

Intervention Models and Performance Indicators of the ILO Small Enterprises Unit

- A Mini Guide for Project Managers¹ –

¹ The document was written by Nathan Fiala, German Institute for Economic Research (DIW Berlin), and Markus Pilgrim, ILO, Berlin/Geneva July 2013

Introduction

Why another note on intervention models and indicators?

Enterprise development and especially small enterprise promotion are in high demand from ILO member states as an effective and tangible way to employment creation. Nearly all Decent Work Country Programmes refer to enterprise development. Two thirds of the 78 member countries that have fully developed DCWPs list enterprise development as one of their top three priorities. The office's work on enterprise development is supported by one of the largest TC portfolios of approximately 100 Mio USD.

Need to become clearer about intervention logics and intended results

The high demand for support on enterprise development can only be satisfied if the quality of the design of project interventions is continuously improved. Project proposals prepared by the office still suffer from inconsistencies in the logic of the intervention and from relatively weak indicators. This makes it difficult to introduce a results-based project management nowadays being a standard request from ILO stakeholders and donors.

Objectives of the guide

The small guide tries to support project managers who are designing interventions to promote small enterprises by:

- giving intervention models for each product of the ILO's Small Enterprises Unit (for list of products see table below);
- providing a list of possible indicators measuring outputs, outcomes, and impacts of these interventions.

The overarching goal is to strengthen the foundation of ILO project proposals by helping to have a logical and plausible outline of how a planned intervention leads to the desired results and by choosing indicators that best reflect whether a project reaches its objectives or not.

What the document is not

This mini guide hopefully helps to come to clearly defined results and key indicators being the major building blocks of a good proposal. But, it is clearly not a proposal writing guide nor a manual on project cycle management nor a guide on monitoring and evaluation. There is excellent literature which needs not to be replicated (see also annotated bibliography).

What's next?

Please provide your feedback how to further improve the document (pilgrim@ilo.org);

Share your examples of log frames, results chains, and monitoring tables related to enterprise development projects as we would like to complement the small guide with practical examples;

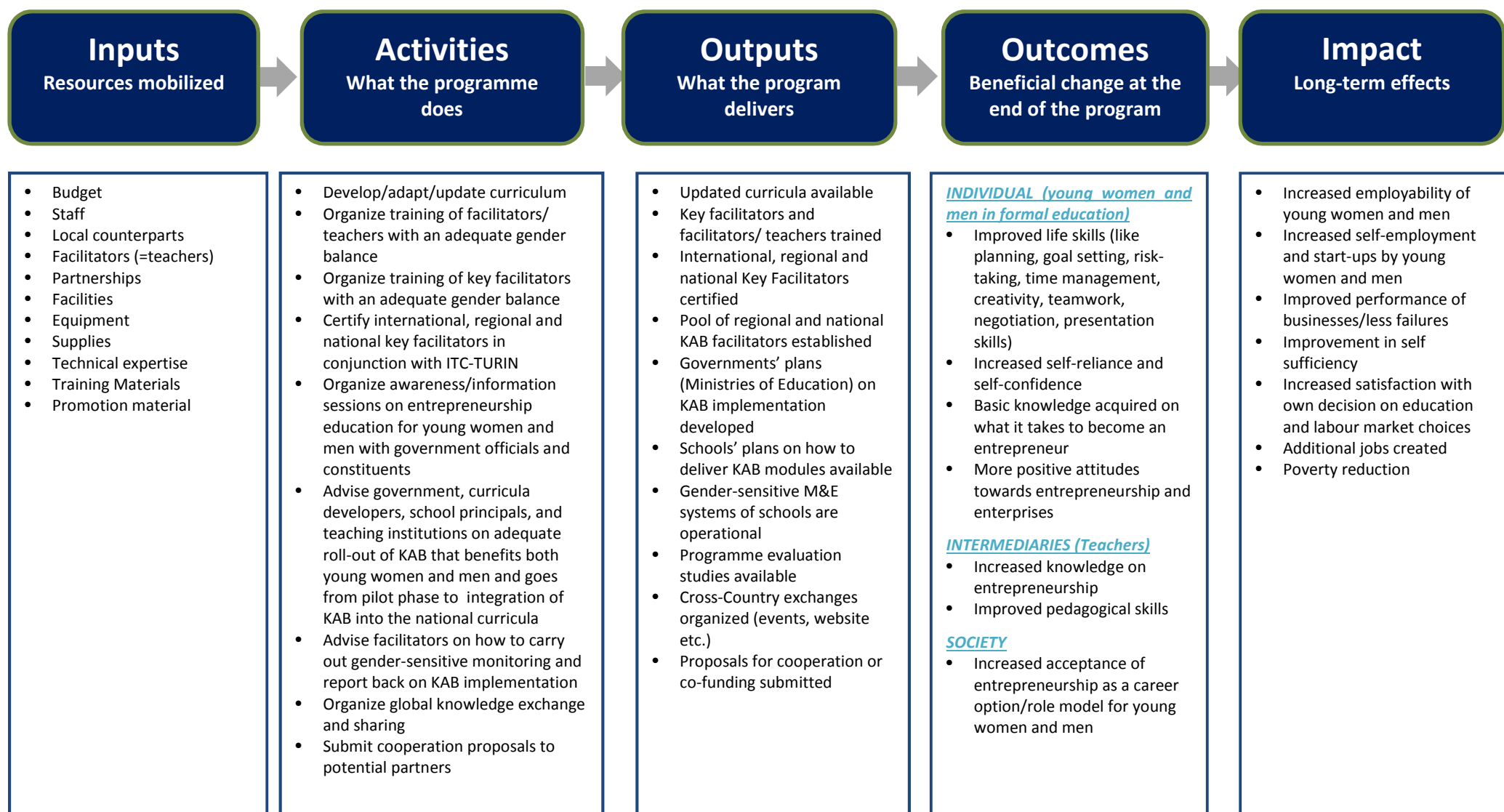
Table: Overview on Products of the ILO Small Enterprises Unit (SEED)

Product Lines	Products	What it is
Building Entrepreneurship and Management Skills	<ul style="list-style-type: none"> • Entrepreneurship Education (Know about your Business - KAB) • Entrepreneurship and SME Management Training (Start and Improve Your Business - SIYB) • Women's Entrepreneurship Development (WED) 	<p>A training package to teach entrepreneurship in vocational, secondary, and tertiary schools, used in 56 countries of which 18 integrated KAB into national curricula, 1 Mio youth received KAB, see www.knowaboutbusiness.org</p> <p>A set of training packages for different groups ranging from a first orientation for potential start-ups to in-depth training for existing enterprises, offered in more than 100 countries with 5 Mio participants over the last ten years, see www.ilo.org/siyb</p> <p>A set of training packages specifically designed to promote women's entrepreneurship and increase women's voice and representation, offered in over 25 countries, see www.ilo.org/wed</p>
Providing Access to Markets	<ul style="list-style-type: none"> • Value Chain Development (VCD) 	<p>Training and advisory services on how to integrate SMEs into local and global value chains, one of our younger products facing an increasing demand (presently 24 active projects with a Volume of USD 33 Mio), see www.ilo.org/valuechains</p>
Reforming the Business Environment	<ul style="list-style-type: none"> • Evidence Based Enterprise Development Policies 	<p>Advisory services on how to assess the environment in which businesses operate, how to identify priorities, and how to formulate reform proposals, a recently developed product being used in 9 countries</p>
Promoting Responsible Workplace Practices	<ul style="list-style-type: none"> • Competitiveness Training for SMEs (Sustaining Competitive and Responsible Enterprises – SCORE) 	<p>A five module training and in factory counseling program for SMEs on how to improve quality management, productivity, and working conditions; a new product being rolled out in 7 emerging countries, see www.ilo.org/score</p>

Intervention Model for Entrepreneurship Education - KAB

Implementation

Results



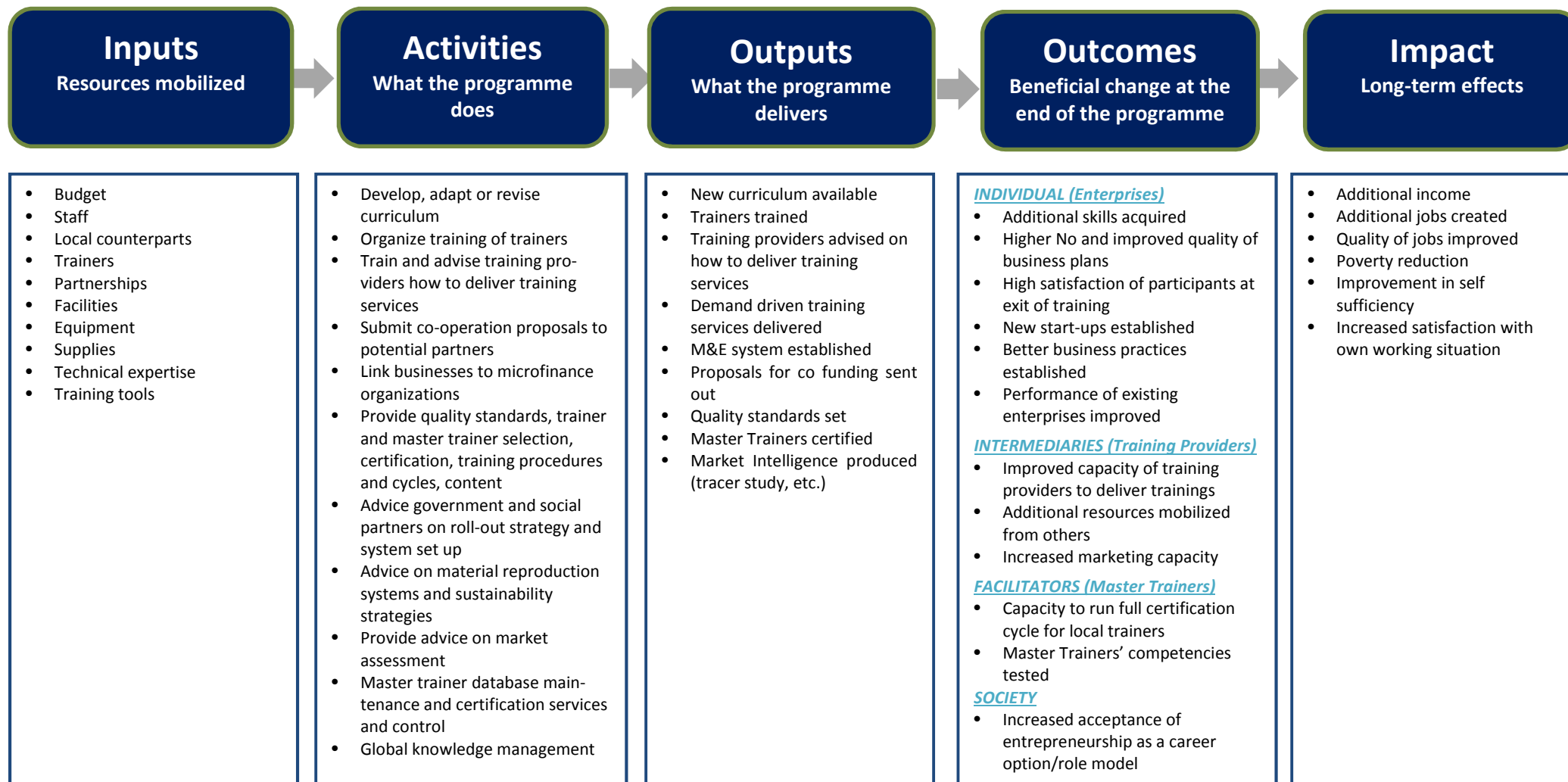
Examples of Indicators for Entrepreneurship Education

Outputs	Outcomes	Higher Level Outcomes
<ul style="list-style-type: none"> Updated curricula approved Number of key facilitators and facilitators/teachers trained Number of International, Regional and National Key Facilitators certified List of Regional and National KAB facilitators established KAB implementation approval of governments Number of schools using KAB, No of education institutions introducing KAB with gender-sensitive M&E plan Programme evaluation studies made available Number of Cross-Country exchanges organized (events, website etc.), number and % of participants that would recommend the exchange to others Number of proposals for cooperation or co-funding submitted 	<p>Individual (young women and men in formal education)</p> <ul style="list-style-type: none"> Number and type of improved life skills, number and % of students reporting on improved ability to analyze and solve problems, number and % of employers reporting on improved life skills of students, % of local employers offering internships/job opportunities to students Measure of self-reliance and self-confidence of young women and men, e.g. number and % of students believing that good things will happen in their lives, number and % of students that feel unloved (it is strongly advised to consult a psychologist for creating localized psychological measures) Number and % of students that pass final test of <i>KAB course</i>, number and % of students who are satisfied with the course content Number and % of students that rank becoming an entrepreneur as preferred career option <p>Intermediaries (Formal education teachers)</p> <ul style="list-style-type: none"> Number and % of teachers that are satisfied with the training Number and % of students who provide positive feedback on teaching methodology <p>Society</p> <ul style="list-style-type: none"> Number of people that accept entrepreneurship as a career option/role model for young women and men 	<ul style="list-style-type: none"> Number of job interviews per student, number and % of students who are employed 6 months after graduation, number and % of youth that retain employment for at least 12 months Number of students that become self-employed or establish a start-up Measure of performance of businesses, e.g. total sales per week/month, sales per employee, mortality rate of start-ups Measure of self-sufficiency, e.g. % of target group not taking loans from others (formal and informal loans) to repay another loan, % of target group establishing their own household Measure of satisfaction with own decision on education and labour market choices, e.g. % of target group that reports being either very satisfied or fairly satisfied with their choice (applying a 4 point scale including very satisfied, fairly satisfied, not very satisfied, not at all satisfied) Net additional jobs created (= jobs created – jobs lost, a full time equivalent job comprises 240 working days) Measure of poverty, e.g. % of target group that makes less than 1.25 USD per day

Intervention Model for Entrepreneurship and SME Management Training

Implementation

Results



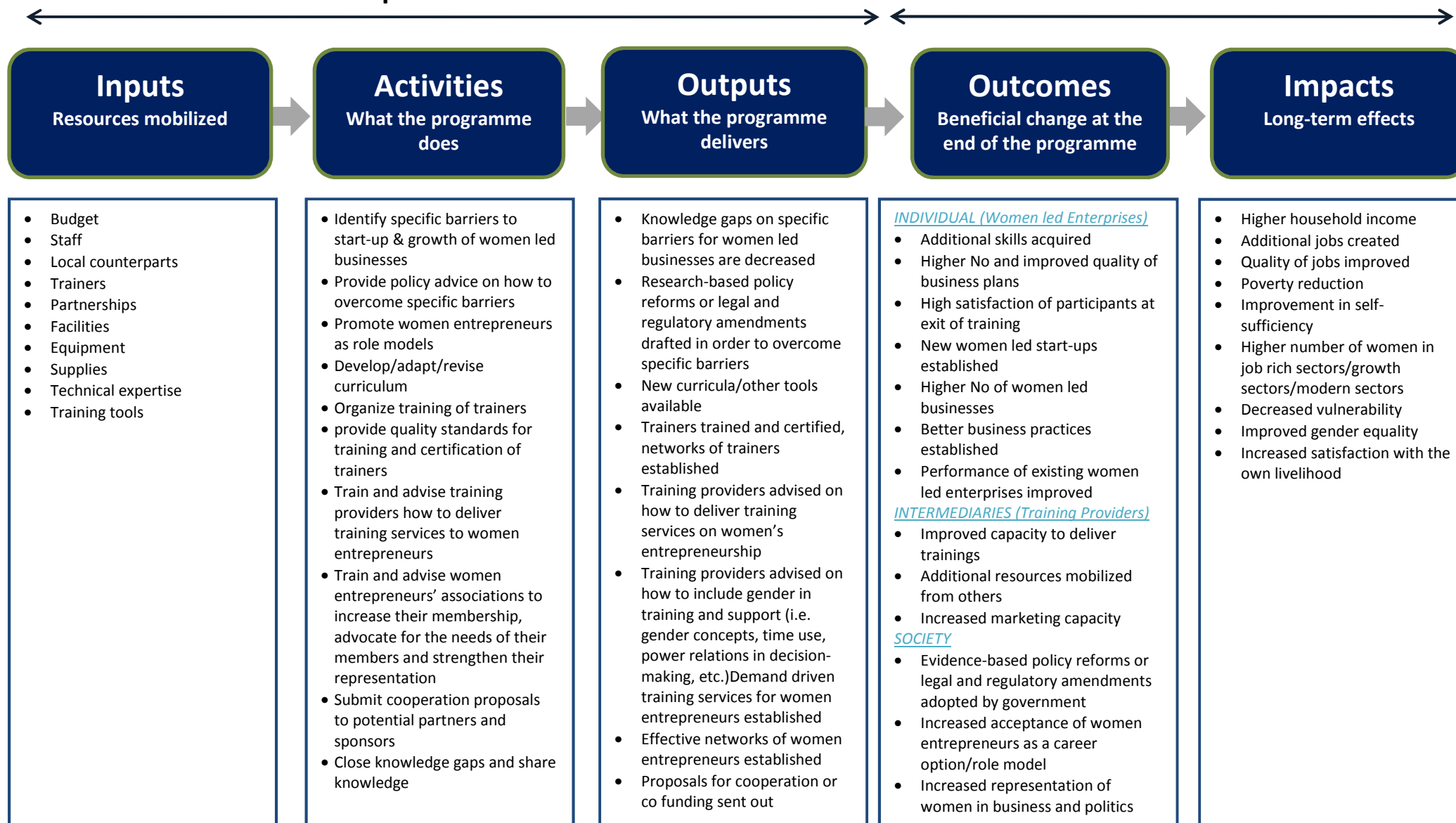
Examples of Indicators for Entrepreneurship and SME Management Training

Outputs	Outcomes	Higher Level Outcomes
<ul style="list-style-type: none"> • New curriculum approved by ILO • Number of trainers trained • Number of training providers advised • Number of persons attending training, number of certificates of attendance awarded • M&E system approved and operating • Proposals for co-funding submitted to donors/partners • Quality standards approved • Number of master trainers certified • Number of Market Intelligence documents produced 	<p>Individual (Enterprises)</p> <ul style="list-style-type: none"> • Number of participants who report an increased ability to analyze and solve problems of their businesses • Number of business plans drafted • Indicator of quality of business plans, e.g. number of loans received based on improved business plans • Number of participants who recommend the training to others • Number of participants who establish a new start up • Number and types of better business practices established • Performance indicator of existing enterprises, e.g. sales per employee <p>Intermediaries (Training Providers)</p> <ul style="list-style-type: none"> • Number of participants that recommend the training to others, No of repeat clients, No of training hours or days sold per period, Income from fees charged for training, increased cost recovery rate • Amount of additional resources mobilized from donors, sponsors, or local government <p>Facilitators (Master Trainers)</p> <ul style="list-style-type: none"> • Number of local trainers trained • Number of trainings delivered by these local trainers • Number of master trainers that are certified • % of master trainers whose certification is renewed <p>Society</p> <ul style="list-style-type: none"> • Number of people that rank self-employment or entrepreneurship as most appealing career option/profession 	<ul style="list-style-type: none"> • Additional net income of targeted enterprises (additional sales- additional costs) • Net additional jobs created (= jobs created - jobs lost, a full time equivalent job comprises 240 working days), alternatively: number of jobs saved or sustained • Indicator for quality of jobs created (consult also ILO Decent Work Indicators), e.g. <ul style="list-style-type: none"> <i>Adequate Earnings</i> <ul style="list-style-type: none"> ▪ Number of working poor ▪ Low pay rate (% of employees who are below 2/3 of median hourly earnings) <i>Decent hours</i> <ul style="list-style-type: none"> ▪ Excessive hours (more than 48 hours per week) <i>Safe Work Environment</i> <ul style="list-style-type: none"> ▪ Time lost due to occupational injuries <i>Social Security</i> <ul style="list-style-type: none"> ▪ Share of Employees with basic health care provision ▪ Share of Employees contributing to a pension scheme • Indicator of poverty, e.g. % of target group that makes less than 1.25 USD per day • Measure of self-sufficiency, e.g. % of target group not taking loans from others (formal and informal loans) to repay another loan, % of target group establishing their own household • Indicator of satisfaction with own working situation, e.g. % of target group that reports being either very satisfied or fairly satisfied with their working situation (applying a 4 point scale including very satisfied, fairly satisfied, not very satisfied, not at all satisfied)

Intervention Model for Women's Entrepreneurship Development

Implementation

Results



Examples of Indicators for Women's Entrepreneurship Development

Outputs	Outcomes	Higher Level Outcomes
<ul style="list-style-type: none"> Number of reports on gender specific barriers of entrepreneurship development, No of substantive media appearances on this topic Number of recommendations on how to overcome gender specific barriers, number of new or revised policies, laws, regulations, amendments drafted, number of advocacy agendas formulated New curriculum approved by ILO Number of trainers trained Number of training providers advised Number of persons attending training, number of certificates of attendance awarded M&E system approved and operating Number of women's entrepreneurship networks established and/or strengthened Proposals for co-funding submitted to donors/partners Quality standards approved Number of lead trainers trained Number of Market Intelligence documents produced 	<p>Individual (Women Led Enterprises)</p> <ul style="list-style-type: none"> Number of participants who report an increased ability to analyze and solve problems of their businesses Number of business plans drafted Indicator of quality of business plans, e.g. No of loans received based on improved business plans Number of participants that recommend the training to others Number of participants that establish a new start up Number and types of better business practices established Number of women registering their business Ratio of women to men participating in entrepreneurship programmes Performance indicator of existing enterprises, e.g. sales per employee <p>Intermediaries (Training Providers)</p> <ul style="list-style-type: none"> Number of participants that recommend the training to others, No of repeat clients, No of training hours or days sold per period, Income from fees charged for training, increased cost recovery rate Amount of additional resources mobilized from donors, sponsors, or local government <p>Facilitators (Lead Trainers)</p> <ul style="list-style-type: none"> Number of local trainers trained Number of trainings delivered by these local trainers Number of lead trainers that are certified % of lead trainers whose certification is renewed 	<ul style="list-style-type: none"> Additional net income of targeted women enterprises (additional sales – additional costs) Net additional jobs created (= jobs created – jobs lost, a full time equivalent job comprises 240 working days), alternatively: number of jobs saved or sustained Indicator for quality of jobs created (consult also ILO Decent Work Indicators), e.g. <ul style="list-style-type: none"> <i>Adequate earning</i> <ul style="list-style-type: none"> Number of working poor Low pay rate (% of employees who are below 2/3 of median hourly earnings) <i>Decent hour</i> <ul style="list-style-type: none"> Excessive hours (more than 48 hours per week) <i>Safe Work Environment</i> <ul style="list-style-type: none"> Time lost due to occupational injuries <i>Social Security</i> <ul style="list-style-type: none"> Share of employees with basic health care provision Share of employees contributing to a pension scheme Indicator of poverty e.g. % of target group that makes less than 1.25 USD per day Measure of self-sufficiency, e.g. % of target group not taking loans from others (formal and informal loans) to repay another loan, % of target group establishing their own household Measure of decreased vulnerability, e.g. adequate earnings (see above), monthly expenditure on non-food items, % of vulnerably employed women (unpaid female family workers and own account workers)

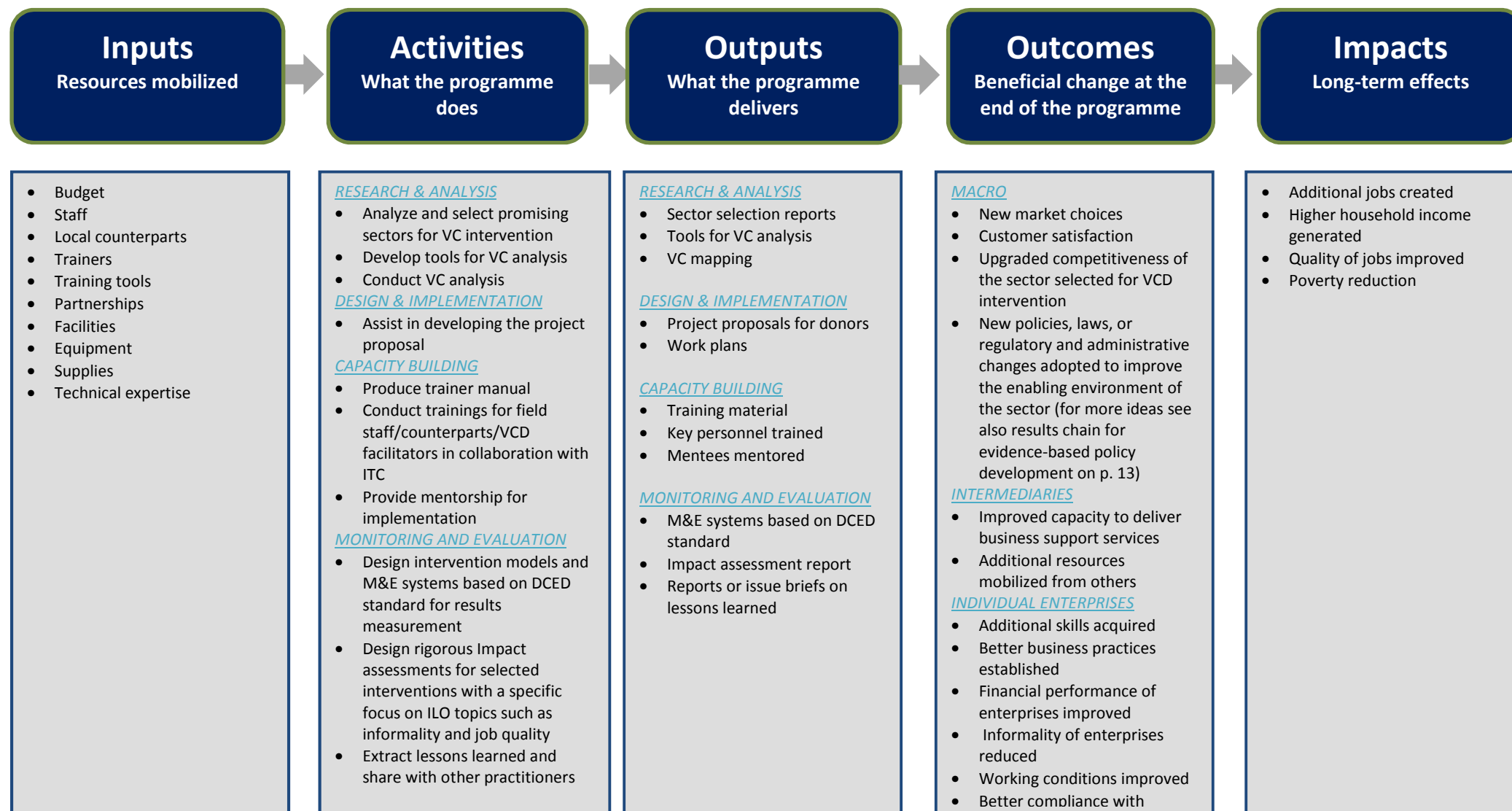
Examples of Indicators for Women's Entrepreneurship Development (continued)

Outputs	Outcomes	Higher Level Outcomes
	<p><i>Society</i></p> <ul style="list-style-type: none"> • Number of new policies, laws, or regulatory and administrative changes enacted in order to promote an enabling environment for women entrepreneurship • Number of discriminatory regulations or procedures eliminated • Number of people that rank female self-employment or entrepreneurship as most appealing career option/profession • Number of female CEOs, number of women in executive boards of business associations, No of women in local or national parliaments 	<ul style="list-style-type: none"> • Measure of improved gender equality, e.g. % of women led enterprises in a city, region, country; % of self-employment of women as compared to men; female workforce participation rate; % of women that makes equal income/wages per week/month than male population; % of women that reports about equally shared family responsibilities • Indicator of satisfaction with own working situation, e.g. % of target group that reports being either very satisfied or fairly satisfied with their working situation (applying a 4 point scale including very satisfied, fairly satisfied, not very satisfied, not at all satisfied)

Intervention Model for Value Chain Development

Implementation

Results



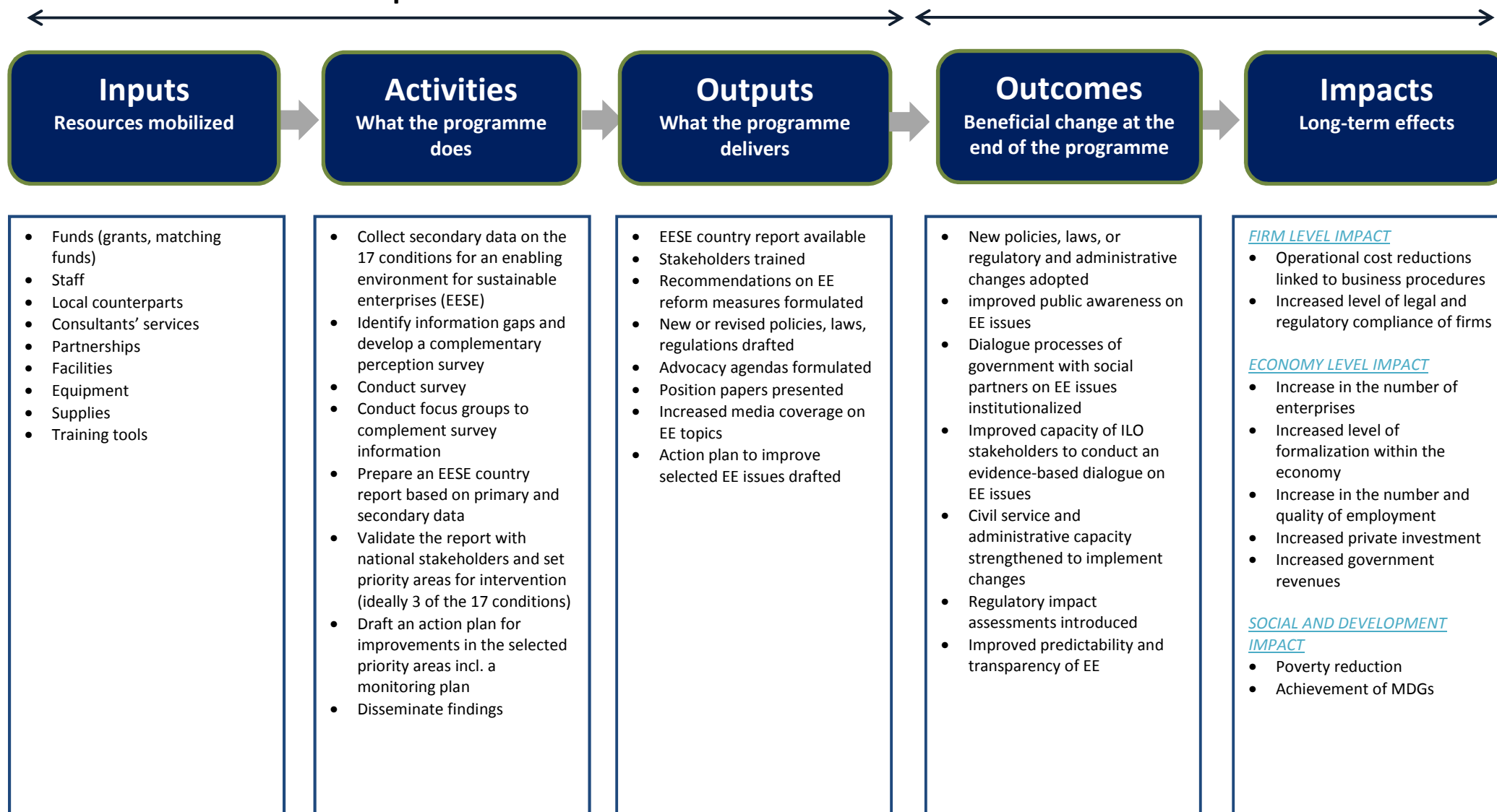
Examples of Indicators for Value Chain Development

Outputs	Outcomes	Higher Level Outcomes
<p>Research and Analysis</p> <ul style="list-style-type: none"> Report on value chain analysis finalized and available Other market intelligence reports available Number of VCD solution designs documented by project? Reports on regular meetings of value chain actors <p>Design and Implementation</p> <ul style="list-style-type: none"> Number of project proposals submitted to donors Work Plan available <p>Intermediaries</p> <ul style="list-style-type: none"> New business models developed for intermediaries Training material published and available Number of key personnel or trainers trained Number of mentees mentored Number of new BDS/financial service products developed <p>Monitoring and Evaluation</p> <ul style="list-style-type: none"> M&E system audited based on DCED standard Impact assessment reports or issue briefs on lessons learned published 	<p>Macro</p> <ul style="list-style-type: none"> Number of buyers to which SMEs can sell Number or % of buyers that are satisfied with the quality of products or services supplied by SMEs Change in market shares Number of new markets reached Export volumes Number of new policies, laws, or regulatory and administrative changes enacted (<i>for more indicators see also menu for evidence-based policy development on p. 14</i>) <p>Intermediaries</p> <ul style="list-style-type: none"> No of enterprises/clients reached, Income from fees charged for services, increased cost recovery rate, No of repeat clients Amount of additional resources mobilized from donors, sponsors, or local government <p>Individual Enterprises</p> <ul style="list-style-type: none"> Number of trained enterprises that report an increased ability to analyze and solve problems Number and type of better business practices established (e.g. accounting, costing, workplace practices) Upgraded status given to SMEs as suppliers New products/business models introduced Number of new start-ups in the sector Performance indicator of existing enterprises, e.g. sales per employee Number of formally registered enterprises Number and % of employees that are satisfied with working conditions Number of enterprises complying with international labour standards 	<ul style="list-style-type: none"> Net additional jobs created (= jobs created - jobs lost, a full time equivalent job comprises 240 working days), alternatively: number of jobs saved or sustained Additional net income of targeted enterprises (additional sales- additional costs) Indicator for quality of jobs created (consult also ILO Decent Work Indicators), e.g. <p><i>Adequate Earning</i></p> <ul style="list-style-type: none"> Number of working poor Low pay rate (% of employees who are below 2/3 of median hourly earnings) <p><i>Decent hours</i></p> <ul style="list-style-type: none"> Excessive hours (more than 48 hours per week) <p><i>Safe Work Environment</i></p> <ul style="list-style-type: none"> Time lost due to occupational injuries <p><i>Social Security</i></p> <ul style="list-style-type: none"> Share of Employees with basic health care provision Share of Employees contributing to a pension scheme <ul style="list-style-type: none"> Indicator of poverty, e.g. % of target group that makes less than 1.25 USD per day

Intervention Model for Evidence-Based Policy Development

Implementation

Results



Examples of Indicators for Evidence-Based Policy Development

Outputs	Outcomes	Higher Level Outcomes
<ul style="list-style-type: none"> • EESE country report available and published, number of report copies distributed • Number of stakeholders trained, number and % of stakeholders that evaluate the training as useful, No of unique stakeholders trained • Number of recommendations on EE reform measures formulated • Number of new or revised policies, laws, regulations, amendments drafted • Number of advocacy agendas formulated • Number of position papers presented • Number of substantive media appearances produced referring to the EESE assessment • Action plan to improve selected EE issues handed over to stakeholders 	<ul style="list-style-type: none"> • Number of new policies, laws, or regulatory and administrative changes enacted • Number of persons that rank EE as a key economic issue • Number of dialogue platforms or similar established, number of meetings per dialogue platform • Number of invitations to public hearings • Number of procedures eliminated or streamlined, number of steps to complete specific procedures, number of days to comply with specific regulation, total cost borne by enterprise to comply with specific regulation • Number of regulatory impact assessments introduced • Unofficial cost related to compliance with regulatory procedure 	<p><i>Firm level impact</i></p> <ul style="list-style-type: none"> • Cost savings per enterprise • Firm holds at least one (two) major business license(s) <p><i>Economy level impact</i></p> <ul style="list-style-type: none"> • Increase in the number of enterprises • Increased level of formalization within the economy (No of formal firms, No of firms that hold at least one major business license, No of formally employed staff) • Net additional jobs created (= jobs created – jobs lost, a full time equivalent job comprises 240 working days), • Indicator for quality of jobs (consult also ILO Decent Work Indicators), e.g. <p><i>Adequate Earnings</i></p> <ul style="list-style-type: none"> ▪ Number of working poor ▪ Low pay rate (% of employees who are below 2/3 of median hourly earnings) <p><i>Decent hours</i></p> <ul style="list-style-type: none"> ▪ Excessive hours (more than 48 hours per week) <p><i>Safe Work Environment</i></p> <ul style="list-style-type: none"> ▪ Time lost due to occupational injuries <p><i>Social Security</i></p> <ul style="list-style-type: none"> ▪ Share of employees with basic health care provision ▪ Share of Employees contributing to a pension scheme

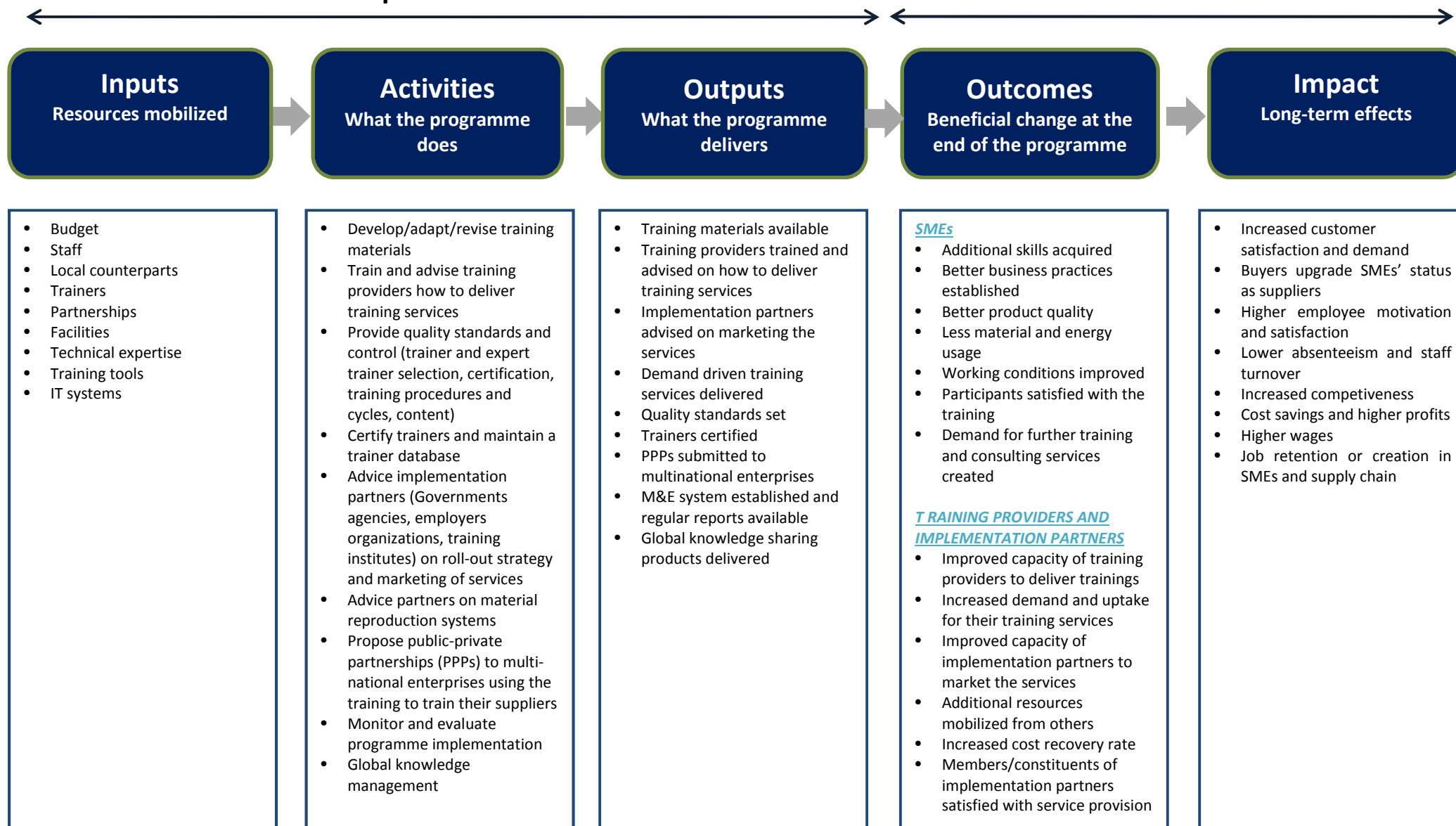
Examples of Indicators for Evidence-Based Policy Development (continued)

Outputs	Outcomes	Higher Level Outcomes
		<ul style="list-style-type: none"> • Increase in private sector investment (foreign direct investment, domestic investment) • Amount of corporate taxes per year, or other government revenues coming from enterprises <p><i>Social and development impact</i></p> <ul style="list-style-type: none"> • % of population that makes less than 1.25 USD per day • Number of MDG indicators met

Intervention Model for Competitiveness Training for SMEs – SCORE

Implementation

Results



Examples of Indicators for Responsible Workplace Practices

Outputs	Outcomes	Higher Level Outcomes
<ul style="list-style-type: none"> Number of training materials developed/adapted Number of training providers trained and advised on how to deliver training services Number of implementation partners advised on marketing services Number of enterprises trained, No of workers and managers trained Number of on-site consulting visits conducted Number of trainers certified Number of PPP proposals submitted to multinational enterprises M&E system established and regular reports made available Number of global knowledge sharing products delivered 	<p>SMEs</p> <ul style="list-style-type: none"> Number of enterprise improvement team meetings per company, No of improvement projects implemented Number of good workplace methodologies adopted (such as employee suggestion system, 5S, etc.) Number of defects per 100 pieces produced, number of reclamations from costumers Reduction in energy usage (KwH/production unit), reduction in material usage (amount/production unit) Reduction in workers' complaints Number and % of participants satisfied with the training (covered by the 2nd bullet below) <p>Training providers and implementation partners</p> <ul style="list-style-type: none"> Number of trainers certified Number of enterprises that take more than Module 1, number of repeat clients % of training cost recovered through fees from participating enterprises, number of advertisements of training courses Amount of additional resources mobilized from others cost recovery rate (% of total training cost covered by fees charged to participants or any other income other than donor subsidies) Number and % of members and constituents of implementation partners satisfied with service provision 	<ul style="list-style-type: none"> Number of complaints received, sales per month/year Upgraded status given to SME as supplier Number and % of employees that are satisfied with working conditions Working days lost due to sick leave and other forms of absenteeism, number and % of staff that resigns per year Sales per employee Cost savings per month/year Additional net income of targeted enterprises (additional sales – additional costs) Increase of average wage Net additional jobs created in targeted enterprises and supply chain (= jobs created – jobs lost, a full time equivalent job comprises 240 working days), alternatively: number of jobs saved or sustained

Annotated Bibliography on Monitoring and Evaluation

This brief annotated bibliography tries to list some of the best practical literature on how to design logic models and how to monitor and evaluate performance of project interventions.

Donor Committee for Enterprise Development. 2010. *The DCED Standard for Measuring Achievements in Private Sector Development. Control Points and Compliance Criteria. Version V.*
www.enterprise-development.org/page/measuring-and-reporting-results

DCED presents a practical framework that programs can use to monitor programs and their progress towards those objectives using a results chain framework. The value of the results chain is discussed in detail to show the potential importance of it for organizations. Especially of importance for those who want to go for an audit of their M&E systems based on the DCED results measurement standard.

Hempel, K. and Fiala, N. 2012. *Measuring Youth Livelihood Intervention.*
<http://www.gpye.org/measuring-success-youth-livelihood-interventions>

This resource presents the process of conducting M&E and impact evaluation from start to from a nontechnical vantage point. Topics include why it is important to conduct M&E, how to think through a program model and causal chain and setting up an M&E system. The book also presents a detailed nontechnical discussion of how to conduct high quality impact evaluations of programs.

Imas, L., and Rist, R. 2009. *The Road to Results: Designing and Conducting Effective Development Evaluations*, Washington, DC: The World Bank. http://books.google.com/books?id=NEsq-BtinIsC&printsec=frontcover&source=qbs_ge_summary_r&cad=0#v=onepage&q&f=false

One of the premier descriptions of how to conduct high quality M&E, this book presents the entire process in a clear and concise manner. Topics include the value and implications of evaluation, how to build an M&E system and develop the right questions to ask, the value of a good theory of change, data collection, potential difficulties with M&E and solutions and ethics.

Kusek, J. Z., and Rist, R. C. 2004. *Ten Steps to a Results Based Monitoring and Evaluation System: A Handbook for Development Practitioners*. Washington, DC: The World Bank.
<http://www.oecd.org/dataoecd/23/27/35281194.pdf>

Similar to Imas and Rist, Kusek and Rist discuss M&E systems and how to develop them quickly and easily. The document is written in a module like manner to aid in jumping to the exact area of interest.

Rubio, G. 2011. "The Design and Implementation of a Menu of Evaluations." PREM Notes, The Nuts and Bolts of M&E Systems, No. 6. Washington, DC: The World Bank.
<http://siteresources.worldbank.org/INTPOVERTY/Resources/335642-1276521901256/premnoteME6.pdf>

This document is a short description of some of the most important issues in developing M&E systems. Topics include how to ask the right questions in an M&E system, the main types of evaluation systems, and process based evaluations, which have gained in popularity among organizations seeking to understand how a program may be generalizable to other contexts.

Sabo Flores, K. 2008. Youth Participatory Evaluation: Strategies for Engaging Young People. San Francisco: Jossey-Bass. <http://www.josseybass.com/WileyCDA/WileyTitle/productCd-0787983926.html>

Participatory monitoring and evaluation is growing in popularity. Flores presents options for engaging youth in the evaluation of their own programs. The book gives examples of games and other activities to aid in gaining the interest of youth.

Taylor-Powell, E., Jones, L., and Henert, E. 2003. Enhancing Program Performance with Logic Models. University of Wisconsin-Extension, Program Development and Evaluation.
<http://www1.uwex.edu/ces/lmcourse/>

This web course offers an introduction in how to develop logic models to describe the processes of a program. The information is free to use and offers organizations interested in formalizing their approach the tools necessary to begin the process.

W. K. Kellogg Foundation. 2004. Logic Model Development Guide. Battle Creek, MI: W. K. Kellogg Foundation. <http://www.wkkf.org/knowledge-center/resources/2006/02/WK-Kellogg-Foundation-Logic-Model-Development-Guide.aspx>

Similar to the Taylor-Powell, Jones and Henert online course, this resource presents in detail the process of developing logic models. The document goes in depth into why logic models are important, how to develop basic and more complex models, and finally how to use them as an organization in the M&E process to get maximum benefit.