Chapter 6

Monitoring & evaluation for value chain development
Monitoring & evaluation for value chain development

Summary sheet: monitoring and evaluation

Process for monitoring and evaluation:

- Inputs
  - Human
  - Finances
  - Material

- Outputs
  - Products
  - Goods
  - Services

- Outcome
  - Short and medium-term goals

- Impact
  - Long-term strategic goals

1. Monitoring
   What has been invested, done and produced, and how are we progressing towards the achievement of the objectives?

2. Evaluation
   What occurred and what has been achieved as a result of the project?

3. Impact assessment
   What long-term sustainable changes have been produced?

Source: ILOEVAL Unit (2005)

Summary:

Monitoring and Evaluation are interdependent and the distinction is primarily of analytical depth. Monitoring is the continuous follow-up of activities and results in relation to pre-set targets and objectives. The levels of monitoring are inputs, outputs, outcomes and impacts.

An Evaluation is a careful and systematic retrospective assessment of the design, implementation, and results of private or public sector project activities. For example, a private sector company may be seeking to improve its systems and processes so that efficiency is enhanced through the establishment of project management as a core competency throughout the business and projects can be terminated, owned or transferred to another party. The principal evaluation criteria by which the merit or worth of the project is assessed include effectiveness, impact, relevance, sustainability and efficiency.

The aim of development assistance is not just to help solve immediate development problems of a pressing kind but to strengthen the capacity of developing countries to deal with such problems using their own resources. And as such, one key aspect of evaluation, particularly for donor interventions, is sustainability – the continuation or longevity of benefits from a development intervention after cessation of development assistance.

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“A project is “any series of activities and tasks that: have a specific objective to be completed within certain specifications, have start and end dates, have funding limits (if applicable) and consume resources (money, people, equipment).” (Kerzner, 1998).

“Project management is the application of knowledge, skills, tools and techniques to project activities in order to meet stakeholders needs and expectations from a project. It is the process by which projects are defined, planned, monitored, controlled and deferred so that agreed benefits are realized.” (APM, 2006): APMBOK.

See ILOEVAL Guidelines.

In this respect, the definition of sustainability is broadened from financial, management and organizational factors and exit strategy to include the extent to which the project reflects partner country priorities, partner country ownership and participation, institutional and cultural factors, technological and environmental factors. These are ring-fencing parameters for Decent Work Country Programmes, which are the focus of this guide.

The basis for monitoring and evaluation is already set in the very beginning of a value chain initiative by defining selection criteria and setting objectives (strategic framework). This impacts the choice of indicators selected for monitoring and evaluation. In some countries the monitoring and evaluation indicators are often better derived from those already set for national development frameworks such as private sector development programmes. In other words, indicators should be project-specific but the project contribution or impact must be clearly linked to national development frameworks such as Decent Work Country Programmes.

This section discusses monitoring at project management level understood here as a management tool that enables project managers to track activities for the implementation of a value chain development strategy and see whether development targets are achieved. The guide discusses several aspects of evaluation, arguing that both monitoring and evaluation should also feed into a learning process that enables the project to further deepen its understanding of the value chain system and refine its strategy with a view to addressing systemic constraints.

**Outcomes:**
- An intervention framework outlining intervention areas, activities, expected outcomes, responsibilities, etc.
- Selection of indicators for monitoring the progress of interventions
- A format for tracking activities and immediate outputs
- A format for evaluating outcomes with a view to achieving development targets

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67See also www.itcilo.org/marketdev
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Definition of a monitoring system
Monitoring is concerned about measuring the progress of development against targets. A good monitoring system allows the manager to see whether the project is still on track, or whether correcting measures are needed. It is a management tool, and generally a function that is part of any development intervention, whether it targets value chain development for Decent Work or any other development objectives. However, the choice of indicators to be monitored allows the project manager to look at some more specific factors related to value chain development. We could therefore say that the framework is generic but the contents are specific.

A monitoring system looks at progress in four areas:

Inputs
1. **Inputs**: the financial, human and material resources used for development intervention (i.e. the resources needed in order to achieve the outputs).

Outputs
2. **Outputs**: the products, goods and services which result from a development intervention. Outputs are services or products which the project is responsible for delivering. Examples are manuals, publications, training programmes, exhibitions, public-private forums, etc.

Outcomes
3. **Outcomes**: the likely or achieved short and medium-term effects of an intervention’s outputs. Examples are increased awareness for income and employment opportunities in a particular business sector, provision of BDS by providers previously trained in a TOT programme, revision of regulations that pose an obstacle to SMEs, banks increasingly providing loans to small producers due to better awareness of needs, etc. Outcomes serve the achievement of long-term development objectives (impact).

Impact
4. **Impact**: although not only part of a monitoring, impact looks at the achievement of overall long-term and strategic development objectives, such as poverty alleviation, income and employment creation, increased competitiveness of a sector with a view to maintaining and increasing the number of jobs, gender equity at work, better working conditions, eradication of child and forced labour, etc. There are four types of impact - expected positive, unexpected positive, expected negative and unexpected negative impact. Negative unintended or perverse effects include, for example, substitution and displacement.

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Indicators / proxies for measuring outcomes
Outputs, outcome and objectives are measured through indicators (or proxies). These are qualitative and quantitative factors or variables that provide a simple and reliable means of measuring achievement and reflecting the changes connected with an intervention. The choice of indicators depends essentially on the overall development objectives of the project.

On the basis of the above definitions, a good monitoring and evaluation (M&E) system can be divided into three components:69

Developing a three-step monitoring and evaluation system
1. **Appraisal**: the assessment of a project when it is in the planning stage, before implementation (i.e. it is prospective).

2. **Monitoring**: the routine collection and analysis of information to enable the assessment of a project’s progress during the course of implementation (i.e. it is current).

3. **Evaluation**: the assessment of a project’s performance conducted after a period of implementation (i.e. it is retrospective).

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6.1 Appraisal of interventions

Definition of appraisal: prospective assessment of interventions

As mentioned above, appraisal is the assessment of a project when it is in the planning stage, before implementation (i.e. prospective). This includes

- capturing intervention strategies into a comprehensive intervention framework (action plan),
- assessing financial, human and material resources required for an intervention (inputs),
- deciding on indicators/proxies to monitor,
- and conducting a baseline survey against which to measure progress.

This will help the project manager to decide whether an intervention is feasible or not and whether it serves the overall development objectives.

Appraisal should be done after researching and analysing a value chain and before beginning to implement the interventions that have been proposed. It is essentially important to assess the feasibility of interventions in terms of input requirements as well as contribution to development targets. It does not need to be a complicated and time-consuming affair, but can be done fairly quickly within a day or two.

Doing appraisal in a participatory way

Capturing intervention strategies into a comprehensive framework, formulating specific activities and prioritizing them, is best done in a participatory manner. By including stakeholders from the target sector, the project will create a sense of transparency and local ownership. This is especially important when the project aims at mobilizing also local resources for the implementation. Box 2 gives an example of how this has been achieved by an ILO project in Sri Lanka.

Box 6.1: A tool for monitoring and evaluation

Monitoring and evaluation template:

the ILO BDS project in Zambia has developed a monitoring and evaluation system that has been used for jatropha and dairy value chain interventions. This M&E system serves as a basis for this chapter and is available as template on CD/website. The examples on dairy and jatropha can be downloaded from www.bdzambia.com.

The system consists of three easy-to-use Excel sheets, which reflect the overall M&E process: a) appraisal (intervention framework), b) continuous monitoring of outputs, and c) periodic monitoring of outcomes. The three sheets are interconnected and provide the basis for a detailed evaluation of interventions later on. The project manager can fill out the sheets without spending too much time on it.

The following sections explain how to use this particular M&E system.
Deciding on expected outcome and indicators

Apart from using participatory means, the appraisal of interventions will also require decisions within the project team (or by the project manager). These decisions include the choice of indicators/proxies to be monitored, the assessment of required resources and the conducting of a baseline survey.

The monitoring and evaluation system developed by the BDS project in Zambia serves as basis for this chapter. Within this system, the first Excel sheet (“Intervention Framework (Appraisal)”) can be used by the project team to capture the necessary information for appraisal. Outcome indicators and baseline data are entered into the third sheet (“Periodic monitoring of outcomes”). The use of these sheets will be explained in the following two sections.

6.1.1 Intervention framework (log frame)

Definition of intervention framework

An intervention framework is a tool used for capturing and summarizing intervention strategies and specific activities for their implementation. This will help the project manager to have all the neces-
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Sary information about planned interventions in one comprehensive table, and will allow him to keep track of the overall strategy. The intervention framework provides information on

**Intervention area**
- **Intervention area**: this gives the heading under which several interventions are planned. It does not give specific details but provides an idea of the objective/outcome of a group of interventions. Examples are: “improving the policy and regulatory framework”, or “access to knowledge and information for small farmers”, or “improving quality of work”, etc.

**Interventions**
- **Interventions**: under one intervention area, several interventions give further details on the strategies through which the project intends to achieve the overall objective. Interventions already give an idea on possible outputs – i.e. are more specific as regards targets/outputs. Examples for interventions are: “facilitating public-private dialogue for better policies”, or “conducting and publishing a market survey to enable farmers to make informed choices”, or “building media capacities for SME-relevant programme content”, etc.

**Activities**
- **Activities**: as a tree further splits from the trunk (intervention area) into several branches (interventions) and twigs, activities give further details on exactly how the implementation of a particular intervention is planned. The formulation of activities should be as specific and practical as possible, reflecting the steps of implementation. An example:

<table>
<thead>
<tr>
<th>Intervention area</th>
<th>Intervention</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Creating an enabling regulatory and policy environment</td>
<td>1.1 Enhancing public private dialogue</td>
<td>1.1.1 Electing a steering group with members from public and private sector at results presentation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.1.2 Developing a joint action plan for interventions and responsibilities</td>
</tr>
<tr>
<td></td>
<td>1.2 Stimulating public awareness for income and employment opportunities</td>
<td>1.2.1 Publishing findings and proposals of the value chain research and analysis as a booklet</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.2.2 Organizing a press conference to provide information on the opportunities and needs of the sector</td>
</tr>
</tbody>
</table>
Outputs
- **Outputs**: once the activities are implemented, what kind of specific outputs would the project expect? These are important indicators for the project manager to ensure that partner organization, consultants or the project team do what they are supposed to do and that these outputs contribute to the overall development objectives.

Time frame
- **Time frame for outputs**: this gives information on deadlines for producing certain outcomes, or time frames within which certain activities are to be implemented. It is important to be realistic when setting time frames, i.e. also allowing time for overcoming any obstacles that might crop up.

Responsibilities
- **Responsibilities**: who is going to implement specific activities? To enhance local ownership of interventions, most development projects cooperate with local partner organizations. The project would usually provide technical or financial support, whereas the partner organization is responsible for the actual implementation. The intervention framework should therefore also indicate responsibilities for certain interventions.

Example

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Time frame</th>
<th>Responsibilities</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.1 PPP Forum that meets on a regular basis</td>
<td>Start: 14 Feb 2008, monthly, initial period: 6 months</td>
<td>Chamber of commerce (assisted by project)</td>
<td>Better coordination of intervention by government and development partners</td>
</tr>
<tr>
<td>1.1.2 Action Plan</td>
<td>14 to 21 Feb</td>
<td>Chamber of commerce (together with PPP forum)</td>
<td>Comprehensive sector development strategy supported by all relevant stakeholders</td>
</tr>
<tr>
<td>1.2.1 Booklet</td>
<td>By end March 2008</td>
<td>Project</td>
<td>Increased awareness of the opportunities and needs of the sector</td>
</tr>
<tr>
<td>1.2.2 Press conference, media coverage</td>
<td>31 March 2008</td>
<td>Chamber, project, ministry, industry association</td>
<td>Media support for development strategy; taking into account information needs of SMEs</td>
</tr>
</tbody>
</table>
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**Expected outcomes**

- **Expected outcomes:** How do specific activities and outputs contribute to short and medium-term development objectives? The intervention framework includes a column into which the project manager can fill in expected outcomes, such as “change of perception of dairy farming as viable business opportunity”, or “better access to and availability of information on BDS”, or “better coordination of stakeholders through public-private dialogue forum”, etc.

**Resource allocation**

- **Resource allocation:** what is needed in terms of human, material and financial resources to implement interventions (not necessarily specific activities)? This probably requires an educated guess by the project manager/team, based on previous experiences and the country-specific financial situation (i.e. cost of living, inflation, etc.). The Zambian intervention framework allows the project manager to make a distinction between the three resource factors: human resources, materials and financing.

The above mentioned components together form the intervention framework, which can be put into an easy-to-use Excel table as developed by the Zambian BDS project of the ILO (see Table 6.1 below). It requires a project manager and his team a day or two to fill out the framework – perhaps within a planning workshop, before starting with the implementation of interventions.

**The intervention framework as tool for daily management**

The intervention framework is not a purpose in itself, but can be used for various purposes: a) the assessment of the feasibility of intervention; b) as controlling instrument for the project manager to ensure that targets are achieved; c) to “market” interventions to potential partner organization and convincing them to take responsibilities.

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**Table 6.1: Intervention framework developed by the ILO BDS project in Zambia**

<table>
<thead>
<tr>
<th>Intervention Area (in prioritized order)</th>
<th>Interventions</th>
<th>Activities</th>
<th>Outputs (products, services, tools, etc.)</th>
<th>Time frame for outputs</th>
<th>Responsibilities</th>
<th>Expected outcomes (change in practices, incomes, etc.)</th>
<th>Resource allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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### 6.1.2 Assessing the feasibility of interventions

**Checklist for feasibility assessment**

Several important questions need to be asked in order to assess feasibility. The checklist below provides some ideas. However, the feasibility of interventions also depends to a large extent on the project's overall targets and mission, which is why the project manager will also have to consider further feasibility criteria that are more specific to his project situation.

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Do the interventions reflect the needs of local target stakeholders, or are they your own idea about what is the right thing to do? (Strategy ownership)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Are local partners available to implement interventions and activities? (Implementation ownership)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Can the intervention be carried out in the given time frame of the project? (Time frame)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Will implementing partners have sufficient time, commitment and motivation? (Human resources)</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Are the available material and financial resources sufficient? (Costs and logistics)</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Who will pay? Are local and other development partners contributing to the costs? (Cost sharing)</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>What are the chances that the intervention will have a lasting impact and will be continued after project expiry? (Impact sustainability)</td>
<td></td>
</tr>
</tbody>
</table>
6.1.3 Baseline (and periodic) surveys

Definition and purpose of baseline surveys
A baseline study or survey is a snapshot of initial conditions in a locality, site or sector prior to an intervention (public or private project or programme). A baseline study provides benchmarks against which change and progress can be measured and evaluated.

Timing: before implementation
Changes can only be measured if there is some data for comparison with. Increases in employment, income, business start-ups, work quality, decision-making authority, etc. can only be measured if the ‘base’ is known. Baseline data therefore allow the project to draw up a before-and-after picture that show changes resulting from specific interventions; it also makes it possible to subsequently monitor progress periodically with regard to outcome achievements. As a management instrument, this will allow the project manager to undertake strategic corrections if she/he realizes that a project is ‘off track’ in achieving its development targets.

It is therefore essential that baseline surveys be conducted before the implementation of interventions - i.e. immediately after value chain analysis and research and before drawing up an intervention framework. Ideally some information/data can be taken from the value chain research findings, thus saving time and money for a further survey.

A baseline survey does not need to be a time-consuming and costly activity (in fact it should not be). Smaller projects in particular lack the financial and human resources for conducting extensive surveys. This section outlines how an easy and simple baseline survey can be done using a step-by-step approach.

Step 1: Designing a framework for monitoring

**Designing a framework for the periodic monitoring of outcome indicators.** A comprehensive and easy-to-use framework that captures baseline information and allows it to be compared with information collected later during the monitoring of interventions, is an essential prerequisite for any M&E system. Things are also much easier for the project manager if she/he is able to access all the information on one sheet.

The ILO’s Zambian BDS project has developed a framework for baseline and monitoring of outcomes as part of a threefold system (appraisal, monitoring outputs, and monitoring outcomes). This framework can easily be replicated and is described below.

**Monitoring information: quantitative data, qualitative information, sustainability check**

The framework consists basically of three components (horizontal structure of the table):

- **Monitoring of quantitative data:** this is information that can be expressed in numerical terms, such as percentages (relative) or numbers (absolute).
- **Monitoring of qualitative information:** information that cannot be expressed in numerical terms, such as “endorsement of new policies by the government”.
- **Sustainability check:** replication, local ownership and financial sustainability are important criteria for assessing the sustainability of an intervention.

For the baseline survey only columns 1 to 4 need to be filled in well as the baseline data/information. Information is gathered for each intervention separately (i.e. not intervention areas or individual activities) – the above framework is therefore replicated for every intervention. This can easily be done in an Excel table format. The “interventions” and “expected outcomes” columns can be copied from the intervention framework (see Table 1).
Selection of indicators for monitoring Decent Work impact

**Step 2:**

Selection of indicators

**Selection of indicators to be monitored.** As mentioned before, the means by which progress and achievements towards specific outcome targets are measured is through indicators. These are qualitative and quantitative factors or variables that provide a simple and reliable means of measuring achievement and reflecting the changes connected with an intervention. We would make a distinction between output indicators (such as the number of training sessions conducted or the type of publication) and outcome indicators (such as the percentage of farmers who say that they now receive better services). The choice of indicators is essentially dependent on the overall development objectives of the project.

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Indicators refer to … Proxies: e.g. business start-ups – registration of businesses
The selection of indicators for monitoring and evaluation is very closely connected with the Decent Work criteria that have been used to select a sector for a value chain initiative in the first place (see Chapter 1): employment creation potential, known Decent Work deficits (in terms of labour conditions), percentage of women involved (gender equity), industry growth perspectives and so on. Indicators therefore reflect the overall goals of the implementing organization – i.e. what are we trying to achieve through the intervention? Decent Work Country Programmes negotiated between the ILO and its constituents in a given country, for example, provide project managers with a guideline for deciding which sectors to select and which indicators need to be considered in order to achieve the target set in the programme.72

Selection of indicators goes back to Decent Work criteria for sector selection (Chapter 1)

Sector selection feeds into value chain research and analysis, in which the Decent Work criteria that have been used to select a sector are being looked at within the framework of a value chain. In other words, from a broader view of a sector we are zooming in on a specific subject within the value chain – for example labour productivity and conditions at different value chain levels, or the performance of business membership organizations as system integrators, or the level of worker participation in decision-making processes at different levels. This means that the choice of indicators for monitoring and evaluation is in fact a process that starts with sector selection and is then specified during the value chain research and analysis (see Chapter 4 (Section 4.2) for information on specific topics to look at in value chain research).

Value chain research further specifies the choice of indicators

Box 4.7: evolution of Decent Work indicators for monitoring and evaluation

1. Sector selection
   - Decent work country programmes
   - Decent selection work criteria (Chapter 1)

2. Value chain research & analysis
   - Zoom-in on specific Decent Work issues (Chapter 4)
   - Analysis of various indicators along the VC

3. Monitoring & evaluation
   - Specifying Decent Work indicators for measuring progress
   - Developing an M&E framework (Chapter 7)

Feedback process

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72 Decent Work Country Programmes can be viewed at www.ilo.org/public/english/bureau/program/dwcp
Indicators for M&E feed back into sector selection

As the figure above (Box 6) also illustrates, indicators selected for monitoring and evaluation of Decent Work outcomes are also crucial in determining selection criteria for future value chain initiatives (see Chapter 1) or in facilitating a decision on whether the efforts in a selected sector should be scaled up. The following questions might be important in this context:

- **Relevance for Decent Work**: has the selected sector been relevant to the promotion of Decent Work targets (i.e. large number of poor, women, workers, etc.)?
- **Decent Work change potential**: has the selected sector shown signs of improving Decent Work outcomes during the intervention period (i.e. growth, market player incentives, etc.)?
- **Intervention potential**: have our interventions in the selected sector led to more Decent Work outcomes? Are there signs of crowding-in involving other market players?

The monitoring and evaluation of Decent Work indicators throughout the implementation of value chain interventions provides useful information on whether value chain development targets are achieved. This again feeds into the overall process of continuous value chain upgrading and innovation – it becomes part of the learning process that leads to more competitiveness. Development agencies should therefore also devote critical thought to who will take over this market function (monitoring and evaluation) after project expiry (see Chapter 6).

Be “SMART” when selecting indicators

The challenge for monitoring and evaluation during the implementation of value chain interventions is to make indicators quantifiable and place them in a framework that allows the implementing organization to follow development towards the intended targets. From a practical aspect, the selection of indicators therefore should be SMART:73

- **Specific**, related to the conditions the project seeks to change
- **Measurable**, either numerically or in terms of ranking or preferences
- **Achievable**, within limited financial, human and technical resources
- **Relevant**, with regard to the objective concerned
- **Time-bound**, within a certain framework

The baseline and periodic monitoring surveys should not take up too much time or resources. It is therefore strongly recommended that only 3 to 5 indicators be selected per intervention. These indicators therefore need to have a strong message with regard to measuring outcomes, and it is important to note that indicators should not be added or changed during the monitoring of implementation. The project manager needs to be clear on final objectives from the start.

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73ILO (2005): p. 40
**Measurability problem (I): putting qualitative information into the M&E system**

The measurability criteria is however sometimes difficult to apply to more qualitative indicators, such as “government endorsement”, “media coverage” or “availability of information”. One way to deal with this problem is to look for proxies, for example “number of bills passed in parliament”, “number of articles” or “number of information sources”. These, however, do often not give a precise picture and can be considerably influenced by other external factors. The M&E system developed in Zambia therefore allows the manager to note qualitative indicators separately, and instead of measuring their progress in numerical terms, she/he can add a sentence or a small paragraph instead - giving a short description of the progress made.

**Examples of Decent Work indicators**

The following box gives some examples for indicators that can be chosen for a monitoring and evaluation system. The chosen quantitative indicators can then be put into column 3 of Table 2 above; qualitative indicators are put into column 2 under the heading “qualitative indicators/proxies”.

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### Table 6.3: Examples for possible Decent Work indicators/proxies

<table>
<thead>
<tr>
<th>Targeted Small Enterprises</th>
<th>Targeted employment &amp; income</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Defect rate (rework or scrap)</strong></td>
<td>Output</td>
</tr>
<tr>
<td>Proportion of units that do not conform to design standards and are subsequently reworked or scrapped</td>
<td>Sales value of goods and services produced and consumed in the economy</td>
</tr>
<tr>
<td><strong>Order-to-delivery time</strong></td>
<td>Personal income</td>
</tr>
<tr>
<td>Total amount of time (hours or days) from receipt of order to delivery on the customer’s premises</td>
<td>Income received by households from employment, self-employment, investments and transfer payments</td>
</tr>
<tr>
<td><strong>On-time delivery rate</strong></td>
<td>Income per capita</td>
</tr>
<tr>
<td>Proportion of orders delivered to customer according to agreed schedule</td>
<td>Personal income divided by the total population in the region</td>
</tr>
<tr>
<td><strong>Customer rejects</strong></td>
<td>Income distribution</td>
</tr>
<tr>
<td>Proportion of items delivered to customers and subsequently rejected due to non-conformity</td>
<td>Proportion of total household money income received by households in particular groups – e.g. quintile income groups</td>
</tr>
<tr>
<td><strong>Capacity utilization</strong></td>
<td>Labour force participation rate</td>
</tr>
<tr>
<td>Proportion of available resources (e.g. plant and equipment) used in production</td>
<td>Proportion of the working age population that is employed or actively seeking work</td>
</tr>
<tr>
<td><strong>Labour productivity</strong></td>
<td>Unemployment rate</td>
</tr>
<tr>
<td>Sales value of output produced during the period divided by direct labour hours used in production</td>
<td>Number of persons without jobs who are available and seeking work divided by the number of persons in the total labour force</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td>Poverty rate</td>
</tr>
<tr>
<td>Revenue derived from the sale of goods or services</td>
<td>Number of persons or households with incomes below a specific minimum level divided by total population or households</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>Human Poverty Index (HPI)</td>
</tr>
<tr>
<td>Operating profit (sales minus cost of goods sold) and other income less total expenses</td>
<td>The HPI is a composite index introduced by the UNDP that takes three dimensions into account: life expectancy, illiteracy rate, and overall standard of living</td>
</tr>
<tr>
<td><strong>Employment</strong></td>
<td></td>
</tr>
<tr>
<td>Full- and part-time workers employed by companies or sole proprietorships as of a specific date or pay period – e.g. the week of March 12th</td>
<td></td>
</tr>
</tbody>
</table>

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74 Adapted from Oldsmann and Hallberg (undated): Framework for evaluating the Impact of small enterprise initiatives, World Bank, Washington D.C.

75 Adapted from Oldsmann and Hallberg (undated): pp.9-14

76 Ibid
## Monitoring & evaluation for value chain development

### Targeted Government Reforms

<table>
<thead>
<tr>
<th>Reporting requirements</th>
<th>Number of forms that small enterprises are required to file with government agencies and level of effort required to complete them</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory compliance costs</td>
<td>Costs incurred by small enterprises to comply with government regulations</td>
</tr>
<tr>
<td>Business fees</td>
<td>Fees paid by small enterprises for registrations, permits and licenses</td>
</tr>
<tr>
<td>Bribes</td>
<td>Fees paid by small enterprises to government officials</td>
</tr>
<tr>
<td>Import tariffs and quota levels</td>
<td>Tariff rate and quotas on imported goods</td>
</tr>
<tr>
<td>Tax burden</td>
<td>Effective tax rate for small enterprises after accounting for exemptions, deductions and credits</td>
</tr>
<tr>
<td>Business registrations</td>
<td>Number of enterprises (of a particular sector) registering their business</td>
</tr>
</tbody>
</table>

### Targeted BDS Providers and Market

<table>
<thead>
<tr>
<th>Sales</th>
<th>Revenues derived from the sale of services (particularly to small enterprises or other sub-targets)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit</td>
<td>Operating profit (sales minus costs of goods sold) and other income less total expenses</td>
</tr>
<tr>
<td>Employment</td>
<td>Full and part-time workers employed by companies or sole proprietorships as of a specific date or pay period – e.g. the week of March 12th</td>
</tr>
<tr>
<td>Number of sellers</td>
<td>Number of companies offering a specific service in the defined market</td>
</tr>
<tr>
<td>Number of buyers</td>
<td>Number of small enterprises that purchased a specific service</td>
</tr>
<tr>
<td>Willingness to pay</td>
<td>Maximum price at which individual consumers would still want to buy a particular service</td>
</tr>
<tr>
<td>Market price</td>
<td>The current price established in the usual and ordinary course of trade between buyers and sellers for the same service</td>
</tr>
<tr>
<td>Volume of services</td>
<td>Quantity (value) of services sold in a specific market. For every sale there is a purchase.</td>
</tr>
<tr>
<td>Lerner price</td>
<td>A measure of market power defined as the weighted average of each firm’s marginal with weights given by the firms’ market shares</td>
</tr>
<tr>
<td>Herfindahl Index</td>
<td>A measure of market concentration defined as the sum of market shares (squared) of each firm</td>
</tr>
</tbody>
</table>

### Targeted government reforms (contd.)

| Consumer’s surplus | Difference between the maximum prices that consumers are willing to pay and the actual price for all units purchased |
| Producer’s surplus | Difference between revenue received and the variable costs for each unit sold. Represents a contribution to fixed costs and producer profits |
| Total surplus | Sum of consumer's and producer's surplus |

---

7From Oldsmann and Hallberg (undated)
8Oldsmann and Halberg (undated): pp. 9-14
## Monitoring & evaluation for value chain development

<table>
<thead>
<tr>
<th><strong>Targeted Value Chains</strong></th>
<th><strong>General Decent Work Indexes</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level of cooperation/communication</strong></td>
<td>Freedom of association index</td>
</tr>
<tr>
<td>Extent to which businesses in the chain communicate with each other</td>
<td>Freedom to establish trade unions as well as the protection of this right of association comprising several sub-indicators (reported number of violations vis-à-vis trade union members/leaders, government interference, legal limitations)</td>
</tr>
<tr>
<td><strong>Order to delivery time</strong></td>
<td>Freedom from gender discrimination index</td>
</tr>
<tr>
<td>Total time a product needs to go through all value chain levels – e.g. from the farm to the consumer/market</td>
<td>Extent to which ILO conventions on gender are ratified: discrimination in employment and occupation, equal remuneration, maternity protection, night work, underground work, workers with family responsibilities, part time.</td>
</tr>
<tr>
<td><strong>Value chain governance</strong></td>
<td>Freedom from child labour index</td>
</tr>
<tr>
<td>Five types of governance: market-based, modular, relational, captive, hierarchical relationships</td>
<td>Looks at the extent to which ILO child labour conventions are violated, using a set of variables (violation by non-ratification, violation by lower minimum age)</td>
</tr>
<tr>
<td><strong>Waste/rejects (value) along the chain</strong></td>
<td>Forced Labour index</td>
</tr>
<tr>
<td>Total waste (value) caused by faulty handling and too many intermediaries along the chain (esp. important for perishable products)</td>
<td>Extent to which ILO conventions on forced labour are violated: slavery and abductions, compulsory participation in public works projects, coercive recruitment systems in agriculture and remote rural areas, certain forms of domestic work, bonded labour, forced conscription of both children and adults for non-military purposes, trafficking of labour under false pretences, certain types of prison labour and rehabilitation through work in prison.</td>
</tr>
<tr>
<td><strong>Number of links</strong></td>
<td></td>
</tr>
<tr>
<td>Number of businesses linked together in the value chain incl. intermediaries</td>
<td></td>
</tr>
<tr>
<td><strong>Number of market choices</strong></td>
<td></td>
</tr>
<tr>
<td>Number of buyers to which small enterprises can sell (or number of suppliers from which they can buy) – indication for type of VC governance</td>
<td></td>
</tr>
<tr>
<td><strong>Customer satisfaction (Star diagram)</strong></td>
<td></td>
</tr>
<tr>
<td>Proportion of buyers of products small enterprises that were satisfied with the quality of products (or other criteria)</td>
<td></td>
</tr>
</tbody>
</table>

*Cuyvers and Bulcke (2005). Although these indices might be difficult to calculate, the individual components (sub-indicators) orientation as to which indicators to look at (and how) in value chain initiatives focusing on one sector.*
## Monitoring & evaluation for value chain development

<table>
<thead>
<tr>
<th><strong>Targeted Social Dialogue</strong></th>
<th><strong>Other targeted Decent Work areas</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade Unions and membership</strong></td>
<td><strong>Occupational health and safety</strong></td>
</tr>
<tr>
<td><strong>No. of trade unions</strong></td>
<td>Labour inspectors</td>
</tr>
<tr>
<td>Number of trade unions within a country or responsible for a selected sector</td>
<td>Inspectors per 100,000 employees (or less) – cross-sector</td>
</tr>
<tr>
<td><strong>No. of trade union members</strong></td>
<td>Occupational injury insurance cover</td>
</tr>
<tr>
<td>Number of workers who are members of a trade union – e.g. country-wise or sector-wise</td>
<td>Percentage of employees covered by insurance</td>
</tr>
<tr>
<td><strong>Density of trade unions</strong></td>
<td>Excessive hours of work</td>
</tr>
<tr>
<td>Number of active members who are contributors in relation to total labour force</td>
<td>Percentage of employed who work more than agreed between employers and unions or the industries’ average working hours</td>
</tr>
<tr>
<td><strong>Collective bargaining</strong></td>
<td>Fatal injury rate</td>
</tr>
<tr>
<td>Ratio of employees actually covered by a collective agreement to the potential number who could be covered by the formal provision of bargaining rights (unadjusted rate)</td>
<td>Numbers of injuries per 100,000 employees (or less – depending on the size of the sector and target region)</td>
</tr>
<tr>
<td><strong>Collective bargaining coverage rates</strong></td>
<td>Gender</td>
</tr>
<tr>
<td>The level at which collective contracts are negotiated and formally set e.g. at N/S (National/ Sectoral level) and/or C (Company/plant level)</td>
<td>Occupational segregation by sex</td>
</tr>
<tr>
<td>Percentage of non-agricultural employment in male-dominated and female-dominated occupations and index of dissimilarity</td>
<td></td>
</tr>
<tr>
<td><strong>Collective bargaining level</strong></td>
<td>Female shares in management and administration</td>
</tr>
<tr>
<td>The extent to which pay negotiations are coordinated across the economy (five levels are distinguished)</td>
<td>Female share of employment in managerial and administrative occupations (as a proportion of female share of non-agricultural employment)</td>
</tr>
<tr>
<td><strong>Collective bargaining coordination</strong></td>
<td>Female share in non-agricultural wages</td>
</tr>
<tr>
<td>Strikes and lockouts</td>
<td>Percentage of women in non-agricultural wage employment</td>
</tr>
<tr>
<td><strong>No. of strikes or lockouts p.a.</strong></td>
<td>Wage-earning ratios</td>
</tr>
<tr>
<td>Number of strikes/lockouts during a year – e.g. sector-wise or country-wise</td>
<td>Female/male wage or earnings ratio in selected occupations</td>
</tr>
<tr>
<td><strong>No. of working days lost p.a.</strong></td>
<td>Employment rate</td>
</tr>
<tr>
<td>Number of days not worked as the result of strikes/lockouts per year (e.g. industry-wide)</td>
<td>Employment rate for women with children under compulsory school age (as a proportion of the rate of all women aged 20-40)</td>
</tr>
<tr>
<td><strong>No. of workers in strikes/lockouts p.a.</strong></td>
<td>Social protection</td>
</tr>
<tr>
<td>Number of workers involved directly and indirectly in strikes/lockouts per year (e.g. sector-wise)</td>
<td>Public security expenditure (e.g. separate figures for health services, old-age pensions etc. as a percentage of GDP)</td>
</tr>
<tr>
<td>Indices relating to Social Dialogue</td>
<td>Public expenditure for income support</td>
</tr>
<tr>
<td>FACB index</td>
<td>Public expenditure on needs-based cash income support (percentage of GDP)</td>
</tr>
<tr>
<td>The Freedom of Association and Collective Bargaining Index codes and assigns a numerical value to instances of violations based on the application of measures relating to freedom of association.</td>
<td>Average monthly pension</td>
</tr>
<tr>
<td>Voice representation security index</td>
<td>Average monthly pension (percentage of median/minimum earnings)</td>
</tr>
<tr>
<td>Measures the protection of collective voice in the labour market through independent trade unions and employer associations and other bodies (composed of 13 indicators)</td>
<td>Share of population receiving a pension</td>
</tr>
<tr>
<td>Industrial (collective) relations law index</td>
<td>Share of population over 65 years receiving a pension</td>
</tr>
<tr>
<td>Examines government regulations on industrial relations through 3 sub-indices: a) collective bargaining; b) workers’ participation in company management; and c) collective disputes (strikes and lockouts)</td>
<td>Contribution to pension funds</td>
</tr>
<tr>
<td>Cooperation in labour-employer relations indicator</td>
<td>Share of economically active population contributing to a pension fund</td>
</tr>
</tbody>
</table>

*Taken from Chataignier, Anne: 2005*
Measurability problem (II): Quantifying qualitative information such as preferences

There is no limit to indicators that could be chosen for a monitoring and evaluation system. The indicators mentioned in Box 4 above will often be hard to measure for local/rural economies or particular sectors – also given the lack of data and record-keeping of government agencies in developing countries.

Multiple choice questions, however, offer an easy way to quantify qualitative indicators such as the perceptions and preferences of the target group, as the following example shows:

<table>
<thead>
<tr>
<th>Question</th>
<th>No. of people that answered “yes”</th>
<th>No. of people that answered “no”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you feel that the government is aware of your needs?</td>
<td>6</td>
<td>14</td>
</tr>
</tbody>
</table>

Conclusion: “70 percent of the farmers interviewed said that they felt the government was not sufficiently aware of their needs”

This can then be entered as one indicator into Table 2 above, putting 70% into the baseline column and asking farmers the same question again after a certain period of implementation (monitoring outcomes, Section 2.2). Decent Work indicators in particular can be tested this way – e.g. “Do you perceive your working environment as comfortable?” These examples show that there is in fact no limit to indicators from which a project manager can choose – she/he just needs to choose them wisely.81

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81Further information on how to choose the right indicators, is also provided by The Springfield Centre, 2007.
**Step 3:**

**Data collection methods and scale**

Data collection methods and scale of survey (means of verification). Once the project manager and her/his team have decided which indicators to monitor, they also need to decide on which methods to use to collect the relevant data and information and on what scale this should be done. It is very important at this point that the manager bear in mind the resources that are available to him/her. He/she must also remember that these surveys need to be carried out periodically – e.g. every three months. Data and information collection for monitoring and evaluation therefore needs to fulfil three criteria; it needs to be:

**Baseline surveys: cost effective, simple and quick**

1. cost-effective,
2. simple, and
3. quick.

**Interviews:** in order to provide quantitative information, the project team will have to conduct several interviews and/or focus group discussions with the target group (so that a conclusion such as “3 out of 15 farmers (20 percent) said that...” can be made). Since the outcome of this survey will, however, also generate a lot of information on qualitative indicators, short question guidelines need to be prepared in order to ensure that all interviewees are asked the same questions. Interviews require that the project team carry out field visits, spending perhaps two to three days in the target region.

**Focus group discussions: using the VC steering group as a reference group for qualitative evaluation**

Focus group discussions are useful for gathering qualitative information; for example, for finding out more about the group dynamics and perceptions of the target group. Value chain steering groups, by the way, can also be a very useful means of verification: members can be periodically asked to assess the progress of interventions according to the indicators selected. The group thereby also acts as a control group.

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**Box 6.4: Focus Group Discussions**

A focus group is not a group interview where a moderator asks the group questions and participants individually provide answers. The focus group relies on group discussion and is especially successful where the participants are able to talk to each other about the topic of interest. This is important as it gives the participants the opportunity to agree or disagree with each other. It can provide insight into what a group thinks about an issue, the range of opinions and ideas, and the inconsistencies and variation that exist in a particular community in terms of beliefs, experiences and practices.
As mentioned before, keep it short and easy. It is not helpful to design long questionnaires that take time and resources to evaluate and will be difficult to repeat periodically. The project team needs to focus on a few chosen indicators (step 2) and ask questions that help to fill in the information into the M&E system (Table 2).

The method of data collection (means of verification) is entered into column 4 of Table 2 above. For example: “interviews with 15 randomly selected farmers every three months; semi-structured interview”; or “2 focus group discussions with selected farmers (control group) every 3 months”; or a combination of both...

**Step 4:**

**Conducting a baseline survey**

Bearing in mind the above, the findings of the baseline survey are then entered into the respective column of Table 2. An additional summary report can provide further details and is also a good source of information for the evaluators who will later be assessing the impact of a project.

6.2 Monitoring implementation

**Definition of monitoring: current routine assessment**

Monitoring is the routine collection and analysis of information to enable the assessment of a project’s progress in the course of implementation (i.e. it is current). Monitoring looks continuously at output as well as outcome indicators to enable informed decisions that keep the project “on track” in terms of output and outcome targets. A manager can make strategic corrections when he realizes that interventions are going the wrong way.

As a management tool, monitoring should focus on two sets of indicators: 1) see whether planned outputs are achieved, and 2) whether the implementation is strategically on track towards its development objectives (outcomes). Monitoring can therefore be structured along these lines, as described below.

---

6.2.1 Monitoring outputs and the implementation activities involved

Outputs are products, goods & services that an intervention produces

As mentioned in the introduction to this chapter, outputs are the products, goods and services which result from a development intervention. They are the services or products the project is responsible for delivering – together with other local and development partners. A project manager has to see that the activities which are needed to produce a specific output are carried out within a given framework (time and resources), and that they lead to the desired result – the output. This is what is meant by ‘monitoring outputs and their implementation activities’.

Monitoring outputs: what actually happened

Monitoring of outputs and activities is done continuously – i.e. as soon as a certain activity is carried out, it is entered into the M&E system. This is in fact like keeping a diary: tracking activities over a certain period of time until they lead to the desired result. This is particularly useful for the evaluation of a project later on, in that evaluators can then better understand what actually happened in order to implement interventions. The ILO BDS project in Zambia has designed a very simple format for this purpose, which is part of its M&E system:

Table 6.4: Continuous monitoring of activities and outcomes

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention</td>
<td>Output target (incl. start and end date)</td>
<td>Date</td>
<td>Persons/organizations involved</td>
<td>Brief description of activity</td>
<td>Report available</td>
<td>Results and next steps</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>intervention 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

How to use Table 6.4:

Although the table is fairly self-explanatory, here a short description of how to use it:

- ‘Intervention’ and ‘output target’ columns copied from intervention framework
- Intervention (column 1): the information for this can be copied from the intervention framework – see Table 1 in Section 1.1. Note that this does not refer to ‘Intervention Area’ or specific ‘Activities’.
- Output target (column 2): this can also be copied from the intervention framework, and describes the type of product that is expected as the result of several activities. Since projects often contract consultants or partner organizations, this column may also include information about the start and end date of such an assignment.
Using the monitoring table as a diary for activities
Once columns 1 and 2 have been filled out, activities are entered into the next columns and rows as they are implemented - i.e. continuously. As soon as one activity is completed, it is entered into the open space. This can be done either by the project manager him/herself, or by the team member responsible for the implementation of this particular intervention.

- **Date:** enter the date on which the activity took place.
- **Persons/organizations involved:** enter the persons involved in this particular activity and the names of their respective organizations; perhaps also indicate who was responsible for that activity.
- **Brief description of activity:** what was this activity about? For example: “Meeting with minister of livestock development to discuss…”
- **Report available:** if a meeting was important, most probably minutes have been taken; or a report on a conducted workshop is available; a survey document; etc. If further reports are available for a specific activity, it needs to be ensured that they are also filed systematically for later review.
- **Results and next steps:** what is the result of that particular activity? What decisions were taken at the meeting? What will happen next? Other conclusions? This column indicates whether the activities will eventually lead to the desired output.

Once the desired output has been achieved, the project manager (or team member) is given some space below to describe the output - i.e. what type of output (e.g. ‘a training manual and 5 training sessions’)? When was the output completed? From whom will it be available in future (or: who will be further responsible)?

Tracking activities helps to relate changes to specific activities (project ownership)
The combination of a diary (i.e. tracking of outputs and their activities) and the monitoring of outcome indicators (Section 1.3 and 2.2) gives the project a powerful tool that will enable it to relate changes more specifically to certain activities.

6.2.2 Monitoring outcomes (first signs of impact)
Definition of outcomes: short to medium-term effects of interventions
Outcomes have been described as the likely or achieved short and medium-term effects of an intervention’s outputs. Outcomes serve the achievement of the project’s long-term development objectives (impact), for example more jobs and higher incomes. ‘Monitoring these outcomes’ means keeping track of changes which are brought about by a certain intervention, and by doing so, being able later on to draw a line between intervention, outcome and impact.

Progress is monitored against baseline data
The basis for monitoring outcomes is set with the baseline survey, as described in Section 1.3. This means that the numerical variations in the previously selected indicators are recorded periodically (i.e. monthly, quarterly, half-yearly or annually) and are observed over the entire intervention period within the geographic boundaries of the target region. This shows how important it is to choose the right indicators from the beginning; they cannot be changed afterwards.
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To monitor the change of indicators compared to the baseline – or the previous period, the project team again will have to spend 2-3 days in the field collecting relevant information from the target stakeholders. The same questions are asked as in the previous period to see whether changes have taken place. The extent of the survey should be limited, selecting only a small sample from the target group within a certain area.

The findings of the monitoring survey are again entered by the project manager or a team member into one of the ‘period’ columns in Table 2 (Section 1.3) above. It is recommended that information be kept as brief as possible so as to maintain the overview nature of the format. Further and more detailed information on findings can be provided in a separate short survey report.

Box 6.6: Hypothetical example

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers awareness and use of new sources of technical information (Variation 1)</td>
<td>10%</td>
<td>12%</td>
<td>18%</td>
<td>35%</td>
<td>61%</td>
</tr>
<tr>
<td>Farmers awareness and use of new sources of technical information (Variation 2)</td>
<td>10%</td>
<td>11.5%</td>
<td>10.4%</td>
<td>10.8%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Farmers awareness and use of new sources of technical information (Variation 3)</td>
<td>10%</td>
<td>9.8%</td>
<td>9.2%</td>
<td>8.5%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Example: Using monitoring as a management tool

To illustrate the benefit of outcome monitoring, consider the example above: A project has developed a training and information package for local supply retailers who sell various inputs (fertilizers, seeds, pesticides, tools, machines, etc.) to farmers. The purpose is to improve the availability of the knowledge and information provided for farmers by delivering better input retailer customer services. The project is monitoring, whether farmers are now becoming aware of this new source of information (the indicator: awareness).

Outcome monitoring allows early learning and correction of mistakes

Three possible variations have been considered in the table above, which pose different strategic options to the project manager:

• Variation 1: awareness in this example is increasing almost exponentially. There is therefore no need for the manager to correct the direction of the intervention. It is successful.

83A question like “Are you aware of the new information services provided by local supply retailers?” could be asked – depending on where exactly the intervention took place. The percentage of “yes” answers is then entered into the table.
• **Variation 2**: after an implementation period of 6 months (‘July 2008’) there is still no progress to be seen. There can be various reasons – for example: a) the supply retailers are not implementing their new skills; b) there is no marketing or publicity for the new services; c) the contents of the training might not have met the target beneficiaries’ needs; etc. Whatever the reasons, the manager needs to find them out and take corrective measures.

• **Variation 3**: awareness is not only stagnating, but it is even declining. The reason could be that the intervention has lead to market distortions – e.g. it has driven other sources of information out of the market but has replaced them with an inadequate source. This requires immediate action by the project manager.

### 6.2.3 Sustainability check

**Assessing the sustainability of interventions**

Although there are many indicators for assessing whether an intervention has been sustainable or not, the ILO BDS project in Zambia has concluded that in fact only three really matter:

**Can others replicate the outputs?**

- Replication (technological and environmental factors): can other stakeholders use the outputs delivered by the project, or is access limited to only a few organizations? And can stakeholders further develop the outputs by themselves? In this context, a project manager should also think about whether his learning experiences with the intervention and outputs are available to other development partners and organizations - not only within his own region/country.

**Who is responsible? Who pays?**

- Local ownership (partner country priorities, level of participation, consideration of local institutional and cultural factors, and exit strategy): have local organizations and partners taken responsibility for an intervention? And will they continue after the project has expired? Has the project managed to keep out of the core business, or has it taken over market functions in the value chain?

**Sustainability check as part of a M&E system**

- Management, organization and financial sustainability: is the solution commercially viable or will stakeholders always depend on outside donors? Who exactly pays for the intervention? Have local resources been mobilized to ensure long-term sustainability?

*Table 2 (outcome monitoring, as shown in Section 1.3) of the M&E system developed by the BDS project includes some space that allows the project manager to assess the sustainability of an intervention by using the above criteria. Although they come at the end of the table, they are actually meant as guiding questions throughout the implementation of an intervention: who does it? Who is paying? Can others also make use of it? The space below the questions gives the manager an opportunity to provide some information for evaluators.*
6.3 Evaluating VC outcomes and impact

**Definition of evaluation: retrospective assessment of interventions**

Evaluation is the assessment of a project's performance conducted after a period of implementation (i.e., it is retrospective). The monitoring of outputs and outcomes supports the evaluation of a project and provides useful information for the evaluators. Evaluation often is not done by the project manager, but by an external organization (sometimes directly contracted by the donor or head office).

**Intervention reports: focus on immediate outcomes**

Evaluation can be done after a relatively short period of time (e.g., after one year) through small intervention reports. They therefore focus more on short to medium-term outcomes, rather than long-term impacts which often cannot be measured within the project's limited time frame and are usually dealt with in more detailed impact assessments (see Box 8 for further references). Intervention reports are ideally written by an external consultant but can also be done by a team member, who has the advantage that she/he does not need to gather background information on the project first.

The ILO Enter-Growth project in Sri Lanka adopted a very simple and easy-to-read format for intervention reports that it adapted from a multi-donor project in Bangladesh. The structure is standardized, which also makes it easier for local stakeholders to follow the project's activities (transparency!). The reports usually do not consist of more than eight pages—long study reports are read only by a small audience; short and easy-to-read reports also arouse a great deal of interest amongst local target stakeholders. Once finished—it takes about 2 to 3 weeks altogether—the reports are published on the project's website.

**Structure of intervention reports**

The structure of the intervention reports is simple, and you will notice that the M&E system described in this chapter already covers a lot of information required:

**Background**

1. **Background:** provides some basic information and data about the target-sector (e.g., significance regarding income and employment contribution); describes shortly why the sector has been selected; and gives a summary of the main problems.

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*IFAD has a good M&E guide that can also be applied to VCD projects to a large extent: [http://www.ifad.org/evaluation/guide/index.htm](http://www.ifad.org/evaluation/guide/index.htm)


*Developed by The Springfield Centre

*The Enter-Growth uses three ‘Pro-Poor growth’ criteria for selection: a) Is the sector pro-poor? b) Pro-poor growth potential, c) Intervention potential (resources, feasibility, objectives, etc.).
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Action and plan

2. **Project action and plan:** this chapter describes the project’s intervention strategy and how it got to this strategy; the projects’ approach towards the development issue can be mentioned; and a summary of proposals and interventions should be given.

Activities for implementation

3. **What actually happened:** This chapter is about the activities that have taken place to implement certain interventions. It should not only focus on the projects’ own activities, but also on what local stakeholders and partners have done as a result of the projects’ intervention. *Table 3 (Section 2.1)*, where the project manager has tracked all of the important outputs and their relevant activities, will provide useful information for this chapter.

Outcomes

4. **First signs of impact (outcomes):** the intervention report is written after a relatively short time. It is therefore unlikely that interventions have already achieved wider impact (e.g. more jobs and higher incomes). However, it should be possible to observe some outcomes that result from an intervention; these are described in this chapter. Information can be taken from *Table 2* – in addition, a local facilitator/consultant can also be asked to conduct a couple of interviews to gather more qualitative information.

Learning experiences

5. **Learning, conclusion and next steps:** what has the project learnt from this intervention? What will it do differently next time? What can it recommend to other development partners? What will happen next? The intervention report is supposed to be a *useful* document. It should therefore not only describe success stories, but also look at things that went wrong and that provide a useful lesson for future interventions.
6.4 Further reading

This chapter has described how monitoring and evaluation can be implemented in a simple and cost effective way that does not take up much of the project manager’s time. Readers who wish to further develop their knowledge, or who wish to obtain further details are recommended to look at the following literature:

**Further reading on indicators, monitoring, evaluation and impact assessment**

*Decent Work Country Programmes*: www.ilo.org/public/english/bureau/program/dwcp

- **DFID/SDC (2008)**: The M4P operational guide, available from www.m4pnetwork.org – see section 3E.
- **ILO (2006)**: Evaluation Guidance - Planning and managing project evaluations
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- **Springer-Heinze, Andreas (2007)**: ValueLinks Manual – The methodology of value chain promotion, German Technical Cooperation Agency (GTZ), first edition, Eschborn (Germany). Available from www.value-links.org – see especially the following modules:
  - Module 11: Monitoring and managing impact