

**Achievement of Market-Friendly Initiatives and Results Program  
(AMIR 2.0 Program)**

**Funded By U.S. Agency for International Development**

**Monitoring & Evaluation (M&E) Guidelines  
for  
Business Associations**

**Final Report**

**Deliverable for Business Management Initiative, Activity No. 233.3  
Contract No. 278-C-00-02-00201-00**

*May 2002*

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*This report was prepared by Richard Lindsey Wellons, in collaboration with Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR Program in Jordan.*

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## **A. Introduction**

### **A1. Background**

All organizations should continuously examine the performance of activities they undertake. This task, in turn, should be based on a guiding framework. For example, private sector, for-profit companies monitor their ventures, affiliates and investments according to business principles, such as balance sheet impact, return on equity, return on investment, market share obtained, and related indicators.

Organizations that are not private sector companies and may not have sufficient revenues or profits to use as “indicators” of success, can nevertheless measure their performance by using a variety of monitoring and evaluation (M&E) systems. For example, development organizations such as the World Bank and USAID have used systems that judged their projects according to “logical frameworks,” or “log frames” which were developed for each project. These frameworks specified goals, objectives, inputs, outputs, and contributions. This system was replaced under USAID “re-engineering” initiatives by a “Results Framework” that included results packages, intermediate results and strategic objectives.

Many performance monitoring systems are now being simplified and streamlined, to make the process less complex and confusing, focusing on goals and end-results. For example, USAID decided last year to simplify reporting by replacing its previous results framework system with simplified Annual Reports. Now, each Mission must indicate whether related USAID programs did or did not “achieve a significant result in the past year that is likely to contribute to each objective”. The Mission must also provide brief but sufficient supporting information, whether qualitative or quantitative.

### **A2. Purpose**

The purpose of this review of monitoring and evaluation systems is to provide guidelines on M&E procedures for organizations with activities that fall in between those private sector companies, and non-profit non-governmental organizations, such as business associations (BAs). Many associations have a wide range of activities, with certain fee-for-service activities that are income generating, and other services provided to private companies as a condition of membership. BAs and similar organizations need M&E systems that can measure their various, wide-ranging activities, which this review of M&E guidelines is intended to provide. First, it will summarize general M&E principles, definitions, and systems. Secondly, it will outline M&E procedures that are specifically useful to business associations.

## **B. General M&E Principles & Definitions**

Before describing detailed methodologies it’s useful to define key M&E terms and definitions. Based on monitoring and evaluation literature and practices of USAID, the

World Bank and other international development agencies, the general definitions for “monitoring”, “evaluation”, and “impact assessment”, and related terms are as follows:<sup>1</sup>

## **B1. Monitoring**

Monitoring is the continuous assessment of project implementation in relation to agreed schedules, and of inputs, infrastructure, and services by project beneficiaries. It:

- Provides managers and other stakeholders with continuous feedback on implementation.
- Identifies actual or potential successes and problems as early as possible to facilitate timely adjustments to project operation.

**Performance Indicators:** These are measures of activity impacts, outcomes, outputs and inputs that are monitored during activities’ implementation to measure progress toward objectives.

They are also used to evaluate an activity’s success. Indicators organize information in a way that clarifies the relationships between outputs and inputs and help to identify problems along the way that can impede the achievement of goals.

Performance indicators can include two broad kinds of indicators:

- **Results indicators** track day-to-day operating results in terms of activities’ outputs, deliverables and related results. These are results that can be directly attributed to the activity, such as the number of microcredit officers trained, the number of laws drafted and adopted, the installation of computer networks, or increased revenues from services sold by business associations.
- **Impact indicators** track the contribution of outputs to progress made toward achieving key business or economic goals. Impact indicators measure the broader economic impact of activities for the main purpose of assisting management to make strategic adjustments in programs. Impact indicators are also used to conduct impact assessments or evaluations of activities or their individual components, either at mid-term or at the end of an activity period.

In addition, performance indicators are accompanied by baselines from which to measure future performance, and by targets, at which to aim.

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<sup>1</sup> *Designing Project Monitoring and Evaluation, Lessons and Practices*, Operations Evaluation Department, The World Bank, Number 8, June 1996, Washington, D.C.; AMIR Impact Assessment, October 2000.

- **Performance targets** are the planned value of a performance indicator at the end of the planning period. Interim targets may be monthly, quarterly or annual. Final targets may be 2, 3, or 5 years away.
- **Baselines** are the value of the performance indicator at the beginning of the planning period. They are used as the starting point from which to measure progress toward goals.

## **B2. Evaluation**

Evaluation is the periodic assessment of an activity's relevance, performance, efficiency, and often impact (both expected and unexpected) in relation to stated objectives:

- Interim evaluations such as annual or mid-term evaluations provide a first review of progress, as a prognosis of an activity's likely effects, and as a means to identify necessary adjustments in project design. The use of mid-term reviews of ongoing projects has spread quickly over the last decade.
- End-of-term evaluations, conducted at the end of an activity period, generally include an assessment of the activity's effects and its potential sustainability.

## **B3. Impact Evaluations or Assessments**

Impact assessments examine the broader impact of program activities, rather than simply tracking ongoing project operations, as in monitoring, or reviewing and adjusting strategies, as in evaluation. Instead, impact assessment goes beyond M&E to measure the wider effect of activities, usually at the mid-point or at the end of the activity period.

Impact assessments aim to:

- Determine more broadly whether an activity is having the desired effects on individuals, institutions, or other beneficiaries, and whether those effects are attributable to the activity.<sup>2</sup> They focus on measuring wider impacts on the country's economy, people, and, where relevant, government.
- Measure the "return" on investment in activities, quantitatively where possible (amount of investment facilitated, number of jobs created), and qualitatively where there has not been sufficient time to generate quantifiable data.

## **C. Monitoring and Evaluation Systems**

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<sup>2</sup> *Evaluating the Impact of Development Projects on Poverty: A Handbook for Practitioners*, J. L. Baker, World Bank, May 2000.

A Monitoring and Evaluation (M&E) System is a tool used to plan and manage the collection of performance data. M&E systems usually also includes plans for data analysis, reporting, and use<sup>3</sup>.

At a minimum, M&E systems should include:

- a detailed definition of each performance indicator
- the source, method, frequency and schedule of data collection, and
- the office, team, or individual responsible for ensuring data are available on schedule

As part of the M&E process, it is also advisable to plan for:

- how the performance data will be analyzed, and
- how it will be reported, reviewed, and used to inform decisions

M&E systems should be updated as needed to ensure that plans, schedules, and assignments remain current.

## **C1. Purpose and Importance of M&E Systems**

A Monitoring and Evaluation System is a critical tool for planning, managing, and documenting data collection. It contributes to the effectiveness of the performance monitoring system by assuring that *comparable* data will be collected on a *regular and timely* basis. These are essential to the operation of a credible and useful performance-based management approach.

M&E systems promote the collection of *comparable* data by sufficiently documenting indicator definitions, sources, and methods of data collection. This enables operating units to collect comparable data over time even when key personnel change.

M&E systems support *timely* collection of data by documenting the frequency and schedule of data collection as well as by assigning responsibilities. Operating units should also consider developing plans for data analysis, reporting, and review efforts as part of the M&E process. It makes sense to think through data collection, analysis, reporting, and review as an integrated process. This will help keep the performance monitoring system on track and ensure performance data informs decision-making.

## **C.2 Elements of an M&E System**

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<sup>3</sup> Based on performance monitoring and evaluation (TIPS) guidelines, USAID Center for Development Information and Evaluation, on AMIR 2.0 M&E System Manual, May 2002, and on AMIR Impact Assessment Report, October 2000.

The following elements should be considered for inclusion in a Monitoring and Evaluation Systems.

### **C2a. Data Collection**

In its strategic plan, an operating unit should identify a few preliminary performance indicators for each of its strategic objectives or goals. In most cases, preliminary baselines and targets should also be summarized in the strategic plan. The M&E system builds on this initial information, verifying or modifying the performance indicators, baselines and targets, and documenting decisions.

M&E systems usually include information outlined below (elements 1-5) on each performance indicator that has been identified in the operating unit's strategic plan.

M&E systems should also address how critical assumptions and results supported by partners (alliances or partnerships with other organizations) will be monitored, even though they may not share the same standards and requirements for developing indicators and collecting data. It's also useful to include in the M&E system lower-level indicators of inputs, outputs, and processes at the activity level, and how they will be monitored and linked to goals.

#### **□ Performance Indicators and Definitions**

Performance indicators are important for obtaining adequate feedback about progress toward achieving goals. This data is useful for making informed decisions about whether and how to make adjustments to better achieve intended objectives.

Each performance indicator needs a detailed definition. Be precise about all technical elements of the indicator statement. As an illustration, consider the indicator, *number of small and medium enterprises receiving market information from business association activities*. How are small and medium enterprises defined -- all enterprises with 20 or fewer employees, or 50 or 100? What types of activities are considered to be part of market information activities – formal management training, individual seminars, trade missions, supplier visits?

Include in the definition the unit of measurement. For example, an indicator on the value of exports by members of a trade association might be otherwise well defined, but it is also important to know whether the value will be measured in current or constant terms and in U.S. dollars or local currency. Will it be measured annually or cumulatively? The definition should be detailed enough to ensure that different people at different times, given the task of collecting data for a given indicator, would collect similar types of data that can be compared to previous data.

#### **□ Data Sources**



Identify the data source for each performance indicator. The source is the entity from which the data are obtained, usually the organization that conducts the data collection effort. Data sources may include internal records and files, member company records, government departments, international organizations, donor agencies, NGOs, or private contractors.

Be as specific about the source as possible, so the same source can be used routinely. Switching data sources for the same indicator over time can lead to inconsistencies and misinterpretations and should be avoided. For example, it might be confusing to switch from estimates of job creation based on national sample surveys and compiled by a single organization, to estimates from several different regional governorates or government agencies with inconsistent data measurement techniques.

M&E systems may create ways to strengthen the capacity of a particular data source to collect needed data on a regular basis, or for building special data collection efforts into the organization's activities.

#### □ **Methods of Data Collection**

Specify the method or approach to data collection for each indicator. Note whether it is primary data collection or is based on existing secondary data.

For primary data collection, consider:

- the unit of measure or analysis (individuals, BA member companies, non-member companies, local or foreign firms)
- data disaggregation needs (by gender, age, groups, location)
- sampling techniques for selecting cases (random sampling, purposive sampling); and
- techniques or instruments for acquiring data on selected cases (structured questionnaires, personal surveys, phone/email surveys)

For indicators based on secondary data, give the method of calculating the specific indicator data point and the sources of data.

Note issues of data quality and reliability. For example, using secondary data from existing sources cuts costs and efforts, but its quality may not be as reliable.

Provide sufficient detail on the data collection or calculation method to enable it to be replicated.

### □ Frequency and Schedule of Data Collection

Performance monitoring systems must gather comparable data periodically to measure progress. But depending on the performance indicator, it may make sense to collect data on a quarterly, annual, or less frequent basis. For example, data on number of managers trained and courses completed may be gathered monthly or quarterly. But because the impact of such training takes time to develop, data on strengthened management skills following training may only be collected every year or so. M&E systems can also usefully provide the schedules (dates) for data collection efforts.

When planning the frequency and scheduling of data collection, an important factor to consider is management's needs for timely information for decision-making.

### □ Responsibilities for Acquiring Data

For each performance indicator, the responsibility of the operating unit for the timely acquisition of data from their source should be clearly assigned to a particular office, team, or individual.

## C2b. Data Analysis and Reporting

An effective M&E system needs to plan not only for the collection of data, but also for data analysis, reporting, review, and use. It may not be possible to include everything in one document at one time, but units should take the time early on for careful planning of all these aspects in an integrated fashion.

### □ Data Analysis Plans

To the extent possible, plan in advance how performance data for individual indicators or groups of related indicators will be analyzed. Identify data analysis techniques and data presentation formats to be used. Consider if and how the following aspects of data analysis will be undertaken:

*Comparing disaggregated data.* For indicators with disaggregated data, plan how it will be compared, displayed, and analyzed.

*Comparing current performance against multiple criteria.* For each indicator, plan how actual performance data will be compared with a) past performance, b) planned or targeted performance or c) other relevant benchmarks.

*Analyzing relationships among performance indicators.* Plan how internal analyses of the performance data will examine interrelationships. For example

- How will a set of indicators (if there are more than one) for a particular goal be analyzed to reveal progress? What if only some of the indicators reveal progress?

- How will various cause-and-effect relationships among different, and sometimes overlapping, goals and targets be analyzed?
- How will the operating unit's activities be linked to achieving short-term targets and longer-term goals?

*Analyzing cost-effectiveness.* When practical and feasible, plan for using performance data to compare systematically alternative approaches for implementing activities in terms of costs as well as results.

#### □ **Evaluations / Assessments**

Broader impact evaluations or assessments of long-term goals and achievements should be conducted when there is a clear management need. It may not always be possible or desirable to predict years in advance when or why they will be needed.

Nevertheless, operating units may find it useful to plan on a regular basis what broader evaluation efforts are needed to complement information from the performance monitoring system. Internal performance reviews that are held periodically during the year may be a good time for such evaluation planning. For example, if the reviews reveal that certain a specific indicator (or set of related indicators) is not being met, and if the results of the activity do not appear to justify the costs, then it would be advisable to conduct an evaluation to investigate.

#### □ **Reporting and Reviewing Performance Information**

Planning how performance information will be reported, reviewed, and used is critical for effective management. For example, plan, schedule, and assign responsibilities for internal and external reviews, briefings, and reports. Clarify what, how and when management decisions will consider performance. Specifically, plan for the following:

*Operating unit performance reviews.* Relatively small or medium-sized operating units should conduct internal reviews of performance information at regular intervals during the year to assess progress toward achieving goals. In addition, activity-level reviews should be planned regularly by management teams to assess if activities' inputs, outputs, and processes are supporting achievement of overall goals of the organization.

*External reviews, reports, and briefings.* Plan for reporting and disseminating performance information to key external audiences, such as senior company or association management, boards of directors, donor agencies, collaborating NGOs and other partners, donors, customer groups, and stakeholders. Communication techniques may include reports, oral briefings, videotapes, memos, and newspaper articles.

*Influencing management decisions.* The ultimate aim of M&E systems is to promote performance-based decision-making. To the extent possible, plan in advance what management decision-making processes should be influenced by performance

information. For example, budget discussions, programming decisions, evaluation designs/scopes of work, office retreats, management contracts, and appraisals of personnel often benefit from the consideration of performance information.

#### **D. M&E Guidelines for Business Associations**

This section provides a summary outline of monitoring and evaluation goals, performance indicators and units of measurement that are specifically useful to business associations. The examples outlined represent a basis on which BAs can build other elements of an M&E system, including targets, baselines, data collection methods and reporting schedules specific to their activities and members. Examples are provided for:

- Setting Business Association objectives / goals
- Identifying performance indicators to measure BA “internal” institutional capacity
- Identifying performance indicators to measure “external” BA services provided to members

The main purpose for business associations to become familiar with and implement performance monitoring systems is to allow them to measure their progress toward intended results. Short-term outputs and results should be compared against performance indicators for each BA activity, and results over the longer-term should be measured against end-of-project targets for major activities. This will allow BA professional staff, management, and Board members to review strategy, decide whether and how to adjust operations, troubleshoot problems, and improve results by effectively monitoring and measuring their progress in attaining set objectives.

The following sections list examples of objectives or goals, and indicators (brief definitions and units of measurement) for measuring both “internal” BA institutional capacity, and “external” BA services provided to member companies:

##### **D.1 Setting Business Association objectives / goals (examples):**

- To develop local, regional and international business opportunities for members
- To provide members with access to education and training to improve product quality and sales opportunities
- To promote dialogue and networking among members
- To form coalitions and cooperate in partnership with other public and private organizations
- To provide a common, influential voice for positive change on public policy issues affecting members
- To maintain the Association in sound financial condition at all times
- To provide member services of practical value

**D2. Identifying performance indicators to measure BA internal institutional capacity (examples):**

- Planning
  - Long-term strategic plans (designed and implemented)
  - Short-term business plans (designed and implemented)
- Human Resource Development
  - Staff training (designed and conducted)
  - Staff skills (improvements evident)
- Membership Development
  - Increased membership (promoted and achieved)
  - Increased women's membership (promoted and achieved)
  - Increased SME participation (promoted and achieved)
- Income Generation
  - Membership dues (moderate dues collected regularly)
  - Fees for services (increased to cover more operating costs)

**D3. Identifying performance indicators to measure “external” BA services provided to members (examples):**

- Market information
  - Market research provided (studies, reports, statistics)
  - Business opportunities/matchmaking (leads)
- Training of members
  - Management training (managers trained and applying skills)
  - Computer skills (managers trained and applying skills)
  - IT business applications (installed and used)
- Public policy analysis and advocacy
  - Research (studies, reports, policy briefs)
  - Networking (partnerships, alliances, casual networks developed)
  - Advocacy (business-friendly policies advocated, adopted, implemented)
- Certification
  - certificates of origin (number provided)
  - business-related permits, approvals, etc. (number provided)

<b>Exhibit 1: Examples of Impact Indicators for Business Association Activities</b>						
<b>Impact Indicator &amp; Definition</b>	<b>Unit(s) of Measure</b>	<b>Data Source</b>	<b>Responsibility for Baseline &amp; Data Collection</b>	<b>Frequency</b>	<b>Baseline end Q1 '02</b>	<b>End of Year Target</b>
<b>Senior and mid-level managers trained.</b>  No. trained by gender and by governorate	No. of managers trained	BA training records	BA training unit	Monthly	0	<b>200</b>
<b>Financial viability of business association.</b>  BA meeting full operating costs from revenues other than grants	% of operating costs covered by revenues other than grants	BA records	BA finance unit	Annual	25%	<b>70%</b>

## **Appendix A**

### **M& E Guidelines for Business Associations PowerPoint Presentation**

## **Appendix B**

### **AMIR M&E System Summary**

#### **PowerPoint Presentation**



# AMIR 2.0 PROGRAM

## MONITORING & EVALUATION (M&E) SYSTEM

Chemonics International, USAID/Jordan

L.Wellons, May 2002

# AMIR 2.0 M&E SYSTEM

## A. Introduction

- Background
- Objective
- Methodology

## B. System Components

- Results Monitoring
- Impact Monitoring
- Impact Assessments / Evaluations

## C. Administration

- Staff responsibilities
- Reporting schedules, formats

# AMIR 2.0 M&E SYSTEM OVERVIEW

**ACHIEVEMENT OF S.O. 5 GOAL: Increased Economic Opportunities for Jordanians**  
 EGAT Objective 1: Critical, private markets expanded and strengthened  
 EGAT Objective 3: Access to economic opportunity for rural and urban poor expanded, and made more equitable

**Attainment of Intermediate Results:**  
 IR 5.1: Increased access to business services  
 IR 5.2: More effective identification and implementation of policy reforms  
 IR 5.3: Improved environment for sustained policy reform

■ **RESULTS INDICATORS**

- > MM&E database records
- > Component/Partner records
- > On-line, real-time access

■ **IMPACT INDICATORS**

- > Surveys, MOUs with Partners
- > Economic Impact Dashboard
- > Quarterly Reports, Annual Reports

■ **IMPACT ASSESSMENTS**

- > Impact Assessments
- > Evaluations
- > End-Year Three

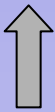
**M&E Manager**  
**Component Leaders and M&E Coordinators**  
**AMIR Partners, Public and Private Sector Organizations**

**S.O. 5 Indicator**

**I. R. Level Indicators**

**Activity Level Indicators**  
 > Data source  
 > Frequency

**Administration, Responsibilities**



# M&E SYSTEM

## A. Introduction

- Background
  - Previous AMIR 1 system limited to
    - MM&E database  
(budget, SOWs, training)
    - quarterly reports  
(& mid-term assessment)

# M&E SYSTEM

## A. Introduction

- Background

New AMIR 2.0 MM&E System must respond to

- Expanded components & activities
- Simplified USAID M&E approach
- Stronger focus on broader impact

# M&E SYSTEM:

## A. Introduction

- Objective
  - Expand & improve M&E for AMIR 2.0
  - M&E Manual to be a “how-to” guide
  - Intended for: - M&E Manager and staff
    - Component staff
    - Partners

# M&E SYSTEM

## A. Introduction

- Methodology
  - Principles/Guidelines
    - Keep it simple
    - Monitor immediate results & broader impact
    - Use verifiable, credible indicators
    - Expand data sources - MOUs, surveys
    - Expand counterpart involvement

# M&E SYSTEM

## A. Introduction

- Methodology
  - Principles/Guidelines
    - Link database to more results indicators
    - Strengthen impact monitoring
    - Involve partners through MOUs, surveys
    - Hire long-term M&E Manager
    - Designate Component M&E coordinators



# M&E SYSTEM

## B. Components

### 1. Results Monitoring

- a. Results indicators generated by MM&E Database
- b. Results indicators generated by Components/Partners

### 2. Impact Monitoring

- a. Impact indicators generated by Components/Partners
- b. Economic Impact Dashboard

### 3. Impact Assessments / Evaluations

# M&E SYSTEM

## B. Components

### 1. Results Monitoring

a. Results indicators generated by MM&E Database related to “internal” finance, budget data, e.g.

- Number & type of training sessions, no. of trainees
- Number of events, seminars, launches
- Consultant studies, related deliverables

Frequency: - Real-time” updates in MM&E database,  
- Quarterly Reports

# M&E SYSTEM

## B. Components

### 1. Results Monitoring

b. Results indicators generated by Components/Partners based on data “external” of partners, e.g.

- Increased microfinance borrowers
- Financial viability of business associations
- Increased depth and liquidity of Amman Stock Exchange

Partner records to be shared under

- MOUs, asking mostly for key “impact” data
- Surveys, asking for qualitative feedback

Frequency: Quarterly Reports

# M&E SYSTEM

## B. Components

### 2. Impact Monitoring

#### a. Impact indicators generated by Components/Partners

- Increased microenterprise employment
- Increased investment facilitated by JIB
- Increased exports as a result of adopting best practice
- Related indicators of expanded partner activities that contribute to national economic growth

Partner records to be shared under MOUs, Surveys,

Frequency: Quarterly Reports

# M&E SYSTEM

## B. Components

### 2. Impact Monitoring

#### b. Economic Impact Dashboard

- Impact of AMIR 2.0 activities in terms of contributions to
- National macro-economic conditions & trends:
  - GDP growth, FDI, exports, job creation, trade & investment policy reform
- Quarterly, on-line summary analysis & graphics

Frequency: Quarterly with updates as conditions dictate

# M&E SYSTEM

## B. Components

### 3. Impact Assessments

#### – Goals

- Measure broad impact on Jordanian economy, government, people
- Estimate “return” on USAID investment and draw lessons for future programs
- Evaluate program implementation and strategies

Frequency: End-Year Three, before option period

# M&E SYSTEM

## C. Administration

### 1. Staffing

- M&E Manager
  - long-term employee , (half-time on M&E)
- Finance/Budget staff assist
  - on MM&E database
- M&E Coordinators designated by each component
  - collect component data & feed to M&E Manager

# M&E SYSTEM

## C. Administration

### 2. Reporting Schedules

<u>Indicators</u>	<u>Frequency</u>	<u>Responsibilities</u>
MM&E RIs	Real-time	M&E Manager
Component RIs	Quarterly Rpts.	Components/Partners
Impact Indicators	Quarterly Rpts.	Components/Partners
Impact Dashboard	Quarterly/on-line	M&E Manager/Cons.
Annual Reports	Annual	M&E Mgr. / Comp.
Impact Assessments	Year-Three	M&E Mgr. / Comp.



# M&E SYSTEM

## C. Administration

### 3. Reporting Formats

#### M&E Report

#### Format changes

MM&E Database

Expanded links to indicators  
under DevIs program

Econ. Impact Dashboard

New, on-line format, charts &  
narrative, 2 - 3 pp.

Quarterly Reports

Narrative shorter, tables simpler  
workplans, annex, etc. same

Annual Reports

New, format of AMIR Final Rpt.

Impact Assessments

Format of AMIR Impact Assessment

# AMIR 2.0 M&E SYSTEM OVERVIEW

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- > Evaluations
- > End-Year Three

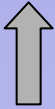
**M&E Manager**  
**Component Leaders and M&E Coordinators**  
**AMIR Partners, Public and Private Sector Organizations**

**S.O. 5 Indicator**

**I. R. Level Indicators**

**Activity Level Indicators**  
 > Data source  
 > Frequency

**Administration, Responsibilities**



# AMIR 2.0 PROGRAM

## MONITORING & EVALUATION (M&E) SYSTEM

Chemonics International, USAID/Jordan

L. Wellons, May 2002

## **AMIR 2.0 Program**

# **Monitoring and Evaluation Guidelines for Business Associations**

**Chemonics International / USAID/Jordan  
L. Wellons - May 2002**

# TOPICS TO BE COVERED

## I. PURPOSE

- Why monitor performance?

## II. PRINCIPLES & DEFINITIONS

- Monitoring
- Evaluation
- Impact assessment

## III. GENERAL M&E SYSTEMS

- Data collection
- Data reporting

## IV. BUSINESS ASSOC. M&E

- Measuring capacity
- Measuring services

# I. PURPOSE

Why monitor performance? - Purpose

- M&E Frameworks

- Topics to cover

# PURPOSE: WHY M&E ?

## PURPOSE:

- All organizations should continuously examine the performance of their activities in order to improve & succeed.
- For example, private, for-profit, companies base their monitoring on business principles, such as
  - balance sheet impact
  - return on equity
  - return on investment
  - market share obtained, etc.

# PURPOSE: WHY M&E ?

## M&E FRAMEWORKS:

- Organizations that are not private companies can measure performance using other frameworks & indicators
- “Results frameworks” are used by many NGOs and development agencies like the World Bank and USAID. These frameworks specify:
  - goals and objectives
  - inputs, outputs
  - contributions to results



# PURPOSE: WHY M&E ?

## TOPICS TO BE COVERED

### IN THIS PRESENTATION:

- M&E principles and definitions
- General M&E systems
- M&E procedures relevant specifically to business associations

## II. M&E PRINCIPLES & DEFINITIONS

**Principles:**

- General guidelines

**Definitions:**

**Monitoring**

- Results indicators
- Impact indicators
- Targets
- Baselines

**Evaluation**

- Interim, end of period

**Impact assessment**

- Broader measurements

# PRINCIPLES & DEFINITIONS

## PRINCIPLES:

- ✓ Keep M&E simple
- ✓ The system should be based on a sound analytical framework
- ✓ Performance indicators should be clear, understandable, verifiable and credible
- ✓ Data should be collected from a wide range of sources

# PRINCIPLES & DEFINITIONS

## DEFINITIONS:

- *Monitoring* : is the continuous assessment of project implementation in relation to agreed schedules, and of inputs, infrastructure, and services by project beneficiaries

# PRINCIPLES & DEFINITIONS

## DEFINITIONS:

### *Performance*

***Indicators:*** are measures of project impacts, outcomes, outputs and inputs that are monitored during project implementation to measure progress toward project objectives. Indicators

- They include, for our M&E purposes, two types:  
Results Indicators ,and Impact Indicators

# PRINCIPLES & DEFINITIONS

## DEFINITIONS:

- ***Results indicators:*** track a program's day-to-day operating results in terms of activities' outputs, deliverables and related results.

# PRINCIPLES & DEFINITIONS

## DEFINITIONS:

- ***Impact indicators:*** track the contribution of outputs to progress made toward achieving broader business or economic goals.

# PRINCIPLES & DEFINITIONS

## DEFINITIONS:

- ***Performance targets:*** are the planned value of a performance indicator at the end of the planning period.



# PRINCIPLES & DEFINITIONS

## DEFINITIONS:

- ❑ ***Baselines:*** are the value of the performance indicator at the beginning of the planning period. They are used as the starting point from which to measure progress toward goals

# PRINCIPLES & DEFINITIONS

## DEFINITIONS:

- ❑ ***Evaluation:*** is the periodic assessment of a project's relevance, performance, efficiency, and often impact (both expected and unexpected) in relation to stated objectives

# PRINCIPLES & DEFINITIONS

## DEFINITIONS:

### □ *Impact Assessments:*

examine the broader impact of program activities, rather than simply reviewing and adjusting strategies as in evaluation. Instead, impact assessment goes beyond M&E to measure the wider effect of activities

# **III. GENERAL M&E SYSTEMS**

**1. What is an M&E System?**

**2. Elements of an M&E System**

- **Data Collection**
- **Data Analysis & Reporting**

# General M&E System Overview

Main indicator

Achievement of main goal

Sub-indicators

Attainment of sub-goals

Activity-level indicators

• Results indicators  
➤ short-term results

• Impact indicators  
➤ longer-term impact

• Impact assessments

Administration, responsibilities

M&E Manager: Data Collection, Analysis & Reporting  
M&E Coordinators in sub-units: Assistance to M&E Manager  
Senior Management / Board of Directors: Review & Action

# M&E Systems

## What is an M&E System?

- An M&E System is a tool organizations can use to plan and manage the collection of performance data. The system can also include procedures for data analysis, reporting, and use.

# M&E Systems

## Elements of an M&E System:

### □ Data Collection procedures should include

- A detailed definition of each performance indicator, including the unit of measurement,
- The data source
- The method of data collection

# M&E Systems

## Elements of an M&E System:

- **Data Collection procedures should include**
  - The frequency and schedule of data collection, and
  - The office, team, or individual responsible for ensuring data are available on schedule



# M&E Systems

## Elements of an M&E System:

- Analysis and Reporting procedures should include
  - Data analysis plans
  - Evaluations or Assessments
  - Reporting and Reviewing of performance information

# IV. BUSINESS ASSOCIATION M&E SYSTEMS

## TOPICS TO BE COVERED:

1. Setting BA goals
2. Identifying performance indicators to measure "internal "  
BA institutional capacity
3. Identifying performance indicators to measure "external"  
services to members

# BUSINESS ASSOCIATION M&E SYSTEMS

## 1. Setting BA goals (examples of goals):

- To develop local, regional and international business opportunities for members
- To provide members' access to education and training
- To promote dialogue and networking among members
- To provide member services of practical value

# BUSINESS ASSOCIATION M&E SYSTEMS

## 1. Setting BA goals (examples, continued):

- To form coalitions and cooperate in partnership with other public and private organizations
- To provide a common, influential voice for positive change on public policy issues affecting members
- To maintain the Association in sound financial condition

# BUSINESS ASSOCIATION M&E SYSTEMS

2. Identifying performance indicators to measure "internal " BA institutional capacity (examples of indicators):

- Planning
  - Long-term strategic plans (designed and implemented)
  - Short-term business plans (designed and implemented)
- Human Resource Development
  - Staff training (designed and conducted)
  - Staff skills( improvements evident)

# **BUSINESS ASSOCIATION M&E SYSTEMS**

2. Identifying performance indicators to measure "internal" BA institutional capacity (examples, continued):

- **Membership Development**
  - **Increased membership (promoted and achieved)**
  - **Increased women's membership (promoted and achieved)**
  - **Increased SME participation (promoted and achieved)**
- **Income Generation**
  - **Membership dues (moderate but collected regularly)**
  - **Fees for services (increased to cover more operating costs)**

# BUSINESS ASSOCIATION M&E SYSTEMS

3. Identifying performance indicators to measure “external” services to members (examples):

- Market information
  - market research provided (studies, reports, statistics)
  - business opportunities / matchmaking (leads)
- Training of members
  - management training (managers trained & applying skills)
  - computer skills (managers trained & applying skills)
  - IT business applications ( installed and used)

# BUSINESS ASSOCIATION M&E SYSTEMS

3. Identifying performance indicators to measure “external” services to members (examples, continued):

- Public policy analysis and advocacy
  - Research conducted & disseminated (studies, reports, policy briefs)
  - Networking (partnerships, alliances, casual networks developed)
  - Advocacy (business-friendly policies advocated, adopted, implemented)
- Certification
  - certificates of origin (number provided)
  - business-related permits, approvals, etc. (number provided)



# BUSINESS ASSOCIATION M&E SYSTEMS

## Examples of Impact Indicators for Business Association Activities

<i>Impact Indicator &amp; Definition</i>	<i>Unit(s) of Measure</i>	<i>Data Source</i>	<i>Responsibility for Baseline &amp; Data Collection</i>	<i>Frequency</i>	<i>Baseline end Q1 '02</i>	<i>End of Year Target</i>
<b>Senior and mid-level managers trained.</b>  No. trained by gender and by governorate	No. of managers trained	BA training records	BA training unit	Monthly	0	200
<b>Financial viability of business association.</b>  BA meeting full operating costs from revenues other than grants	% of operating costs covered by revenues other than grants	BA records	BA finance unit	Annual	25%	70%

# Summary of Topics Covered

## I. PURPOSE

- Why monitor performance?

## II. PRINCIPLES & DEFINITIONS

- Monitoring
- Evaluation
- Impact assessment

## III. GENERAL M&E PLANS

- Data collection
- Data reporting

## IV. BUSINESS ASSOC. M&E

- Measuring internally
- Measuring services

## **AMIR 2.0 Program**

# **Monitoring and Evaluation Guidelines for Business Associations**

**Chemonics International / USAID/Jordan  
L. Wellons - May 2002**