

M&E at the Microenterprise Level



In enterprise development projects, it is common practice to monitor beneficiaries collectively—i.e., recipients are tracked as a community and not individually. Monitoring usually focuses on the group or sector instead of on the individual. While this may be a rational approach, considering the cost implications of individually monitoring a project's beneficiaries, it does not provide an accurate basis for measuring the actual effects of the assistance provided by the said project. Monitoring beneficiaries at the individual level gives project implementers a clearer picture of the changes happening in the lives of the people being assisted by the project. Moreover, validation on the impact of interventions on microenterprises (MEs) becomes easier because individual data on target beneficiaries are available.

This approach of monitoring beneficiaries at the microenterprise level was adopted by the Rural Micro Enterprise Promotion Programme (RuMEPP) throughout its area of coverage. The strategy provided the Programme with information on the progress of each individual beneficiary for a certain period of time, which was useful for measuring implementation progress and facilitating the validation of outcomes.

Project description

The Rural Micro Enterprise Promotion Programme (RuMEPP) is a 7-year poverty alleviation project of the government of the Philippines that aims to reduce rural poverty by developing new and existing rural micro enterprises (MEs) that operate profitably and sustainably. RuMEPP is designed to attain greater impact on poverty alleviation and job creation using the two-pronged approach of providing both financial and technical assistance, including the promotion of policies supportive of the development and growth of MEs. While the supply of microfinance resources is essential in alleviating poverty, the programme will ensure that the provision of credit is maximised by providing business development services (BDS) to poor rural micro entrepreneurs. The provision of BDS will assist existing and potential micro entrepreneurs in realising the full potential of their enterprise investments through capacity building, product development, market linkages and policy advocacy.

RuMEPP has three components:

- a. Microfinance credit and support (MCS), which involves the provision of microfinance to rural MEs nationwide
- b. Micro Enterprise Promotion and Development (MEPD), which entails providing demand-responsive BDS to rural micro entrepreneurs primarily in the target 19 poor provinces in the poorest regions
- c. Programme Management and Policy Coordination (PMPC), which involves the setting up of a project implementation structure to ensure that target MEs benefit from a well-managed programme and give support to programme-specific policy dialogues at the national and local levels so that a policy/regulatory environment favorable to the development of microenterprises is created.

While the Programme's MCS component is implemented throughout the Philippines, the MEPD component primarily focuses on the 19 poor provinces in the country's five poorest regions, namely: Abra, Ifugao and Kalinga in the Cordillera Autonomous Region; Albay, Camarines Sur, Catanduanes, Masbate and Sorsogon in the Bicol Region; Biliran, Eastern Samar, Leyte, Northern Samar and Samar in the Eastern Visayas Region; Sarangani and South Cotabato in Region 12 and Agusan del Norte, Agusan del Sur, Surigao del Norte and Surigao del Sur in the CARAGA Region.

The 7-year Programme began in 2007 and will end in 2013 with the following target deliverables: provision of credit to 35,000 MEs, provision of various BDS to 15,000 MEs and provision of both credit and BDS to 15,000 MEs.

The Department of Trade and Industry (DTI), the government unit mandated to develop the micro, small and medium enterprises (MSMEs) sector, is the lead implementing agency of the Programme. The Small Business Corporation, a government financing institution and an attached agency of DTI, will manage the MCS component, with the active participation of microfinance institutions (MFIs) as loan conduits. The Programme Management Unit (PMU) coordinates the implementation of all Programme components, specifically the MEPD component, in collaboration with the regional and provincial offices of DTI within the Programme area.

RuMEPP's microenterprise-level M&E System

Since RuMEPP intends to assist a definite number of rural microenterprises, it was important for the Programme to be able to monitor them individually. A monitoring and evaluation (M&E) system at the microenterprise level allows implementers to keep track of developments happening in the business of each beneficiary over a specific period of time. Thus, RuMEPP developed an M&E system that will profile each recipient of Programme assistance in every province covered. A standard profile form was provided by the Programme. This would be accomplished by the micro entrepreneur beneficiary upon receiving initial assistance from RuMEPP. The profile form, which contains essential information about the microenterprise (e.g., business name, name and contact information of the entrepreneur, sales records, types of BDS received, source of credit), is updated every time the beneficiary receives assistance from the Programme anew or whenever project staff conducts field visits. A software program was developed to establish a database of RuMEPP beneficiaries using the data from the individual microenterprise profiles.



Originally, the profile form used at the start of Programme implementation was a seven-page document, which was a modified version of the business profile management system (BPMS) form used for small and medium enterprises (SMEs) by the DTI. Since the BPMS form contained many fields which were not yet relevant to the operations of microenterprises, certain sections that were applicable to RuMEPP beneficiaries were added to the document. However, in the initial roll-out of profiling the RuMEPP beneficiaries, project staff from the field found the form too complicated to handle. Even the micro entrepreneurs expressed apprehension in accomplishing the form, saying that it was too hard for them to fill in a seven-page document when only several items were relevant to their enterprise. Further, project implementers experienced technical problems with the software, particularly in encoding the profiles and in generating reports.



To address this concern, the Programme developed a simplified individual profile form (one page) which only requested for information that were pertinent to the operations of rural microenterprises. Microsoft Excel was also used for the new form instead of the software previously developed because it was simpler and more user-friendly. Report generation and data management became much easier since Microsoft Excel has features on data encoding, extraction and expansion, which are not too complicated. More importantly, the shift to Microsoft Excel increased access to the database of RuMEPP beneficiaries as the files were easily shared by implementers and even other stakeholders through the internet.

Individual profiling form

Form 6 – Individual Microenterprise profile sheet								
(to be updated on a monthly basis for applicable indicators exhibiting change)								
Microenterprises identification number								
Name of microenterprise								
Name of proprietor / owner								
Business address								
Contact number(s)								
Business activity (please check)	Production/Processing () Trading () Services ()							
Date established								
Performance parameter	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
I. Business registration a. Registered? (YES or NO) b. If yes, with which agency? c. Date of registration/renewal								
II. Type(s) of BDS received								
a. Management trainings								
b. Skills training								
c. Product development								
d. Marketing assistance								
e. Others (Please specify)								
III. Measures of business activity								
a. Total sales Volume (in units of measure) Value (in PhP)								
b. Gross profit (in PhP)								
c. Net income (in PhP)								
IV. Business asset size								
V. Market(s) for products/services								
VI. No. of workers employed a.1. Part-time MALE a.2. Part-time FEMALE b.1. Full-time MALE b.2. Full-time FEMALE								
VII. Credit availment status a. Name of MFI b. Amount of loan c. Status of loan								

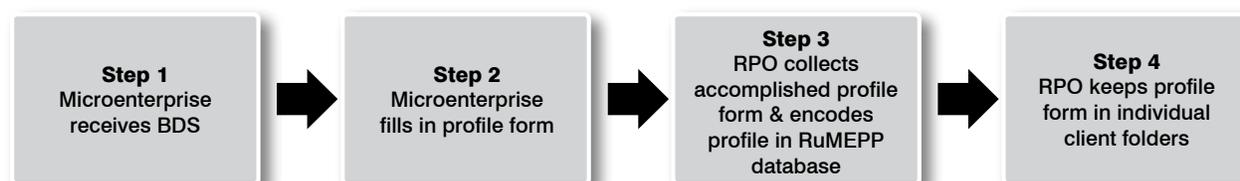


Figure 1. Steps in the Profiling process.

Challenges in using the new system

While the new system was successful in establishing the database of RuMEPP beneficiaries, the issue of having the individual profiles regularly updated emerged as an urgent concern. With RuMEPP-assisted microenterprises numbering in the thousands, updating their individual profiles constituted a great challenge to Programme implementers. Generating updates on the status of each microenterprise in terms of sales, employment and other aspects of their operations would definitely require time and would have cost implications.

Another issue identified in using the new profiling system was the low appreciation for the data generated and made available by the database. Although the number of RuMEPP beneficiaries was successfully determined and properly documented, the new profiling system only showed a consolidation of all the individual profiles of the microenterprise assisted in each province. Other useful information, which may be sourced from the database remained unused by the Programme.



Actions taken

To address the need for an effective monitoring of RuMEPP beneficiaries without exceeding budgetary allocations, the following strategies were undertaken in updating the individual profiles of assisted microenterprise:

Option 1

Whenever trainings or other BDS activities are conducted in a particular area, the micro entrepreneur-participants are requested to provide updates on their individual profiles. The updated profiles are then collected after the said activity by each RuMEPP provincial officer (RPO) in the 19 provinces. The updated versions of the profiles are consolidated by the RPOs and sent to the Programme Management Unit (PMU).

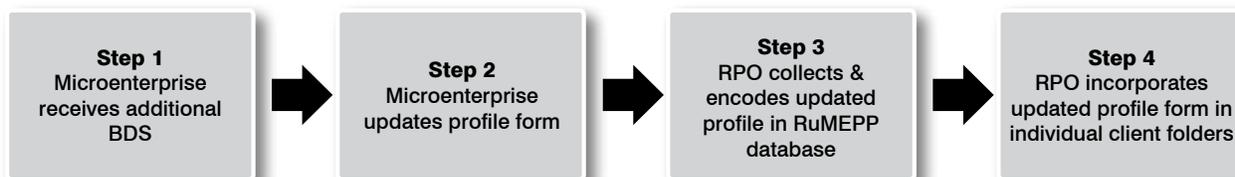


Figure 2. Profiling process for option 1.

Option 2

During cluster meetings of MFI borrowers or assemblies of microenterprise associations in a specific area, attendees who are also RuMEPP beneficiaries are requested to update their individual profile sheets. As in the first strategy, the updated profiles are collected and submitted to the RPO assigned in the area. The updated versions of the profiles are likewise consolidated by the RPOs and sent to the PMU.

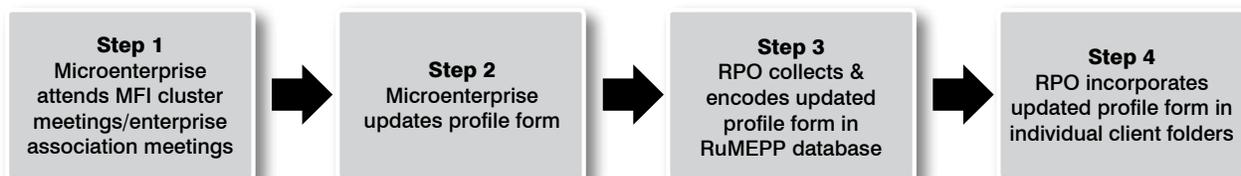


Figure 3. Profiling process for option 2.

Option 3

For beneficiaries who are not currently participating in any BDS activity or have no affiliation with an MFI/association of microenterprise, the RPO conducts individual site visits to update their profiles. This option is only used in cases when the first two choices are not applicable.

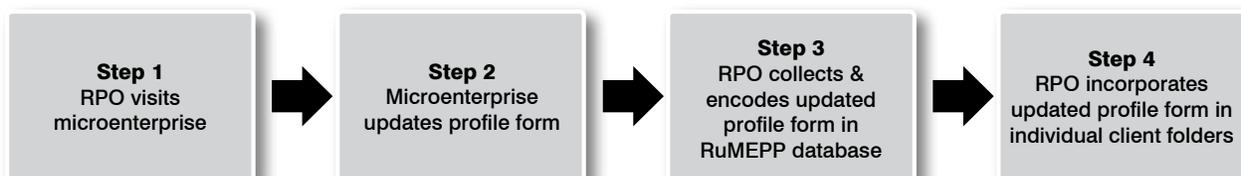


Figure 4. Profiling process for option 3.

On the issue of further utilising and maximising the available data, the PMU makes modifications to the Excel-based profiles and re-formats the sheets to include formulas that would generate relevant statistical reports useful for RuMEPP implementers. Among the information provided by the modified system were the total number of beneficiaries per year, distribution of microenterprise assisted per municipality, sex disaggregation of beneficiaries, level of business registration and number of beneficiaries who have availed of both credit and BDS.

Table 1. Sample statistical report.

Province of Sarangani							
By Year	No. of MEs	By loan	No. of MEs	By municipality	No. of MEs	By employment	No. of MEs
2008	120	With loan	735	Alabel	442	Part-time	515
2009	265	Without loan	873	Glan	188	Full-time	201
2010	377	Total	1,608	Malapatan	336	Total	716
2011	410	By track		Malungon	179	By municipality	
2012	436	Track 1	712	Maitum	154	Production / Processing	611
Total	1,608	Credit before BDS		Kiamba	186		
By gender		Track 2	23	Maasim	123		
Male	241	BDS before credit	735	Total	1,608	Trading	789
Female	1,367	Total				Services	208
Total	1,608					Total	1,608

Results

The adjustments made by RuMEPP on the profiling of assisted microenterprises were important factors in the successful monitoring of its beneficiaries at the microenterprise level. The approach of using person-focused monitoring was essential in establishing a reliable database that provides vital information for the Programme’s M&E system. The individual profiling system used by RuMEPP not only ensured that each reported recipient of Programme assistance was documented and well accounted for. This is the first time that such individual tracking of microenterprise beneficiaries, one that includes detailed monitoring of business activities, has been done in an enterprise development project in the Philippines.



The system of monitoring at the microenterprise level also helped identify and measure certain changes happening in the microenterprises of the beneficiaries. This facilitated the validation of outputs and specific interim outcomes in the field, which was critical in assessing Programme performance. However, the system (in Microsoft Excel) needs to be further enhanced to capture other significant changes experienced by the beneficiaries as a result of Programme interventions. The gains from using the microenterprise-level M&E have prompted DTI to adopt the system in its initiative to scale up RuMEPP in other provinces in the country.

Acronyms and abbreviations

BDS	business development services
BPMS	business profile management system
DTI	Department of Trade and Industry
MCS	micro finance credit and support
ME	microenterprise
MEPD	microenterprise promotion and development
MFI	micro finance institution
MSME	micro, small and medium enterprises
PMPC	Programme Management and Policy Coordination
PMU	Programme Management Unit
RPO	RuMEPP provincial officer
RuMEPP	Rural Micro Enterprise Promotion Programme
SME	small and medium enterprises

References

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