of indicators in their areas of expertise.* The KRA groups are responsible for ensuring that their particular subsets of indicators are properly defined and for overseeing that the performance data are collected according to the specified frequency and methodology. The M&E specialist will be responsible for assembling input from the various groups, synthesizing the indicators from various data elements, and providing overall quality control.

## **2. Baselines and Data Entry**

Many indicators in the SPEED results framework are aggregate indicators, made up of various data elements. For example, the number of people trained would include attendance at seminars, conferences, and workshops held by the different KRA groups. These data elements make up the lowest level of raw data entry of the M&E system and come directly from the project and its partners. The M&E specialist, with support from short-term technical assistance (STTA) as needed, will work with each KRA group to determine the various data elements of the M&E system that fall within the technical area of the group, and design database spreadsheets for each group to manage these data elements.

KRA group members will then be responsible for collecting baseline information on their data items to establish a start-of-project status. This will be completed within the first two months of M&E system implementation. As noted before, some indicators will have to be collected at the partner level. SPEED will provide simple databases or tally sheets for tracking these indicators for SPEED partners and furnish training and assistance in their maintenance and update. This record-keeping task will be included in the service agreement or MOU to be established with each partner. KRA managers will coordinate among its members and partners to update their M&E data entry spreadsheets regularly. It is up to the leader of each technical group to define the exact roles and responsibilities of various group members and partners.

## **3. Quality Control**

KRA group members are also best placed to provide first-order quality control for the various M&E data elements. Upon completion of the data entry spreadsheets, each group will examine the quantitative data to identify common errors including logical inconsistencies, out-of-range values, significant departures from trends, or other errors. Should any problem be identified, the KRA group is responsible for verifying data against original sources and other forms of verification that may be required.

## **4. Reporting and Review**

SPEED will provide semi-annual M&E reports on PIR indicators to USAID. The report provided for the July to December period will also be the annual M&E report, and will contain in-depth analysis of annual progress, updated benchmarks and targets achieved, discussions of progress and hurdles, and presentation of success stories if appropriate. In addition to providing quantitative data, KRA groups will also provide written narratives covering major achievements during the reporting period and/or major obstacles that hamper project implementation. The KRA managers will provide the quantitative spreadsheets and narrative text to the M&E specialist for compiling the project-wide M&E report.

In addition to the formal semi-annual and annual M&E reports, SPEED will generate periodic internal M&E updates between reporting periods. The COP will review these updates with KRA groups regularly. Should the interim results indicate the need to

refocus implementation activities or update program strategies, the COP will work with USAID/Uganda to effectuate those changes.

## SECTION III

---

### Indicators and Targets

#### A. Project Level Impact

SPEED will employ two impact indicators to capture achievement towards the project goal—Expansion of Sustainable Opportunities to Support Business Growth and Rural Development. The two indicators are:

- Increased number of enterprises
- Increased employment generated in enterprises

Together, these two indicators provide a picture of progress made as a result of SPEED interventions. SPEED will disaggregate these indicators by gender of enterprise ownership/manager and employment filled, geographic location, and sector in which the enterprises operate. These two indicators will also provide input to USAID's SO7 indicators. SPEED uses the word "enterprises" in this document to include microenterprises, SMEs, agricultural groups, as well as BDS providers.

Due to the large numbers of enterprises involved, it will not be feasible to measure all indicators directly. When applicable, SPEED will employ proxy indicators and measurement through sampling to obtain data for the indicators. For the first indicator, SPEED will directly monitor increases in new enterprises created through interventions with BDS providers, SMEs and FIs. In addition, SPEED will use the number of new clients receiving financing from MFIs as a proxy indicator. Through MFIs that work directly with SPEED, KRA members will collect information on the number of new loan clients with the necessary disaggregates. Based on the assumption that each new client represents a new enterprise formally established, the increased number of enterprises can be inferred.

The second indicator will also require both direct data monitoring and proxy indicators. Through MOUs, SPEED will require formal partner SMEs, FIs, BDS providers, and MFIs to report their own employment information. SPEED will also require DCA loan recipients to provide employment information through the partner FIs. The M&E specialist will select simple random samples of clients of partner MFIs and BDS providers and conduct a survey of the samples to obtain relevant employment information. SPEED will employ proper statistical techniques to ensure that the samples chosen will yield statistical estimators for the target population, i.e. enterprises. The resultant employment estimates can then be used to infer data for the whole group. The sampling study will occur within the first calendar year of SPEED implementation and will be the responsibility of the M&E specialist.

To establish baseline information for these indicators, SPEED will collect data from partner MFIs, SMEs, FIs, and BDS providers concerning their current client base at the time of initial collaboration with SPEED. From this baseline, the SPEED team will establish appropriate EOP targets for the indicators. Detailed information for these indicators is shown in Exhibit 2.

## Exhibit 2. Project SO Indicators

Indicator	Definition of Indicator and Unit of Measure	Source of Data	Method of Data Collection	Data Acquisition		EOP Targets
				Schedule / Frequency	Responsible Person/Team	
<b>SO: Expansion of Sustainable Opportunities to Support Business Growth and Rural Development</b>						
1. Increased number of enterprises	<p>Definition: Increased number of enterprises as a result of SPEED interventions</p> <p>Unit: Number of enterprises, disaggregated by gender of ownership and geographic location</p>	Clients records of SPEED partners	<p>1. Through MOUs with SMEs, FIs, and BDS providers</p> <p>2. Proxy: increased number of borrowers of SPEED MFI partners.</p>	Semi-annual	PIR1, PIR 2 teams and M&E specialist	TBD
2. Increased employment generated in enterprises	<p>Definition: Number of employment generated by increased enterprises</p> <p>Unit: Number of new jobs, disaggregated by gender</p>	Clients records of SPEED partners	<p>1. Through MOUs with SMEs, FIs, MFIs, and BDS providers</p> <p>2. Through sample survey of increased number of borrowers of SPEED MFI partners</p> <p>3. Through sample survey of increased number of clients of BDS providers</p>	Semi-annual	PIR1, PIR 2 teams and M&E specialist	TBD

## **B. Business Capacity**

One of SPEED's objectives is to increase business capacities through strengthening businesses and business services providers. To do this, SPEED aims to increase the number of bankable business opportunities, develop and introduce new services, and upgrade the quality of services and service providers. The following main results are expected from this component.

- Increased sales by business enterprises
- Number of individuals with enhanced management skills
- Number of business development services purchased by enterprises
- Percentage of BDS users purchasing a second service

The ultimate results of increased business capacity are increased employment opportunities and increased sales. These results are captured in the second SPEED SO indicator and in the first indicator for this component. In this first business capacity indicator, SPEED intends to capture results directly attributable to enterprise partners. These partners will also provide SPEED with results and information from their clients, thereby providing an overall picture of project impact.

Training activities, conducted directly by SPEED or through BDS providers assisted by SPEED, represent an important strategy under this component. The second indicator is designed to capture the impact of these activities. SPEED will sample individuals trained through SPEED BDS interventions to determine the impact of training. Therefore, this is not intended to be a straightforward counting of individuals trained. Through sampling, SPEED will gain a sense of the effectiveness of management training.

The third indicator will provide a sense of increased business capacity through the use of BDS, either from a BDS provider (enterprise) or from individual consultants. SPEED will include the provision of business consultant usage information in MOUs to be established with partner enterprises, which will include SMEs, producer groups, collectives, associations, and organizations. This will constitute the main source of information for this indicator.

The fourth indicator is designed to capture client satisfaction and quality of service through repeated use of BDS. This information will again come from enterprise partners' records. Repeated use will be measured from the perspective of the client, i.e. enterprises that have purchased services more than once. It is not necessary for the provider to be the same since client satisfaction is already indicated by the fact that an enterprise is willing to purchase another consulting service.

The KRA teams of this component will be responsible for managing M&E information with their respective enterprise partners. The M&E specialist will assist and provide management information systems (MIS) support and advice to partners where needed. Details of the indicators are shown in Exhibit 3.

In addition to these quantitative indicators, the M&E specialist will work with KRA teams to identify qualitative information that may provide additional insight to the performance and impact of SPEED in support of business capacity strengthening. Possible surveys and studies include the determination of skills acquired by partners and the impact of the skills in job performance; information sharing among partners, institutions, and other donor activities; and other non-SPEED assisted-BDS providers who have replicated services or practices of SPEED-assisted providers.

SPEED has identified three Business Capacity KRAs:

- KRA 1: BDS Providers Strengthened
- KRA 2: Agribusiness Capacity Strengthened
- KRA 3: Capacity in Non-Agricultural Sectors Strengthened

### **1. KRA 1: BDS Providers Strengthened**

Under KRA 1, SPEED will increase effective demand for business development consulting services by working with selected BDS providers to improve the quality and customer value of services, create a range of appropriate BDS products, and raise awareness among SPEED clients that BDS can effectively increase their profitability, productivity, and competitiveness in the market place. The result of these activities will be captured through the PIR indicators described above. Additionally, SPEED will follow performance indicators at the KRA level as shown in Exhibit 3a.

### **2. KRA 2: Agribusiness Capacity Strengthened**

Agriculture is critical to the Ugandan economy, providing not only the majority of foreign exchange, but also the majority of opportunities for self-employment, employment, and small business. The strategy to achieve this KRA focuses on developing and packaging market-linked agricultural ventures that will not only have significant economic impact, but will also develop business capacity in large numbers of producers and processors as they move up the market chain. To monitor activities in this KRA, SPEED has developed a list of indicators to measure business development support activities, improvement in product quality, increase in value-added processing, and increase in sales and exports. The details for these indicators are shown in Exhibit 3b.

### **3. KRA 3: Capacity in Non-Agricultural Sectors Strengthened**

SPEED will also provide support to develop market-linked, bankable business opportunities for SMEs in high potential non-agricultural sectors. By working through targeted activities that include developing and packaging venture and assisting business plan development, SPEED will contribute to expand the number of economic opportunities available in high potential non-agricultural sectors. Indicators to measure performance of this KRA are shown in Exhibit 3c.

**Exhibit 3. Indicators for Business Capacity Component**

Indicator	Definition of Indicator and Unit of Measure	Source of Data	Method of Data Collection	Data Acquisition		EOP Targets
				Schedule / Frequency	Responsible Person/Team	
<b>PIR 1: Increased Business Capacity in Selected Sectors</b>						
1. Increased sales in enterprises assisted	<p>Definition: Volume of sales, domestic and export, of SPEED-assisted enterprises</p> <p>Unit: Volume of sales in Ush, disaggregated by domestic sales and export sales</p>	Enterprise partners records	Through MOU with SPEED	Semi-annual	PIR 1 team	TBD after baseline
2. Number of individuals with enhanced management skills (IRI 7.3.1-1)	<p>Definition: Number of individuals trained as a result of SPEED BDS interventions who have acquired enhanced management (administrative, financial, logistical) skills</p> <p>Unit: Number of individuals, disaggregated by gender</p>	Imputed from sampling of individuals trained through BDS interventions	Interviews with individuals sampled	Annual	SPEED M&E Specialist	3000
3. Number of business development consulting services purchased (IRI 7.3.2-2)	<p>Definition: Number of business development consulting services purchased by SPEED enterprise partners, including cost-sharing purchases</p> <p>Unit: Number of services, disaggregated by purchaser category (agribusiness, SME, producer groups), sector, and location</p>	Enterprise partners records	Through MOU with SPEED	Semi-annual	PIR 1 team	200
4. Percentage of BDS users purchasing a second service	<p>Definition: Percentage of SPEED enterprise partners who purchase BDS services more than once</p> <p>Unit: Percent</p>	Enterprise partners records	Through MOU with SPEED	Semi-annual	PIR 1 team	20%

**Exhibit 3a. Indicators for Business Capacity KRA 1**

Indicator	Definition of Indicator and Unit of Measure	Source of Data	Method of Data Collection	Data Acquisition	
				Schedule / Frequency	Responsible Person/Team
<b>KRA 1: BDS Providers Strengthened</b>					
1. Number of BDS providers identified	Definition: Number of BDS providers identified by SPEED, including local BDS consultants, intermediaries, and associations  Unit: Number of BDS providers, disaggregated by gender ownership/manager, sector and geographic location	SPEED operational records	By advertising in newspapers and contacts from other BDS providers	Quarterly	KRA 1 Team
2. Number of BDS providers supported	Definition: Number of BDS providers supported by SPEED, including locally hired BDS consultants, intermediaries, and associations  Unit: Number of BDS providers, disaggregated by gender ownership/manager, sector and geographic location	SPEED operational records	Through MOU with SPEED	Quarterly	KRA 1 Team
3. Number of consulting tenders awarded by SPEED to local BDS providers	Definition: Number of tenders awarded by SPEED to local BDS providers to carry out activities such as business development plan, market analyses, financial and management, and after care assistance to enterprises  Unit: Number of consulting tenders, disaggregated by gender of recipient ownership and geographic location	SPEED operational records	Through MOU with SPEED	Quarterly	KRA 1 Team, Subcontracts Manager, Project Administrator
4. Value of consulting tenders awarded by SPEED to local BDS providers	Definition: Value of tenders awarded by SPEED to local BDS providers to carry out activities such as business development plan, market analyses, financial and management, and after care assistance to enterprises  Unit: Ush and US\$ (using exchange rate at time of award)	SPEED operational records	Through MOU with SPEED	Quarterly	KRA 1 Team, Subcontracts Manager, Project Administrator

**Exhibit 3b. Indicators for Business Capacity KRA 2**

Indicator	Definition of Indicator and Unit of Measure	Source of Data	Method of Data Collection	Data Acquisition	
				Schedule / Frequency	Responsible Person/Team
<b>KRA 2: Agribusiness Capacity Strengthened</b>					
1. Number of individuals trained (IRI 7.3.2-1)	Definition: Number of individuals trained as a result of SPEED BDS interventions  Unit: Number of individuals, disaggregated by type of organization (agribusiness, SME, producer groups), sector, gender and geographic location	SPEED operational records	Training attendance lists	Quarterly	KRA 2 Team
2. Number of enterprises supported	Definition: Number of agricultural enterprises (SMEs and producer groups) assisted by SPEED  Unit: Number of enterprises, disaggregated by gender of ownership/manager, type, sector and geographic location	SPEED operational records	Through MOU with SPEED	Quarterly	KRA 2 Team
3. Number of business plans developed	Definition: Number of business development plans developed by SMEs with SPEED intervention  Unit: Number of business plans, disaggregated by gender of SME ownership and geographic location	SME partner records	Through MOU with SPEED	Quarterly	KRA 2 Team
4. Number of sector studies	Definition: Number of sector studies carried out through SPEED intervention  Unit: Number of studies	SPEED operational records	Through KRA 2 Team TA	Quarterly	KRA 2 Team
5. Number of producers meeting international standards	Definition: Number of producers meeting international quality/safety standards as a result of SPEED intervention  Unit: Number of producers, disaggregate by sector, gender, and geographic location	SME partner records	Through MOU with SPEED	Quarterly	KRA 2 Team
6. Number of partners involved in value-added processing	Definition: Number of firms, individuals, and organizations involved in value-added processing and manufacturing  Unit: Number of partners, disaggregate by sector, gender, and geographic location	SME partner records	Through MOU with SPEED	Quarterly	KRA 2 Team

**Exhibit 3c. Indicators for Business Capacity KRA 3**

Indicator	Definition of Indicator and Unit of Measure	Source of Data	Method of Data Collection	Data Acquisition	
				Schedule / Frequency	Responsible Person/Team
<b>KRA 3: Capacity in Non-Agricultural Sectors Strengthened</b>					
1. Number of individuals trained (IRI 7.3.2-1)	Definition: Number of individuals trained as a result of SPEED BDS interventions  Unit: Number of individuals, disaggregated by sector, gender and geographic location	SPEED operational records	Training attendance lists	Quarterly	KRA 3 Team
2. Number of enterprises supported	Definition: Number of non-agricultural SMEs assisted by SPEED  Unit: Number of SMEs, disaggregated by gender of ownership/manager, sector and geographic location	SPEED operational records	Through MOU with SPEED	Quarterly	KRA 3 Team
3. Number of business plans developed	Definition: Number of business development plans developed by non-agricultural sector SMEs with SPEED intervention  Unit: Number of business plans, disaggregated by gender of SME ownership and geographic location	SME partner records	Through MOU with SPEED	Quarterly	KRA 3 Team
4. Number of sector studies	Definition: Number of sector studies carried out through SPEED intervention  Unit: Number of studies	SPEED operational records	Through KRA 3 Team TA	Quarterly	KRA 3 Team
5. Number of partners involved in value-added processing	Definition: Number of firms, individuals, and organizations involved in value-added processing and manufacturing  Unit: Number of partners, disaggregate by sector, gender, and geographic location	SME partner records	Through MOU with SPEED	Quarterly	KRA 3 Team

## C. Financial Services

The second component of SPEED is designed to help increase financial services to and by SPEED clients. Through this component, SPEED is targeting a range of clients including commercial banks, MFIs planning to transform to micro deposit-taking institutions (MDIs), MFIs seeking to reach financial self-sufficiency (FSS), various financial sector associations, and SMEs. SPEED will also actively seek out opportunities in areas outside of the three main cities in order to further rural outreach. The expected results are increased availability and access to financial services as measured in the following impact indicators:

- Number of MFIs reaching MDI status
- Number of clients, of SPEED assisted MFI and banks, located outside the main cities
- Increased number of savers and borrowers
- Increased volume of deposits and loans
- Increased number of *Missing Middle* loans (between Ush 3 and 425 million)

The first indicator measures the main intended result of the financial services component, that of commercializing MFIs. The KRA 2 team of the component will provide this information. The next indicator refers to the clients of SPEED assisted MFIs and banks, rather than the MFIs and banks themselves, who are located outside Kampala, Jinja, and Entebbe. Due to the large numbers anticipated, it will not be feasible to collect location information directly at the bank/MFI client level. SPEED will make the assumption that those bank/MFI branches service essentially local area clients. As a result, geographic location of clients will be inferred from bank/MFI branch locations. The M&E specialist could conduct spot sampling to verify the validity of this assumption.

The remaining indicators address results that have multiple dimensions: lending institutions (MFI or banks), number of loans, size of loans, number of savers, size of deposits, as well as geographic location. The complete combinations could lead to a multitude of indicators. All of these indicators capture the expected results of increased use of financial services. The details are presented in Exhibit 4.

Where appropriate, indicator values will be disaggregated to capture the rural outreach dimension. Rural outreach by itself cannot be captured through a single indicator and must be viewed in association with indicators such as location of SPEED-assisted MFIs, their clients, and client activities (saving and borrowing). Through the use of GIS, maps can be produced to show the spatial dimension of these indicators. The individual maps can further be combined using spatial methods to show an overall visual picture of rural outreach that no single quantitative indicator can achieve. The M&E specialist, with support from Chemonics' home office, will bring the GIS dimension to SPEED M&E reports.

The financial services component of SPEED consists of two KRAs:

- KRA 1: SME Financing Increased
- KRA 2: MFIs Commercialized

### 1. KRA 1: SME Financing Increased

SPEED will approach the financial services sector and the actors within the sector both as primary clients and as strategic partners in addressing and meeting the challenges

associated with increased financial flows to SME clients. SPEED will encourage financial institutions (FIs) to increase their lending to SMEs and MFIs by:

- providing access to training and technical assistance designed to meet their needs
- assisting them in growing and/or diversifying their operations through new products and services
- supporting their ability to design and implement creative but bankable and profitable solutions to working with SMEs, and
- assisting them in identifying business opportunities from among their customers.

In addition to results monitored at the component (PIR) level, SPEED will monitor KRA level performance through indicators described in Exhibit 4a.

## **2. KRA 2: MFIs Commercialized**

The overall strategy to achieve this KRA is to assist the high-potential MFIs to increase outreach and FSS, and possible transformation to MDI status through targeted technical assistance and training. This may include developing and installing MIS, developing individual lending products, or helping to establish or improve borrowing relationship with a commercial bank. The indicators designed for this KRA, shown in Exhibit 4b, will capture the main activities of FSS trend improvement, training, and MIS assistance.

**Exhibit 4. Indicators for Financial Services Component**

Indicator	Definition of Indicator and Unit of Measure	Source of Data	Method of Data Collection	Data Acquisition		EOP Targets
				Schedule / Frequency	Responsible Person/Team	
<b>PIR 2: Increased Use of Financial Services by SPEED clients</b>						
1. Number of MFIs reaching MDI status	Definition: Number of MFIs transformed into MDIs with SPEED assistance  Unit: Number of MDIs	SPEED operational records	Through PIR 2 team TA	Semi-annual	KRA 2 team	3
2. Number of clients of SPEED-assisted MFIs and banks in rural areas (IRI 7.3.3-2)	Definition: Number of clients (savings account holders + loan account holders) located outside Kampala, Entebbe, and Jinja, of SPEED-assisted MFIs and banks  Unit: Number of clients (savings account holders + loan account holders), disaggregated by geographic location	MFI and FI partner records	Through MOU with SPEED	Semi-annual	PIR 2 team	40% over baseline
3. Increase in number of microenterprise savers	Definition: Increase in number of microenterprise saving accounts with SPEED-assisted MFIs  Unit: Number of accounts, disaggregated by geographic location of account holder	MFI partner records	Through MOU with SPEED	Semi-annual	KRA 2 team	40% over baseline
4. Increase in number of microenterprise borrowers	Definition: Increase in number of loans secured by microenterprises at SPEED-assisted MFIs  Unit: Number of loans, disaggregated by geographic location of borrower	MFI partner records	Through MOU with SPEED	Semi-annual	KRA 2 team	40% over baseline
5. Increase in number of MM loans (IRI 7.3.3-3)	Definition: Increase in number of loans between Ush 3 million and Ush 425 million (loans to SMEs by FIs)  Unit: Number of loans, disaggregated by geographic location of borrower	FI partner records	Through MOU with SPEED	Semi-annual	KRA 1 team	10% over baseline
6. Increase in volume of microenterprise savings	Definition: Increase in volume of microenterprise saving accounts with SPEED-assisted MFIs  Unit: Ush	MFI partner records	Through MOU with SPEED	Semi-annual	KRA 2 team	40% over baseline

Indicator	Definition of Indicator and Unit of Measure	Source of Data	Method of Data Collection	Data Acquisition		EOP Targets
				Schedule / Frequency	Responsible Person/Team	
7. Increase in outstanding loan balance of microenterprise loans (IRI 7.3.3-1)	Definition: Increase in volume of loans secured by microenterprises at SPEED-assisted MFIs Unit: Ush	MFI partner records	Through MOU with SPEED	Semi-annual	KRA 2 team	40% over baseline
8. Increase in volume of MM loans (IRI 7.3.3-3)	Definition: Increase in volume of loans between Ush 3 million and Ush 425 million (loans to SMEs by FIs) by partner institutions Unit: Ush	FI partner records	Through MOU with SPEED	Semi-annual	KRA 1 team	10% over baseline
9. Increase in amount of investment (IRI 7.3-2)	Definition: Increase in amount of direct investment in SPEED-assisted SMEs Unit: Ush and US\$ (using exchange rate at time of investment), disaggregated by local and offshore (foreign) investment	FI partner records	Through MOU with SPEED	Semi-annual	KRA 1 team	US \$ 1 million

**Exhibit 4a. Indicators for Financial Services KRA 1**

Indicator	Definition of Indicator and Unit of Measure	Source of Data	Method of Data Collection	Data Acquisition	
				Schedule / Frequency	Responsible Person/Team
<b>KRA 1: SME Financing Increased</b>					
1. Number of FIs and bank staff trained	Definition: Number of FIs and bank staff trained through SPEED interventions  Unit: Number of individuals trained and number of institutions represented	SPEED operational records and UIB	Training attendance lists	Quarterly	KRA 1 Team
2. Number of successful business plans developed (IRI 7.3.1-2)	Definition: Number of business development plans developed by SMEs and financed by FIs, with SPEED assistance  Unit: Number of business plans, disaggregated by gender of SME ownership and geographic location	SPEED operational records	Through MOU with SPEED	Quarterly	KRA 1 Team

**Exhibit 4b. Indicators for Financial Services KRA 2**

Indicator	Definition of Indicator and Unit of Measure	Source of Data	Method of Data Collection	Data Acquisition	
				Schedule / Frequency	Responsible Person/Team
<b>KRA 2: MFIs Commercialized</b>					
1. Increases in FSS trends	Definition: MFIs with increasing trend of FSS (positive FSS time-series slope)  Unit: percentage increase in FSS (slope of time series linear trend)	MFI financial statements	Through MOU with SPEED	Quarterly	KRA 2 team
2. Number of individuals and MFIs trained	Definition: Number of MFIs and individuals trained through SPEED intervention  Unit: Number of individuals trained, by gender, number of institutions represented and geographic location	SPEED operational records	Training attendance lists	Semi-annual	KRA 2 team
3. Number of MFI branches with improved management information systems	Definition: Number of MFI branches with management information systems improved through SPEED interventions  Unit: Number of MFIs branches, by geographic location	SPEED operational records	Through MOU with SPEED	Semi-annual	KRA 2 team

## **D. Business Environment**

SPEED is charged with providing direct assistance to two commercial justice reform areas: strengthening of the Center for Arbitration and Dispute Resolution (CADER) and strengthening of the land and companies registries. The objective of strengthening CADER is to provide for speedy, fair, transparent, and efficient resolution of commercial disputes. The strengthening of the registries will lead to the availability of accurate and timely information on company and land ownership, capitalization, liens, and mortgages. This information is critical for commercial lending and business-to-business transactions. The primary results from the business environment component are expected from CADER and the registries:

- Reduction in time for company registry use
- Reduction in time for land registry use
- Increase in number of disputes/cases resolved by CADER

Since the land and company registries were not computerized at the start of SPEED, baseline values for their use would not be meaningful. SPEED will track the time needed to research records in these registries over the lifetime of the project. The indicators will then provide a picture of improved performance of the registries as they develop. The number of disputes/cases resolved by CADER will provide a sense of increased use of CADER while decreasing the backlog in commercial courts. The business environment component contains one KRA for which SPEED has identified performance indicators. The details of these indicators are shown in Exhibit 5.

In addition to the commercial justice reform work, SPEED will review the current activities of the MOFPED Private Sector Development Unit (PSD) in MSME information and policy analysis, compile information on donor activities, and assess the need for additional support and/or coordination. Performance of this activity is best captured through a qualitative study/survey on the evolution in PSD data sources, quality of information, frequency of information and improvement in data flow. The M&E specialist will work with the KRA team to develop appropriate studies as appropriate.

**Exhibit 5. Indicators for Business Environment Component**

Indicator	Definition of Indicator and Unit of Measure	Source of Data	Method of Data Collection	Data Acquisition		EOP Targets
				Schedule / Frequency	Responsible Person/Team	
<b>PIR 3: Increased Capacity of Commercial Justice Institutions to Service Private Sector Transactions</b>						
1. Reduction in time for company registry use (IRI 7.4.1-1)	Definition: Reduction in time required for search and registration services through company registry  Unit: days	Company registry records	Through MOU with SPEED and GOU survey	Semi-annual	PIR 3 Team	50% reduction
2. Reduction in time for land registry use (IRI 7.4.1-2)	Definition: Reduction in time required for search and registration services through land registry  Unit: days	Land registry records	Through MOU with SPEED and GOU survey	Semi-annual	PIR 3 Team	50% reduction
3. Increase in number of disputes/cases resolved by CADER (IRI 7.4.1-3)	Definition: Increase in number of disputes/cases resolved by CADER as a result of SPEED interventions  Unit: Number of disputes/cases	CADER records	Through MOU with SPEED	Semi-annual	PIR 3 Team	50% increase

<b>KRA 1: Public and Private Sector Capacity Enhanced</b>						
1. Number of land registry records reorganized and preserved	Definition: Number of land registry records reorganized and preserved as a result of SPEED interventions  Unit: Number of records	Land registry records	Through MOU with SPEED	Semi-annual	PIR 3 Team	
2. Number of company records computerized and indexed	Definition: Number of records in the computerized and indexed company registry  Unit: Number of records	Company registry records	Through MOU with SPEED	Semi-annual	PIR 3 Team	
3. Increasing financial self-sufficiency of CADER	Definition: Increasing trend of CADER's financial self-sufficiency  Unit: Percentage increase in financial self-sufficiency	CADER financial statements	Through MOU with SPEED	Semi-annual	PIR 3 Team	