FACTORS INFLUENCING EFFECTIVE MONITORING AND EVALUATION OF SMALL AND MEDIUM ENTERPRISE PROJECTS IN RACHUONYO DISTRICT

OUMA O DUNCAN

D53/PT/10649/2008

A PROJECT REPORT SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (PROJECT MANAGEMENT) OF KENYATTA UNIVERSITY

MAY 2010

Ouma, O. Duncan
Factors influencing effective monitoring
DECLARATION

I hereby declare that this is my original work and has not been presented in any university for examination purposes.

.................................................

18/5/2010

DUNCAN OUMA DATE

This report has been presented after my approval as university supervisor

.................................................

19/05/2010

JAMES OWUOR DATE
SUPERVISOR
ACKNOWLEDGEMENT

I express my sincere gratitude to all the people whose efforts have made this work a success. First and foremost to my dedicated supervisor Mr. James Owuor who was patient with me and guided me through the entire process.

I also wish to thank my fellow MBA candidates namely Jeremia Murumba and Joshua Onduu among others. May the almighty God bless the work of your hands abundantly.

To everybody else who participated in making this work a success, I may not be able to quote everybody but the almighty God knows what you did to enable me succeed.

May the Good Lord bless you all!!!!!!!
DEDICATION

This work is dedicated first and foremost to my entire family led by my beloved wife Catherine Ouma. Secondly to my children Angela, Levert, Robert and Destine for the sacrifices when I had to be away from home during my studies.

More dedication to my beloved mother Margaret Ouma for sacrificing all she had to ensure I got quality education. Finally to all my brothers and sisters for all the well wishes. May you achieve even more and remember hard work pays all the time.

God Bless you all.
In recent years, the government has put a lot of emphasis on rural development. One of the strategies for doing this is through the use of funds to SMEs to finance various projects. However, any project-based organization must follow the set principles of project management that ensure successful achievement of project objectives. This study aimed at examining the factors influencing the effective monitoring and evaluation of projects initiated by small and medium enterprises in Rachuonyo District.

This paper is divided into three chapters. Chapter one provides the background of the study and spells out the underlying problem motivating the study and the study objectives, which included among others, to analyze the extent to which background training of key project officers affects M&E effectiveness and to investigate the effect of original project designs on the subsequent M&E exercise. Chapter two then presents a comprehensive coverage of the literature that was used to develop the paper. Finally, chapter three presents the research methodology in which the various techniques of data collection and data analysis (that is, frequency and percentage distributions) were used.

Results showed that M&E officers are crucial in the achievement of organizational goals, and that their training, knowledge and skills are also important. However, in many businesses in Rachuonyo, trained expertise in this area are lacking, even though on the ground many of the M&E activities can be seen being played by informal personnel who happen to have experience in the M&E areas. In addition, stakeholders were also seen helping in the evaluation and monitoring activities. Recommendations were made along the following issues to improve M&E effectiveness:

- The need for training for M&E officers
- To make slots for qualified M&E personnel in business organization
- To conduct workshops, seminars and conferences on the significance of M&E activities in organizations
- To increase networking and collaboration between organizations and stakeholders so as to improve M&E activities in organizations
- Stakeholders to actively support M&E activities in organizations
OPERATIONALIZATION OF KEY TERMINOLOGY

Activity or task is the smallest unit of work effort within the project and consumes both time and resources which are under the control of the project manager. A project is a sequence of activities that has a definite start and finish, an identifiable goal and an integrated system of complex but interdependent relationships.

Adaptive Management: to help people obtain the information they need to manage their projects, programs, or organizations more effectively and efficiently. The ultimate goal of adaptive management is to adapt and learn in order to improve an ongoing project or intervention.

Evaluation can be defined as an examination as systematic and objective as possible of an ongoing or completed project or programme, its design, implementation and results, with the aim of determining its efficiency, effectiveness, impact, sustainability and relevance

Impact Assessment: to help people determine how well a project or intervention performed.

Monitoring is the regular collection and analysis of information for the surveillance of the project implementation

Project is an interrelated set of activities that has a definite starting and ending point and results in the accomplishment of a unique, often major outcome. "Project management" is, therefore, the planning and control of events that, together, comprise the project. Project management aims to ensure the effective use of resources and delivery of the project objectives on time and within cost constraints.
Project management is the adept use of techniques and skills (hard and soft) in planning and controlling tasks and resources needed for the project, from both inside and outside of organisation, to achieve results.

Schedule allocates resources to accomplish the activities within a timeframe. The schedule sets priorities, start times and finish times.
### LIST OF ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDC</td>
<td>Center for Disease Control</td>
</tr>
<tr>
<td>CDF</td>
<td>Constituency Development Fund</td>
</tr>
<tr>
<td>CPM</td>
<td>Critical Path Method</td>
</tr>
<tr>
<td>DE</td>
<td>Design Effectiveness</td>
</tr>
<tr>
<td>IFAD</td>
<td>International Fund for Agriculture and Development</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>OE</td>
<td>Operating effectiveness</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Development</td>
</tr>
<tr>
<td>PERT</td>
<td>Program Evaluation and Review Technique</td>
</tr>
<tr>
<td>PRA</td>
<td>Participatory Rural Appraisal</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>Table 1</td>
<td>Total Number of SMEs and Their Employment..............................</td>
</tr>
<tr>
<td>Table 2</td>
<td>Percentage Distribution of SME sizes...............................................</td>
</tr>
<tr>
<td>Table 3</td>
<td>Distribution of Persons engaged in SME Sector Activities by Industry ('000s) ..................................................</td>
</tr>
<tr>
<td>Table 4</td>
<td>Contribution of SMEs to Employment Creation and GDP.......</td>
</tr>
<tr>
<td>Table 5</td>
<td>Various types of evaluation and when they are performed ......</td>
</tr>
</tbody>
</table>
**LIST OF FIGURES**

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 2.1</td>
<td>Framework for project monitoring and evaluation</td>
<td>44</td>
</tr>
<tr>
<td>Figure 2.2</td>
<td>Conceptual framework</td>
<td>46</td>
</tr>
<tr>
<td>Figure 4.1</td>
<td>Respondents gender distribution and business type</td>
<td>49</td>
</tr>
<tr>
<td>Figure 4.2</td>
<td>Duration of business</td>
<td>50</td>
</tr>
<tr>
<td>Figure 4.3</td>
<td>Distribution of respondents based on existence of internal evaluation officer</td>
<td>51</td>
</tr>
<tr>
<td>Figure 4.4</td>
<td>Qualities of evaluation officers</td>
<td>52</td>
</tr>
<tr>
<td>Figure 4.5</td>
<td>Evaluation indicators</td>
<td>53</td>
</tr>
<tr>
<td>Figure 4.6</td>
<td>Qualities of effective monitoring and evaluation exercise</td>
<td>54</td>
</tr>
<tr>
<td>Figure 4.7</td>
<td>Monitoring and evaluation practices</td>
<td>56</td>
</tr>
<tr>
<td>Figure 4.8</td>
<td>Roles played by stakeholders</td>
<td>57</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS

Declaration (i)
Declaration (ii)
Dedication (iii)
Abstract (iv)
Operationalization of key Terminology (v)
List of Acronyms (vii)
List of Tables (viii)
List of Figures (ix)
Table of Contents (x)

Chapter One: Introduction..................................................................... 1
1.1 Background of the study................................................................. 1
1.2 Statement of the problem............................................................... 12
1.3 Objectives of the study................................................................. 13
1.4 Research questions......................................................................... 14
1.5 Significance of the study............................................................... 14
1.6 Scope of the study........................................................................... 15
1.7 Assumptions of the study............................................................... 15
1.8 Limitations of the study................................................................. 16

Chapter Two: Literature Review............................................................ 17
2.1 Introduction..................................................................................... 17
2.2 Concept of Project Management..................................................... 17
2.2.1 Basic concepts in Project Management......................................... 18
2.2.2 Attributes of Successful Project Management............................ 19
2.2.3 Features of Projects.................................................................... 21
2.3 Aspects of Project M&E................................................................. 22
2.3.1 Creating Evaluation Effectiveness............................................... 23
2.3.2 Guidelines for Effective Evaluations............................................. 31
CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Throughout the world, governments are attempting to address the demands and pressures for improving the lives of their citizens. Internal and external pressures on governments and organizations within them are causing them to seek new ways of public management. Improvements may include greater accountability and transparency and enhanced effectiveness of their interventions.

In recent years, the Kenya Government in trying to respond to such pressures, has realized the importance of the SME sector in economic development of the country. Consequently, a lot of funds have been set aside for various projects if only to encourage the citizens to get involved in large numbers in the sector. The various forms of support have included the Youth Fund and the Women Fund. These groups have been encouraged to start business enterprises while those already in business have been also encouraged to expand and even start new lines of business. Most of these new businesses have been started as projects.

Small and Medium Enterprises in Kenya

The Sessional Paper No. 2 of 2005 defines the Small and Medium Enterprises (SMEs), which it refers to as Micro and Small Enterprises (MSEs) as all enterprises, both farming and non-farming, employing less than 50 persons. The annual economic surveys refer to the SME sector as the "informal" sector. The last SME baseline survey was carried out in
Kenya in 1999. There are about 1.3 million micro and small enterprises in Kenya employing some 2.4 million people. Almost two-thirds of all SMEs are located in the rural areas. About 17% are found in Nairobi and Mombasa. Table 4 shows the location of these enterprises in the different strata to which the country has been divided. Nairobi and Mombasa account for 9.7% of the national population. Out of the total 1,289,012 SMEs in the country, Nairobi and Mombasa account for 204,280 of them; this is 15.8%. Compared to their population, Nairobi and Mombasa have a relatively high number of SMEs. Likewise, the rural areas contain over 80% of the total population and 65.6% of the SMEs. Thus, compared with the other strata, the major urban areas have a higher density of SMEs per given population. The average number of people working in each enterprise is 1.8. In Nairobi and Mombasa, the average is 2.0, and in the rural towns, it is 1.6 (National MSE Baseline Survey, 1999).

Table 1: Total Number of SMEs and Their Employment

<table>
<thead>
<tr>
<th>Stratum</th>
<th>% of national population</th>
<th>Number of SMEs</th>
<th>Workers</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>%</td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nairobi and Mombasa</td>
<td>9.7</td>
<td>204,280</td>
<td>15.8</td>
<td>394,838</td>
</tr>
<tr>
<td>Other major towns</td>
<td>6.2</td>
<td>157,533</td>
<td>12.2</td>
<td>279,133</td>
</tr>
<tr>
<td>Rural towns</td>
<td>2.1</td>
<td>81,320</td>
<td>6.3</td>
<td>135,349</td>
</tr>
<tr>
<td>Rural areas</td>
<td>82.0</td>
<td>845,879</td>
<td>65.6</td>
<td>1,551,930</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>1,289,012</td>
<td>100.0</td>
<td>2,361,250</td>
</tr>
</tbody>
</table>

Source: National SME Baseline Survey 1999 (CBS, K-Rep, ICEG)
Table 5 shows the percentage distribution of SMEs of different employment sizes.

Nationally, about 70% of the SMEs are one person units, whether in the major urban towns or in the rural areas. The size distribution of SMEs among the different strata is very similar, except for rural SMEs in the 6-10 size group which is a higher proportion than the other strata. As already indicated, the average size of SMEs is about 1.8 regular employees. However, there are no SMEs in the size ranges above 15 people either in the small towns or in rural areas. Similarly, all the enterprises that employ more than 25 people are found in Nairobi and Mombasa (NSMEBS, 1999).

Although a new baseline study is long overdue, comparing results of earlier baseline surveys from 1993 and 1995 with the baseline study of 1999 shows that the sector had experienced growth.

Table 2: Percentage Distribution of SME sizes

<table>
<thead>
<tr>
<th>Size</th>
<th>Nairobi &amp; Mombasa</th>
<th>Other major towns</th>
<th>Rural towns</th>
<th>Rural towns</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>68.6</td>
<td>73.5</td>
<td>74.4</td>
<td>69.5</td>
<td>70.1</td>
</tr>
<tr>
<td>2</td>
<td>16.9</td>
<td>14.1</td>
<td>18.5</td>
<td>18.8</td>
<td>17.9</td>
</tr>
<tr>
<td>3-5</td>
<td>11.5</td>
<td>9.3</td>
<td>5.0</td>
<td>8.2</td>
<td>8.7</td>
</tr>
<tr>
<td>6-10</td>
<td>1.4</td>
<td>1.9</td>
<td>1.7</td>
<td>3.1</td>
<td>2.6</td>
</tr>
<tr>
<td>11-15</td>
<td>0.9</td>
<td>0.8</td>
<td>0.4</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>16-25</td>
<td>0.3</td>
<td>0.4</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td>26-50</td>
<td>0.4</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: National SME Baseline Survey 1999 (CBS, K-Rep, ICEG)
The distribution of persons engaged in SME sector activities by industry is given in Table 6 for 2000 to 2004. The wholesale and retail trade, hotels and restaurants industries accounted for the largest number of jobs, comprising about 58% of the total jobs. The manufacturing industry is second, accounting for an average of 22% of the total jobs in this sector. The two accounted for an average of about 80% of the jobs generated in the sector over the years (NSMEBS, 1999).

**Table 3: Distribution of Persons engaged in SME Sector Activities by Industry ('000s)**

<table>
<thead>
<tr>
<th>Activity</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>943.2</td>
<td>1039.4</td>
<td>1119.5</td>
<td>1196.4</td>
<td>1276.3</td>
</tr>
<tr>
<td>Construction</td>
<td>134.5</td>
<td>140.8</td>
<td>150.0</td>
<td>158.5</td>
<td>168.1</td>
</tr>
<tr>
<td>Wholesale &amp; Retail and</td>
<td>2428.5</td>
<td>2716.3</td>
<td>2982.5</td>
<td>3248.6</td>
<td>3515.9</td>
</tr>
<tr>
<td>Hotels &amp; Restaurants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport and Communications</td>
<td>121.8</td>
<td>136.8</td>
<td>150.6</td>
<td>164.6</td>
<td>180.6</td>
</tr>
<tr>
<td>Community, Social and Personal</td>
<td>373.1</td>
<td>422.1</td>
<td>467.3</td>
<td>513.2</td>
<td>558.5</td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>190.0</td>
<td>211.9</td>
<td>231.7</td>
<td>251.3</td>
<td>271.2</td>
</tr>
<tr>
<td>Total</td>
<td>4191.1</td>
<td>4667.3</td>
<td>5101.6</td>
<td>5532.7</td>
<td>5970.6</td>
</tr>
</tbody>
</table>

Source: Economic Survey 2005

The contribution of SMEs to both employment creation and to GDP is shown in Table 7. It shows that the SME sector has consistently contributed over 400,000 annually and contributes over 70% of the total employment in Kenya (with the last two years being over 75%). Although most figures are not available, the SME sector has a significant contribution to GDP (18.4% in 2002) (RIA, 2006).
According to the Sessional Paper No. 2 of 2005, the overall goal of the Kenya SME policy framework is to develop a vibrant SME sector capable of promoting the creation of durable, decent and productive employment opportunities, stimulating economic growth, reducing economic disparities, strengthening linkages between firms, diversifying the domestic production structure and industrial base, leveling the playing field between SMEs and the larger enterprises, improving the SME sector funding and enhancing institutional collaboration and coordination of interventions in the sector (RIA, 2006).

**Table 4: Contribution of SMEs to Employment Creation and GDP**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Jobs created by SMEs annually</th>
<th>% of total persons engaged in employment</th>
<th>Contribution of SME sector to GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>412,100</td>
<td>70.4%</td>
<td>Not available</td>
</tr>
<tr>
<td>2001</td>
<td>473,500</td>
<td>72.8%</td>
<td>Not available</td>
</tr>
<tr>
<td>2002</td>
<td>434,300</td>
<td>74.2%</td>
<td>18.4%</td>
</tr>
<tr>
<td>2003</td>
<td>431,100</td>
<td>75.5%</td>
<td>Not available</td>
</tr>
<tr>
<td>2004</td>
<td>437,900</td>
<td>76.5%</td>
<td>Not available</td>
</tr>
</tbody>
</table>


**Monitoring:** This type of evaluation is performed while a project is being implemented, with the aim of improving the project design and functioning while in action. An example given in the World Bank Technical Paper, Monitoring and Evaluating Urban Development Programs, A Handbook for Program Managers and Researchers by Michael Bamberger, describes a monitoring study that, by way of rapid survey, was able to determine that the amount of credit in a micro credit scheme for artisans in Brazil was too
small. The potential beneficiaries were not participating due to the inadequacy of the loan size for their needs. This information was then used to make some important changes in the project. Bamberger defines it as: “an internal project activity designed to provide constant feedback on the progress of a project, the problems it is facing, and the efficiency with which it is being implemented” (Bamberger 1)

**Evaluation:** An evaluation studies the outcome of a project (changes in income, housing quality, benefits distribution, cost-effectiveness, etc.) with the aim of informing the design of future projects. An example from Monitoring and Evaluating Urban Development Programs, A Handbook for Program Managers and Researchers describes an evaluation of a cooperative program in El Salvador that determined that the cooperatives improved the lives of the few families involved but did not have a major impact on overall employment. Bamberger describes evaluation as “mainly used to help in the selection and design of future projects. Evaluation studies can assess the extent to which the project produced the intended impacts (increases in income, better housing quality, etc.) and the distribution of the benefits between different groups, and can evaluate the cost-effectiveness of the project as compared with other options” (Bamberger 1).

Monitoring and evaluation need not be expensive or complicated, nor do they require specialists or grand calculations. The complexity and extent of the studies can be adapted to fit the program needs. The job of the project manager in this process is to point out those areas in need of monitoring or evaluation. If this is left to the researchers, the
studies may tend to be too academic and not as useful to project management. Evaluation and monitoring systems can be an effective way to:

**Provide constant feedback** on the extent to which the projects are achieving their goals.

**Identify potential problems** at an early stage and propose possible solutions.

**Monitor the accessibility of the project** to all sectors of the target population.

**Monitor the efficiency** with which the different components of the project are being implemented and suggest improvements.

**Evaluate the extent to which the project is able to achieve its general objectives.**

**Provide guidelines** for the planning of future projects (Bamberger 4).

**Influence sector assistance strategy.** Relevant analysis from project and policy evaluation can highlight the outcomes of previous interventions, and the strengths and weaknesses of their implementation.

**Improve project design.** Use of project design tools such as the logframe (logical framework) results in systematic selection of indicators for monitoring project performance. The process of selecting indicators for monitoring is a test of the soundness of project objectives and can lead to improvements in project design.

**Incorporate views of stakeholders.** Awareness is growing that participation by project beneficiaries in design and implementation brings greater "ownership" of project objectives and encourages the sustainability of project benefits. Ownership brings
accountability. Objectives should be set and indicators selected in consultation with stakeholders, so that objectives and targets are jointly "owned". The emergence of recorded benefits early on helps reinforce ownership, and early warning of emerging problems allows action to be taken before costs rise.

**Show need for mid-course corrections.** A reliable flow of information during implementation enables managers to keep track of progress and adjust operations to take account of experience (OED).

Horst (2005) pointed out that monitoring and evaluation is a management tool that has been developed to help track progress and demonstrate the impact of projects, programs and policies. Imas and Rist (2009) observe that an effective M&E system can provide crucial information about organizational performance. Such a system can help policy makers, decision makers (managers) and other stakeholders answer the fundamental questions of whether promises were kept and outcomes achieved.

According to Imas and Rist (2009), any successful project must have all components to be effective, including all M&E practices to be carried out. They further observe that for M&E to be effective, it must demonstrate some basic characteristics of the whole exercise.

Evaluation has been defined as the systematic application of scientific methods to assess the design, implementation, improvement or outcomes of a project (Rossi & Freeman, 1993; Short, Hennessy, & Campbell, 1996). The term "project" may include any
organized action such as media campaigns, service provision, educational services, public policies, research projects, etc. (CDC, 1999).

M&E has become the means by which improvements – or lack of improvements – can be demonstrated. An effective M&E system can be very useful as a management and motivational tool. It helps focus attention on achieving outcomes that are important to the organization and its stakeholders, and can provide impetus for establishing key goals and objectives that address these outcomes (World Bank, 2008). Furthermore, an effective M&E system is also an essential source of information for streamlining and improving interventions to maximize the likelihood of success. It can help identify promising projects early on so that they can potentially be implemented elsewhere.

Project evaluations require funding, time and technical skills: requirements that are often perceived as diverting limited project resources from clients. Project staffs are often concerned that evaluation activities will inhibit timely accessibility to services or compromise the safety of clients. Evaluation can necessitate alliances between historically separate community groups (e.g. academia, advocacy groups, service providers; Short, Hennessy, & Campbell, 1996). Mutual misperceptions regarding the goals and process of evaluation can result in adverse attitudes (CDC, 1999; Chalk & King, 1998).

According to Baker (2000), many Governments, institutions, and project managers are reluctant to carry out effectiveness evaluations because they are deemed to be expensive, time consuming, technically complex, and because the findings can be politically sensitive, particularly if they are negative. Many evaluations have also been criticized
because the results come too late, do not answer the right questions, or were not carried out with sufficient analytical rigor. A further constraint is often the limited availability and quality of data. Yet with proper and early planning, the support of policy makers, and a relatively small investment compared to overall project cost, a rigorous evaluation can be very powerful in assessing the appropriateness and effectiveness of programs. Evaluating effectiveness is particularly critical in developing countries where resources are scarce and every coin spent should aim to maximize its’ impact on poverty reduction. If projects are poorly designed, do not reach their intended beneficiaries, or are wasteful, with the right information they can be redesigned, improved, or eliminated if deemed necessary. The knowledge gained from impact evaluation studies will also provide critical input to the appropriate design of future programs and projects.

According to IFAD (2000), M&E is most effective when it involves stakeholders in a creative process of learning how to improve projects on a continual basis. It adds that since project design is an ongoing process throughout the life of the project, managers and implementing partners must understand the principles of good design to be able to adapt project strategy and operations in response to changing circumstances and lessons of implementation experience, and thereby carry out effective monitoring and evaluation exercise.

Monitoring involves the continuous measurement of progress toward achieving an outcome or results. These outcomes cannot be measured directly; however, they must first be translated into a set of indicators, that when regularly measured, provide information about whether or not the outcomes are being achieved (OECD, p.29)
Despite the billions of dollars spent on development projects each year, there is still very little known about the actual effectiveness of projects on the SMEs (Baker, 2000). There is broad evidence on the benefits of economic growth, investments in human capital, and the provision of safety nets for the poor. But for a specific program or project in the country, is the intervention producing the intended benefits and what is the overall impact on the SME sub-sector? Could the program or project be better designed to achieve the intended outcomes? Are resources being spent efficiently? These are the types of questions that can only be answered through an impact evaluation, an approach which measures the outcomes of a program intervention in isolation of other possible factors.

Evaluation of effectiveness involves measuring the extent to which targets are being met, and detecting the factors that hinder or facilitate their realization. It also involves establishing cause-effect relationships about the extent to which a particular policy (or a set of policies) produces the desired outcome.

Gubbels and Koss (2000) insist that an organization should periodically evaluate the effectiveness of the program to prevent, detect and appropriately respond to noncompliance. They observe that periodic evaluations provide an in-depth analysis of the program's design effectiveness (DE) and operating effectiveness (OE), as well as an opportunity to consider new best practices, technologies or other tools developed since the program was designed. It involves two major principles. In the first place, evaluate whether the program design is adequate to address all identified boundaries and risks, and
secondly, Evaluate whether the program is operating as designed. They should also perform design effectiveness evaluations to ensure that program elements are appropriately designed to achieve the program objectives. An effective evaluation of any program begins with an assessment of the design of the program elements. If the program elements are not designed to effectively achieve the related objectives, the entity will gain little benefit by testing the effectiveness of their operation.

Evaluations of operating effectiveness need to be performed to ensure that project elements are operating as designed (Coelli et. al 2003). Accordingly, an organization should evaluate whether program elements are operating (within defined tolerances) as management designed. Assessing program operation helps management understand the degree of correspondence between the program design and the actual performance of responses, controls and monitoring activities.

1.2 Statement of the Problem

Many SMEs have received funding to finance various SME projects which qualify for funding. Such funds when well utilized could go a long way in improving the living standards of the entrepreneurs; contribute to job creation and increases wealth, besides other potential benefits. It is important that such projects be successful to contribute towards attainment of these benefits. However, for projects to be successful, they need also to have undergone effective monitoring and evaluation (Imas and Rist, 2009). This is an exercise which is very technical and requires that whoever carries it out have prescribed minimum exposure in terms of training and actual experience.
The output of evaluation can be affected by a number of factors like project preparation, inputs, implementation methods, technical, financial and economic analysis and monitoring. SME projects in Rachuonyo District, especially being far removed from major towns where most training opportunities in project management may be carried out and many of whom may not even be aware of the existence of such a practice of M&E, face various challenges in carrying out effective evaluation of their projects, if at all. This study will therefore be concerned with identification and analysis of the factors that have influenced the effectiveness of the monitoring and evaluation of SME projects in Rachuonyo District.

1.3 Objectives of the study

1.3.1 Major Objective

The overall purpose of this study was to analyze the factors that influence the monitoring and evaluation effectiveness of SME projects in Rachuonyo District.

1.3.2 Specific Objectives

The above general objective was sub-divided into the following specific objectives:

(i) To determine the effect of project management training of key project officers on M&E effectiveness;

(ii) To find the effect of original project design on the subsequent M&E exercise;

(iii) To identify the specific M&E practices that are implemented in SME projects;

(iv) To determine the role of project stakeholders in M&E effectiveness.
1.4 Research Questions

Accordingly, the following research questions guided the attempt to achieve the above research objectives:

1. What is the relationship between background training of key project officers on the effectiveness of Monitoring and Evaluation of the project?

2. What is the effect of the original project design on the effectiveness of M&E exercise?

3. What are the specific M&E practices that are actually being implemented in M&E projects?

4. Do project stakeholders have a role to play in achieving effectiveness in the M&E of a project?

1.5 Significance of the Study

The finding of the study are likely to create a positive impact of immense benefits to the SMEs owners and the overall management and implementation of the policies.

It also follows that the effectiveness of the current monitoring and evaluation strategies used by the SMEs will naturally be brought to the surface for all the stakeholders to see.

The challenges faced by the monitoring and evaluation officers are probably going to be identified with a view to increasing the effective of the monitoring and evaluation systems of SMEs.
The reception and acceptance level of the SMEs projects staff to embrace the evaluation strategies will be determined hence, the evaluation officers can try to inculcate acceptance.

1.6 Scope of the Study

The study was meant to cover a sample size of the SMEs in the larger Rachuonyo District in Nyanza Province of Kenya. The study included most of the issues related to the effectiveness of monitoring and evaluation tools and techniques which have been and can further be used to promote success of the SMEs. The expertise and individual skills of the staff was studied together with the evaluation policies, technology, technical know-how, impact assessment, change management and team building.

1.7 Assumptions of the Study

The study was grounded on the assumptions:

That the selected SMEs were facing similar challenges in regard to the application of monitoring and evaluation techniques.

That there was very little or none political and external interferences from other quarters to assist the projects.

It is also assumed that all the SMEs were enjoying the same kind of treatment and incentives from the government and other agencies.
1.8 Limitations of the Study

Because of limitations of funding, this study was not extended a larger geographical span. Also being an MBA research, this study operated within strictly defined timeframe. Furthermore, the area covered was relatively wide and timeframe being narrow; the researcher hired the assistance of research assistants, who may not have been well-versed with researches of this nature. This researcher therefore adequately train and brief the assistants before being dispatched to the field. In the case of interviews carried out, the researcher handled these personally so that the assistants’ lack of skill did not interfere with the data collection from such a source.
2.1 Introduction

This chapter presents some theoretical basis of the subject under discussion. It begins by looking at the broad concept of project management, and then follows with the theoretical analysis of the concept of project M&E, which is part of the phases of project management. The analysis then presents the arguments concerning the effectiveness of M&E practices in general. Finally, a conclusion will be made by giving a summary of some of the lessons learnt and gaps identified, if any.

2.2 The Concept of Project Management

All business entities have been involved in some projects, whether they be personal projects or in general business and industry. According to Baker (2000), a project is any sort of planned undertaking. Projects can be of any size and duration. They can be simple, like planning a party, or complex like launching a space shuttle. Generally projects are made up of: a defined beginning; multiple activities which are performed to a plan; and a defined end. Therefore a project may be defined as a means of moving from a problem to a solution via a series of planned activities.

Hamilton (2004) presents two essential features present in every project no matter how simple or complicated they are. In the first place, all projects must be planned out in advance if they are to be successfully executed. Secondly, the execution of the project must be controlled to ensure that the desired results are achieved.
On most projects it is possible to carry out multiple activities simultaneously. Usually it is possible to perform several activities at the same time, however there will be activities which cannot begin until a preceding activity has been completed. Such relationships are referred to as dependencies or precedencies, and when planning a project it is important to establish the order of precedence of dependent activities, and to establish those activities which can be performed in parallel with other activities.

Regardless of the nature or size of the project a successful outcome can only be achieved by using sound project management techniques. The most widely used and popular methods of project management are Gantt Charts, Critical Path Method (CPM) and Programme Evaluation and Review Technique (PERT). However, it is important to remember that projects are carried out by people, and the human aspects of project management are critical for the project success.

2.2.1 Basic concepts in Project Management

A project is an interrelated set of activities that has a definite starting and ending point and results in the accomplishment of a unique, often major outcome. "Project management" is, therefore, the planning and control of events that, together, comprise the project. Project management aims to ensure the effective use of resources and delivery of the project objectives on time and within cost constraints.

An activity or task is the smallest unit of work effort within the project and consumes both time and resources which are under the control of the project manager. A project is a
sequence of activities that has a definite start and finish, an identifiable goal and an integrated system of complex but interdependent relationships. A schedule allocates resources to accomplish the activities within a timeframe. The schedule sets priorities, start times and finish times.

**Project management** is the adept use of techniques and skills (hard and soft) in planning and controlling tasks and resources needed for the project, from both inside and outside of organisation, to achieve results.

The purpose of project management is to achieve successful project completion with the resources available. A successful project is one which: has been finished on time; is within its cost budget; performs to a technical/performance standard which satisfies the end user.

### 2.2.2 The Attributes of Successful Project Management

The effectiveness of project management is critical in assuring the success of any substantial undertaking. Areas of responsibility for the project manager include planning, control and implementation. A project should be initiated with a feasibility study, where a clear definition of the goals and ultimate benefits need to be established. Senior managers' support for projects is important so as to ensure authority and direction throughout the project's progress and, also to ensure that the goals of the organization are effectively achieved within this process. The particular form of support given can influence the degree of resistance the project encounters (Phillips, 2003).
Knowledge, skills, goals and personalities are all factors that need to be considered within project management. The project manager and his/her team should collectively possess the necessary and requisite interpersonal and technical skills to facilitate control over the various activities within the project.

The stages of implementation must be articulated at the project planning phase. Disaggregating the stages at its early point assists in the successful development of the project by providing a number of milestones that need to be accomplished for completion. In addition to planning, the control of the evolving project is also prerequisite to success. Control requires adequate monitoring and feedback mechanisms by which senior and project managers can compare progress against initial projections at each stage of the project. Monitoring and feedback also enables the project manager to anticipate problems (e.g.: the knock-on effects of late start or finish times) and therefore take pre-emptive corrective measures for the benefit of the project overall.

Projects normally involve the introduction of a new system of some kind and, in almost all cases, new methods and ways of doing things. This impacts upon the work of others: the "users". User consultation is an important factor in the success of projects and, indeed, the degree of user involvement can influence the extent of support for the project or its implementation plan. A essential quality of the project manager is that of being a good communicator, not just within the project team itself, but with the rest of the organization and outside bodies as well (the users may be internal or external).
2.2.3 Features of projects

Projects are often carried out by a team of people who have been assembled for that specific purpose. The activities of this team may be coordinated by a project manager.

Project teams may consist of people from different backgrounds and different parts of the organization. In some cases project teams may consist of people from different organizations. Project teams may be inter-disciplinary groups and are likely to lie outside the normal organization hierarchies.

The project team will be responsible for delivery of the project end product to some sponsor within or outside the organization. The full benefit of any project will not become available until the project as been completed.

In recent years more and more activities have been tackled on a project basis. Project teams and a project management approach have become common in most organisations. The basic approaches to project management remain the same regardless of the type of project being considered. Projects may be categorized into a number of major classifications as follows:

Engineering and construction: The projects are concerned with producing a clear physical output, such as roads, bridges or buildings. The requirements of a project team are well defined in terms of skills and background, as are the main procedures that have to be undergone. Most of the problems which may confront the project team are likely to have occurred before and therefore their solution may be based upon past experiences.
Introduction of new systems: These projects would include computerization projects and the introduction of new systems and procedures including financial systems. The nature and constitution of a project team may vary with the subject of the project, as different skills may be required and different end-users may be involved. Major projects involving a systems analysis approach may incorporate clearly defined procedures within an organization.

Responding to deadlines and change: An example of responding to a deadline is the preparation of an annual report by a specified date. An increasing number of projects are concerned with designing organizational or environmental changes, involving developing new products and services.

2.3 Aspects of Project Monitoring and Evaluation

What is Monitoring and Evaluation?

In general terms monitoring and evaluation refers to systems for programme and project managers to verify whether project activities are happening as planned, whether the objectives and intended outcomes are being achieved, and whether resources are being used in a correct and efficient manner. Monitoring and evaluation involves the periodic collection and assessment of data about a specific project, program, or organization. People undertake evaluations for a number of reasons, including: to expand the knowledge base (basic research), to determine compliance with a set of laws or standards (accounting and certification), to assess where a conservation entity is at a particular point in time (status assessment), and to determine whether a project or intervention is
having the intended impact (effectiveness measurement). This last purpose — effectiveness measurement — is the goal behind most project or program evaluations, and the subject of this study. Within effectiveness measurement, there are two primary, but not necessarily exclusive, purposes for undertaking an evaluation:

Adaptive Management: to help people obtain the information they need to manage their projects, programs, or organizations more effectively and efficiently. This process involves determining which actions worked, which didn't, and why. The ultimate goal of adaptive management is to adapt and learn in order to improve an ongoing project or intervention.

Impact Assessment: to help people determine how well a project or intervention performed. Impact assessments are generally one-time assessments. They can also include predictive assessments that evaluate the appropriateness of a potential intervention.

2.3.1 Creating Evaluation Effectiveness

Ravallion (2001) believes that For M&E to be effective, it is desirable to link its activities to the original project design. Developing M&E starts long before start-up. Initial project design strongly influences the ease with which M&E is implemented later on through, for example: the relationships and commitment established with partners and local people, particularly the intended primary stakeholders; the logic and feasibility of the project strategy; the resources allocated to M&E (funding, time, expertise); the degree of inbuilt
flexibility that allows M&E findings to have a steering function; and any operational
details of M&E that might be established during initial design.

During project formulation, a broad M&E framework should be developed and included
in the formulation and appraisal documents. This framework provides: a) sufficient detail
to enable budgeting and allocation of technical expertise, b) an overview of how M&E
will be undertaken, and c) some guidance for project staff about how M&E should be set
up during start-up. The M&E framework complements the highly summarised M&E
information that is the logframe. Much of what is developed for the M&E system during
the initial project design phase will only be indicative of the final plan and will need to be
revised and refined during start-up.

Designing for Learning, Empowerment and Sustainability: Designing a good project
requires careful attention to the social processes and institutional development that will
enable learning and the empowerment of primary stakeholders and lead to sustained
benefits.

Involve Stakeholders in Project Design Processes: Projects without good stakeholder
consultation are setting themselves up for failure. Those that do consult widely increase
their chances of success. Involving stakeholders in project design is important
specifically for: inspiring them to identify, manage and control their own development
aspirations, and so empower themselves; ensuring the project goals and objectives will be
relevant and, as a result, meet the real needs of the rural poor; ensuring the project
strategy is appropriate to local circumstances; building the partnerships, ownership and
commitment needed for effective implementation.
Local participation early on can also be cost-effective in the long run. In Uganda, more time and money were spent to involve primary stakeholders in a more inclusive formulation process of the District Development Pilot Project, which was then found to be effective because of local inputs and ownership and a deeper understanding of the project. If the investment hadn’t been made up front, much money would have to have been spent later for one-way information campaigns before and during project implementation (Stevens 2002).

The first step in project design is to conduct an initial stakeholder analysis. This requires listing potential stakeholders (individuals, social groups and organizations), prioritizing who must be involved (and not everyone who it would be nice to involve) and agreeing with them on how they can best be involved. This is the basis for being able to understand their needs.

Stakeholder participation in design is not limited to working with local communities or valuing their views above others. The idea of a "community" that one consults is quite simplistic and can cause problems. For example, if implementing partners or project staff consult a community, will all local voices be heard? Which ones will unintentionally be forgotten or ignored? Also, what is good for one community is not necessarily good for another or for its region. So which community will you listen to if they have differing opinions? Understanding differences within and between local communities means listening, listening and listening again – and working together. Only then can you gain insights into local relationships and interests. Some people think that illiteracy and geographic isolation of target groups makes participation impossible. But many examples
show how including the poorest, most isolated and illiterate of groups is possible with some creativity and time (IFAD/AGNGOC/IIRR 2001). Good participatory processes involve sharing perspectives and negotiating differences. Stakeholders can be involved in many ways, including comprehensive participatory rural appraisal (PRA) processes, informal discussions and planning workshops. However, people’s physical presence is not enough. Some very poorly designed projects have included many local people who did not participate freely. Ensuring high-quality participation is key and will require creating project structures that can respond to people’s requests (Harrison and Lock 2004)

Good project design requires questioning, sharing and negotiation. This happens when good information is available and when differing perspectives between community people, scientists, project staff and government officers are discussed openly and negotiated. Planning workshops with stakeholders are important, and a good process, understood by all, will help achieve a valuable outcome. Some projects focus on a single workshop. This creates pressures; and agreements may be made that do not make much sense afterwards. It might be tempting to think that, because such outputs came from the stakeholders during the workshop, they are "correct" and cannot be changed. However, people learn by participating in dialogue. The views they held in one meeting might change. The next day, after having had a chance to reflect and discuss with others at home, they might see things quite differently. So rather than a one-off workshop, it is better to hold a sequence of events where people’s ideas can be shared and merged, and informed agreement can be reached.
Be Clear about Cross-Cutting Issues: Poverty, Gender, and Participation: A shared understanding by stakeholders of the concepts of poverty reduction, gender equity and participation is critical. It is the only way to secure agreement on how to build these concepts into the project strategy. Differing understandings can lead to diverging objectives.

Agreeing on terms like "poverty" and "basic necessities" is essential both for good project design and M&E. Opportunities for reaching agreement need to be created. This creates good opportunities for agreeing on poverty indicators that guide some M&E.

The same is true for "gender" and "participation". Even when everyone agrees on these concepts at the onset, they need to return to them regularly to limit deviations from a goal in poverty reduction and equitable development. Nevertheless, differing opinions may remain, as the activities based on these definitions are implemented in the organisational context of each stakeholder group.

Plan for Capacity Development and Sustainability: Many CDF-supported projects focus on delivering infrastructure and public facilities—wells, roads, covered markets, clinics, school buildings, etc. But it is the people who use and maintain a structure. A major lesson learned project management professionals over the past years is that investing in capacities is at least as important as in infrastructure for sustained project outcomes. To ensure this focus, questions to consider during project design and adaptation are: Whose capacities are being built through the project? Will these capacities help achieve project objectives? If not, what else do we need to do in terms of capacity-building to have a lasting local impact?
Some practitioners have argued that capacity development simply requires counting how many people attend training workshops. But attending a workshop does not necessarily strengthen capacity. Building capacity requires conscious effort to share decision-making with primary stakeholders over time.

Monitoring and evaluating capacity-building is not as straightforward as counting infrastructure changes. "Capacity" may sometimes be difficult to describe clearly in ways that will allow measurable indicators and may therefore require additional creative thinking. Note that including a capacity-development focus requires a participatory M&E approach — only the stakeholders themselves can explain if and how capacity might have been built. For example, capacity is not about how many kilometres of road have been built, but how stakeholders are going to ensure that these roads are maintained, used and extended.

Including a capacity-development perspective has implications for policy, as existing policies can be questioned when local people take more charge of their own situation. By explicitly linking project activities to specific policies, the project team has the opportunity to engage and provide feedback to policy makers. In the process, the project creates opportunities for informing management on the policy itself. This link has two advantages: providing primary stakeholders with a voice at policy level and ensuring that local capacity-building stays in tune with the current policy outlook. Good capacity-building is essential for sustained impact. Three points need particular consideration. First, a broad base. Capacity-building must include not only primary stakeholders but also other key stakeholders, particularly local government. Second, the plan for phasing-
out. Project managers should have systematic phasing-out plans that list specific responsibilities to be able to show sustainable outcomes for their investments in local development. And last, observes Harrison, Dennis Lock (2004), sensitivity in M&E. Tracking and evaluating capacity development is particularly sensitive because it focuses on people and makes judgements about their activities (Estrella et al, 2000).

Plan for Learning and Adaptation during Implementation: Any project will require many adjustments during its life. This is guaranteed. Project managers should not overly detail a project strategy, as this may hinder adjustments during implementation. The following are some ideas for a design team to build learning opportunities and change into the design.

Design the process, as well as objectives, at the higher levels: Identify the forums and processes that will be used to involve stakeholders in project review and adaptation, and build in flexibility to respond to unplanned opportunities.

Focus on clear goals (impacts) and purposes (outcomes), rather than over-specifying activities and outputs: Project design teams commonly over-specify activities and spend time on the overall goal, and then they fill the in-between steps with hastily formulated purpose(s) or outcomes. Yet these interim levels are the most important part of "managing for impact" so require most of the attention. This approach can also have secondary benefits. Project management and the cooperating institution may be given the authority to adjust the components and outputs in the design to respond to locally expressed targets. This more flexible design also increases the involvement and ownership of the project by the primary stakeholders.
Be explicit about uncertainty: Instead of trying to force specificity, project managers should explain what they simply do not yet know, such as exactly how primary stakeholders will want to administer local project funds. They need to explain what is unknown and how and when project management should be clear on the issues. This means suggested targets should be approximate. They should state quantitative targets as being approximates and describe how the project could revise them, if necessary. For example, a logframe could explicitly state: "As the programme is demand driven, the output targets remain highly indicative and in some cases are not specified in detail... The logframe should be regarded as indicative, as it will need to be reworked by its stakeholders in the course of implementation."

Build in mini-research phases at key moments: Not all issues of relevance to a project can be anticipated ahead of time. List as an activity and budget for "focused studies" to answer questions about the project context that may arise. For example, if the project is testing a new kind of micro-credit scheme, then before this is expanded a focused and detailed interim evaluation is needed.

Make it explicit that the project strategy and logframe matrix should be revised each year: Annual adjustments to the logframe are increasingly accepted and expected. A project design can indicate when and with whom this will take place.

Make "adaptive management" a key function in the terms of reference for senior management and partner contracts: When hiring managers and selecting partners, select those who can balance uncertainty with being clear about poverty reduction goals.
Budget for experimentation and for the unexpected: If the project is testing a new approach, then the budget should reflect this and more money should be allocated to later years when there is more certainty about expanding the approach. Also leave a portion of the budget and staff time for activities that do not fit into established categories. In some companies that must innovate to survive, researchers can spend 10% of their time on activities of their own choosing. This allows them to respond to unexpected opportunities.

2.3.2 Guidelines for Effective Evaluations

According to Estrella, et. al. (2000) any evaluation must be tailored to fit the specific conditions in which it is taking place. They provide some general guidelines for an effective evaluation include that the evaluation should be:

Conducted in relation to defined goals, objectives, and activities. Almost by definition, an evaluation must be in relation to some standard. If the project, program, or organization is based on a solid conceptual framework and has well defined desired outcomes, then evaluation is relatively straightforward. If however, the entity being evaluated is poorly conceived, then evaluation is difficult.

Integrated with project, program, or organization design and management. A common principle is that evaluation is difficult to tack on as an afterthought. Instead, it should be planned from the outset as part of the overall project cycle. For example, at a project level, Step C (Develop a Monitoring Plan) needs to be carefully integrated with Steps A (Develop a Conceptual Model) and B (Develop a Management Plan). If evaluation is
added at the end of the cycle, it is difficult, if not impossible, to get the necessary baseline data to do a proper comparison.

Designed to meet the needs of the target audiences. An evaluation should try to produce only the information that key audiences need to make management decisions. To this end, the evaluation should ideally involve representatives of each audience in the design process, or at least evaluators should carefully consider what each audience wants or needs to learn.

Inclusive of key stakeholders. The hope for all evaluations is that they provide meaningful information to key stakeholders and decision-makers. In order to do so, an evaluation should allow for interaction with and feedback from key stakeholders involved in or influenced by the project, program, or organization. Evaluations vary considerably in their levels of participation, but even an externally-led evaluation should strive to include those who are most involved with or affected by the entity being evaluated.

Limited in scope. Many evaluation efforts initially set out to collect vast amounts of data, most of which never gets collected let alone analyzed. It is far better to collect a few critical, targeted bits of data than to have volumes of data that may or may not be relevant to the subject at hand.

Focused on both impact and process indicators. Many evaluation specialists correctly state that it is necessary to focus on impact indicators to show true progress. However,
this does not mean you can ignore process indicators. Such indicators can tell you if you are on the right track, and they can also alert you of potential problems in the management system.

Conducted in a "safe-fail" environment. In the difficult systems in which we operate, failure is quite common. There is however, a strong pressure to gloss over or cover up failures and only point to successes to obtain ongoing funding. Ironically, this leads to true failures – an inability to learn from our mistakes and avoid repeating them in the future. A good evaluation process enables people to talk openly about the challenges they face and to learn from their mistakes without fear of "punishment."

Given a substantial investment of time, money, and above all, thought. Evaluation is not cheap. It requires freeing up staff time to conduct the evaluation work. It requires money to hire outside consultants and to pay for staff time and expenses. Most importantly, evaluation requires that people think carefully about the process.

Conducted by trained people. Designing and conducting evaluations are skills that people and institutions must develop over time. It is thus essential to start with simple examples and develops more complex evaluations as your skills improve.

Good monitoring and evaluation design during project preparation is a much broader exercise than just the development of indicators. Good design has five components:
1. Clear statements of **measurable objectives** for the project and its components, for which indicators can be defined.

2. A **structured set of indicators**, covering outputs of goods and services generated by the project and their impact on beneficiaries.

3. **Provisions for collecting data and managing project records** so that the data required for indicators are compatible with existing statistics, and are available at reasonable cost.

4. **Institutional arrangements for gathering, analyzing, and reporting project data**, and for investing in capacity building, to sustain the M&E service.

5. Proposals for the ways in which M&E findings will be fed back into decision making.

**Examples**

**1. Project objectives**

Projects are designed to further long-term sectoral goals, but their immediate objectives, at least, should be readily measurable. Thus, for example, a health project might be designed to further the sectoral goals of a reduction in child mortality and incidence of infectious diseases, but have an immediate, measurable objective of providing more equitable access to health services. Objectives should be specific to the project interventions, realistic in the timeframe for their implementation, and measurable for evaluation.
India’s District Primary Education Project, for example, set out its objectives at the district level in clear statements linked directly to indicators: Capacity building: District sub-project teams would be fully functional, implementing sub-project activities and reporting quarterly on progress. In-service teams would be functioning, with augmented staff and equipment, providing support for planning and management, teacher in-service training, development of learning materials, and program evaluation. Reducing dropout and improving learning achievement: School/community organizations would be fully functional for at least half the schools, and dropout rates would be reduced to less than 10 percent. Learning achievements in language and mathematics in the final year of primary school would be increased by 25 percent over baseline estimates. Improving equitable access. Enrollment disparities by gender and caste would be reduced to less than 5 percent.

2. Indicators

**Input indicators** are quantified and time-bound statements of resources to be provided. Information on these indicators comes largely from accounting and management records. Input indicators are often left out of discussions of project monitoring, though they are part of the management information system. A good accounting system is needed to keep track of expenditures and provide cost data for performance analysis of outputs. Input indicators are used mainly by managers closest to the tasks of implementation, and are consulted frequently, as often as daily or weekly.
Examples: vehicle operating costs for the crop extension service; levels of financial contributions from the government or cofinanciers; appointment of staff; provision of buildings; status of enabling legislation.

**Process indicators** measure what happens during implementation. Often, they are tabulated as a set of contracted completions or milestone events taken from an activity plan.

Examples: Date by which building site clearance must be completed; latest date for delivery of fertilizer to farm stores; number of health outlets reporting family planning activity; number of women receiving contraceptive counseling; status of procurement of school textbooks.

**Output indicators** show the immediate physical and financial outputs of the project: physical quantities, organizational strengthening, initial flows of services. They include performance measures based on cost or operational ratios.

Examples: Kilometers of all-weather highway completed by the end of September; percentage of farmers attending a crop demonstration site before fertilizer top-dressing; number of teachers trained in textbook use; cost per kilometer of road construction; crop yield per hectare; ratio of textbooks to pupils; time taken to process a credit application; number of demonstrations managed per extension worker; steps in the process of establishing water users' associations.

**Impact** refers to medium or long-term developmental change. (Some writers also refer to a further class of outcome indicators, more specific to project activities than impact
indicators, which may be sectoral statistics, and deal more with the direct effect of project outputs on beneficiaries.) Measures of change often involve complex statistics about economic or social welfare and depend on data that are gathered from beneficiaries. Early indications of impact may be obtained by surveying beneficiaries' perceptions about project services. This type of leading indicator has the twin benefits of consultation with stakeholders and advance warning of problems that might arise.

Examples of impact: (health) incidence of low birth weight, percentage of women who are moderately or severely anemic; (education) continuation rates from primary to secondary education by sex, proportion of girls completing secondary education; (forestry) percent decrease in area harvested, percent increase in household income through sales of wood and non-wood products. Examples of beneficiary perceptions: proportion of farmers who have tried a new variety of seed and intend to use it again; percentage of women satisfied with the maternity health care they receive.

3. Collecting Data and Managing Project Records

The achievement of project objectives normally depends on how project beneficiaries respond to the goods or services delivered by the project. Evidence of their response and the benefits they derive requires consultation and data collection that may be outside the scope of management. It is important to identify how beneficiaries are expected to respond to project services, because managers will need evidence of that response if they are to modify their activities and strategy. Indications that beneficiaries have access to, are using, and are satisfied with project services give early indication that the project is offering relevant services and that direct objectives are likely to be met. Such evidence -
market research - may be available sooner and more easily than statistics of impact such as changes in health status or improvements in income. Market research information is an example of a leading indicator of beneficiary perceptions that can act as a proxy for later, substantive impact. Other leading indicators can be identified to give early warning about key assumptions that affect impact. Examples would include price levels used for economic analysis, passenger load factors in transport projects, and adoption of healthcare practices. When planning the information needs of a project there is a difference between the detail needed for day-to-day management by the implementing agency or, later, for impact evaluation and the limited number of key indicators needed to summarize overall progress in reports to higher management levels.

For example, during construction of village tube wells, project managers will need to keep records about the materials purchased and consumed, the labor force employed and their contracting details, the specific screen and pump fitted, the depth at which water was found, and the flow rate. The key indicators however, might be just the number of wells successfully completed and their average costs and flow rates.

Exogenous indicators are those that cover factors outside the control of the project but which might affect its outcome, including risks (parameters identified during economic, social, or technical analysis, that might compromise project benefits); and the performance of the sector in which the project operates. Concerns to monitor both the project and its wider environment call for a data collection capacity outside the project and place an additional burden on the project's M&E effort. A recent example of a grain storage project in Myanmar demonstrates the importance of monitoring risk indicators.
During project implementation, policy decisions about currency exchange rates and direct access by privately owned rice mills to overseas buyers adversely affected the profitability of private mills. Management would have been alerted to the deteriorating situation had these indicators of the enabling environment been carefully monitored. Instead, a narrow focus on input and process indicators missed the fundamental change in the assumptions behind the project. The relative importance of indicators is likely to change during the implementation of a project, with more emphasis on input and process indicators at first, shifting to outputs and impact later on. This is a distinction between indicators of implementation progress and indicators of development results.

**Data collection Project field records.** Indicators of inputs and processes will come from project management records originating from field sites. The quality of record keeping in the field sets the standard for all further use of the data and merits careful attention. M&E designers should examine existing record-keeping and the reporting procedures used by the project authorities to assess the capacity to generate the data that will be needed. At the same time, they should explain how and why the indicators will be useful to field, intermediate, and senior levels of project management. The design of field records about, say, farmers in extension groups, people attending a clinic, or villagers using a new water supply, will affect the scope for analysis later. The inclusion of simple socioeconomic characteristics such as age and sex may significantly improve the scope for analysis. A good approach is to structure reporting from the field so that aggregates or summaries are made at intermediate stages. In this way, field staff can see how averages or totals for specific villages or districts enable comparisons to be drawn and fieldwork improved.
Surveys and studies. To measure output and impact may require the collection of data from sample surveys or special studies (including, where appropriate, participatory methods). Studies to investigate specific topics may call for staff skills and training beyond those needed for regular collection of data to create a time series. Where there is a choice, it is usually better to piggyback project-specific regular surveys on to existing national or internationally supported surveys than to create a new data collection facility. Special studies may be more manageable by a project unit directly, or subcontracted to a university or consultants. If the special studies are to make comparisons with data from other surveys it is vital that the same methods be used for data collection (see below). In the project plan, proposals to collect data for studies should include a discussion of: the objectives of the study or survey; the source of data; choices and proposed method of collection; and likely reliability of the data.

Data comparability. Some desired indicators of impact, such as mortality rates, school attendance, or household income attributable to a project, may involve comparisons with the situation before the project, or in areas not covered by the project. Such comparisons may depend on the maintenance of national systems of vital statistics, or national surveys. Before data from such sources are chosen as indicators of project impact the designer needs to confirm that the data systems are in place and reliable and that the data are valid for the administrative area in question and for any control areas. Potential problems in making comparisons with existing data include incomplete coverage of the specific project area; the use of different methods to collect data, such as interviewing household members in one survey and only household heads in another; and changes in techniques such as measuring crop output in one survey and collecting farmers' estimates
in another. Problems such as these can invalidate any comparison intended to show changing performance. To give the comparability needed for evaluation, study proposals should explain and justify the proposed approach and ensure consistency in methods. The complexity of the statistics and problems of attributing causality mean that often it is more appropriate to use the delivery of services and beneficiary response as proxy indicators than to attempt to measure impact.

**Participatory methods of data collection** can bring new insights into peoples’ needs for project planning and implementation, but are no less demanding on skills than questionnaire surveys. They are time-consuming and require substantial talent in communication and negotiation between planners and participants.

4. **Institutional arrangements; capacity building**

Good M&E should develop the capacity of the borrower and build on existing systems. Capacity building is widely acknowledged to be important but is often poorly defined. It means: upgrading skills in monitoring and evaluation, which include project analysis, design of indicators and reporting systems, socioeconomic data collection, and information management; improving procedures, to create functional systems that seek out and use information for decisions; and strengthening organizations to develop skilled staff in appropriate positions, accountable for their actions.

5. **How Monitoring and Evaluation Findings Can Be Fed Back into Decision Making**

In projects where operating performance standards are quoted as an objective, or where decentralized processes call for localized capacity to plan and manage work programs
and budgets, designers will need to describe how and when M&E findings will be used to shape work plans and contribute to program or policy development. In Mexico, for example, the Second Decentralization and Regional Development Project plans to incorporate monitoring of implementation into its regular management procedures. Annual plans are to be prepared for each component, including an element of institutional development, and these will form the basis of annual monitoring. The analysis of implementation will depend on the functioning of a central database about sub-projects, created in each state from standardized data sheets. The database will produce the reports required for the project approval procedures, giving an incentive to field staff to use the system. Results from the implementation database will be analyzed in order to target field reviews and a mid-term review. The project has no specific monitoring and evaluation unit. Instead, each management sub-unit responsible for technical oversight of a component is responsible for ensuring the quality and timeliness of data collection, and for producing and analyzing reports. These reports will be presented by project component and be used to help diagnose technical and institutional implementation issues, propose and conduct studies, and plan institutional development and training.

Experience with Implementation

Even with a good design for M&E, the Bank’s experience shows that success during implementation depends heavily on a sense of ownership by the borrower, adequate capacity in borrower institutions, and sustained interest from the task and project managers throughout the life of the project. Two factors are important here. One is that the borrower’s sense of ownership of the project provides a stimulus to transparent
management and good information about progress. The other is that often borrowers doubt the value of adopting what may be costly and time consuming procedures to collect, analyze, and report information. In such circumstances sound design is especially important, with monitoring information providing a clear input to management decision making and, often, an emphasis on the early gains to be had from monitoring and on institutional procedures that encourage the use of monitoring data to trigger further implementation decisions.

2.4 Conceptual Framework

The literature surveyed in this study point out specific factors that influence effectiveness of monitoring and evaluation. These can now be used to construct the conceptual framework for this study. The literatures reveal that evaluation effectiveness is a product of a multiple of factors working in concert. Factors such as clear goals and objectives, clear project design, documented implementation plan, and involvement of stakeholders come out as the key predictor variables influencing M&E effectiveness as the response variable. It would be interesting to relate these factors in the case of M&E projects as follows:
Figure 2.1 Types of evaluation and when they are performed.

- Defined goals, Objectives & Activities
- Integrated Project Design
- Needs of Target Audience
- Stakeholders Involvement
- Focused Indicators
- Trained Officers

Monitoring & Evaluation Effectiveness
Framework for Project Monitoring and Evaluation

Figure 1 is a framework for project monitoring and evaluation.

- **TECHNICAL, FINANCIAL AND ECONOMIC ANALYSIS**
  - Loan Approval

- **PROJECT PREPARATION**
  - Planning and design.
  - Definition of environment and target population

- **INPUTS**
  - Procurement and administration of money, materials, equipment and staff.

- **IMPLEMENTATION METHODS**
  - Self help house construction, different methods of administering building materials, credit etc.

- **OUTPUTS**
  - Implementation
    - Houses Built
    - Patients treated
    - Industrial plots sold

- **IMPACTS**
  - Increased income
  - Improved health
  - Increased employment

- **POST PROJECT EVALUATION**
  - Planning and design of new
    - Cost effective analysis, redefined target population and delivery system

**CONTEXTUAL FACTORS AND CHARACTERISTICS OF THE TARGET POPULATION**

Macro economics and political environment, natural disasters and the characteristics of the intended and actual project participants.
# Evaluation Outputs and the Project Cycle

<table>
<thead>
<tr>
<th>Stage of project cycle</th>
<th>Evaluation output</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular project supervision</td>
<td>Quarterly progress report</td>
<td>This will complement and be prepared at the same time as the Quarterly Report given to the stakeholders, the progress report is designed for project management and for the project officer.</td>
</tr>
<tr>
<td>Mid-term project review</td>
<td>Rapid feedback studies</td>
<td>More detailed analysis of issues identified in the Quarterly progress report.</td>
</tr>
<tr>
<td></td>
<td>Intensive studies</td>
<td>Occasionally this will be requested to assist with project supervision.</td>
</tr>
<tr>
<td>Project completion and Audit</td>
<td>Mid-term project review</td>
<td>This will normally be a synthesis of existing studies although additional data collection may be required.</td>
</tr>
<tr>
<td></td>
<td>Intensive or rapid feedback studies</td>
<td>This may be conducted to produce information required for the mid-term review.</td>
</tr>
<tr>
<td>Appraisal of Final Project or final report</td>
<td>Final Report</td>
<td>This will complement the project completion Report submitted to the owners, or in some cases the two Reports may be merged.</td>
</tr>
<tr>
<td></td>
<td>Mid-term project review or final report</td>
<td>May be conducted to produce information required for the final report.</td>
</tr>
</tbody>
</table>

Depending on the timing one or both of these reports will provide inputs into the appraisal and design of new projects.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology of the study. The chapter begins with the research design, population of the study, sampling frame and sampling techniques used, data collection methods and techniques, and then ends with a presentation of the data analysis techniques used for the data collected.

3.2 Research Design

This study adopted a descriptive research design since the study already have prior works that have pioneered in exploring the area, and was therefore expected that data and information needed for its success are already available.

3.3 Study Population

This constituted all the registered SMEs in Rachuonyo District in Nyanza Province. This amounted to 150. These were those SMEs which existed for at least five years and have therefore completed some projects in there businesses to be studied. This data was sourced from the local government records of registered businesses in the district.

3.4 Sampling frame and sampling techniques used

3.4.1 Sampling frame.
This study derived its population from the registered businesses in Rachuonyo District.

The list of the registered businesses constituted the sampling frame of the study.
3.4.2 Sample size

This study used a sample size of 50 from the population of 150. This sample was obtained first by judgmental sampling technique, in which a pilot study to be carried out, only those businesses which have been operating for more than five years will qualify for the study. Afterwards, a random sample of 50 was taken from those selected in the first stage. This ensured that every business in the population of study had an equal likelihood of being selected in the sample.

3.5 Data Collection Methods and Techniques

The survey method was used for data collection, in which appropriate questionnaires were developed and sent to the owners or key managers of the SMEs in charge of project implementation. The questions were dropped using hired research assistants, and then picked later after telephone confirmation that the questionnaires have been filled up. In some cases, interviews were also be used to make a follow up on other points which were not clear in the survey technique.

3.6 Data Analysis

The data collected was subjected to manipulation composed of editing, corrections, coding and tabulations. Thereafter, descriptive statistics were used for analysis, in which case, the data will be expected to reveal the averages, frequencies and relevant percentages implicit. These were then be presented using pie charts, frequency tables and bar charts for ease of reading and quick communication of findings.
CHAPTER FOUR

DISCUSSIONS OF RESEARCH FINDINGS

4.0 Introduction

This chapter is divided into two main sections. Section one presents demographic data for the subjects. The second section presents the results of the study which are organized along the research questions of the study. In this case, the results of the study will be presented research question by research question. As such, the research question will be first posed and then the data relating to that research question will be presented. This will be followed by a summary statement of the conclusion of the study in regard to the question.

4.1 Demographic data

Respondents’ demographic data is presented in the following figures.

Figure 4.1 Respondents’ gender distribution and business type
As shown in figure 4.1 above, majority of respondents were males (70%) with 44% being involved in small scale business and 26% in medium scale business. On the other hand, only 30% of the total sample constituted females, with 20% being involved in medium scale enterprises, and 10% in small scale enterprises. Small scale businesses included retail shops (constituting 1 – 5 employees), matatu business, and motor bikes business (dubbed as *boda boda*), whereas, medium scale business constituted organization with about 250 employees and included private hospitals/clinics, mega stores and small supermarkets. Indeed, with many loan facilities and youths funds from the government in the so dubbed “*Kazi kwa vijana*” move, many youth, especially, men, have ventured in to the business world along such support.

**Figure 4.2 Duration of business**
Majority of the business undertakings, as shown in figure 4.2 had lasted between 3 and 5 years (48%), followed by over 5 years (31%) and then less than 3 years (21). This may be related to the increasing opportunities being provided by the government and other interested stakeholders in youth and young adults affairs.

4.2 Analysis of research questions

Each research question was analyzed separately and the findings discussed thereafter. There were four research questions and each was analyzed as follows.

4.2.1 Research question one: What is the relationship between background training of key project officers on the effectiveness of Monitoring and Evaluation of the project?

The respondents were asked to indicate whether they had a position of internal evaluation officer and the type of the person occupying the office or the post. Their responses were as summarized in figure 4.3 below.

Figure 4.3 Distribution of respondents along the position of internal evaluation officer

![Pie Chart]

- Internal evaluation officer
- Other persons assuming the role
Only 38% of respondents had internal evaluation officers in their organizations, while the remaining (62%) had other persons playing the role of internal evaluation officers, but not designated as one. The respondents further indicated that this positions required training, knowledge, skills and prior experience, hence, they were specifically asked to indicate on the extend they insisted on these qualities. The summary of their responses is given in figure 4.4 below.

**Figure 4.4 Qualities of evaluation officers**

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal training</td>
<td>40</td>
<td>60</td>
</tr>
<tr>
<td>Considerable experience</td>
<td>10</td>
<td>90</td>
</tr>
<tr>
<td>Knowledge of current trends</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>Knowledge of M&amp;E framework</td>
<td>52</td>
<td>48</td>
</tr>
<tr>
<td>Ability to construct evaluation indicators</td>
<td>52</td>
<td>48</td>
</tr>
</tbody>
</table>

According to the majority of respondents as shown in figure 4.4 above, the following qualities of evaluation officers, or personnel assuming this role, were mainly emphasized; considerable experience (90%), knowledge of current trends (80%), knowledge of M&E framework (52%) and ability to construct evaluation indicators (54%). Formal training, though did not have majority of respondents (40%), it was nevertheless, perceived as an
important factor. Indeed, the effectiveness of project management is critical in assuring the success of any substantial undertaking, and areas of responsibility for the project manager include planning, control and implementation, hence, knowledge, skills, goals and personalities are all factors that need to be considered within project management. The project manager and his/her team should collectively possess the necessary and requisite interpersonal and technical skills to facilitate control over the various activities within the project (Phillips, 2003). In addition, the respondents were asked to show the indicators that their organizations use for evaluation procedures. Their responses were summarized in figure 4.5 below.

Figure 4.5 Evaluation indicators

Figure 4.5 shows that majority of respondents (48%) gave outcome as the main indicator, followed by input (30%), which were the main indicators identified. Indeed, a focus on
purposes (outcomes) is one crucial indicator in evaluation procedures (Estrella et al, 2000).

4.2.2 Research question two: What is the effect of the original project design on the effectiveness of M&E exercise?

In order to assess whether the original project design has an effect on the effectiveness of M&E exercise, respondents were asked to rate evaluation officers on the following qualities that are used in M&E procedures. Their responses are shown in figure 4.6 below.

Figure 4.6 Qualities for effective M&E exercise

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to formulate evaluation objectives</td>
<td>66</td>
<td>44</td>
</tr>
<tr>
<td>Ability to design evaluation instruments</td>
<td>66</td>
<td>44</td>
</tr>
<tr>
<td>Knowledge of data collection techniques</td>
<td>52</td>
<td>48</td>
</tr>
<tr>
<td>Data analysis skills</td>
<td>58</td>
<td>42</td>
</tr>
<tr>
<td>Report writing skills</td>
<td>54</td>
<td>46</td>
</tr>
</tbody>
</table>
At least, as shown in figure 4.6, respondents acknowledged knowledge of data collection (48%) as an effective quality for M&E exercise. According to Ravallion (2001) for M&E to be effective, it is desirable to link its activities to the original project design. Indeed, initial project design strongly influences the ease with which M&E is implemented later on through, for example: the relationships and commitment established with partners and local people, particularly the intended primary stakeholders; the logic and feasibility of the project strategy; the resources allocated to M&E (funding, time, expertise); the degree of inbuilt flexibility that allows M&E findings to have a steering function; and any operational details of M&E that might be established during initial design.

During project formulation, a broad M&E framework should be developed and included in the formulation and appraisal documents. This framework provides sufficient detail to enable budgeting and allocation of technical expertise, an overview of how M&E will be undertaken, and some guidance for project staff about how M&E should be set up during start-up. The M&E framework complements the highly summarized M&E information that is the log frame. Much of what is developed for the M&E system during the initial project design phase will only be indicative of the final plan and will need to be revised and refined during start-up.

4.2.3 Research question three: What are the specific M&E practices that are actually being implemented in M&E projects?

Respondents were also asked to point out specific M&E practices and their responses are summarized in figure 4.7 below.
According to the results from the analysis as shown in figure 4.7 above, 74% of respondents said that M&E practices meet needs of target audiences. Others M&E practices applauded included being conducted along goals and objectives, being integrated with project design and management, being inclusive of key stakeholders, and being substantial investment of time, money and thought, all with 58% of respondents. Indeed, according to Estrella, et. al. (2000) any evaluation must be tailored to fit the specific conditions in which it is taking place.
4.2.4 Research question four: Do project stakeholders have a role to play in achieving effectiveness in the M&E of a project?

In research question four respondents were asked the role played by stakeholders and their responses were summarized in figure 4.8 as shown below.

**Figure 4.8 Role played by stakeholders**

In figure 4.8 above, majority of respondents (72%) indicated that stakeholders have a big role to play in achieving effectiveness in the M&E of projects. The respondents named these stakeholders as Cashiers, Owners of business and Supervisors. Good participatory processes involve sharing perspectives and negotiating differences with even stakeholders. Stakeholders can be involved in many ways, including comprehensive participatory rural appraisal (PRA) processes, informal discussions and planning workshops (Harrison and Lock 2004). Good project design requires questioning, sharing and negotiation. This happens when good information is available and when differing
perspectives between community people, scientists, project staff and government officers are discussed openly and negotiated. Planning workshops with stakeholders are important, and a good process, understood by all, will help achieve a valuable outcome. Some projects focus on a single workshop. This creates pressures; and agreements may be made that do not make much sense afterwards. It might be tempting to think that, because such outputs came from the stakeholders during the workshop, they are "correct" and cannot be changed. However, people learn by participating in dialogue.
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

In this chapter, summary of findings, conclusions and recommendations of the study are made.

5.1 Summary of findings

i) Majority of respondents were males (70%) with 44% being involved in small scale business and 26% in medium scale business. On the other hand, only 30% of the total sample constituted females, with 20% being involved in medium scale enterprises, and 10% in small scale enterprises.

ii) Majority of the business undertakings had lasted between 3 and 5 years (48%), followed by over 5 years (31%) and then less than 3 years (21).

iii) Only 38% of respondents had internal evaluation officers in their organizations, while the remaining (62%) had other persons playing the role of internal evaluation officers, but not designated as one. The respondents further indicated that these positions required training, knowledge, skills and prior experience.

iv) Majority of respondents indicated the following qualities of evaluation officers, or personnel assuming this role, were mainly emphasized; considerable experience (90%), knowledge of current trends (80%), knowledge of M&E framework (52%) and ability to construct evaluation indicators (54%), including formal training (40%).
v) Majority of respondents (48%) gave outcome as the main indicator, followed by input (30%), which were the main indicators identified.

vi) Respondents acknowledged knowledge of data collection (48%) as an effective quality for M&E exercise.

vii) According to the results from the analysis 74% of respondents said that M&E practices meet needs of target audiences. Other M&E practices included being conducted along goals and objectives, being integrated with project design and management, being inclusive of key stakeholders, and being substantial investment of time, money and thought, all with 58% of respondents.

viii) Majority of respondents (72%) indicated that stakeholders have a big role to play in achieving effectiveness in the M&E of projects. The respondents named these stakeholders as Cashiers, Owners of business and Supervisors.

5.2 Conclusions

It is evidence that M&E officers are crucial in the achievement of an organizational goals, and that their training, knowledge and skills are also important. However, in many businesses in Rachuonyo, trained expertise in this area are lacking, even though on the ground many of the M&E activities can be seen being played by informal personnel who happen to have experience in the M&E areas. In addition, stakeholders were also seen helping in the evaluation and monitoring activities.
5.3 Recommendations

Recommendations are hereby made along the following issues to improve M&E effectiveness:

- The need for training for M&E officers
- To make slots for qualified M&E personnel in business organization
- To conduct workshops, seminars and conferences on the significance of M&E activities in organizations
- To increase networking and collaboration between organizations and stakeholders so as to improve M&E activities in organizations
- Stakeholders to actively support M&E activities in organizations
REFERENCES


Burns Philip, Huggins Mike and Christoph Riechmann: “Choice of model and availability of data for the efficiency analysis of Dutch network and supply businesses in the electricity sector”, DTe, Netherlands Electricity Regulatory Services, and Frontier Economics Ltd, London 2002;


Monitoring and Evaluating Urban Development Programs, A Handbook for Program Managers and Researchers.


APPENDICES
APPENDIX I
QUESTIONNAIRE

SECTION ONE

Personal Information

1. What is your name? _____________________________ (Optional)

2. What is your gender? Male ( ) Female ( )

3. What is the name of your business? _____________________________ (Optional)

4. How long has your business been in existence?

( ) Less than 3 years

( ) Between 3 and 5 years

( ) Over 5 years

SECTION TWO (Tick as appropriate)

5. Does your organization have an internal evaluation officer or other personnel assuming the position?

( ) Yes ( ) No

6. If yes, what are the requirements for this position?

7. For the evaluation officers, Do you insist on

a) Formal training in Monitoring and Evaluation for any evaluation personnel?

( ) Yes ( ) No

b) Considerable experience in monitoring and evaluation

( ) Yes ( ) No
c) Knowledge of current trends in evaluation

( ) Yes  ( ) No

d) Knowledge of M&E framework

( ) Yes  ( ) No

e) Ability to construct evaluation indicators

( ) Yes  ( ) No

f) Ability to formulate specific evaluation objectives

( ) Yes  ( ) No

g) Ability to design evaluation instruments

( ) Yes  ( ) No

h) Knowledge of various data collection techniques.

( ) Yes  ( ) No

i) Data analysis skills

( ) Yes  ( ) No

j) Report writing skills

( ) Yes  ( ) No

k) Knowledge of the organizations key stakeholders

( ) Yes  ( ) No

Any other requirements not listed

........................................................................................................
........................................................................................................
...........................................................................................................
8. If your answer above is NO, who carries out your project evaluation activities?

9. What type of the following indicators do your organization use for evaluation?
   - Input Indicators
   - Process Indicators
   - Outcome Indicators
   - Impact Indicators

10. Please answer the following questions to the best of your knowledge about Evaluation activities in your organization by ticking ( ) as appropriate

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducted in relation to defined goals, objectives, and activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated with project, or organization design and management.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designed to meet the needs of the target audiences</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inclusive of key stakeholders.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited in scope.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focused on both impact and process indicators.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conducted in a “safe-fail” environment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Given substantial investment of time, money, and, thought</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conducted by trained people</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thank you very much for your assistance
APPENDIX II

INTERVIEW GUIDE

1. How have we used evaluations in the past?

2. What do we hope to accomplish with our evaluations?

3. What are we seeking to evaluate?

4. Our program areas?

5. Individual projects?

6. Our organization?

7. Is our goal to promote adaptive management or impact assessment evaluations, or both?

8. What should our measures of "success" be? Is "success" an appropriate goal in all cases?

9. If no, how do you measure achievement of your goal?

10. Who are the key audiences for our evaluations?

11. Who should design the evaluations?

12. Who should implement the evaluations?

13. What level of staff and financial resources should we devote to evaluations?
   - High
   - Medium
   - Low

14. What other costs are there to doing evaluations?

15. What are the costs of not doing evaluations?

16. What kinds of training do we need to get to be able to do our evaluations?

17. How will we use the results of our evaluations?

18. Should we try to develop a more systematic evaluation program?
### APPENDIX III

#### STUDY BUDGET

<table>
<thead>
<tr>
<th>Activity</th>
<th>Budget (Ksh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Preparation (budgeting, questionnaire design etc.)</td>
<td>18,000</td>
</tr>
<tr>
<td>2. Data collection</td>
<td>22,000</td>
</tr>
<tr>
<td>3. Data analysis</td>
<td>25,000</td>
</tr>
<tr>
<td>4. Report writing</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total Budget</strong></td>
<td><strong>70,000</strong></td>
</tr>
</tbody>
</table>

### APPENDIX IV

#### ACTIVITY

- Proposal writing
- Presentation of Proposal to the school
- Corrections on Proposal
- Data Collection
- Data Analysis
- Report Writing
- Presentation of Findings

#### WORKPLAN

<table>
<thead>
<tr>
<th>TIMEFRAME</th>
<th>Jan-10</th>
<th>Feb-10</th>
<th>Mar-10</th>
<th>Apr-10</th>
<th>May-10</th>
<th>Jun-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposal writing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presentation of Proposal to the school</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrections on Proposal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Analysis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report Writing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presentation of Findings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>