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# USAID PARTNERSHIPS FOR ECONOMIC GROWTH ACTIVITY MONITORING, EVALUATION AND LEARNING PLAN

Cooperative Agreement: 72016522RFA00010

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Submitted by: Palladium International

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## ACRONYMS

AMEL	Activity Monitoring Evaluation and Learning
AOR	Agreement Officer Representative
BSP	Business Service Provider
CLA	Collaborate, Learn, Adapt
FI	Financial Institution
LOA	Life of Activity
MEL	Monitoring, Evaluation and Learning
MSME	Micro, Small, Medium Enterprises
P4EG	Partnerships for Economic Growth
PPD	Public-Private Dialogue
REI	Regional Economic Integration

# I INTRODUCTION

## I.1 AMEL PLAN PURPOSE

This Activity Monitoring, Evaluation, and Learning (AMEL) Plan describes how the USAID Partnerships for Economic Growth (P4EG) will monitor, evaluate, and learn to manage its activities, involve partners in learning, and modify Activity approaches and methods for maximum impact.

P4EG works with a wide range of Activity participants— resource partners (lead firms, accelerators, associations, and training institutions), business support providers (BSPs), financial institutions (FIs), public institutions—and beneficiaries (entrepreneurs, enterprises, and individuals). We will apply an evidence-centered approach to AMEL, tailored to provide P4EG leadership, USAID, partners and beneficiaries (MSMEs) with real-time monitoring of key indicators to drive adaptive project management and ensure cost-effective interventions that empower key economic partnerships to sustainably unlock the growth, productivity, and employment potential of small and medium enterprises (MSMEs) in North Macedonia.

This AMEL Plan proposes both indicators and other data needed to assess the achievement of each of the core expected results of P4EG, as well as evaluation and other learning data required to understand key elements of the activity's approach. It also describes the processes that we will use to perform AMEL throughout the life of P4EG in order to inform effective adaptive management required to achieve the desired results.

The design of the AMEL Plan is prepared to adhere to ADS 201 and includes clear and agreed Activity objectives; defined roles and responsibilities; appropriate indicators and measurements at different stages of the Activity to measure progress against those objectives; performance measure targets and baselines, and performance evaluations; quality control mechanisms and data collection processes; and reporting schedules.

The AMEL Plan is a dynamic and flexible document that will be updated throughout the Activity's implementation. New targets will be incorporated based on Activity performance and results, and changes in the Mission's priorities.

## I.2 INFORMATION AND CONTEXT

P4EG, under Cooperative Agreement No: 72016523CA00002 began on February 1, 2023, and will end on January 29, 2028. The agreement award was USD 5,500,000. This is the initial AMEL Plan which will monitor and evaluate all P4EG activities during the Life of Activity (LOA). Once approved by USAID/North Macedonia, any changes to this AMEL Plan, with previous agreement with USAID North Macedonia, will be documented.

## I.3 LOCATION AND INSTITUTIONAL CONTEXT

The Activity is headquartered in Skopje, but will operate throughout the country, unlocking the growth, productivity, and employment potential of Macedonian MSMEs, strengthening the ecosystem in the process. Activities will be implemented in partnership with resource partners, BSPs and FIs, public institutions and MSMEs.

Key resource partners such as BSPs, FIs, public institutions —will be identified through Activity initiatives. Under Objective 1, we will pilot MSME support programs to increase efficient production, improve investment readiness, facilitate partnerships with the private sector and training institutions to support MSMEs in capitalizing on significant market opportunities. Under Objective 2, P4EG will identify a cadre of new BSPs by retooling Palladium’s innovative FF model implemented under Macedonia Competitiveness Project and Business Ecosystem Project to build a broader BSP network. Under Objective 3, the Activity will identify and engage local resource partners to co-create and implement a prioritized Public-Private Dialogue (PPD) activity shortlist which will focus on tackling challenges around firm-level productivity, access to finance, and regional economic integration. As for Objective 4, P4EG will work to support regional economic integration, while reducing entry costs across the Western Balkans region with a local subcontractor that will be selected through a competitive process.

## **I.4 THEORY OF CHANGE AND LOGICAL MODEL**

### **I.4.1 Theory of Change**

The Activity is designed to enhance MSME productivity by creating favorable conditions for the private sector via collaboration with a diverse range of stakeholders across the ecosystem, hence promoting further economic growth. The Activity’s theory of change is:

“If MSMEs introduce new technologies and innovations (including digitalization, e-commerce); education institutions, training centers, centers of excellence, and business support organizations collaborate with the private sector to develop modern training and certification programs; companies improve their financial and operational management; businesses elevate their interaction with the government through an evidence-based requests for policy reform; and the barriers for interregional trade and cooperation are eased and the value chain competitiveness strengthened through innovative and targeted solutions, Then MSMEs will improve their productivity; the labor force will meet the private sector demands; companies will access finance and attract new investments; the regulatory framework will support the businesses’ growth and the country’s regional economic integration will improve.”

### **I.4.2 Program Activities**

P4EG will be implemented through four sets of activities set up around core program objectives and carried out in an integrated manner to represent the interconnectedness and potential for mutually reinforcing impacts.

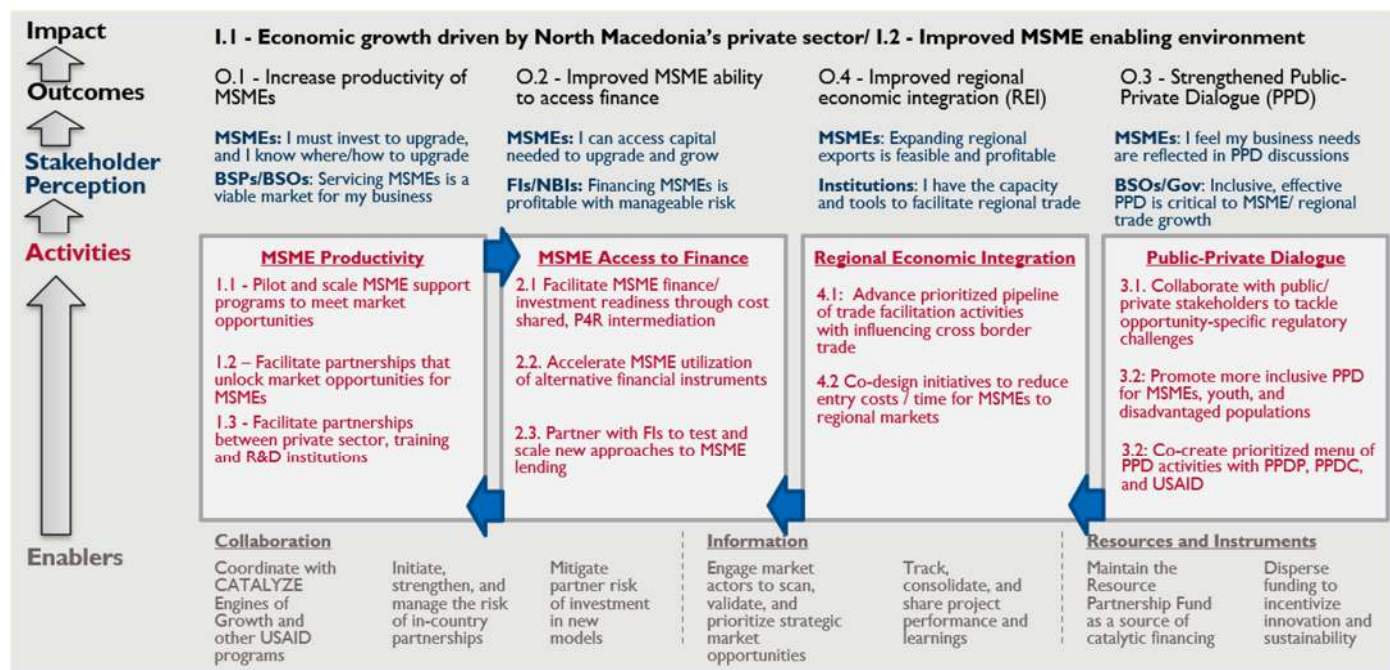
Under **Objective 1**, Increased Productivity of MSMEs, P4EG will engage resource partners to pilot MSME support programs, improve investment readiness, and facilitate partnerships with the private sector and training institutions to help MSMEs take advantage of key market opportunities.

Under **Objective 2**, Improved MSME Ability to Access Finance, P4EG will work to kick-start activities by retooling the innovative Financial Facilitator’s model to become a broader Business Support Provider (BSP) network using a cost shared, pay-for-results (P4R) incentive scheme. Based on the specific financing needs of MSMEs, the Activity will support BSPs, Financial Institutions (FIs) to better promote and utilize existing and commercial alternative financing products for MSMEs.

Through **Objective 3**, Strengthened Public-Private Dialogue, the Activity will implement activities that support Public-Private Dialogue (PPD) effectiveness, inclusiveness, and transparency, while tackling challenges around firm-level productivity, access to finance, and regional economic integration.

Finally, under **Objective 4**, Improved Regional Economic Integration (REI), P4EG will co-create and prioritize activities with local resource partners to address existing trade barriers and limitations and will aim to establish a conducive environment for regional trade.

### I.4.3 Logical Model



### I.4.4 Critical Assumptions

P4EG's success in achieving the intended results assumes that private and public sector counterparts and representatives are willing and committed to engaging in P4EG activities. To that end, Activity indicators and targets have been selected based on the following assumptions about the national environment:

- Government of North Macedonia macroeconomic and microeconomic policies and priorities remain stable and in line with the USG interest, particularly the goals of the Activity;
- Activity participants and partners are willing to collaborate and comply with USAID data and information requirements for reporting;
- Absence of socio-political instabilities, including national and regional scenarios;
- Absence of extreme natural and economic shocks.

## 2 COLLABORATING, LEARNING, AND ADAPTING

The Collaborating, Learning and Adapting (CLA)<sup>1</sup> approach for P4EG reflects the strategy of USAID North Macedonia to foster collaboration between USAID and its Macedonian partners to enable adaptive approaches to achieve its objectives, informed by ongoing systems and contextual analysis. The Activity will continually assess the effectiveness of activities and interventions to evaluate whether those interventions are succeeding, apply lessons learned and adapt the work plan, methodologies, and approaches appropriately.

Through a proactive CLA approach, P4EG actively supports collaborating with both internal and external stakeholders to understand and provide data for their information needs. The MEL Manager will work with the principal stakeholders of the Project to identify the core principles that will guide the data collection and dissemination: 1) participation of the internal and external partners in articulating the information needs to inform Project implementation; 2) sharing the information collected on a regular basis through workshops and meetings, as well as special CLA events; and 3) active discussions of changes based on the data about the way in which activities could be improved. P4EG staff will share the information quarterly with USAID and invite USAID staff to participate in the dialogue with partners, while at the same time participate in USAID Partner meetings and other info and lessons learned sessions. P4EG will also take part in USAID Partner meetings as well as other information and lesson-learned sessions.

The P4EG team will encourage learning and adaptation by fostering openness to new ideas and perspectives and supporting inclusive communication with diverse stakeholders. The goal is to build trust through collecting and sharing accurate and relevant data, as well as conducting analysis to reflect, learn, and improve. The team will also incorporate CLA thinking into daily work by identifying and engaging the right decision-makers across sectors and levels, supporting evidence-based actions, and carving out time and space for reflection, thinking, and adaptation.

To provide relevant information and reports to field staff and management for decision making, collaboration, learning and adaptation, the P4EG team will pay particular attention to changes in behavior, knowledge and business practices of Activity participants and beneficiaries, changes which may occur quickly. They will collect data using rapid appraisal techniques and after-event data from the participants and beneficiaries to learn what changes are occurring, in order to adapt activities and ensure achievement of expected results. This work will be

**Figure I. USAID CLA Framework**



<sup>1</sup>CLA involves strategic collaboration, continuous learning, and adaptive management. CLA approaches to development include collaborating intentionally with stakeholders to share knowledge and reduce duplication of effort, learning systematically by drawing on evidence from a variety of sources and taking time to reflect on implementation, and applying learning by adapting intentionally. (ADS Chapter 201)



done in collaboration with Activity technical staff and management. All of these steps empower people, build momentum, and develop commitment.

P4EG will use USAID's Learning Lab's work in CLA and its framework and concepts (see 2), as a guide for our approach, ensuring that we integrate learning regularly.

Throughout P4EG, our CLA approach will be broken down by its three interconnected components:

**Collaborating:** Our P4EG Team will have parallel external and internal approaches to collaboration. To ensure internal collaboration among team members and objectives, we will hold monthly staff meetings to discuss strategy and lessons learned and carry out "after action reviews" and "reflection moments" integrating Activity management and collaborative learning. We will work externally with Activity participants and beneficiaries through participatory AMEL and complementary activities. Developing coalitions and holding quarterly meetings to discuss progress and issues with other USAID and donor programs will be critical for success. P4EG will actively participate in USAID and other donor coordination meetings to share our work plans, progress report, best practices and challenges, as deemed appropriate by the AOR.

**Learning:** The Activity will employ timely evidence generation and use to steer implementation, maximizing desired results. P4EG will intentionally build in learning loops that are fed by our frequent, systematic engagement and close collaboration with our resource partners as well as by our quantitative and qualitative monitoring data. On a quarterly basis, we will assess the results of our P4R approaches, adapting those approaches as needed based on the evidence and documenting and disseminating these changes to promote learning within the North Macedonian ecosystem and beyond. The activity will promote a culture of collaboration by regularly communicating with our resource partners and the broader system, working with other learning leaders within USAID, other donors, and local academic and research institutions, and by co-hosting learning events as needed with our varied partners.

At each level of the Activity, the team will: (1) systematically build in "pause and reflect" points in the implementation of the initiative to engage the relevant stakeholders in a facilitated discussion; (2) review the data gathered to-date on how the initiative is progressing, i.e. quarterly performance indicator data, combined with site visit reports and other reports; information from the technical papers; and (3) discuss the implications for the Activity. The approach ensures a clear commitment to identify continuing actions to be taken collaboratively with our Macedonian partners. In summary, this process ensures that knowledge gaps are closed, progress is documented, and new areas of inquiry are generated and added to the analytical agenda.

The Activity Learning Agenda will include documenting and disseminating our processes and results to advance knowledge, in North Macedonia and internationally. We will disseminate outcomes widely to in-country stakeholders and communities. This dissemination will be done through core concept papers, peer-reviewed articles, conference presentations, and Activity bulletins.

**Adapting:** An integral part of P4EG implementation will be development of a system of effective change management within our team and USAID counterparts. One of the key P4EG approaches will be to modify tasks and re-evaluate the development hypothesis if tasks do not show expected progress or impact. As a result, our team must be open and willing to change course, which will require a flexible MEL, work plans, and targets. The MEL Manager will work closely with USAID and any third-party evaluators to ensure a collaborative, adaptive approach to P4EG implementation and management.

## **2.1 LEARNING OBJECTIVES AND KEY LEARNING QUESTIONS**

Learning questions are vital to setting the learning and analytical agenda and ensuring that the needed data is being collected. P4EG is committed to addressing key learning questions which will generate key knowledge to: 1) help clarify and focus activity objectives; 2) serve as an early warning system to identify Activity design or implementation issues; 3) forecast and report; 4) promote on-going discussions pertaining to activity scope and direction; and 5) aid in effective management and decision making.

An initial list of illustrative learning questions which will require data collection and analysis efforts to be answered are presented below:

**Objective 1:** What are the major productivity challenges faced by MSMEs? What types of digital solutions are available from resource partners to address these constraints and opportunities? How do these services need to be adapted or improved to help MSMEs improve productivity? What are the main factors that (can) contribute to MSME productivity in this environment? How effective are PSE models in ensuring scale and sustainability of MSMEs? How do PSE models need to be adapted to account for current challenges and opportunities such the energy crises, inflation pressures, the invasion of Ukraine and near shoring? How do resource partners need to adapt their training offerings to be responsive to the private sector?

**Objective 2:** Why is it hard for MSMEs to access traditional and non-traditional sources of financing? Are systematic changes that are required to make access to finance closer to final beneficiaries? Why are commercial banks hesitant to lend to MSMEs? What role can intermediaries play in facilitating financing to MSMEs? In addition to financing, can intermediaries provide additional business advisory services to help MSMEs overcome productivity challenges? Why are alternative financing products and services lacking in North Macedonia? What is required to introduce new products and to ensure that MSMEs can adopt them, and encourage market uptake?

**Objective 3:** What role do MSMEs have in influencing the business environment in Macedonia? How do resource partners encourage the participation of MSMEs on their PPD platforms? Are they accessible for MSMEs, and do they know about it? Do MSMEs understand the importance of having a voice and shaping policy? What are their most important policy initiatives and what do they need to effectively advocate for these reforms?

**Objective 4:** What challenges do MSMEs have in working with one another across the region? What role do resource partners play in helping integrate and facilitate business interactions between MSMEs regionally? What are the major trade barriers that are preventing regional economic activity? What is required to overcome these trade barriers?

## **2.2 ROLES AND RESPONSIBILITIES**

The COP has the main responsibility for the AMEL Plan design and execution. He will be responsible for all M&E deliverables, ensuring that all data are accurate and verifiable and that all reports are submitted to USAID as scheduled. The Home Office Project Director will provide an additional layer of quality control on all M&E deliverables to USAID. The COP will also be responsible for alerting USAID regarding deviations from performance targets and proposing any necessary changes in activity design.

Day-to-day implementation of the AMEL will be led by the MEL Manager. The MEL Manager will also be responsible for building the capacity of all program staff, reporting, and supervising general monitoring and evaluation approaches, practices, and tools. The MEL Manager will independently verify reported data, ensuring data quality, attribution, and additionality and will coordinate learning and adaptive management with the technical team and partners.

The grants team and Objective technical staff will be responsible for primary data collection, as they will have the strongest relationships with partner lead firms, associations, training centers, BSPs, FIs and MSME beneficiaries. Data collection will be carried out using methodologies and tools designed by the MEL Manager. The quantitative data for the impact indicators will be collected from the activity partners and verified with the data obtained from the Central Registry. The main instrument to collect the performance indicator quantitative data is a structured questionnaire. To ensure data and information are provided, all Activity partners will be asked to sign a commitment letter to deliver timely data on performance indicators, both quantitative and qualitative. Qualitative indicator data should be collected through other methods and instruments such as focus groups, key informant interviews, and opinion surveys, as appropriate, and through multiple option questionnaires carried out by the MEL Manager and/or external services subcontracted by the Activity.

Objective leads will work and coordinate with Activity participants to ensure data is provided as required, using tools designed by the MEL Manager and technical teams to ensure the collection of required qualitative and quantitative data. If partner institutional MEL capacity is an issue, Objective leads will coordinate with the MEL Manager to provide specialized M&E training to fill the gaps of knowledge.

### **3 PERFORMANCE MONITORING SYSTEM AND APPROACHES**

#### **3.1 PERFORMANCE INDICATORS, BASELINES AND TARGETS**

The MEL Manager will track Key Performance Indicators (KPIs) throughout the LOA to determine whether the P4EG activities are yielding the desired outcomes. P4EG's main objectives at the Activity level are to engage the business ecosystem to improve MSME management practices, technologies and productivity and increase sales and employment. Four complementary and mutually reinforcing objectives contribute to this goal: 1) Increased MSME productivity; 2) Improve MSME ability to access finance; 3) Strengthen public-private dialogue; and 4) Improved regional economic integration.

The KPIs to support these objectives and expected results are described in Table I below. All the metrics presented are quantitative in nature. They will assess the extent to which an objective has been met. The indicators are a combination of result, outcome, and output metrics selected to facilitate ongoing monitoring and learning against the Activity's objectives and to identify design or implementation difficulties early. The indicators are a mix of custom and standard indicators, the latter of which includes pertinent elements from the Standard Foreign Assistance Indicators (the "F indicators"). A number of Activity indicators will also be utilized to measure essential metrics for the Activity's partners, allowing them to track and assess the value of their own initiatives while also providing a foundation for continual performance improvement. In addition, some of the indicators will be used in both the USAID Performance Management Plan and the annual Performance Plan and Report exercise.

P4EG will collect qualitative data on a daily basis—to the extent possible—in order to understand and gauge rapidly in which directions the interventions are leading, as well as why and how targets were or were not met. Structured and unstructured questionnaires (guided interviews) will be developed to gather qualitative data through focus groups, interviews, and observational visits, among other methods and instruments, for learning and adapting activities as necessary.

### 3.1.1 Integration of Gender, Ethnic and Geographic Considerations

The M&E system will collect and analyze data disaggregated by gender, age, and geographic location to track our progress toward the P4EG targets, reveal differences in roles and economic opportunities between men and women, Skopje and other regions, and analyze youth participation in the initiatives. Of the 9 performance indicators (see Table 1), all with the exception of # of priority reforms identified and submitted, will be disaggregated by gender, age and sector. On a quarterly basis, P4EG senior management and staff will examine the disaggregated data to identify social/geographic inclusion issues and take actions aimed at contributing inclusion.

## 3.2 DATA AVAILABILITY AND COLLECTION METHODS

P4EG will apply a mixed-methods approach for collecting the data needed to monitor and evaluate activities in order to learn and adapt. This approach consolidates methodologies and tools to collect, organize, analyze, and report quantitative and qualitative data; including surveys, focus-group discussions, key-informant interviews, site visits, observational trips, and document/literature reviews. P4EG will use quantitative and qualitative data to triangulate and validate findings prior to reporting to USAID and stakeholders.

Data will be collected with appropriate instruments and protocols for each method. They will be piloted and adjusted to collect unbiased data and information to the extent possible. In addition to these quality checks on the data, the MEL Manager will ensure data meet the data quality standards—validity, integrity, precision, reliability, and timeliness—per the USAID Evaluation Policy and Data Quality (see section 3.3.3 below).

Data will be collected from a number of sources, including Activity participants and clients:

- **Existing databases:** To establish baselines for indicators, P4EG will reference data sources as follows: the Central Registry of North Macedonia; Public Revenue Office; State Statistical Office; Ministry of Economy; resource partners (chambers of commerce, FIs, large firms, etc.); multilateral development organizations and international bodies; and local universities, research institutions, and think tanks, such as Finance Think. High-level results indicator data will be collected from the Government of North Macedonia's Central Registry. The Central Registry reports once annually, in April, and provides statistics from the past 3 years for a fee. P4EG will update any relevant baseline data when this information is received in April 2023.
- **Resource Partnerships Fund (RPF):** Co-investments will include provisions on detailed reporting requirements that must be met before P4EG will disburse payment. For recipients, this will include documentation of their activities that list beneficiary MSMEs, including trainings and capacity building events, direct service delivery, and networking events. Each event or intervention will be classified by type to assign to the correct indicator and will include information on MSMEs,

including name, gender, address/geographic location, ethnicity). Grantees will also be required to conduct, with Activity's assistance as needed, annual satisfaction surveys to evaluate the success of their activities and measure the value created for the end beneficiaries, enabling them to make course corrections. The survey instruments will be developed by the Activity to ensure consistency across grantees.

- **BSP and FI Reporting:** For BSPs, data collection includes copies of the financing contract (including name, gender, address/geographic location, ethnicity), proof of funds disbursement by the FI, term sheets from the FI (with loan terms and conditions), and data on borrowers for each approved transaction. For FIs assisted through P4EG, this includes the financing contract and term sheet information on each client who has received financing from the FI and who conforms to P4EG parameters.
- **Lead Firm Reporting and Other Co-funding Recipients:** Similarly, lead firms, in collaboration with recipients of co-funding—whether training centers, NGOs and others—will be required to collect relevant data on MSME and individual beneficiaries that participate or benefit from Objective I activities, including gender, ethnicity, and geographical location data, as well as relevant quantitative and qualitative data.

P4EG will maintain personal/enterprise data (e.g., names, addresses and phone numbers) of clients in strict confidentiality and will not share details without permission with any outside party, other than USAID and contractors hired by USAID specifically to conduct evaluations of the Activity's results. This data is also stripped from submissions to the DEC. All collected client/participant data will be used for the sole purpose of monitoring and evaluation, to conduct spot checks verifying veracity of the data provided and track MSME participation across P4EG activities to guard against double-counting. The grant team and other objective leads will collect data on a rolling basis as pre-set milestones are met and will provide the data to the MEL team for entry into the previously mentioned MIS System.

### **3.3 DATA VERIFICATION, ATTRIBUTION, AND QUALITY ASSURANCE**

#### **3.3.1 Data Verification**

The MEL Manager will verify data on a rolling basis, including a review of grantees and BSPs records; confirmation of term sheets submitted by BSPs providers with the relevant FI and MSME; and unannounced phone calls and visits to grantees, BSPs, FIs, and MSMEs to check records. In addition, on a quarterly review cycle—as the data is aggregated and assessed against the targets—the MEL Manager will consider any potential data quality issues and take steps to address them. If any of the indicators are determined to be unrepresentative of the interventions, the MEL Manager will work with USAID to determine better indicators.

### **3.3.2 Attribution<sup>2</sup>**

To confirm attribution and additionality we will rely on grantee, BSPs, FI and lead firm data that will be verified by MSME surveys and triangulated with the available Central Registry data on those same MSMEs. For example, we will require BSPs to provide documentation of financial transactions when requesting payment from P4EG, stating that the financing would not have been received without the assistance of the USAID program. Similarly, P4EG will require that grantees submit documentation on MSMEs supported through P4EG funding, including event records and other documentation demonstrating MSME participation. We will also require grantees to conduct annual MSME surveys to assess the impact and attribution of P4EG-funded assistance. Internal approval for grantees and BSPs assistance will rest with the responsible Objective team, be verified by the grant team, and ultimately be approved by the COP. As necessary, P4EG will conduct its own regular and annual surveys of beneficiary MSMEs to assess attribution.

### **3.3.3 Quality Assurance**

The MEL Manager will ensure throughout P4EG that appropriate standards for data quality are in place, in particular, for indicators reported to USAID. To measure and attribute results accurately, for both reporting and management needs, the MEL Manager will guarantee that collected data meet data quality standards –i.e. validity, integrity, precision, reliability and timeliness. The MEL Manager will develop Performance Indicator Reference Sheets (PIRS) that clearly establish data collection and manipulation standards, including assigning unique identifiers for all beneficiaries who directly interact with the Activity to mitigate any issues of double counting and preventing contamination of any control groups used in internal or third-party evaluations.

The MEL Manager will train relevant P4EG personnel and implementing partners in basic MEL methodology, instruments, and data quality standards; provide them with regular updates on Activity progress; and mentor them on an ongoing basis, both individually and in groups. Data quality training will help staff and implementing partners avoid common pitfalls, by focusing on key questions such as whether there is a direct relationship between the activity and what is being measured.

The MEL Manager will collaborate with any Data Quality Assessments (DQAs) carried out by USAID in accordance with ADS 597 by providing all MEL documents related to data collection, analysis and organization. These documents may include data collection instruments, completed questionnaires, and calculation methods. The MEL Manager will carry out its own internal DQAs on an annual basis, using the standard USAID checklist. These DQAs include data collected by grantees and subcontractors used in P4EG's AMEL Plan. The MEL Manager will report to USAID AOR on any DQA conducted including key findings and actions taken to address data limitations.

## **3.4 DATA MANAGEMENT, REVIEW AND ANALYSIS**

In accordance with USAID guidance under ADS 201, P4EG supports the Mission's efforts to maintain an Activity Performance Information System that holds performance indicator data including data collected

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<sup>2</sup> The data will be attributed to the extent possible.

by this AMEL plan. The MEL Manager will ensure timely and accurate reporting of data and performance indicators will be done.

The initial intent is to have a system where all flows of information ultimately end up with the MEL department, where a simple but automated and secured data form will consolidate all the projects' results, storing and tracking data in one place. If justifiable, the Activity might deploy a management information system (MIS), where limited access could be given to resource partners for data collection. The MIS could become the core of Activity knowledge management, storing relevant internal and external documents, and supporting a culture of documenting learning and facilitating information flows among stakeholders. Flows of data collected will be entered into Activity databases/MIS System and tested or audited to check for missing values, outliers and other quality flaws. Specialized software including CSPRO (for tabulating survey data), SPSS (for statistical analysis), ATLAS.ti (for qualitative data analysis) and SQL server (for data storage) will be used to store, manage, analyze, and report data and information efficiently and in a timely manner.

The MEL Manager will organize and analyze information jointly with Activity staff to identify key findings on progress towards expected targets and results as well as any deviations and corrective actions as appropriate including those proceedings from CLA meetings, activities and events.

In addition to the use of appropriate note fields, quarterly reports will also be used to track the details of reported indicator data and those modifications made to data previously reported.

### **3.5 REPORTING TO USAID**

The MEL Manager will produce quarterly monitoring results for inclusion in the P4EG Quarterly Report, detailing implementation progress against the approved work plan, progress against intended results using performance monitoring and other available data, learning generated by collaborative review of available data, and adaptations identified to improve activity effectiveness. The Quarterly Report will provide details about any challenges encountered by the team that may result in delays in achieving the intended results and solutions proposed to address those challenges where appropriate. Quarterly and other performance reports will form the foundation for documentation of priority performance information about P4EG and will be shared with all relevant stakeholders as appropriate to ensure informed understanding of and learning from available AMEL system data and also effective participation in activity adaptive management processes. All reports are presented in draft to the AOR before final submission. Once approved, reports for subsequent periods will be used to document any changes required for results and data reported in previous reports. The MEL Manager will submit any non-scheduled request for data updates from USAID AOR.

In conjunction with the Annual Report, the MEL Manager will submit an Annual Performance Management Progress Report, providing a narrative summary of milestones achieved and a quantitative summary of progress toward indicator targets. The report will highlight success stories and lessons learned from the past year and review any unanticipated issues and subsequent resolutions. The AMEL Plan will be updated annually if required, based on the analysis of the results and data gathered.

### **3.6 COMMUNICATION WITH BENEFICIARIES/CONSTITUENTS AND OTHER STAKEHOLDERS**

P4EG will develop a wide range of communications materials in different formats and will use targeted forms of media to disseminate Activity messages to a diverse set of beneficiaries and other stakeholders. The MEL Manager and Communications Specialist will work closely with Activity Objective Leads, to analyze and capture and disseminate Activity learning to the stakeholders and broader audiences through regular reporting, and other forums for broad awareness and engagement. P4EG will take advantage of in-person events, online platforms, and other feedback mechanisms to engage in open dialogue with these audiences, ensuring a two-way flow of information that promotes an environment of collaborative learning and the ability to adapt to evolving circumstances.

The MEL Manager will report using evidence-based findings, supported by quantitative and qualitative data on performance indicators as appropriate. Activity leadership will encourage staff to test development hypotheses (or theory of change), respond to stakeholder's feedback, and adapt to the local context and stakeholder needs.

P4EG will remain flexible during implementation to allow adaptive tasks to capitalize on new opportunities as they arise and to ensure efficiency and effectiveness of interventions. Adaptive learning will be ongoing, and include regular meetings between Activity senior leadership, the MEL Manager, and senior technical personnel.

Learning will be explicitly integrated into the P4EG annual work plan development process. On an annual basis, the MEL Manager will review and interpret all AMEL data collected by the P4EG team and other data collection external support when appropriate and use it to gather stakeholder's feedback. Learning from this annual Activity-level AMEL examination will enable USAID and P4EG to make results-driven, adaptive management decisions at the task level.



**Table I. Performance Indicator Tracking Table**

Indicator Name		Unit of Measure	Dissegregation	Data Source(s)	Data Collection Tools	Frequency	Baseline	Targets							Description/Notes
								FY23	FY24	FY25	FY26	FY27	FY28	LOA	
Activity Level	1. Number of FTE jobs created in United States Government (USG)-assisted firms (adapted from EG.5-2)	FTE	Gender, age, location, sector, firm size	Firm-level survey, Central Registry	Data request from Central Registry, Survey	A								4,500	
	2. EG.5.2-2: Number of private sector firms that have improved management practices or technologies as result of USG assistance	Number	Gender, age, location, sector, firm size	Resource partner survey, BSP survey	Resource partner reports, BSP reports, survey	Q								1,500	
	3. (PSE 2) Number of private sector enterprises that engaged with the USG to support U.S. Foreign Assistance Objectives	Number	Gender, age, location, sector, firm size	Firm-level survey, BSP survey	Firm reports, BSP reports, BSP tabulation from term sheet	Q								2,000	
	4. EG.5-1: Sales of firms receiving USG assistance	USD	Gender, age, location, sector, firm size	Firm-level survey, Central Registry	Data request from Central Registry, Survey	A								\$450M	

Objective 1: Increased MSME productivity	1.1 (PSE 4) Value of private sector resources leveraged by the USG to support U.S. Foreign Assistance Objectives	USD	Gender, age, location, sector, firm size			Q								\$20M	
	2.1 Value of capital mobilized	USD	Gender, age, location, sector, firm size	BSP, FI reporting, DLRMS	BSP, FI/NBFI tabulation from transaction records	Q								\$70M	New financing accessed by MSMEs and start-ups and MSME own investment as a result of activities
Objective 2: Improved MSME financial management capacity to access finance	2.2 EG.4.2-1: Total number of MSMEs benefiting from financial services provided through USG-assisted financial intermediaries, including non-financial institutions or actors	Number	Gender, age, location, sector, firm size	BSP, FI reporting	BSP, FI/NBFI tabulation from transaction records	Q								300	

<b>O3: Strengthened public-private dialogue</b>	<b>3.1 Number of laws, bylaws, policies, and best practices proposed to relevant stakeholders</b>	<b>Number</b>	<b>Sec</b>	<b>P4EG reporting</b>	<b>P4EG Tabulation</b>	<b>Q</b>								<b>12</b>	<b>Previously: Number of priority reforms identified and submitted</b>
<b>Objective 4: Improved Regional Economic Interaction</b>	<b>4.1 % change in intra-regional exports</b>	<b>%</b>	<b>Gender, age, location, sector, firm size, Industry, destination</b>	<b>WB, ITC</b>	<b>WB, ITC Reporting</b>	<b>A</b>								<b>15%</b>	

<b>Indicator Name</b>		<b>Unit of Measure</b>	<b>Disgregation</b>	<b>Data Source(s)</b>	<b>Data Collection Tools</b>	<b>Frequency</b>	<b>Baseline</b>	
<b>Activity Level</b>	1.Number of FTE jobs created in United States Government (USG)-assisted firms (adapted from EG.5-2)	<b>FTE</b>	Gender, age, location, sector, firm size	Firm-level survey, Central Registry	Data request from Central Registry, Survey	<b>A</b>		
	2. EG.5.2-2: Number of private sector firms that have improved management practices or technologies as result of USG assistance	<b>Number</b>	Gender, age, location, sector, firm size	Resource partner survey, BSP survey	Resource partner reports, BSP reports, survey	<b>Q</b>		

	3. (PSE 2) Number of private sector enterprises that engaged with the USG to support U.S. Foreign Assistance Objectives	Number	Gender, age, location, sector, firm size	Firm-level survey, BSP survey	Firm reports, BSP reports, BSP tabulation from term sheet	Q		
	4. EG.5-1: Sales of firms receiving USG assistance	USD	Gender, age, location, sector, firm size	Firm-level survey, Central Registry	Data request from Central Registry, Survey	A		
Objective 1: Increased MSME productivity	1.1 (PSE 4) Value of private sector resources leveraged by the USG to support U.S. Foreign Assistance Objectives	USD	Gender, age, location, sector, firm size			Q		
O2: Improved MSME financial management capacity to access finance	2.1 Value of capital mobilized	USD	Gender, age, location, sector, firm size	BSP, FI reporting, DLRMS	BSP, FI/NBFI tabulation from transaction records	Q		

	2.2 EG.4.2-1: Total number of MSMEs benefiting from financial services provided through USG-assisted financial intermediaries, including non-financial institutions or actors	Number	Gender, age, location, sector, firm size	BSP, FI reporting	BSP, FI/NBFI tabulation from transaction records	Q		
O3: Strengthened public-private dialogue	3.1 Number of laws, bylaws, policies, and best practices proposed to relevant stakeholders.	Number	Sec	P4EG reporting	P4EG Tabulation	Q		
Objective 4: Improved Regional Economic Integration	4.1 % change in intra-regional exports	%	Gender, age, location, sector, firm size, Industry, destination	WB, ITC	WB, ITC Reporting	A		

## 4 EVALUATION, ASSESSMENT, SPECIAL STUDY AND OTHER LEARNING QUESTIONS

Should USAID/North Macedonia decide to conduct a mid-term performance evaluation, P4EG will comply with USAID requirements regarding the evaluation, including selection of P4EG participants and beneficiaries, provision of contact information and relevant documentation, collection of data, and working closely with USAID and the Evaluation Contractor to integrate the results and recommendations in the evaluation report—to the extent possible—in future work plans.

The Activity will also carry out its own periodic evaluations, through multiple rounds of sample surveys at the firm level. MEL unit will collect data in an effort to answer the following performance evaluation questions, as well as the questions related to P4EG interventions' relevance, efficiency, effectiveness, and sustainability:

- Objective 1: What are the major productivity challenges and constraints faced by MSMEs? What types of digital solutions are available from resource partners to address these constraints? How do these services need to be adapted or improved to help MSMEs improve productivity? How effective are PSE models in ensuring scale and sustainability of MSMEs? How do PSE models need to be adapted to account for current challenges and opportunities such as the energy crises, inflation pressures, the invasion of Ukraine and near shoring? How do resource partners need to adapt their training offerings to be responsive to the private sector?
- Objective 2: Why is it hard for MSMEs to access traditional and non-traditional sources of financing? Why are commercial banks hesitant to lend to MSMEs? What role can intermediaries play in facilitating financing to MSMEs? In addition to financing, can intermediaries provide additional business advisory services to help MSMEs overcome productivity challenges? Why are alternative financing products and services lacking in Macedonia? What is required to introduce new products and to ensure that MSMEs can adopt them, and encourage market uptake?
- Objective 3: What role do MSMEs have in influencing the business environment in Macedonia? How do resource partners encourage the participation of MSMEs on their PPD platforms? Are they accessible for MSMEs, and do they know about it? Do MSMEs understand the importance of having a voice and shaping policy? What are their most important policy initiatives and what do they need to effectively advocate for these reforms?
- Objective 4: What challenges do MSMEs have in working with one another across the region? What role do resource partners play in helping integrate and facilitate business interactions between MSMEs regionally? What are the major trade barriers that are preventing regional economic activity? What is required to overcome these trade barriers?

Data will serve to demonstrate a “Before-and-After” evaluation—implying the need for baseline, mid, and final datasets on selected indicators to allow for comparison across targets to actuals. Quantitative indicators to be used for the internal performance evaluation include:

Qualitative indicators regarding opinions, perceptions, or preferences of Activity participants will be gathered through key informant interviews and focus groups, conducted by MEL Manager. These data and

information will complement findings based-on quantitative evidence by focusing on the “why” and “how” expected results were or were not achieved.

## 5 CALENDAR OF MEL ACTIVITIES AND EVENTS

Table 2 below contains MEL activities over the life of the activity. The MEL Manager is responsible for implementing all planned activities in a timely and efficient manner with support from Objective Leads, implementing partners, and assisted participants (Associations, NGOs, Training Centers, BSPs, FIs and lead firms etc.). One key task is to review with P4EG staff the AMEL Plan in order to ensure understanding of their roles and responsibilities in supporting data collection, analysis and reporting as well as the timing/deadlines of activities and deliverables such as questionnaires deployed and filled out, coordination with implementing partners to participate in MEL and CLA events. The AMEL Plan will be reviewed and updated annually, as necessary. The first review will take place in August of each following year during the LOA. The MEL Manager, COP and DCOP will lead the updating.

The MEL Manager will conduct a variety of CLA meetings both monthly and quarterly as outlined in Table 2 below. Except for data derived from the Central Registry, which will be collected annually, all other qualitative data collection will be on a monthly and quarterly basis but reported quarterly. This data and information will be collected and analyzed for inclusion in quarterly and annual reports. Annual reports will be delivered on August 30<sup>th</sup> of each year over the LOP. Monthly meetings with select MSME beneficiaries and stakeholders will be held to inquire on learning questions; findings will be presented and discussed during quarterly meetings with Activity participants, Activity senior management and Objective leads.

**Table 2. Timeline of MEL Activities**

FISCAL YEAR	FY23				FY24				FY25				FY26				FY27				FY28	
ACTIVITIES	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2
Review MEL Plan with team and CoR annually (August)				Δ				Δ				Δ				Δ				Δ		
Routine data collection			○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Data analysis			Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ
Quarterly reports (the 15th of Oct, Jan, Apr, Jul)			○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Annual Report by Oct. 31					Δ				Δ				Δ				Δ				Δ	
CLA Events, quarterly in Nov, Feb, May, Aug			Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ	Φ
Data Quality Assessment, October 31st					Δ				Δ				Δ				Δ				Δ	
Final Report by January 30 <sup>th</sup> , 2028																						Δ