

# WELLS MOUNTAIN MEL WORKSHOP

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# Training Objective

1. To explain the principles, objectives and processes of project monitoring and evaluation.
2. To provide sufficient understanding of the role of monitoring and evaluation in rural development, to be able to judge the effectiveness of existing project M&E systems and business enterprises



# What is M&E?

- M&E is a process of continual gathering of information and assessment of it in order to determine whether progress is being made towards pre-specified goals and objectives, and to highlight whether there are any unintended (positive or negative) effects from a project and its activities. It is an integral part of the project cycle and of good management practice.

# Why M&E?

- **For accountability:** demonstrating to donors, taxpayers, beneficiaries and implementing partners that expenditure, actions and results are as agreed or can reasonably be expected in the situation.
- **For operational management:** provision of the information needed to co-ordinate the human, financial and physical resources committed to the project or programme, and to improve performance
- **For strategic management:** provision of information to inform setting and adjustment of objectives and strategies.
- **For capacity building:** building the capacity, self-reliance and confidence of beneficiaries and implementing staff and partners to effectively initiate and implement development initiatives.

# Definitions of Monitoring Evaluation and Learning

- Monitoring is the continuous collection of data on specified indicators to assess for a development intervention (project, programme or policy) its implementation in relation to activity schedules and expenditure of allocated funds, and its progress and achievements in relation to its objectives.

# Definitions of Evaluation

- Evaluation is the periodic assessment of the design, implementation, outcomes and impact of a development intervention. It should assess the relevance and achievement of objectives, implementation performance in terms of effectiveness and efficiency, and the nature, distribution and sustainability of impacts.

# Evaluation criteria

- **Relevance** – Did the project address the needs of community members?
- **Efficiency** – Did the project do so in a manner that was as low-cost as possible?
- **Effectiveness** – Did the project change existing practices in a beneficial manner?
- **Impact** – What was the effect of those changes?
- **Sustainability** – Are the changes sustainable?



# Importance of M&E in Business Enterprises

- Gives Clear and Concise Information on What is Happening - When carrying out any project, it is crucial to keep in mind data clarity. When carrying out surveys, it is possible to end up with tons of information and results that can be time-consuming when working through it.
- Input Monitoring - The monitoring aspects help during the assessment of the results which the input has in the business. With monitoring, you can know whether you are benefiting or you are wasting the resources which might not bring positive results.
- Risk and Reward Evaluation - Monitoring and evaluation help you to check the risk that might be encountered versus the benefit or reward. Established and start-up enterprises may have a lot of information used during decision-making, unlike newly established organizations.

# Importance of M&E in Business Enterprises Cont...

- **Assessing New Possibilities** - Making use of monitoring and evaluation tools gives you clear data that can be crucial when identifying weaknesses. It can also help you identify opportunities that might come by. With the world of finding results, new possibilities can be encountered hence you should spend more time focusing on the current things and also new possibilities to avoid missing bigger opportunities.
- **Overall Progress Report** - When carrying out any project, stakeholders wish to see results which can take some time. With an overall progress report, you can frequently update stakeholders on activities. The progress report can lead to generating more funds for the expansion of the enterprise. It can also stop you from wasting resources on useless projects that may not provide results.
- **Innovation and diversity of Opinions and Thoughts** - Monitoring and evaluation can help fuel innovative thinking and methods for data collection. While some fields require specific methods, others are open to more unique ideas. Innovative tools provide new perspectives on data and new ways to measure success. The more information the better.

# Common Terms of Monitoring and Evaluation Plan

- **Inputs:** resources required to achieve outputs, including money, equipment and human resources.
- **Outputs:** tangible results of the input – cattle treated, farmers trained, agents established. These will be standard. Comparing the inputs to the outputs indicate the project efficiency and effectiveness.
- **Outcomes:** how the outputs have contributed to an expected change in the situation which was to be addressed by the project. The outcomes also indicate the effectiveness of the project in achieving its overall objective.

# Common Terms of Monitoring and Evaluation Plan

- Objectives: contribute to the overall project goal and allows measurement of the success of the programme.
- Goal: What is the goal of your project? This is the main goal that drives all of the activities and related sub-activities.
- Impact: is the long term result of the outcome. The impact includes the overall social, economic, and other developmental effects that the outcomes of the programme have had the community.
- Indicators: measure the achievements of the outputs, outcomes and objectives. They are measurable, accurate, verifiable, specific, time bound, simple, obtainable and easy to understand.

# Principles of a Monitoring and Evaluation System

All monitoring and evaluation system should follow the following principles:

- Meets the needs of all the stakeholders – the farmers, the service providers, lead firms, project staff and donors.
- Measures the impact of enterprises's strategies on the livelihoods of those involved;
- Identify what needs to be done, how, where, when and by whom; Identify what works and what doesn't work;
- Sustainable – continues after end of project;
- Participatory and involving; Informs all stakeholders and fits with their systems.
- Be simple, be useful and be used.

# M&E in a Business Set Up

Indicator	Source Document
Number of satisfied customers and meeting their expectations and needs	Customer feedback forms, questionnaires, and number of repeat customers from sales records and customer database
Net Profit - track your net profit over time. Is your company getting more or less profitable year to year?	Based on sales records, inventory records and expenses records.
Quick Ratio –Track whether your cash, securities, and the money you expect to have soon are enough to cover your liabilities. It's often cited as one of the main reasons that small businesses fail.	Cash flow statement and record.

## M&E in a Business Set Up Cont..

Indicator	Source Document
<b>Net Income Ratio</b> - The net income ratio is the amount of money left over after operating expenses are subtracted from revenue. An increase in net income means that either revenue is going up, costs are going down or some combination of the two.	Sales records and expenses records
<b>Activity</b> - Are you managing the assets of the company effectively?	Inventory records.
<b>Breaking Even</b> - The break-even point is the number of units that needs to be sold during a given period in order for the company to cover all production costs, sales costs and business overhead costs.	Sales, inventory and expenses records

## M&E in a Business Set Up Cont..

Indicator	Source Document
Social Media Engagement	If your business relies on social media to generate business, social media engagement is a great KPI to track. Measuring likes, comments and shares will help you see what type of posts contribute to boosting your business.
Employee Retention Rate	Hiring and training employees is a major expense. The longer a good employee stays with your company, the better the return on investment you'll get from the money and time you spent hiring and training.
<b>Sales Indicators</b> -When the number of average sales goes up, and the amount per transaction goes up with it, then your company is heading towards success.	Sales records