SME Loop Standard M&E System Handbook
Part I
-
Description of the System and Framework

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Acronyms

AuV	Outsourcing of data processing (German: Auftragsverarbeitung)
BMZ	Federal German Ministry for Economic Cooperation and Development
COVID 19	Coronavirus Disease 2019
DCP	Data Collection Point
DSM	Data Protection Management (German: Datenschutzmanagement)
EPP	Employment Promotion Programme
EU	European Union
FMB	GIZ Sectoral Department (German: Fach- und Methodenbereich)
FTE	Full-time Equivalent
GDPR	General Data Protection Regulation
GIZ	Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) GmbH
ID	Identification Number
IDDS	Indicator and Data Definition Sheet
ISO	International Organization for Standardization
IT	Information Technology
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation
MQS	Minimum Quality Standards
PM	Product Management
RCC	Regional Competence Centre
RCCEP	Regional Competence Centre for Employment Promotion in Benin
SME	Small and Medium Enterprises
SP	Service Provider
TOM	Technical and Organizational Measures for Data Protection
UN OCHA	United Nations Office for the Coordination of Humanitarian Affairs
VVT	Notification to the Records of Processing Activities (German: Verzeichnis von Verarbeitungstätigkeiten)

1. Rationale

1.1. History of the SME Loop[1]

The SME Loop was developed in 2014 in Sierra Leone after thoughtful reflections by two GIZ advisors[2] of the GIZ-supported programme "Youth employment promotion through agricultural development (EPP)". It addresses three of the most important challenges faced by SMEs in Sierra Leone:

- Inadequate business knowledge and management skills
- Lack of guidance and practical steps that could bring about change and development
- Insufficient financial resources to grow businesses respectively

Under the third phase of the EPP programme 908 SMEs had completed the SME Loop by early 2020 in Sierra Leone alone.
In 2015, the approach was transferred to Benin within the context of the Special Initiative "ONE WORLD – No Hunger" and its programme "Green Innovation Centres for the Agriculture and Food Sector (GIAE)". Here, the SME Loop has been applied at a scale of in total 2650 SMEs in 60 communities completing the SME Loop successfully by 2020. Since the early success in implementation and promising results in Benin and Sierra Leone, the rollout of the SME Loop accelerated, and implementation succeeded in Burkina Faso, Ghana, Malawi, Mali, Nigeria, Niger, Senegal and Tunisia.

Based on the experiences in Sierra Leone and Benin, in 2017 a first handbook of the SME Loop approach was developed, including a coaching manual. The handbook offered a great level of flexibility in the selection of tools for each SME Loop programme. The key principle of the SME Loop is its responsiveness to the needs of businesses and the context of application. In the year 2019 the handbook was revised, and a Minimum Quality Standard (MQS) was defined. The MQS set standards on the general process of the SME Loop and the phases of implementation. The document provides references to existing good practices of various aspects of SME Loop implementation, including monitoring and evaluation (M&E), without defining standard tools or procedures on M&E.
While all countries are inspired by the MQS, there is not yet a reference document to guide the M&E systems of each country. Currently, each project or programme applies its own M&E system to the approach and according to its context. Under these conditions it is difficult to make comparative assessments for all countries. Moreover, it is not yet possible to demonstrate the SME Loop's impact on a global level.

In 2020, the Regional Competence Centre for Employment Promotion (RCCEP) was officially opened in Cotonou, Benin, to counterbalance global fragmentation. The RCCEP was set up to become a first regional hub to promote the SME Loop in West Africa. Currently, RCCEP's role is to further develop the SME Loop approach based on regional needs and requirements, and to promote its application in regional economic development.

In January 2022, the International SME Loop Association e.V. (AISME) was founded. The Association's purpose is to "promote and disseminate the methodical SME Business Training and Coaching Loop (SME Loop) approach and related tools for the promotion of micro, small and medium-sized enterprises to contribute to poverty reduction, inclusive and sustainable

[1] Adapted from "SME Business Training and Coaching Loop – Handbook", page 6.
[2] Kay Grulich (International Advisor) and Alphonso Campbell (National Advisor)

economic growth, employment promotion and income increase, in countries of the Global South[3]."[4]

In 2023, GIZ decided to initiate a process of systematic product and portfolio management (SPM). The SME Loop approach was selected as one of six pilot "products" for this process of portfolio-wide standardization. Since then, a team for product management within GIZ's Sectoral Department (FMB) in Eschborn, Germany, was established which aims to continuously improve the SME Loop approach in the context of application within the GIZ's portfolio for SME promotion. In December 2023, an initial stakeholder workshop was organized by GIZ. The workshop laid the foundation for future developments, including further standardization, activities, roles and responsibilities in the advancement of the SME Loop approach.

1.2. The Future of SME Loop

The SME Loop was designed under the EPP (Sierra Leone) and GIAE (Benin) programmes. The main target groups have been agricultural and food processing businesses in rural and urban areas. The success of the SME Loop approach and its flexibility have created interest to use the SME Loop in different contexts. First experiences were gained using the approach for businesses with low literacy rates and for start-ups. During the COVID-19 pandemic, the personal interaction between SME Loop implementers and businesses could not be continued as before. As a result, the use of digital tools and services became increasingly necessary. Based on these experiences, several specialized SME Loop approaches and modules have been developed, such as

- Standard SME Loop,
- e-SME Loop,
- Start-Up Loop,
- Social Enterprise Loop,
- Gender Transformative Approach (GTA) Loop.

The development of further modules to the SME Loop approach are expected to take place, e.g. a green or circular SME Loop.

1.3. Context of the SME Loop Standard M&E System (SSMS)

The SME Loop programmes implemented are usually part of a larger programme with specific objectives set by commissioning parties. These objectives are embedded into a programme-specific results matrix which defines outputs and outcomes that shall be achieved utilizing the SME Loop approach. The outcomes and outputs, as well as the required details to measure the progress on them define the needed information to be collected via the programme's M&E system. As part of product development, GIZ has developed a modular, standard results matrix for SME Loop implementation, with related Indicator and Data Definition Sheets (IDDS). The standard results matrix is based on key outputs and outcomes of the SME Loop which are to improve competitiveness, and to increase employment and income opportunities of supported businesses. For the selected

[3] According to the DAC list of developing countries and territories (valid for the reporting years 2022 and 2023) of the Federal Ministry for Economic Cooperation and Development (BMZ): https://www.bmz.de/resource/blob/146702/dac-laenderliste-berichtsjahr-2022-2023.pdf

[4] §2.1 of the Charter of the International SME Loop Association

outcomes, GIZ has developed Indicator and Data Definition Sheets (IDDS) which provide guidance on necessary information to be collected for reporting towards the standard results matrix. The IDDS are structured around three Module Objective Indicators:

- Improved competitiveness
- Improved income and employment situation
- Improved environmental sustainability (work in progress)

For each Module Objective Indicator, several IDDS had been defined due to the fact that e.g., improvements in competitiveness can be measured in many different ways. Thus, each IDDS defines one dimension of the indicator, e.g. “Enterprises with Improved Formalization Status” or “Enterprises with Increased Profit (before tax)”. The IDDS provide all details, including definitions of terms, data collection requirements, and steps for data analysis. Programmes implementing the SME Loop can select applicable indicators and related dimension (i.e., modular). As a result, implementing programmes do not have to define new indicators, design suitable surveys or develop a data collection timeline. The SME Loop Standard M&E System (SSMS) has been designed to provide all definitions and tools, as well as fulfil all data requirements for reporting towards the developed results matrix.

SME Loop programmes operate often as one component of a larger programme within the GIZ context. These programmes have an M&E system covering all components. The SSMS can build on these resources and has to blend in at the same time. These requirements are met through the use of tools that are either publicly available and used (Microsoft Excel), do not require extra license-fees and have open interfaces (KoboToolbox, CiviCRM, Microsoft Power BI) which results in a high flexibility for implementing programmes. Additionally, the pre-configured tools allow for seamless integration into a centralized data storage infrastructure (i.e., Data Warehousing) through Automated Programming Interfaces (API) developed for the selected tools. For this, the collected data must be in accordance with the underlying data model of the data storage infrastructure. By adhering to the provided standards and storing data within the provided data warehouse, programmes gain the opportunity to even use a global, pre-developed dashboards for real-time visualization, analysis and reporting. Alternatively, local and project-specific dashboards can be created either through the use and adaptation of a provided Power BI Desktop file or any other tool a programme prefers through exporting the collected data.

Through quality-assured data collection, specifically with regards to improvements in business management and performance, the SSMS can provide evidence regarding the impacts of the SME Loop approach on participating businesses. This evidence can be used further develop the SME Loop approach and its modules. Communicating evidence can furthermore assist in marketing the SME Loop approach globally. Additionally, the monitoring of costs associated with the implementation of the SME Loop allows to conduct cost-benefit analyses for further refinement of the approach.

2. About the Handbook

The SME Loop approach is an SME capacity development approach that follows a standard process comprising of up to seven steps:

1. Assessment & Selection
2. Training 1- Business Analysis (3 days)
3. Coaching 1 – Strategy Formulation (2 coaching sessions per month for 2 months)
4. Training 2 - Business Improvement Planning (3 days)
5. Coaching 2 - Business Improvement & Linkages Development (3 coaching sessions per month for 2 months)
6. Graduation Ceremony (1 day)
7. Coaching 3 (optional 3 coaching vouchers)

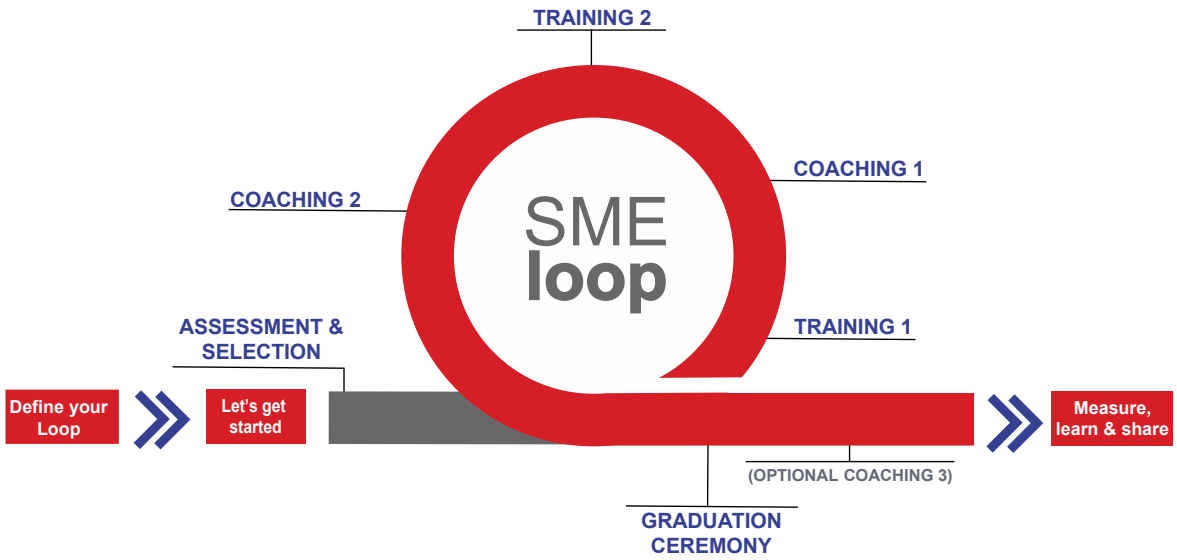

Figure 1: SME Loop Process Overview

Monitoring and Evaluation is necessary to verify the effectiveness of the SME Loop approach on the progress of SMEs and entrepreneurship. Reliable methods for the evaluation of the SME Loop regarding results on SMEs and entrepreneurship, using appropriate counterfactuals, have been established and demonstrated in the different countries implementing SME Loop. However, these methods, which can address the heterogeneous effects of SME Loop on different types of SMEs, are not widely disseminated across countries.

The main challenges are to increase the application of rigorous comparative assessment techniques, to better assess the objectives, targets and indicators of SME Loop, and to better exploit the potential of the vast amounts of data available on SMEs in the countries. It is the aim of the handbook to make better use of monitoring and evaluation in the SME Loop cycle through a comprehensive and harmonized M&E framework that will guide all SME Loop programmes.

The handbook provides an introduction to and overview of the systematic approach to monitor the results achieved in the various SME Loop programmes through the SSMS, allowing to compare results across countries and at the same time providing useful tools applicable to the different contexts of programmes implementing the SME Loop. The SSMS

sets minimum standards on what data to collect, how to collect data and when to collect data. It defines roles and responsibilities at programme level and for the coordinating body, at GIZ Sectoral Department.
The handbook is divided into a descriptive section (Part I), defining the system, its framework, steps involved and minimum quality standards, leaving room for needed adaptations in each country or programme. Part II is a documentation for users of the tools, describing steps involved in the application of the tools.
Users of the M&E system are all persons that

- Collect data,
- Analyse data,
- Use data, e.g. to support the businesses or to write reports.

Table 1 provides an overview of the roles of the SSMS that have been identified. One person can have different roles, e.g. a SME Loop Programme Manager of the SPs can also act as coach or trainer. Every role must be filled by a person who has the required competencies to fulfil the tasks of the role. If competencies are missing in the implementing organizations, these can be acquired through external support, e.g. GIZ Sectoral Department or SME Loop Master Coaches. The user groups are, as far as applicable, aligned to the "SME Business Training and Coaching Loop – Handbook", page 22 and 23.

Role	**Explanation**
SME Loop Coordinator	Officer in charge of the implementation of a specific SME Loop Programme within a specific implementing organization.[5] The coordinator might be assisted by implementing officers.
Coaches	Business coaches working directly with the SMEs to improve their performance. Business coaches are usually employed via (Business Development) Service Providers (SPs). Within the SSMS, the coaches are the principal data enumerators.
SP Team Lead	Officer at the contracted Service Provider in charge of managing the service delivery of coaches and trainers, in accordance with the stipulated signed contract.
M&E System Admin of the implementing organization	Officer in charge of setting up the M&E System for a specific SME Loop Programme as well as ensuring the M&E processes are carried out. Data analysis and report writing are part of this function. The M&E System Admin might be assisted by other M&E Officers.
Global M&E System Admin	Officer responsible for the provision and updating of all relevant M&E Templates, the updating of the SSMS Handbook, providing guidance to officers using the templates, and analysing SME Loop data from global perspective.

[5] In the early stages of the SME Loop the implementing organization has been mainly GIZ. It is anticipated future SME Loop Programmes might be implemented without GIZ involvement. The cost of an SME Loop Programme might be covered either by participation fees or funding from a Funding Agency.

CiviCRM Product Owner	The product owner provides CiviCRM installations for every programme implementing SME Loop. The correct flow of CiviCRM data is ensured through this role.
Regional Competence Centres (RCCs)	Regional Competence Centres are hubs with SME Loop expertise in a region, e.g. for Western Africa in Benin. These RCCs can provide guidance and support in the use of the SSMS.
(International or Regional) Master Coaches	Master Coaches guide and support Programme Coordinators during all phases of a new programme, provide Training of Trainers/Coaches services, support the GIZ in further developing the SME Loop approach and marketing of the SME Loop internationally.
Trainers	Trainers provide training to SME Loop participants. They collaborate closely with coaches.
Backstoppers	Implementing an SME Loop programme requires a variety of skills. For the use of the SSMS, skills in survey creation and data collection via KoboToolbox (or other data collection tools), data analysis, data cleaning, data visualization, and user administration are required. These skills need to be combined with a good understanding of the SME Loop approach in the role of backstopper. Ideally, coaches and trainers should be able to approach the backstopper with any question on SME Loop implementation.

Table 1: Overview of the SME Loop Standard M&E System Roles

3. Framework Conditions

The SME Loop approach is a signature tool of GIZ. Currently, the SME Loop is exclusively implemented by GIZ programmes. As a consequence, the SME Loop Standard M&E system has to answer primarily to the needs of GIZ, anticipating the needs of other organizations in the future. For the SSMS, this means adherence to best practice standards of M&E and to the legal requirements of data management of GIZ.

3.1. Monitoring and Evaluation Standards

Development cooperation organizations like GIZ face increased scrutiny whether their programmes create the intended change in a cost-efficient manner. For this reason, GIZ has to provide data and evidence of achieved improvements and related impacts.
In this regard effectiveness and efficiency of measures have to be analysed. Effectiveness is measured as a ratio of the defined target to the actually achieved outcome („doing the right things"). This is a classical question for an impact evaluation. Efficiency is measured as a ratio of target achievement and resources used („doing things right"). Usually this is answered through a cost-benefit analysis, which also includes comparisons with alternative approaches.
Monitoring and evaluation (in a broader sense) of social and economic projects/policies/programmes includes

- Monitoring: Gathering and analysing information whether the intervention operates as planned or whether there are difficulties/troubles.
- Process evaluation: Evaluation of implementation and operation.

- Cost-benefit analysis: Checking the efficient use of resources. Comparison with alternative uses of resources.
- Impact evaluation: Establishing whether the desired / intended effects have been achieved, and whether these are attributable to the intervention.[6]

The SSMS has to and does cover all these aspects of M&E, to the extent possible. GIZ programmes by definition follow a results-based monitoring approach, which includes basic steps, such as

- Identifying the goals the programme or strategy is designed to achieve,
- Identifying key performance indicators (KPI) to monitor progress against these goals,
- Setting targets for these indicators to be achieved in a given time horizon,
- Establishing a monitoring system to track progress.

Every GIZ programme must develop an offer that responds to the expectations of its commissioning party. The offer includes a results-matrix that is based on the programme's objectives and might not reflect the needs of the M&E standard for SME Loop programmes. The SME Loop is designed to achieve improvements on the performance of businesses, with the aim to improve income, profitability, and productivity; to generate growth; to create employment; and to increase access to finance and enhance formalization. The training and coaching approach aims at increasing the businesses' capacities to achieve those intended results.
The SME Loop programmes must collect the data needed to answer to their KPIs. At the same time, product management requires data on SME Loop implementation in order to improve the SME Loop approach. In ideal cases, the data requirements match each other. In some cases, programmes might have to collect some additional data for product management, e.g. if employment creation is not part of the module indicators, employment data would not be needed for the programme, but the SSMS makes employment data collection mandatory.

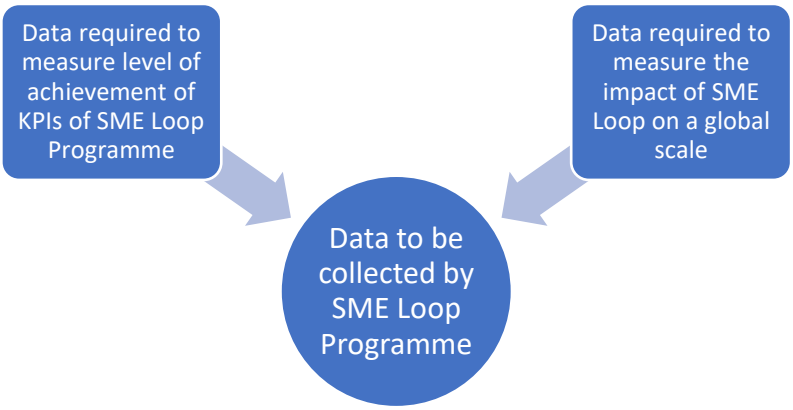

Figure 2: Data Requirements for SME Loop Implementers

The challenge for the SSMS is to collect the right data at the right time. The progress monitoring data is collected during implementation and the effects of not collecting the data

[6] Lay, Jann; Mahmoud, Toman Omar: Economics Training Series - Evaluation Methods: Introduction (MS-PowerPoint Presentation), Lusaka, 2010.

is felt immediately, because the SME Loop coordinator realizes when he or she has no information whether coaches follow the intended procedures. This creates an urge to collect information on progress. The evaluation aspect of M&E is usually done ex-post, meaning after the implementation the results are analysed to compare the actual results with the intended results. Such an analysis is only possible, if all required data has been collected before and during implementation. Figure 3 illustrates two key aspects of impact evaluation. First, it is necessary to establish a baseline (t=0) of the variable that the intervention intends to change. Secondly, to know the attribution of an intervention to an observed change, a counterfactual needs to be established.

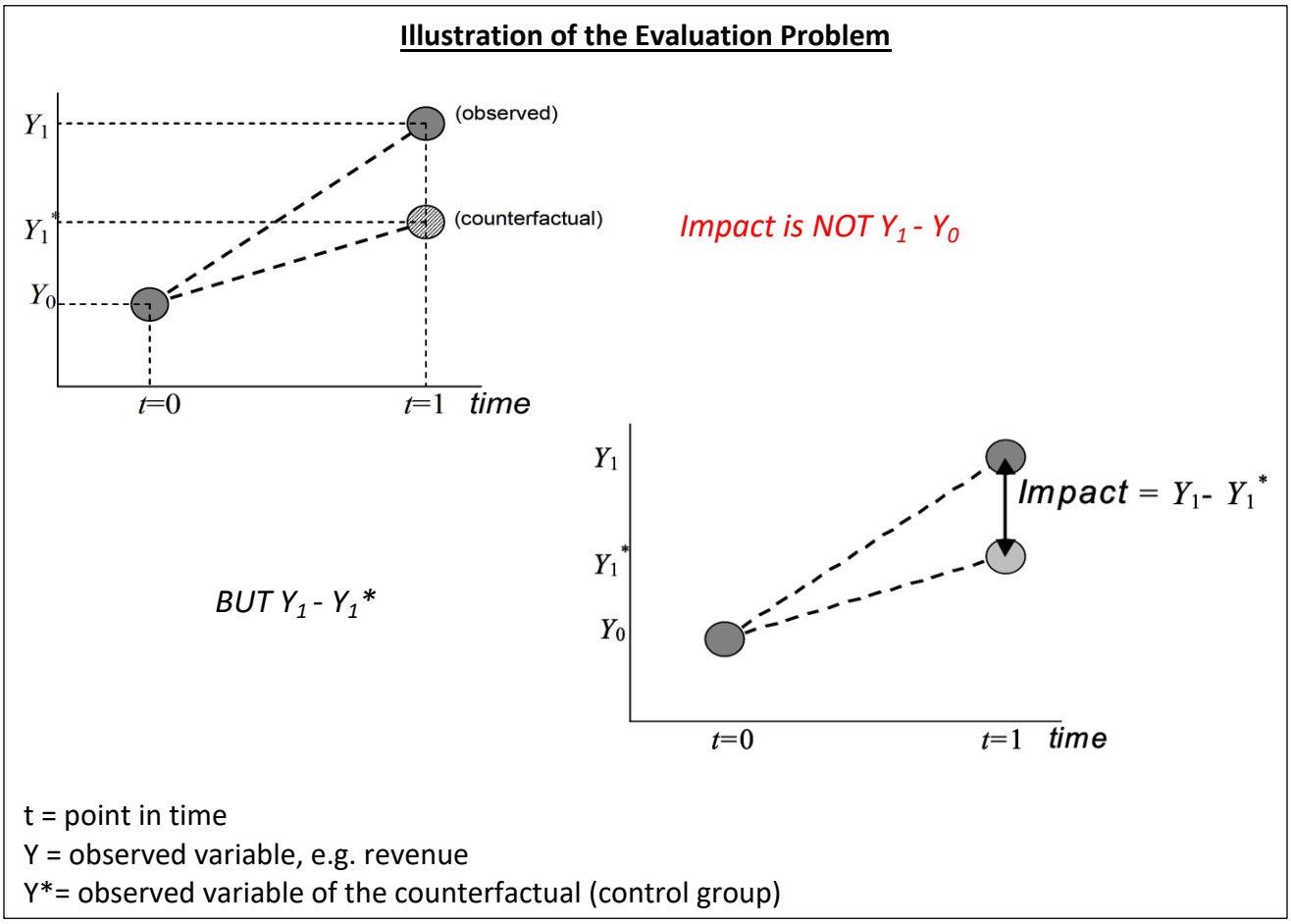

Figure 3: The Evaluation Problem

The counterfactual serves as a reference of what would have happened to participants without the intervention taking place.

The baseline problem can be solved through timely set up of data collection structures and formats. The main challenge remaining of an impact evaluation is to determine what would have happened to the beneficiaries if the program had not existed. A beneficiary's outcome in the absence of the intervention would be its counterfactual.

The problem of evaluation is that while the programme's impact (independent of other factors) can truly be assessed only by comparing actual and counterfactual outcomes, the counterfactual is not observed. Ideally, one would like to compare how the same household or individual would have fared with and without an intervention or "treatment." But one

cannot do so because at a given point in time a household or an individual cannot have two simultaneous existences - a household or an individual cannot be in the treated and the control groups at the same time. Finding an appropriate counterfactual constitutes the main challenge of an impact evaluation.
So, the challenge of an impact assessment is to create a convincing and reasonable comparison group for beneficiaries in light of this missing data.[7] Without information on the counterfactual, the next best alternative is to compare outcomes of treated individuals or households with those of a comparison group that has not been treated. In doing so, one attempts to pick a comparison group that is very similar to the treated group, such that those who received treatment would have had outcomes similar to those in the comparison group in absence of treatment.[8]
The SME Loop offers the opportunity to select participants and non-participants from a group of eligible applicants. It can be assumed that non-participants have similar characteristics as participants. The selection of participants from the eligible applicants should be randomized to reduce the risk of selection bias. However, non-participants will expect some sort of benefit to provide comparison data while not receiving the treatment (training & coaching). This problem can be solved using a pipeline approach. (see Figure 6) Non-participants of an SME Loop cycle will become participants in the next training cycle. This solution allows for a comparison of participants and non-participants for the duration of one SME Loop cycle. It does not allow for long-term impact evaluation, however.
Long-term impact evaluation is only possible, if a counterfactual can be established with data available at the starting point of the intervention and the point of impact assessment. In the context of the SME Loop this is not possible. Therefore, a next-best solution has to be found. The options for a next-best solution depend on the context of each SME Loop programme. In very few countries longitudinal household surveys are available, which could be a good source for finding a proxy counterfactual. In other countries household surveys, general economic data, e.g. sectoral figures on sales, profits or gross domestic product growth rates might be the only sources available. The respective impact evaluators have to decide on what would be the best source to construct a counterfactual. SME Loop implementers can support the long-term impact evaluation efforts by storing the data of all applicants to and participants of the SME Loop programme. The centralized data storage captures all data collected through the standard surveys, but no personalized data, which is required to identify the beneficiaries for conducting a long-term impact evaluation. This data must be stored on programme level.

3.2. Legal Requirements

In the process of implementing SME Loop programmes, it will be necessary to collect personal data of coaches, trainers and business representatives[9], such as name, address, or contact details. All organizations based within the European Union (EU), including

[7] Khandker, Shahidur R.; Gayatri B. Koolwal, Hussain A. Samad: Handbook on Impact Evaluation - Quantitative Methods and Practices, The International Bank for Reconstruction and Development / The World Bank, Washington, 2010, page 22.
[8] Khandker, Shahidur R.; Gayatri B. Koolwal, Hussain A. Samad: Handbook on Impact Evaluation - Quantitative Methods and Practices, The International Bank for Reconstruction and Development / The World Bank, Washington, 2010, page 25.
[9] Definition of Personal Data according to the European Commission: https://ec.europa.eu/info/law/law-topic/data-protection/reform/what-personal-data_en

subsidiaries in non-EU countries, have to adhere to the General Data Protection Regulation (GDPR) of the EU[10] for the collection, storage and use of personal data.
Since the SME Loop is implemented across various countries and continents, and GIZ (implementing organization) is based in the EU, all parties involved have to adhere to the GDPR requirements. In practice this requires

- To design a system for the processing of personal data that is approved by Data Protection Management (approval via Data Privacy Portal) of GIZ[11],
- To collect consent forms (i.e., data privacy statement; Annex 7.3.) from coaches, trainers and business representatives,
- To ensure personal data is only accessible to those that really need it (need-to-know principle)
- To anonymize and/or aggregate data that is shared with external parties,
- To timely delete personal data, once it is not needed anymore for the purposes described.

Based on the user groups identified and their data needs, the SSMS is designed to collect, use and store personal data of business representatives only up to programme level. It will be only stored and used by coaches, trainers, Service Providers, the SME Loop Programme Coordinator and M&E Officers. For all other interested parties, the data will be anonymized through the use of Enterprise or SME IDs (the terms SME ID and Enterprise ID are used interchangeably), as depicted in Figure 4.

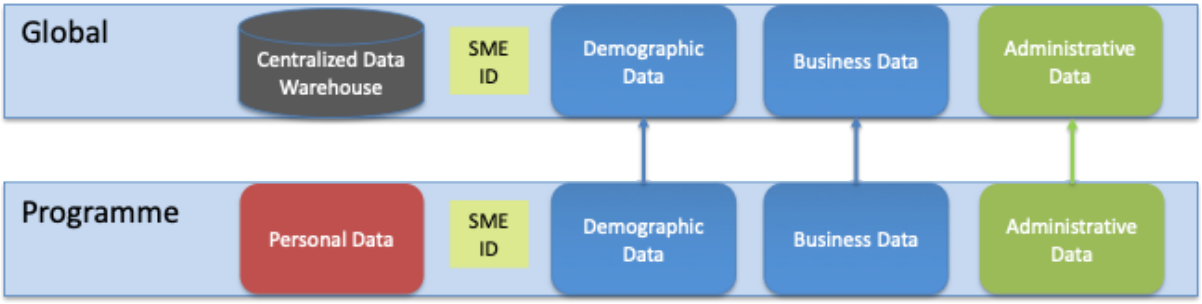

Figure 4: Data Management Structure between Programme and Global Level

3.2.1. Data Storage and Deletion

Personal Data will be collected through the open-source constituent relationship management tool CiviCRM[12]. The configuration will be prepared by the CiviCRM Product Owner in cooperation with product management. Additionally, event and participation data will be collected via CiviCRM as well. Only non-personal data, i.e. pseudonymized data, will be stored using the central data storage infrastructure.
Through the use of Enterprise IDs, the data collected via KoboToolbox is pseudonymized. Only Programme M&E Officers with the need to know the name of businesses and their representatives have access to the personal data linked to each Enterprise ID.
All personal data will be deleted at the end of the programme implementing the SME Loop since it has fulfilled the purposes outlined in the data privacy statement. At this point, all

[10] https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016R0679&from=EN#d1e1404-1-1
[11] Link to Intranet-site of data protection management team
[12] Open source constituent relationship management for non-profits, NGOs and advocacy organizations. | CiviCRM

pseudonymized data (using Enterprise or SME IDs) become anonymized which means that related data can be used and stored beyond the runtime of the programme. Further use of anonymized data might include further development of the SME Loop approach or in-depth impact evaluations.

3.3. User Scenarios

In order to better understand the specific needs of each user group, user scenarios have been defined. The scenarios explain how particular user groups prepare SSMS tools, collect and/or use data. The scenarios describe roles and tasks in detail, as well as what data is of interest to the user and how it can be utilized in their SME Loop tasks. Figure 5 provides and overview of the SSMS information flow. It is broken down into three separate overviews (System Administration, Data Collection & Storage, Data Analysis & Use) that are provided in Annex 7.1.

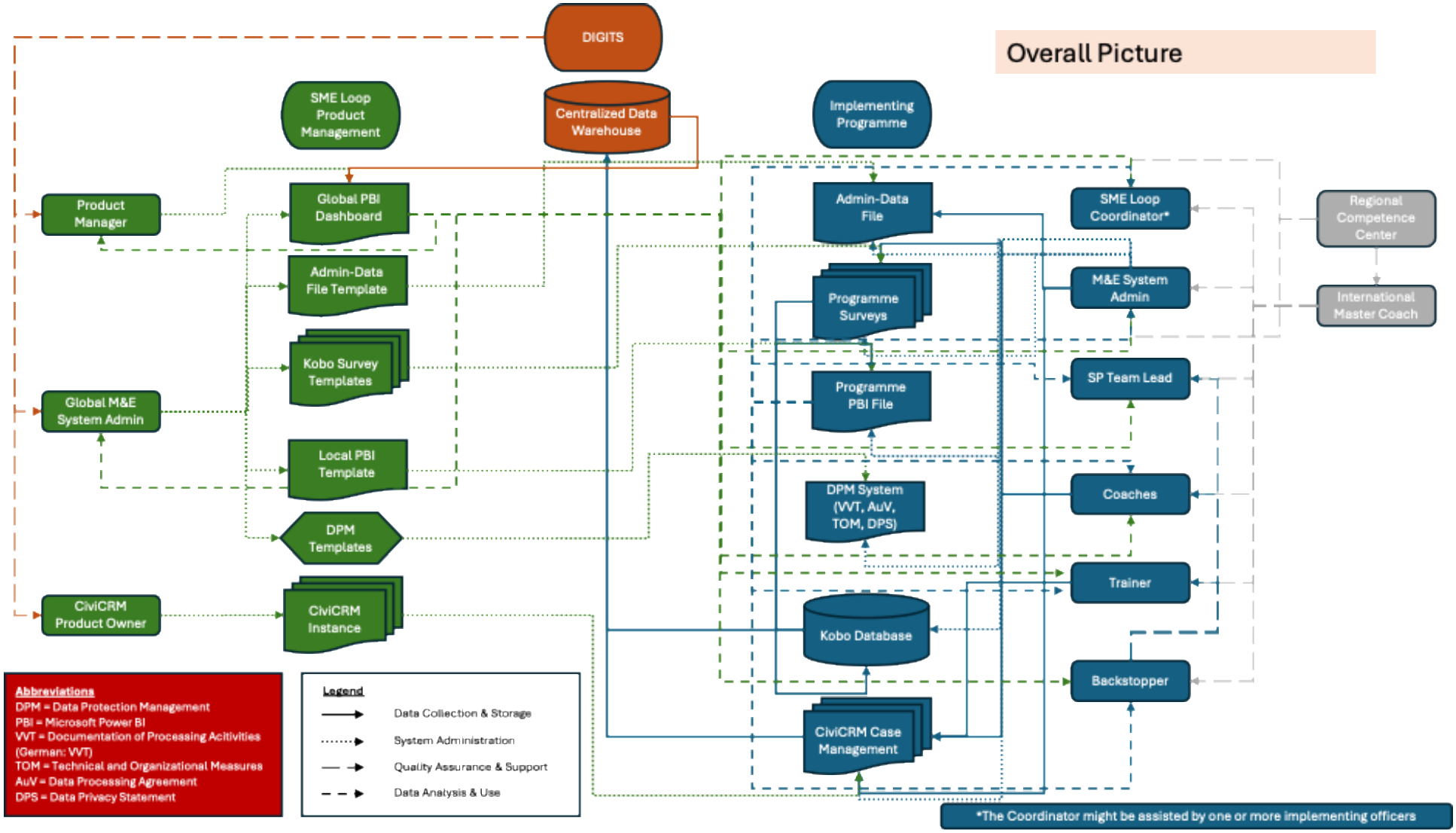

Figure 5: Overview of System Administration and Information Flow

3.3.1. SME Loop Coordinator

For this section the term Coordinator is used synonymously for the Coordinator and all assisting officers.

Use of Data

The Coordinator is responsible for the SME Loop Programme to deliver on the KPIs agreed with the Funding Agency. Usually, the Funding Agencies request regular progress reports. The reports do not look into the detail of the individual enterprises, but rather provide aggregate data by region, value chain or demographic clusters.
In order to ensure the achievement of intended results of the SME Loop Programme the Coordinator will have to at least conduct spot checks on coaching, training and the development of individual businesses. Therefore, the Coordinator will review and analyse the developments of all or selected individual businesses. The data will be verified during spot checks and if need be corrective actions will be agreed with the respective Service Provider's personnel.

Data of Interest

SME Loop Coordinators are normally interested in the largest set of data, such as figures of each business, progress of coaching sessions, training implementation and other KPIs, e.g. access to finance or level of formalisation.
While the focus of each SME Loop Programme varies, by the nature of SME Loop aiming to improve the performance of the businesses supported the main business performance indicators of the individual businesses will be relevant to every Coordinator, such as

- Revenue,
- Profit,
- Cash-flow,
- Employment Creation,
- Access to finance,
- Level of record keeping,
- Capacity development.

Depending on the level of involvement in the actual coaching and SME support efforts, the Coordinator will be interested in more or less details of each business. The minimum level of interest will be as described above. Others will want to have a detailed breakdown of cost (labour, raw materials, rentals, transport, taxes, depreciation, etc.) for the main products of an enterprise.

Additionally, the Coordinator must ensure that the participants are part of the intended target group or beneficiaries and will, therefore, require to collect data to verify this e.g.,

- Locality of the business,
- Demographics of the (main) business owner(s),
- Contact details,
- Past record of the business,
- Value chain of the business.

The Coordinator has to ensure that the Service Providers with their coaches and trainers follow the quality standards of the SME Loop approach. This requires the Coordinator to collect information on frequency and content of coaching meetings and in-class training attendance.

Lastly, the Coordinator has to monitor the cost of implementation for the Programme, such as cost for the work of Service Providers, cost of the Coordinator and Team, cost for M&E measures as well as cost for venues, food and other related auxiliaries (e.g. travel allowances or accommodation allowances for participants).

3.3.2. Coaches

Coaches work directly with the individual businesses to improve their performance. One coach supports a maximum of 25 businesses at the same time. Depending on the duration and size of a specific SME Loop Programme a coach might be assigned to work with more than one group of businesses, after concluding the first group.

Use of Data

The coach has two main use cases for the data:

1. Support the business in improving its performance,
2. Provide progress report to the SP Team Lead and the SME Loop Coordinator.

Data of Interest

In order to achieve the intended results, deliver in accordance with the required quality standards and be able to assist the businesses, the coaches need to have access to detailed information of each individual business. With regard to the businesses, they should have access to the records of each business. It might be of value to the coach to have access to aggregate data of the group of businesses supported as well as other groups. Comparing the own performance with the performance of another group can motivate businesses to intensify their efforts.

The coach needs to have access to detailed Profit and Loss (P&L) statements and business figures, including

- Revenue,
- Detailed list of variable costs,
- Detailed list of fixed cost,
- Profit,
- Cash-flow,
- Stock records,
- Labour cost,
- Access to finance,
- Capacity development,
- Level of employment.

Further the coach needs to have access to personal data, in order to be able to communicate with and locate the business owners or representatives

- Locality of the business,
- Demographics of the (main) business owner(s),
- Contact details,
- Past record of the business,
- Level of capacities within the business,
- Type of business,
- Value chain of the business.

To ensure adherence with the SME Loop quality standards the coach needs to monitor frequency and content of coaching meetings.

3.3.3. SP Team Lead

Each SP will have a Team Lead responsible to ensure the coaches and trainers deliver in accordance with the contract between the SP and the implementing organization. In case the implementing organization decides to directly contract coaches or use coaches from within the organization, the Coordinator will likely also take the role of SP Team Lead.

Use of Data

The SP Team Lead has to monitor the implementation progress of coaching and training sessions. The monitoring data is used to send progress updates on a regular basis to the Coordinator.
The progress reports will require a mix of detailed individual analyses as well as provision of aggregate data by region, value chain or demographic clusters.
For quality assurance the Team Lead might conduct spot checks of businesses.
This will require a review and analysis of the developments of all or selected individual businesses. The data will be verified during spot checks and if need be corrective actions will be agreed with the respective coach or trainer.

Data of Interest

Team Leads are normally interested in a broad set of data for the SMEs the SP is responsible for, such as figures of each business, progress on coaching sessions, training implementation and other KPIs, e.g. access to finance or level of formalisation.
Data relevant for every Team Lead are

- Revenue,
- Profit,
- Cash-flow,
- Level of employment,
- Access to finance,
- Level of record keeping,
- Capacity development,
- Demographics of the (main) business owner(s),
- Contact details,
- The Locality of the business.

To ensure adherence with the SME Loop quality standards the Programme Manager needs to monitor frequency and content of coaching meetings and in-class training attendance.

3.3.4. M&E System Admin

The role of the M&E System Admin is to ensure the SME Loop Coordinator is able to fulfil the reporting needs on implementation progress and level of achievement of Programme KPIs in accordance with good quality standards regarding M&E practices.

Use of Data

M&E System Admins are data providers rather than direct users. They use data mainly for analysis and reporting purposes.

Data of Interest

The data of interest is the same as for the SME Loop Coordinator. M&E Coordinators usually have a stronger focus on evaluations and impact measurement, which results in high interest to establish baseline data for proper impact assessments.

3.3.5. SME Loop Product Management (PM)

The SME Loop PM is responsible for the overall development of SME Loop products and tools. In this role the PM requires a generic overview of all SME Loop activities, regarding past, on-going and planned programmes, SME Loop adaptations, evaluation results, good practice examples, and other learning experiences. Additionally, information about active trainers, coaches, SPs and Master Coaches will be relevant. This information will assist in planning trainings for SPs, coaches, trainers, implementing organizations, funding agencies and Master Coaches. The PM is responsible to set quality standards and ensure adherence to these in cooperation with the International SME Loop Association e.V. The PM collates and provides information for marketing as well as learning purposes. The latter is used to improve the overall SME Loop approach and materials.

Use of Data

The PM has an interest to promote the SME Loop and ensures its implementations assist SMEs to improve their businesses. To improve the quality of SME Loop, PM analyses data across and within countries. The PM will identify programmes that are most interesting for evaluations and in-depth analyses. These analyses can go beyond the individual implementation and address challenges, such as why certain countries or regions fare better regarding access to finance or formalization of businesses.
The PM will generate reports on a global scale on the progress of SME Loop implementation, jobs created, additional income generated, and more.

Data of Interest

The PM is mainly interested in aggregated data per and for the SME Loop. If further detail is required, the PM would always have to involve the respective SME Loop Coordinator to assist in analysing and understanding the data. The main level is on aggregate and involves data on

- Revenue,
- Profit,
- Cash-flow,
- Labour,
- Access to finance,
- Level of record keeping,
- Capacity development,
- Demographics of the (main) business owner(s),
- Type of business,
- Value chain of the business,
- Level of capacities within the business,
- Coaching progress (meetings, meeting objectives and level of achievement),
- Administrative data (cost of programme and its components, duration of programme, number of participants, target groups).

3.3.6. International SME Loop Association e.V.

The International SME Loop Association e.V. is a member-based organization of SME Loop practitioners. Its main role is to "promote and disseminate the methodical approach SME Business Training and Coaching Loop (SME Loop) and related tools"[13]. The association is responsible for quality assurance of SME Loop implementation, especially through the certification of Coaches, Trainers, Senior Coaches, Master Coaches, and Service Providers.

Use of Data

The association uses the data like the PM. In addition, it needs to follow closely the implementation experience of SME Loop practitioners for checking criteria of the certification status.

Data of Interest

On top of the PM Data interest, the association would need to have detailed data on each trainer's, coach's, SP's and Master Coach's involvement in SME Loop implementation.

3.3.7. Regional Competence Centres

The RCCs takes on different roles. In some cases, an RCC is an implementing organization and, in this role, will be considered as such.
At the same time an RCC can be provider of training for SPs, coaches, trainers, implementing organizations, funding agencies and Master Coaches.

Use of Data

The Team of an RCC has an interest to promote the SME Loop in the region and ensure the SME Loop programmes implemented assist SMEs to improve their businesses. To improve the quality of SME Loop, it makes sense to analyse data across and within countries. RCCs can identify programmes that are most interesting for evaluations and in-depth analyses. These analyses can go beyond SME Loop and address challenges identified, such as why certain countries or regions fare better with regard to access to finance or formalization of businesses.
Lastly, each RCC will use the data to ensure the Minimum Quality Standards are adhered to in the region, in terms of coaching visits and training measures, as well as reporting.

Data of Interest

RCCs are mainly interested in aggregated data per SME Loop, largely similar to PM. If an RCC has an active implementation role, it will have data requirements as described for such user scenario.

3.3.8. Master Coaches

Master Coaches are usually involved in the early stages of a new SME Loop programme, assisting in the definition of the programme, providing training of trainers and coaches. Depending on the programme, they might equally get involved during the implementation phase in terms of quality assurance and guidance on programme implementation. For the latter they would rely on the data available to the Coordinator. The main interest for Master Coaches beyond a specific implementation programme is on aggregate data across countries, as well as access to impact evaluations.

[13] Charter of the International SME Loop Association e.V., page 1.

Use of Data

Master Coaches will use the available data across countries to inform themselves about the level of implementation on a global scale. Master Coaches have to be able to answer potential implementers of the approach,

- Where has it been implemented so far?
- What are the target groups? (e.g. also, illiterate participants, start-ups?)
- What are the results and impacts?
- How long does the implementation take?
- How much does it cost?

3.3.9. Trainers

Trainers work hand in hand with coaches. Their role is to provide in-class training sessions that answer to the needs of the businesses as well as the objectives of the specific SME Loop programme.

During the training sessions, trainers become data collectors for training attendance and will therefore document the dates of training as well.

Use of Data

The trainers have to select training material and adapt it to the context of the respective of businesses attending the training. They should prepare examples that are applicable to the lines of business and value chains of businesses.

Data of Interest

Trainers are among the early-stage data users. They require some basic information for the first training, such as types of businesses, value chains, size of business, and training needs. For the second training, they can rely on the input of the respective coaches to adjust the training materials.

The data of interest comprises:

- Level of turnover,
- Access to finance,
- Capacity development,
- The Locality of the business,
- Demographics of the (main) business owner(s),
- Past record of the business,
- Level of capacities within the business,
- Type of business,
- Value chain of the business.

4. The SME Loop Standard M&E System

The SME Loop Standard M&E System must answer to several needs in terms of information and data required. It has to balance the needs for M&E with the need to be manageable for those collecting data and especially should not impair the quality of training and coaching. The majority of data will be collected by coaches during the coaching phases. Working with the businesses, coaches build the necessary trust for their representatives to share their business data with the SME Loop implementers. Thus, coaches have to handle the majority of data collection tasks and bear the main responsibility for successful data collection. However, a quality assurance procedure must be embedded at every stage of data collection, in the selection and implementation process. This role should remain with the SME Loop implementation organization.

The SME Loop was designed to assist development cooperation programmes in their task to support employment promotion and increasing income. SMEs have been identified as the main drivers for job creation in many countries. Therefore, the SME Loop supports businesses to

- Increase income of business owners and employees,
- Improve productivity,
- Enhance formalization,
- Increase access to finance, and ultimately,
- Create additional employment opportunities.

The role of the SSMS is to support SME Loop programmes in easier specifying their objectives, targets and indicators, and setting up their own M&E systems. At the same time, the standard must ensure comparability across programmes using rigorous comparative assessment techniques while providing flexibility for each SME Loop programme's particularities.

The vast amount of data generated during the implementation of each SME Loop requires the use of IT-based tools to manage and analyse it. These tools must be user-friendly, compliant with data protection guidelines and enable cross-country analyses as well as analyses of individual businesses. The following sections describe the elements of the SSMS without details of actual system administration, which is captured in chapter 5 and Part II of the handbook.

4.1. Information and Data Needs

Although each SME Loop programme has its own specifics, based on the generic structure of the SME Loop and in order to report on results achieved including its KPIs, every programme must observe developments in the areas of businesses' profitability, job creation, access to finance and business formalization.

The SSMS includes so-called Indicator and Data Definition Sheets (IDDS). Each IDDS defines one dimension that can be used for measuring KPIs. During the preparation of the programme offer to the Federal German Ministry for Economic Cooperation and Development (BMZ) these IDDS can be used to define KPIs for SME implementation. Each IDDS forms one dimension of measuring a KPI. If the IDDS were not used to define the KPIs of a programme, the IDDS can be used during the Definition Phase of an SME Loop programme to define the dimensions for measuring the level of achievement for specific KPIs.

For analytical purposes further information is required with regard to business operations and demographics of the business owners.
On a global level, the SME Loop implementers will have to conduct cost-benefit analyses. For this reason, additional administrative data is required.

Table 2 provides an overview of the observed variables for the areas of interest of SME Loop implementation as well as the related dimensions of the IDDSs. The collection of data for some variables is mandatory, for every SME Loop programme. These variables are marked in bold letters.

Area of Interest	**IDDS Dimension**	**Observed Variables**
Business profitability / performance	- Entrepreneurs / Employees with a Higher Income - Enterprises with Increased Profit (before tax) - Enterprises with Increased Revenue	**revenue, labour costs**, inputs, **business owners' salary**, other operating expenses, financing costs, social security costs, other fixed costs, depreciation costs, **profit**
Employment	- Created Jobs at enterprise (in FTE) - Additional Employment created at enterprise (in FTE) - Enterprises / Employees with Improved Working Conditions	casual labour, family labour, **full-time and part-time employment**, **disaggregated by gender and broken down into hours worked, minimum salary**
Access to finance	- Enterprises with Improved Access to Financial Services	type of financial services and institutions used, services used, **loan application history**
Formalization	- Enterprises with Improved Formalization Status - Number of enterprises with newly formalized business relationships	registration status of business, type of registration (e.g. public registration body, tax authority)
Business operations	- Enterprises with Improved Access to Markets - Enterprises with an Introduction of a new product and/or new service (that contributes to the green transformation)	**type of business form, economic sector,** value chain, **age of business,** area of operation**, level of record keeping**, seasonality, geographic market, products/services offered
Demographics of (main) business owner(s)		**age, gender, education level**
Administrative data		**cost of implementation (separated by coaching, training, and capacity building; food, travel allowances, overheads), number of SMEs**, geographic target areas, target groups, selection criteria, **implementation period**

Table 2: Variables for Data Collection

In addition, progress monitoring data will provide timely information on the status of the coaching sessions. Any delays can be addressed by the SME Loop Coordinator. From a global perspective it will be helpful to analyse reasons for delays in SME Loop implementation and mitigation strategies.
All data will be mainly collected through the use of formats titled

- Baseline Survey,
- Monthly Business Figures,
- Employment Data,
- Coaching Session Progress Monitoring,
- Review Survey,
- Administrative Data Collection Form (Excel file).

The standard data collection forms (Annex 7.2) contain detailed information on the content of data collected.
In addition, two forms are provided to collect information on capacities of the (main) business owner or the manager of a business (Entrepreneurial Profile) and the business (Business Profile). Each SME Loop programme will have to collect also personal data on business owners and/or representatives. This information is collected using CiviCRM during the application phase and stored at programme level. Each programme has to comply with the relevant data protection guidelines.

4.2. Key Variables and Concepts

Through the development of the SSMS the collation of data and its comparability across SME Loop programmes of different organizations operating in various countries will be achieved. Comparability can only be assured by using clearly defined terms and variables and adhering to the standards provided. All key variables are defined in the SME Loop IDDS. The following section provides definitions not provided in the IDDS.

4.2.1. Cash-at-hand

For every business it is critical to remain financially liquid, not to run into a situation of insolvency despite running a profitable business. Though the concept of insolvency is more relevant to formalized businesses, financial liquidity is important to informal businesses as well. Financial liquidity enables businesses to use business opportunities when they arise, which is a key prerequisite for the growth of a business, and it helps to avoid borrowing money at excessive interest rates.
Financial liquidity is usually monitored and planned via a cash-flow forecast. In the SME Loop Standard M&E System financial liquidity is monitored on a monthly basis as cash-at-hand figure. Cash-at-hand includes only financial assets available on short notice, as described in Table 3.

Category	Definition
Cash-at-hand	Money in cashbox, money in mobile money account, money at bank account (immediately accessible at ATM or bank office), money in account of village savings group (immediately accessible at savings group), account at microfinance institute (immediately accessible at office or other outlet), not yet collected money send via money transfer agency
Other Financial Assets	Credit sales, money in a savings account with a notice period to access it, money lend to other persons or businesses, cash-advances to staff members, advance payments to suppliers

Table 3: Financial Assets Definitions

Category	Definition	Response Options	Explanation
Level of business registration	Based on the applicable registrations selected on the questionnaire.	No	Registration not started at all
		partially	Registration might be started or, if several registrations are required some might be complete, but not all.
		complete	All registrations required are complete
		Not applicable	The business does not have to register
Tax registration	Registration of the business with the tax authority. Personal tax registration can apply, if the business does not require a separate registration.	No	Registration not started at all
		in process / started	Registration might be started or, if several registrations are required some might be complete, but not all.
		complete	All steps of registration required are complete
		Not applicable	The business does not have to register with tax authority

Table 4: Business Registration Categories

Category	Definition	Response Options	Explanation
Financial account	A financial account is a vehicle to deposit money with an institution with or without interest being paid. It allows for immediate withdrawing of the money of the accountholder. Money can be transferred to other accounts within (and outside) the institution.	Bank	Commercial or Cooperative Banks formally registered as such.
		Micro-Finance	Financial Institution focused on servicing low-income market segments
		Mobile Money Service	Financial services managed by Mobile Network Operators.
		Village Savings Group	Any type of informal savings group arrangement or similar that provides financial services.
		Other Institution	Use this category and name the service provider
		No Account	Select this category, if the business does not hold any account.
Access to Loan	This question is following up on the status of accessing a loan, if a business requested it, during the period of the SME Loop cycle.	Applied	Business applied for a loan
		Approved	One or more loans were approved by the bank
		Denied	All loan requests of the business were not approved.
		Did not apply	The business decided not to apply for a loan. The reason is not relevant here.

Table 5: Access to Finance Categories

4.2.2. Establishing a Baseline Profit & Loss Statement

Of particular interest for the success of the SME Loop approach will be the impact generated for the businesses participating. One of the greatest challenges is the establishment of reliable baseline data. The SME Loop approach is mostly implemented in support of informal businesses. These businesses often do not have any or very limited business records. From experience of SME Loop implementation in Benin and other countries three scenarios were established:

1. Businesses have up-to-date business records including monthly financial statements,
2. Businesses have complete records of transactions, but do not establish financial statements,
3. Businesses have some or no record of transactions.

In Benin about 90% of the supported businesses (from rural areas) fall into the third category. These businesses often do not understand accounting terminologies. In addition, even businesses with existing financial records tend not to share data openly. They might be afraid the information could be shared with tax authorities, under or overreport their

revenue and profits not to be excluded from the programme or have other reasons to keep data secret from the coach.
As a consequence, the SME Loop Standard M&E System requires the establishment of baseline data after the first Training session of SMEs. For SMEs with existing records, the baseline data can also be revised at a later stage, if the business informs the coach that the data shared initially was not correct. The initial baseline data shall be submitted latest after the second and before the third coaching session.
The baseline data should provide a fair reflection of an average monthly P&L statement, as well as the level of employment or highest level of employment recorded at the business in the past season for seasonal businesses. The SME Loop supports businesses of different backgrounds, some are seasonal and operate only a few months a year. Business owners might run several businesses. Other businesses operate all year round with peak seasons and low seasons. In order to improve the comparability, the coaches will establish baseline figures on the basis of a monthly average following the procedures of the various categories as outlined here:

1. Seasonal business with existing records
   The SSMS's recommendation is to enrol seasonal businesses to SME Loop programmes during their months of operation only. This way, it is likely to observe a complete season during the SME Loop.
   From the existing records the business and coach will establish the P&L statement for the last completed season of operation. The results of each category will be divided by the number of months the business was in operation.
   For employment figures the existing numbers will be entered as per highest level of jobs documented at the business in the past.

	Month 1	Month 2	Month 3	Month 4	Total	Monthly Average
Revenue	0	0	100	800	900	225
Cost	150	50	100	300	600	150
Profit	- 150	- 50	0	500	300	75

Table 6: Calculation of Monthly Figures for Seasonal Businesses with Business Records

2. All year business with existing records
   From the existing records the business and coach will establish the P&L statement for the last six months of operation. If the business has been in operation for a shorter period, the figures for the months with existing records will be used. The results of each category will be divided by the six months or the equivalent, if the period was shorter.

3. Seasonal business with limited or no records
   The SME Loop Standard M&E System recommendation is to enrol seasonal businesses to SME Loop programmes during months of operation only. This way, it is likely to observe a complete season during the programme.
   The business's P&L statement must be established based on the limited existing records and the memory of the business owner. The coachee will have to sign at the

end of the procedure that the established P&L statement is a true reflection of the business's past performance.
The P&L statement will be developed as a reflection of revenue and cost covering the complete season. The results will be divided by the number of months of business operation in that season.
For employment figures the existing numbers will be entered as per highest level of jobs documented at the business in the past season.

	Total Estimate for Season	# of Months per season	Monthly Average
Revenue	2025	9	225
Cost	1125	9	125
Profit	900	9	100

Table 7: Calculation of Monthly Figures for Seasonal Businesses with Limited or No Business Records

4. All year business with limited or no records
   The business's P&L statement has to be established based on the limited existing records and the memory of the business owner. The coachee will have to sign at the end of the procedure that the established operating account is a true reflection of the business's past performance.
   The P&L statement will be developed as a reflection of revenue and cost for the last six months of operation. If the business has been in operation for a shorter period, the figures for the months of operation will be used. The business owner will be asked to estimate the values for each category of the P&L statement for a month with high, medium and low business operations. Thereafter, the business owner has to estimate the number of months with high, medium and low business operations. Each value will be multiplied with the number of months, giving a total for each category of month. These three totals will be summed up and then divided by six months (or the equivalent, if the business was in operation for a shorter period of time) to calculate a monthly average.

	High Months			Medium Months			Low Months			Total	Monthly Average
	Value	#	Total	Value	#	Total	Value	#	Total		
Sales	350	3	1050	210	5	1050	75	4	300	2400	200
Cost	200	3	600	120	5	600	100	4	400	1600	125
Profit	150	3	450	90	5	450	-25	4	-100	800	75

Table 8: Calculation of Monthly Figures for All-year Businesses with Limited or No Business Records

4.2.3. Control Group Creation

In order to establish the actual impact of SME Loop training and coaching, the improvements of businesses must be measured against their counterfactual, which is not possible (see chapter 3.1). The second-best option is to identify a control group of businesses that have similar characteristics as participants in the SME Loop programme. Depending on the

number of businesses enrolled per batch[14], the number of businesses in the control group should be between 6 (for a batch of 15 businesses) and 10 (for a batch of 25 businesses). The following section describes the control group selection process for a batch of 25 businesses enrolled in a programme.

During the selection process applicants generally eligible to be enrolled in SME Loop will be identified. This number has to be larger than the actual number of participants, because some applicants decide later not to participate. Programmes are encouraged to pre-select 50 eligible businesses for one group and verify their availability for a particular SME Loop cycle. This will be easier for large programmes with an implementation period covering more than 12 months. Out of the 50 (or less) pre-selected eligible businesses a number of 35 have to be identified (This process includes a check of eligibility as quality assurance measure.) that are eligible and available to participate. Out of these 35 eligible participants 25 actual participants will be randomly selected. There must not be any interference in the selection. The random selection can be automated via Microsoft Excel (or other tools) or done by drawing numbers out of a bag, to give some examples. The remaining 10 will act as control group.

This requires the establishment of a baseline for these businesses and to collect their business figures every three months following the procedures outlined in the previous chapter. After the programme for the 25 participating businesses has been concluded, the control group members will be enrolled to another SME Loop programme and become actual participants.

[14] A batch is the term used for a group of businesses trained together. Other terms used similarly are class or sometimes group. The maximum number of participants per batch is 25, according to the MQS.

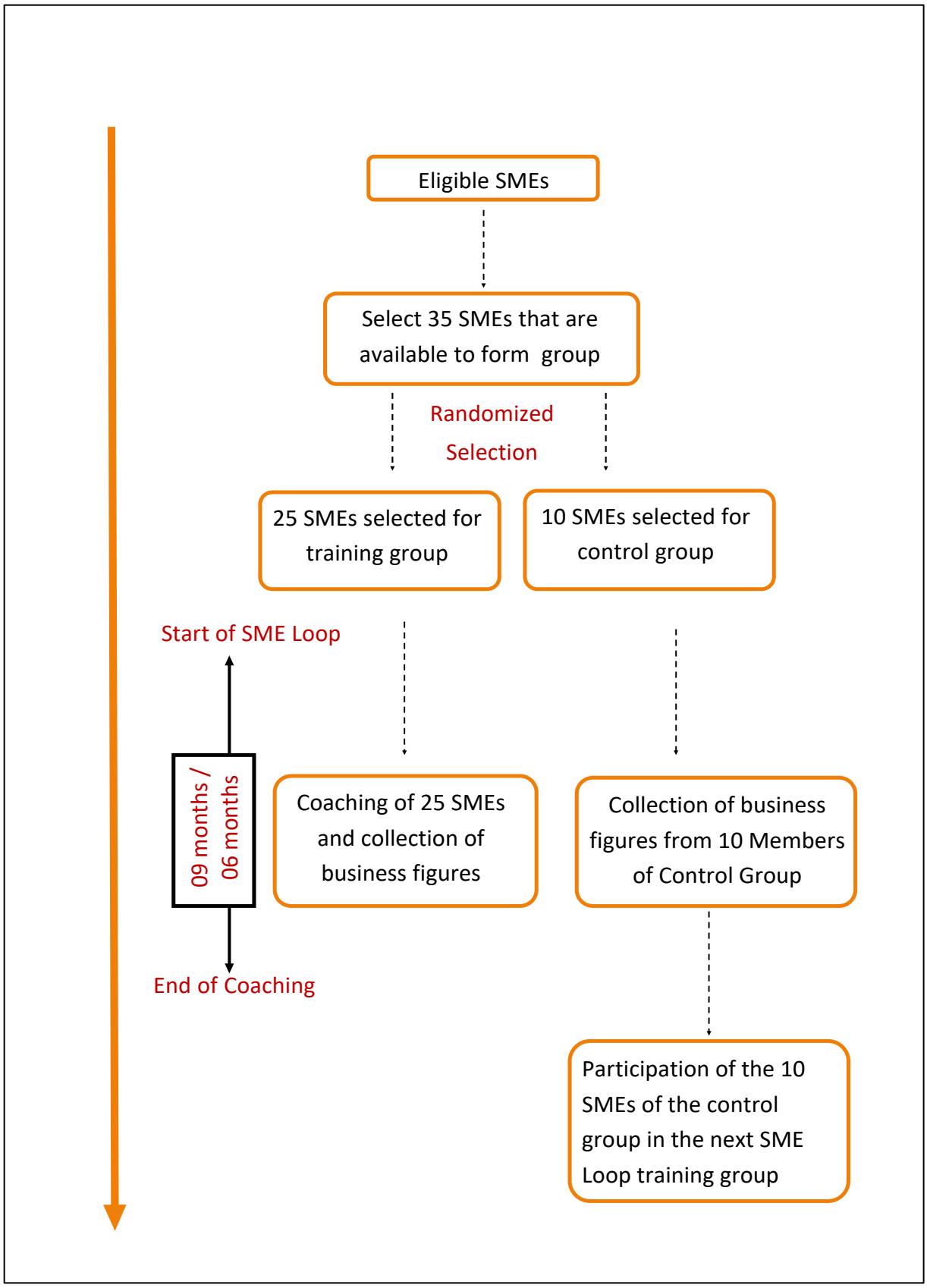

Figure 6: Randomized Selection of Control Group Members

4.3. Timeline

The M&E timeline for the SME Loop Standard M&E System is based on the standard SME Loop procedures and timelines. The period from the first in-class training and the last coaching session lasts about six months, ideally. In some cases, the coaching is extended to a third phase, reaching a total of nine months. Due to implementation challenges, such as rainy season combined with bad road networks the overall implementation period for a group of businesses can last longer than the intended six or nine months. Each SME Loop programme comprises several batches of businesses, which are enrolled in parallel or as a sequence.

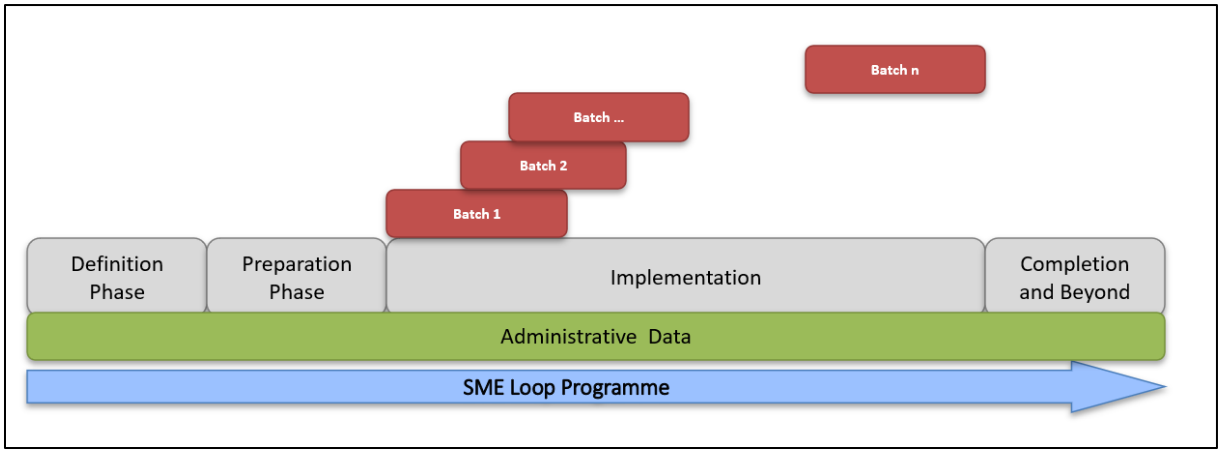

Figure 7: Sequencing of SME Loop Batches

4.3.1. Data Collection Points

The implementation process of the SME Loop is defined per batch of businesses trained and coached. It always follows the steps of application, selection, training 1, coaching phase 1, training 2 and lastly coaching phase 2. In some cases, a third coaching phase follows. (see Figure 1)

The baseline data (T0) must be collected latest before the third coaching session starts. The baseline data covers business periods before the first training, also in the event that it is collected after the start of the SME Loop programme. Once the business started the SME Loop training and coaching, business figures are collected as actual figures for each month using the Monthly Business Figures form. Some businesses do not have up to date financial records. In these cases, the coach should take time and estimate historical business figures (see chapter 4.2.2) for the baseline, during the first and second coaching session. These initial sessions might have to take longer (up to 4 hours) than normal coaching sessions.

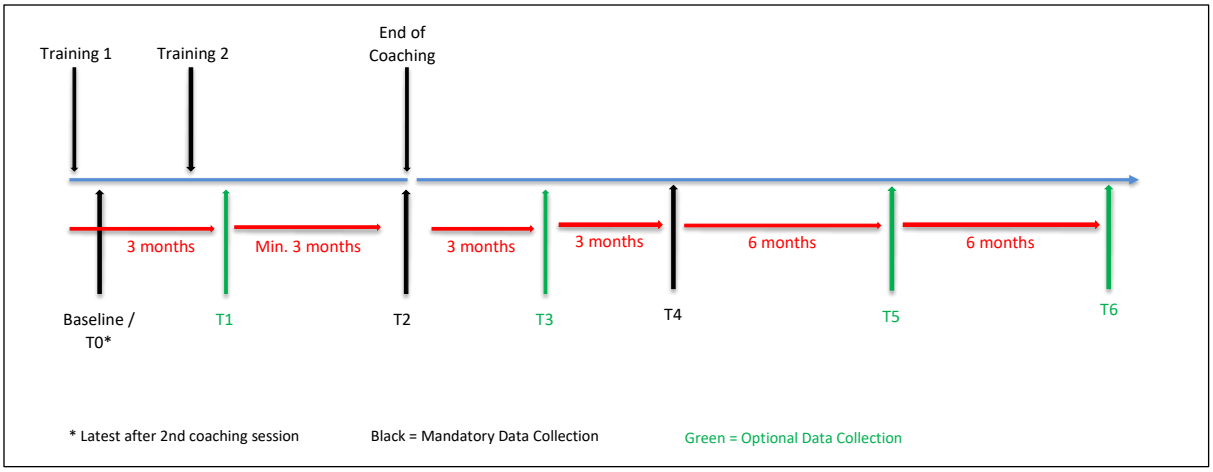

Figure 8: Data Collection Timeline

Business Figures have to be collected as monthly data, in the format of the P&L statement. It can be collected during or at the end of the SME Loop implementation. The SSMS has seven data collection points (DCP), T0 up to T6, of which T0, T2 and T4 are mandatory data collection points and the others are optional. T0 is the DCP for the baseline survey for each business. The baseline data has to be submitted before the third coaching session for each business. During the coaching period, each SME Loop programme can decide to collect and submit business figures every month or submit the figures at DCPs broken down into monthly P&L statements.
At DCP T2 each programme has to submit the data of each business for all months covered during the coaching period, irrespectively of the lengths of coaching. The submission has to be done latest 1 month after the last coaching for that batch of businesses has been completed. Additionally, the business figures for the remaining months following T2 have to be submitted latest 1 month after DCP T4, which is 12 months after the initial training. Programmes can decide to voluntarily collect further data at later DCPs.

DCP	Definition
T0	baseline data to be collected latest after second coaching session
T1	three months after Training 1, but not before Training 2
T2	at the end of coaching phase 2, at least covering 6 months
T3	nine months after Training 1
T4	12 months after Training 1
T5	18 months after Training 1
T6	24 months after Training 1

Table 9: Definition of Data Collection Points

4.3.2. Administrative Data File

Information on programme title, costs, stakeholders involved, number of applicants and businesses enrolled, and other general topics, typically referred to as administrative data, shall be submitted regularly by the use of a Microsoft Excel file. The final submission file (Annex 7.2.8) completely filled has to be submitted latest one month after DCP T4 of the last batch of businesses trained.

4.3.3. Additional Reporting Formats

The SME Loop programmes use different steering and management approaches for the implementation of the SME Loop. As a consequence, the roles and tasks of implementing organizations and Service Providers vary largely. The SSMS does not define any standard reporting formats from SPs to implementing organizations. Through the use of digital tools for data collection, all quantitative data is available in real-time. Each SME Loop Coordinator decides which additional information is required. The Coordinator can define own reporting formats. Samples of reporting formats can be provided by SME Loop PM upon request.

4.4. Data Management Tools

One objective of the SSMS is to efficiently exploit the potential of the vast amounts of data available on SMEs in the countries implementing SME Loop. To enable the management of data across countries a mix of digital tools for data collection and data analysis have been selected and form the basis of the SSMS.

4.4.1. Business Data Collection

For the collection of business data, the standard tool selected is KoboToolbox, a data collection software particularly developed for the context of development cooperation programmes operating in countries with limited network coverage. The data can be collected via computer, tablet or Android smartphone. The use of iPhones (iOS) is equally possible, when entering the data via a web-browser. The required database can either be hosted on a self-managed server (contracted by the programme), a server run by KoboToolbox, or a GIZ-hosted server. KoboToolbox is typically offered on servers internationally or based in the European Union. For SME Loop programmes the default server is the server based in the European Union or the GIZ-hosted server[15]. Alternatively, KoboToolbox offers the option to create a self-managed installation of the KoboToolbox software on a server of choice by a programme. Such an installation has to be managed and run by the implementing programme and should be chosen in consultation with product management.

The SSMS provides standard templates in Microsoft Excel format for data collection with KoboToolbox. These templates can be adapted according to the respective programme context by deleting or adding questions. The questions covering mandatory variables should not be deleted from the surveys before prior consultation with the Master Coach and PM.

For data visualization analysis, Microsoft Power BI has been selected. The SSMS provides a standard file that can be used locally with Power BI Desktop using a free-to-use version. Alternatively, the global standard dashboard for SME Loop programmes can be used as well. To analyse data in Microsoft Power BI, it has to be transferred from KoboToolbox into an Microsoft Power BI database, stored either locally or in the centralized data storage infrastructure of GIZ. This process is (semi-) automated, which allows for real-time access to the data. (For details see part II of the handbook.)

SME Loop Coordinators can decide to deviate from the standard tools, survey forms or data infrastructure. If a Coordinator decides to use different tools for data collection and/or analysis, the Coordinator has to ensure the data can be integrated with Microsoft Power BI, either through a direct technical interface (API) or via a manual process (e.g. download of data into an Microsoft Excel file that can be uploaded to Microsoft Power BI). The Coordinator is responsible to ensure the data is stored using the same logic as in KoboToolbox (for details, see part II of the handbook) for global comparability. It shall be

[15] For further information, please reach out to the Digital Results-based Monitoring (RbM) team at GIZ.

noted that deviation from the standard is not recommended by product management but might be necessary in individual cases.
Experiences from SME Loop implementation indicate that digital data collection is generally possible by coaches and personnel of implementing organizations. In some circumstances, it might be necessary to enable paper-based data collection as a first step. In such circumstances, data is collected on a paper-based format and then transferred manually into digital format, e.g. via data entering into KoboToolbox.

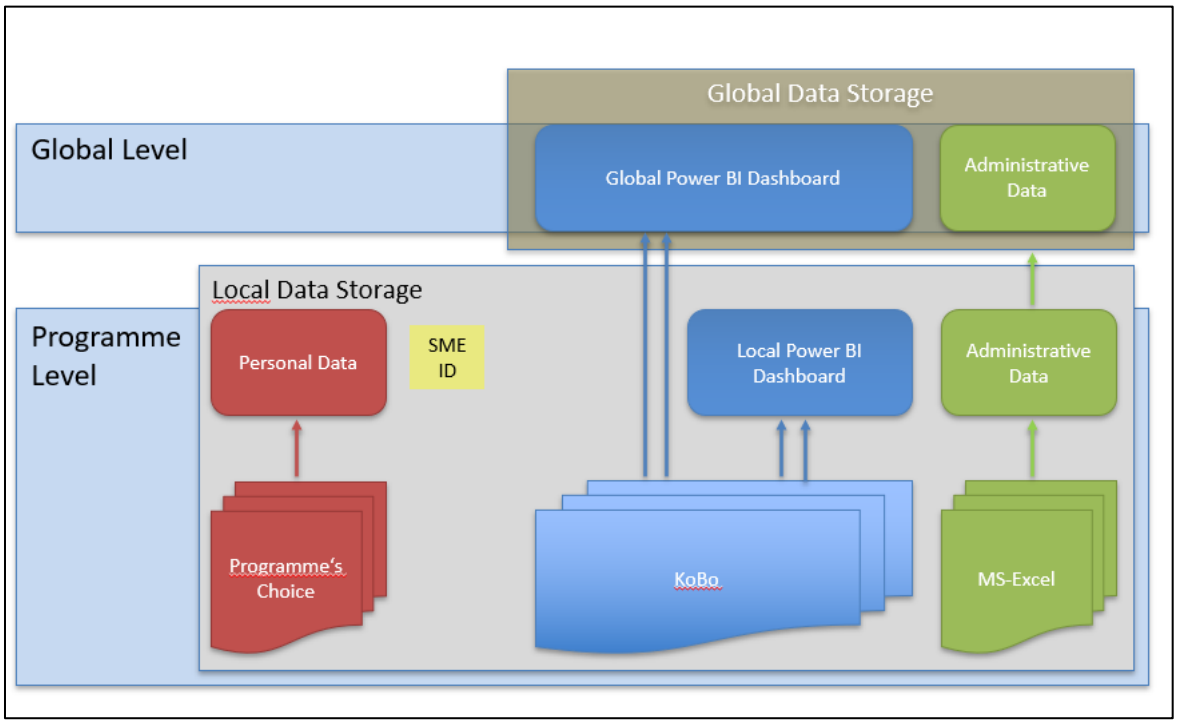

Figure 9: Data Management and Storage Systematic

Non-personal data (Business Development Data, Entrepreneurial Skills, Business Profile, Coaching Session Monitoring) is collected via KoboToolbox and stored on a server. This data will be linked to the standard Microsoft Power BI dashboards (local and/or centralized option). The local dashboard files can be saved as Microsoft Power BI files and distributed to relevant stakeholders. These files can be updated semi-automatically via a refresh-button to incorporate latest data collected.
The data collected will be stored in accordance with the data needs of the respective M&E system level. For the personal data of business owners and representatives each programme will be responsible to store it according to the relevant requirements.

4.4.2. CiviCRM

CiviCRM[16] is a constituent relationship management (CRM) system built by and for nonprofit organizations and NGOs. CiviCRM is free / open-source software which means there are no license costs or user fees associated with downloading, installing, or using the software. CiviCRM is online and web-based, which means it can be accessed by many users at the same time from different locations while being connected to Wi-Fi. It has been developed with the international community in mind, and translations and multi-language options are

[16] What is CiviCRM? - CiviCRM User Guide - CiviCRM Documentation

supported. CiviCRM allows organizations to record and manage information and data about the various people and organizations they interact with. In this sense, CiviCRM is more than just an address book - it is a flexible platform that allows users to manage a range of interactions including events, memberships, activities, cases, campaigns, mailings and more, all located in a single system that integrates tightly with popular open-source content management systems (CMS). Thus, CiviCRM is a modular system which allows to

- Record basic contact information such as name, address, email, phone number
- Define relationships between contacts such as employer – employee
- Send emails
- Keep a record of interactions with contacts

CiviCRM has been configured for the requirements of SME Loop implementations. More specifically, the following modules have been prepared for implementing programs

- Contacts – a module used for storing and managing contact data related to individuals and organizations such as businesses
- Email (CiviMail) – a module used for handling (mass) email outreach
- Case Management (CiviCase) – a module used for tracking and managing sequences of interactions with contacts and affiliated organizations
- Events (CiviEvent) – a module used for setting up and running events such as trainings, while managing related event data and participations
- Survey (CiviSurvey) – a module used for surveying contacts and participants, recording survey responses and generating reports from the survey data
- Campaign (CiviCampaign) – a module used for linking together events, mailings, activities, and contributions under one “umbrella” so that users can track the progress of all their efforts towards one goal (i.e., SME Loop implementation)

Please note that the use of CiviCRM as case management and (activity) monitoring tool requires a considerable amount of onboarding and continuous capacities (especially from M&E personnel) on behalf of the implementing program, as well as service providers / backstoppers. For system and user administration of CiviCRM, please find all required information in the SME Loop Standard M&E System Handbook Part III – CiviCRM. Complementarily, please reach out to SME Loop PM directly for a preliminary check of feasibility.

4.4.3. Dashboards Content

The SSMS provides two Microsoft Power BI based versions of dashboards, a global dashboard accessible via web-browser and a local dashboard accessible via Microsoft Power BI desktop. The following sections provide an overview of the structure and content of these dashboard versions. The presentation of content can vary in the actual dashboards, due to continuing enhancements.

4.4.3.1. Global SME Loop Standard Dashboard

The Global SME Loop Standard Dashboard shows aggregated numbers from global implementation and can be accessed via a web browser. It contains the following 5 section:

- Overview
- Demographics

- Activities
- Competitiveness
- Income and Employment

Please note that the global dashboard follows a pre-determined logic standardized over all implementation and can thus not be adjusted to an individual project context. Access is provided through product management. For more in-depth information, please read through the dedicated chapter in the second part of this handbook.

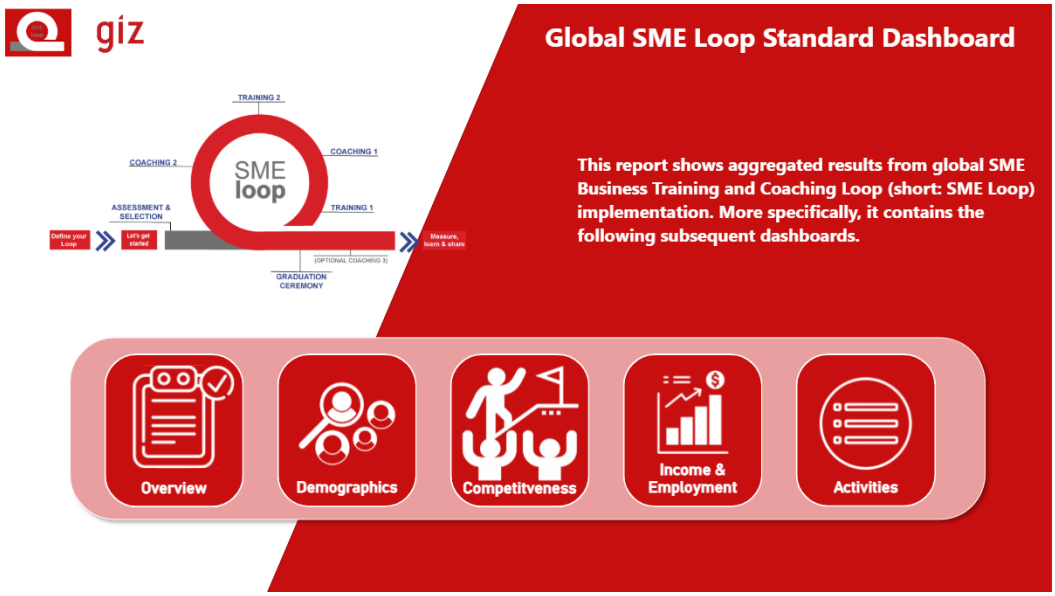

Figure 10: Global SME Loop Standard Dashboard Landing Page.

4.4.3.2. Dashboard Content of Local Power BI file

The local Power BI Dashboard is structured into the following 6 sections:

- Collected Data
- Overview of Businesses
- Financials
- Employment
- Coaching
- Data Checks
- Programme specific Indicators

The first page (Collected Data) simply shows for how many different businesses each survey form has been collected.

Survey has been filled out for number of Entrepreneurs

Survey	Number
Baseline	84
Business Profile	96
Coaching Session	85
Employment	84
Entrepreneurial Profile	0
Monthly	81
Review	10

Figure 11: Collected Data Overview - Local Power BI File

The second section provides a general overview of information related to the businesses, covering demographic information, business formalization, access to finance and financial services, entrepreneurial and business profile scores. The data is visualized using graphs and tables, in accordance with the most suitable presentation of data. Each page has integrated drop down menus allowing to filter the data by Service Provider, Batch, Coach, Business Gender or Region of Business. These selections are applied to all pages of the file.

Figure 12: Local Dashboard Visual Sample - Demographics of Businesses

The third section provides visuals of profit and loss data in different formats.
Section four provides different tables and visuals based on employment data, including age distribution of employees, types of employment, FTEs and level of formalization of contracts.

In the fifth section coaching progress is monitored, in terms of number of coaching sessions completed and content covered per coaching session.

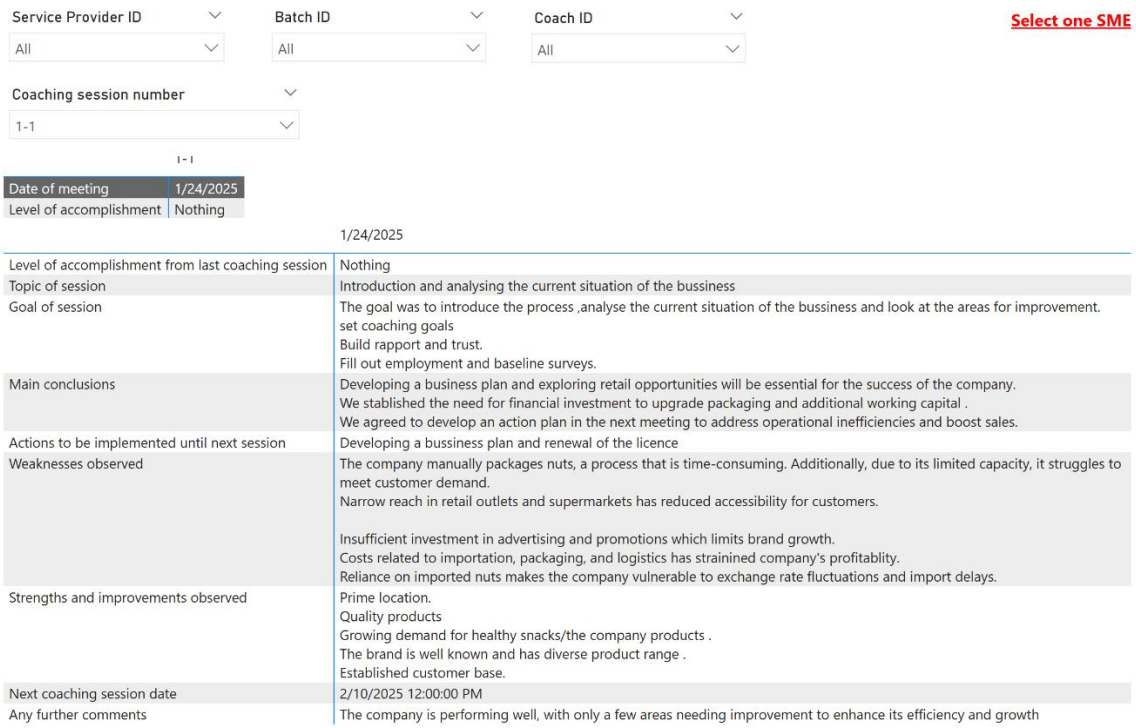

Figure 13: Local Dashboard Visual Sample - Coaching Session C1-1

Section six on Data Checks provides specific tables supporting data quality assurance. The tables assist in the identification of missing data, the submission of more than one survey per business for a particular data collection point or data inconsistency, e.g. employment data surveys without any employee[17].

The last section can be adapted to the programme's content, visualizing the achievement levels towards KPIs of the programme.

The dashboard file can be printed as report. For this purpose, it is recommended to create specific dashboard files containing only the needed pages for management reports.

4.5. System Requirements

The hard- and software requirements for the selected solutions are simple. They differ in accordance with the required tasks to be performed. (Table 10)

Task	**Technical Requirement**
Questionnaire design and upload in KoboToolbox	- PC/Laptop with internet browser for managing the forms - A server to run KoboToolbox, if this is a requirement of local law. Else the EU-based server can be used.
Data collection using KoboToolbox	- Android phone, or - Any device with a web-browser
Data collection using CiviCRM	- PC/Laptop with internet browser and Wi-Fi/LAN connection

[17] According to the IDDS on employment, a business owner working in the business is counted as employee.

Data cleaning and analysis	- PC/Laptop with internet browser - Microsoft Power BI Desktop (to identify data issues)
Data analysis and report/dashboard creation in Microsoft Power BI	- PC/Laptop with Windows Operating System - Microsoft Power BI Desktop (demand for computer with high level memory)
Viewing of reports and dashboards	- Microsoft Power BI Desktop (local file) - Web-browser (web-based dashboards)

Table 10: Technical System Requirements

4.6. System Administration

Every M&E system requires coordination of activities, management of tools and support for users. These functions are often carried out by M&E officers. The SME Loop Standard M&E System requires a trained administrator of the tools and methods on programme level the M&E System Administrator, who shall be supported by the Global M&E System Administrator. The tasks of these administration functions are listed here:

1) M&E System Administrator (in new programmes often supported by a Master Coach)
   a) GDPR compliance management (with support by provided standard documents and Data Protection Management – Data Privacy Portal / Data Help Desk)
   b) Local data compliance management
   c) Questionnaire design, adaptation of questions to local context and addition of necessary programme questions (see part II of handbook for details)
   d) Data collection
      - Training of data collectors
      - Data cleaning
   e) Data analysis
      - Training of users in use of dashboards and reports
   f) Definition of reporting formats
   g) Server management, if local server is used
   h) Administrative data handling and regular updating

2) Global M&E System Administrator
   a) Support and Backstopping for SME Loop programmes
      i) Questionnaire design
      ii) Onboarding and training in use of software tools
      iii) Support on GDPR Compliance
   b) Data management
      i) Upload of new data
      ii) Request for data cleaning on programme level
      iii) Management of change requests in questionnaires, dashboards and reports
   c) Data analysis
      i) Creation and updates of dashboard and reports
      ii) Specific analysis on request

d) User Management
   i) Updating of global Microsoft Power BI dashboard
   ii) Sharing of local Microsoft Power BI dashboard file with entitled users
e) Quality assurance
   i) Data quality
   ii) Data handling
   iii) M&E Procedures
f) Management of Change Request Process
g) Impact Evaluation Management

4.7. Change Management

The SME Loop approach is in continuous development. In the years to come new types of SME Loop might be designed and require adaptations of the Standard M&E System. The actual implementation of the M&E system will show areas where improvements will become necessary. These improvements should follow a clear procedure of change management. Every programme through its Coordinator as well as RCCs or relevant stakeholders can submit change requests on the existing system. These change requests should be handled by a steering board comprising of selected members of SME Loop PM, SME Loop implementing programmes, the International SME Loop Association e.V., and representatives from RCCs. The Steering Board meetings will be coordinated and prepared by SME Loop PM. Change requests will be presented and product management will prepare a statement explaining the implications of these changes, in terms of

- change in procedures,
- resulting effects,
- time to implement the changes, and
- cost to implement the changes.

The Steering Board will decide whether the changes will be implemented in coordination with the SME Loop M&E Working Group (working group consisting of experienced M&E practitioners). In addition to the change requests, Steering Board meetings will be a forum to discuss new developments, challenges and requirements on the M&E system experienced in the various countries. SME Loop PM can propose ideas on how to develop the system further and can use the Steering Board as a sounding board for such ideas. (Figure 14)

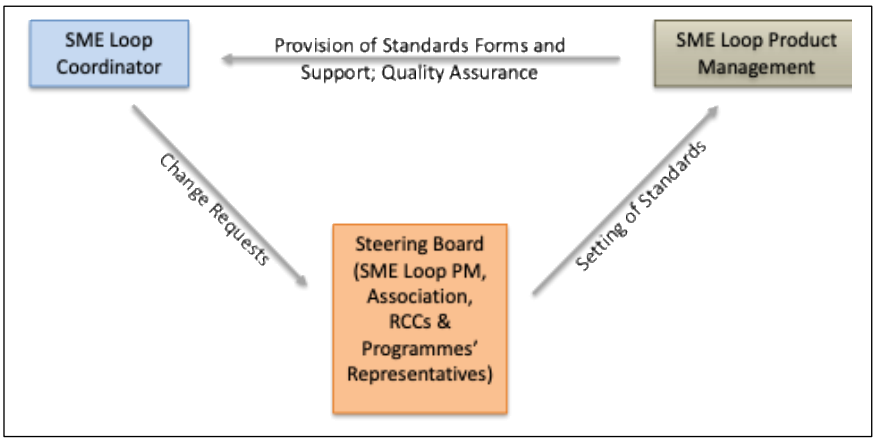

Figure 14: Change Request Management Procedure

5. Implementation of the SME Loop Standard M&E System in an SME Loop Programme

The SSMS must be an integral part of every SME Loop programme. It requires data collection and in turn provides necessary information for managing the SME Loop implementation. This section follows the systematic stages outlined in the Minimum Quality Standards[18] document for the SME Loop and highlights the steps to be implemented in each phase, regarding the application of the SSMS.

5.1. Preparing for M&E

In the initial stages of every SME Loop programme at least one person should be assigned to handle all aspects related to M&E. It is important, because a number of topics must be addressed related to responsibilities and tasks, as well as technical and legal aspects. Decisions have to be taken on these topics and the setting up of all structures will take some time.

5.1.1. Tasks and Key Functions of the M&E System

The M&E system has two main sections that need to be handled by involved personnel, managing the system and handling the data. The system management requires to ensure all technical and legal aspects are addressed, all required forms are available, all functions and tasks are assigned. This function is to be handled by the assigned M&E System Administrator.

Table 11 presents an overview of M&E tasks to be carried out during the four phases of SME Loop implementation, and the officers usually assigned to these tasks.

Phase	Tasks	Personnel Involved
I. Define your SME Loop	- Define data needs - Identify tools - Establish legal requirements - Design the M&E system - Clarify KPI measurement	- M&E System Administrator - SME Loop Coordinator
II. Getting started – preparing implementation	- Design forms - Design questionnaires - Define formats - Training of relevant persons - Design data storage system - Legal documentation	- M&E System Administrator - SME Loop Coordinator - IT officer/consultant
III. SME Loop implementation	- Collect data - Clean data - Analyse data - Prepare reports - Use data	- M&E System Administrator - SME Loop Coordinator - Coaches - SPs - Trainers - Businesses (keeping records and sharing data) - IT officer/consultant

[18] Reichert, Christoph: SME Business Training and Coaching Loop - Minimum Quality Standards, Bonn, March 2019.

IV. Loop completion and beyond	- Conduct SME Loop review and learning process	- SME Loop Coordinator - M&E System Administrator

Table 11: M&E Tasks per SME Loop Phase

At an early-stage costs for the setting up of the M&E system will be incurred. Depending on whether existing IT-services (e.g. standard hosting services of KoboToolbox) are used, or own structures have to be established, these costs can vary significantly. The latter will be more costly. The use of external IT services requires close engagement of the SME Loop programme's staff in monitoring the IT service provider.

5.2. Phase I: Defining your Loop

The central element of every M&E system is to deliver answers on whether the objectives of a programme were achieved, measured through KPIs. The system shall not only deliver answers at the end of the programme but assist during the implementation to identify any developments that threaten the achievement of the objectives. In the case of an SME Loop programme additionally the data needs for the overall global M&E of the SME Loop have to be incorporated.

The global M&E requirements have been defined and are fixed for every SME Loop programme, with mandatory and optional data to be collected. (see part II of handbook for details) Each SME Loop Coordinator and team have to decide the level to which they will use the standard tools, with regards to the optional aspects.

During the definition phase of each SME Loop programme the expectations of stakeholders should be discussed, as this phase provides space for last adaptations on KPIs, target groups, etc.

5.2.1. Tools & Technical Requirements

On a global level the use of two tools is actively supported, KoboToolbox for data collection and Microsoft Power BI for data analysis and visualization. For KoboToolbox standard forms have been developed and are available to every SME Loop programme via SME Loop PM. The use of these forms ensures the collection of all mandatory data and easy upload of data into the global, centralized SME Loop data storage or local Power BI file, if used. If required, additional questions can be added to the forms, as long as mandatory questions are not deleted.

Each programme can decide to use other tools than the standard tools, if this is more applicable to the programme's context. This decision should be discussed with SME Loop product management, to ensure a well-informed decision is taken. In case another tool is used for data collection, the programme must ensure that the data upload to the centralized data storage infrastructure can be automated.

The SSMS provides standard dashboards for different user levels. Each programme can create own dashboards in Microsoft Power BI or other tools.

For the use of any data collection tool, be it KoboToolbox or another, the SME Loop Coordinator has to decide whether to use a server managed by an IT service provider, e.g. KoboToolbox or to set up a self-managed server. For details on server options, check chapter 4.4.1.

KoboToolbox is an electronic tool for data collection that can be used on any computer, tablet or phone with a web-browser and on Android devices using the KoBoCollect application. The data can be collected in on- and offline mode. It will be uploaded to the

server, once the device is connected to the internet. The data can be saved on the device before submission, which allows for data correction and quality assurance.
It might be necessary to use paper-based data collection tools in some circumstances. The need for paper-based data collection mostly applies to the application process of businesses and procedures that require signatures, such as attendance lists at training sessions.
KoboToolbox is used for data collection during SME Loop implementation in the SME Loop Standard M&E System. The SME Loop Programme Coordinator can decide to use KoboToolbox also during the application process of businesses. Such data will not be submitted to the global database or included in the standard local Dashboard. If personal data needs to be collected during the application process via KoboToolbox, only the GIZ-hosted servers can be used for this purpose. In general, public servers (based in the EU) cannot be used for collecting personal data via KoboToolbox.
Personal data and workshop attendance data should be collected via CiviCRM. The tool is provided via SME Loop PM and the data stored on a server managed by GIZ. For details check chapter 4.4.2.
For the submission of administrative data, an Microsoft Excel file is used. The SME Loop Coordinator is responsible to collect and regularly update the data, as specified in Annex 7.2.8.

5.2.2. Regulatory Framework

In the process of the SME Loop implementation contact details and other information of business owners and representatives is collected, in order to identify individual persons and communicate with each of them. The European Commission defines "any information that relates to an identified or identifiable living individual"[19] as Personal Data. Accordingly, the SME Loop implementers are dealing with Personal Data, which should be treated carefully. GIZ programmes must adhere to the GDPR, because they are operating as a subsidiary of GIZ Germany. All non-GIZ programmes are encouraged to follow the GDPR standards, as these are one of highest standards protecting Personal Data.

Examples of Personal Data[23]

- a name and surname;
- a home address;
- an email address such as name.surname@company.com;
- an identification card number;
- location data (for example the location data function on a mobile phone)*;
- an Internet Protocol (IP) address;
- a cookie ID*;
- the advertising identifier of your phone;
- data held by a hospital or doctor, which could be a symbol that uniquely identifies a person.

Figure 15: Examples of Personal Data

In addition, for each SME Loop programme the SME Loop Coordinator must conduct a review of the legal requirements regarding the handling of Personal Data and business data of businesses within the country of operation. Some countries might require storing

[19] Definition of Personal Data according to the European Commission: https://ec.europa.eu/info/law/law-topic/data-protection/reform/what-personal-data_en
* Note that in some cases, there is a specific sectoral legislation regulating for instance the use of location data or the use of cookies – the ePrivacy Directive (Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 (OJ L 201, 31.7.2002, p. 37) and Regulation (EC) No 2006/2004) of the European Parliament and of the Council of 27 October 2004 (OJ L 364, 9.12.2004, p. 1).

Personal Data of its citizens on servers physically located within the boundaries of the country. In any case, before storing any Personal Data on a server, it must be ensured that this server complies with GDPR standards (which can be guaranteed when using EU-based or GIZ-hosted servers).

In the standard process of the SME Loop Standard M&E system two different types of information are gathered Personal Data and business data. Business data does not fall under the regulations of GDPR, as long as individual business owners or related persons cannot be identified. This requires a process of anonymization. The SSMS's process is designed to ensure the anonymization or at least pseudonymization of all data collected after the application process through the use of SME Identification Numbers (IDs). These IDs will be generated by SME Loop Product Management. Through a separate file linking names to IDs coaches are able to select the correct ID. This file will only be shared with each SP's team as far as relevant for working with the businesses.

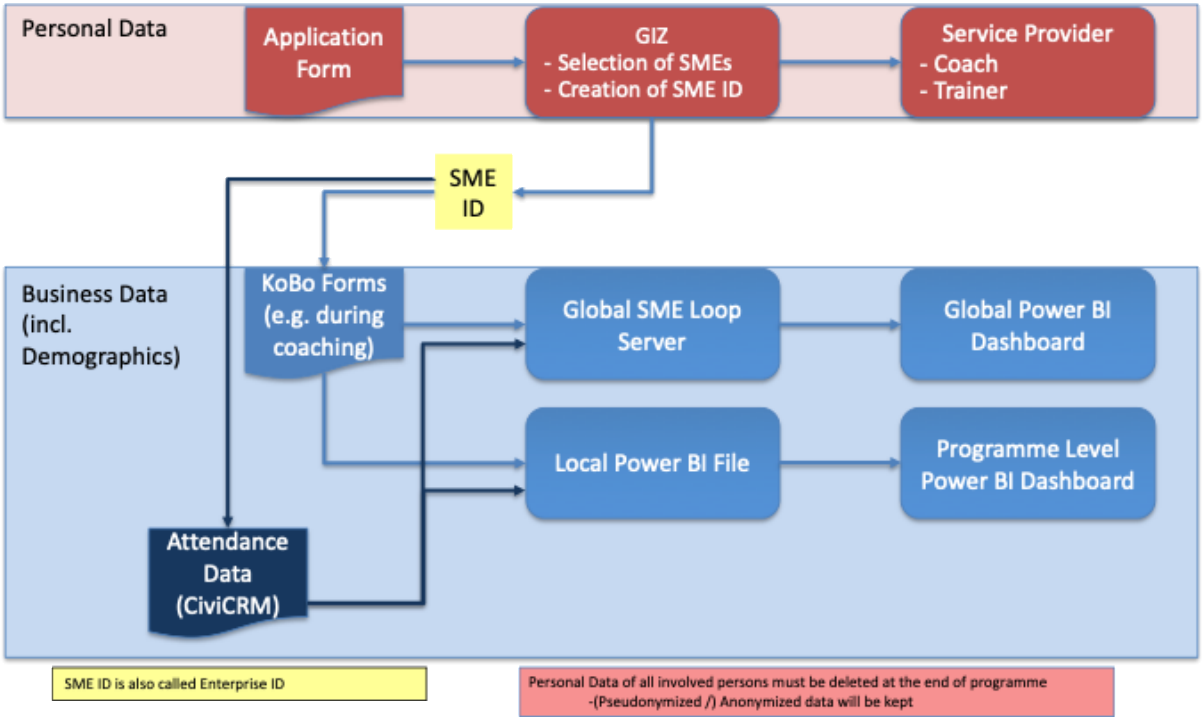

Figure 16: Data Anonymisation through Use of SME IDs

GIZ Regulations for Outsourcing of Data Processing

GIZ has designed an explicit process to ensure all GIZ programmes are GDPR compliant. With regard to the SME Loop, every GIZ programme implementing an SME Loop has to incorporate the *Outsourcing of data processing* (AuV; Intranet-link) regulations in the terms of reference for international consulting firms implementing on behalf of GIZ, Service Providers, trainers, coaches, or whoever is directly contracted and has access to the personal data of trainers, coaches and/or business representatives.
Before digitally storing any personal data, the SME Loop Coordinator has to inform the GIZ Data Protection Management Team (DSM via Data Privacy Portal) which data is going to be collected and stored, through the use of the Notification to the Records of Processing Activities (VVT; Intranet-link) process. This process ensures that the tools used, and

procedures designed are GDPR compliant and can be used. For the standard tools such as CiviCRM, KoboToolbox and Microsoft Power BI, and the standard system designed, the SME Loop Product Management has developed standardized procedures and documents for upload to significantly reduce the effort for implementing programmes. For further reference, please see:

- Template Data Privacy Statement (Annex 7.3)
- Template Notification to the Records of Processing Activities (VVT)

5.2.3. Key M&E Task during SME Loop Definition Phase

The key steps involved in this phase can be summarized as follows

- Assign M&E system administrator;
- Define data requirements;
- Decide which data collection tools should be used;
- Decide on the use of the control group approach (chapter 4.2.3);
- Ensure legal requirements are met
    - Country compliance regarding handling of personal data of beneficiaries;
    - GDPR compliance of all processes;
    - GIZ compliance (if applicable);
    - Terms of Reference for SPs are compliant with GDPR;
- Design a process for collecting administrative data on SME Loop implementation.

5.3. Phase II: Pre-Implementation

During this phase the M&E system of the SME Loop has to be designed in detail and set-up. The first forms will already be used during the application process of SMEs. Trainers and coaches will be selected and need to be trained in the use of the M&E tools and reporting formats. Therefore, the questionnaires and forms have to be ready for use at an early stage of this phase.

For the selection process of businesses each programme will have its own data requirements. From experience the following list contains data to be considered:

- Name and surname of business owners or representatives;
- Date of birth or age of business owners or representatives;
- Gender of business owners or representatives ;
- Education level of business owners or representatives;
- Telephone number, and other contact options;
- GPS coordinates;
- Previous training experiences;
- Type of business;
- Business sector;
- Main business activity;
- Other businesses of business owners;
- Start of business operation;
- Registration status of business;
- Ownership of business;
- Location of business (street name, house/plot number, province, district, ward, chiefdom, village/town);
- Number of staff (casual worker, family labour, employees, disaggregated by sex);

- Business figures (revenue, income/profit);
- Plans / ambitions for the business;
- Expected benefits from participating in SME Loop;
- Business owners' or representatives' availability (timewise) to participate in SME Loop activities;
- Seasonality of business.

A sample questionnaire is available via SME Loop PM. In some cases, the assessment of businesses' capacities via the Entrepreneurial Profile and the Business Profile have been included in the selection process.

5.3.1. Key M&E Tasks during the Pre-Implementation Phase

During this phase M&E structures have to become fully operational. Data collection starts with the application process for businesses. Some of it will be relevant to improve the targeting of communication efforts to reach the intended groups.
The functions to be carried out are

- Preparation of questionnaires, including application forms;
- Designing a clear and traceable selection process;
- Analysis of application data submitted[20];
- Defining M&E roles (data checks, validation and cleaning) and assigning them to the responsible officers;
- Setting up of IT based data collection tools;
- Description of data collection processes for all stakeholders;
- Preparation of training for data collectors (e.g. coaches, trainers) and report users;
- Conducting training of data collectors and users.

5.4. Phase III: Implementation

The implementation phase is characterized by the actual training and coaching of businesses. Larger programmes will have several groups of businesses being enrolled in parallel. (Figure 7) In such instances the amount of data collected and to be reviewed should not be underestimated and the required M&E personnel properly planned for.
The main objective of M&E is to establish the impact of the SME Loop on the performance of businesses. For this purpose, a baseline of the state of the business at the beginning of the SME Loop cycle needs to be established (ex-ante) and compared with a later status (ex post). The key challenge is to receive reliable financial data from the businesses, since this is very sensitive information. Based on the experience of SME Loops implemented so far, the baseline figures should be established during the first two coaching sessions, once the coach has been able to gain some trust of the coachee. (see chapter 4.2.2 for details)

5.4.1. Creation of Identification Numbers (IDs)

During the Preparation Phase the personal data of business owners and representatives has been collected, which is important for communication purposes with businesses. This data should never be shared with anyone who is not directly working with the businesses.

[20] The level to which this is part of an M&E function depends on each programme. Data analysis can equally be part of the SME Loop coordinators tasks. Review, data cleaning and preparation of data would fall under M&E, expecting M&E officers ensuring quality of data by adhering to the stipulated procedures.

For the purpose of tracking the progress of each business an identification number or ID has to be created by the M&E system administrator, for each business selected for participation in the SME Loop. For businesses that are members of the control group two IDs have to be created. The first is used as identifier for the control group. The second is created when the business is enrolled as active SME Loop participant. This will be a standard SME ID.
In addition to the businesses' IDs, coach, trainer and SP IDs shall be created to allow for easier analysis of data with regard to coaches', trainers' and SPs' performances. Lastly, each batch (class or group) of businesses trained should be assigned a batch number. These numbers will be assigned by the M&E system administrator of the respective SME Loop. The IDs are created by sequence of a two-digit country code (ISO 3166 ALPHA-2 Code; https://laendercode.net/en/countries.html) followed by an EN for enterprise and a five-digit number generated by SME Loop PM. Control group businesses have CG instead of EN. For Service Providers the EN will be replaced by SP and followed by a two-digit number. For coaches a CO will be followed by a two-digit number. Trainers will have a TR followed by a two-digit number. The batch number will have a BT followed by a three-digit number.

	Country Code	Identifier	Running Number
Enterprise	CC	EN	XXXXX
Control Group Member	CC	CG	XXXXX
Service Provider	CC	SP	XXX
Coach	CC	CO	XXX
Trainer	CC	TR	XXX
Batch	CC	BT	XXX

Table 12: Identification Number (ID) Creation

Examples of Identification Numbers

	Burkina Faso	Malawi
Enterprise	BF-EN-00001	MW-EN-00001
Control Group Member	BF-CG-00001	MW-CG-00001
Service Provider	BF-SP-01	MW-SP-001
Coach	BF-CO-01	MW-CO-001
Trainer	BF-TR-01	MW-TR-001
Batch	BF-BT-001	MW-BT-001

Table 13: Identification Number (ID) Creation - Examples

The IDs have to be uploaded into CiviCRM and the KoboToolbox forms used for data collection to avoid typing errors during data collection. (see Part II of Handbook for details)
In case more than one SME Loop is implemented in a country, SME Loop PM will assign a range of numbers to each SME Loop programme. The SME Loop programmes can freely assign these numbers to its businesses, coaches, trainers, SPs and batches.

5.4.2. Data Collection

During implementation two sets of data have to be collected:

- Progress of coaching sessions and objectives, and
- Monthly business figures.

Each data collection form will include the four IDs generated for SP, Coach, Business and Batch. These items have to be selected by the data collector. Additionally, the survey title, the country of implementation, and for GIZ the name of the programme implementing the SME Loop as well as the 14 digits Project Number have to be included, in each survey. This information will be pre-defined by the M&E administrator in the Kobo forms. Those fields are hidden for data collectors and allow data analysis by country or programme.

For the monitoring of progress of coaching sessions, the following data is required to be collected:

- Date of coaching session (mandatory)
- Start time (optional)
- End time (optional)
- Coaching session number (mandatory)
- Level of accomplishment of tasks from last coaching session (optional)
- Topic of session (optional)
- Goal of session (optional)
- Main conclusions (optional)
- Actions to be implemented (optional)
- Weaknesses observed (optional)
- Strengths and improvements observed (optional)
- Next coaching session location (optional)
- Any further comments (optional)
- Date for next coaching session (mandatory)

Any information that is considered personal data (Names of persons or businesses) as well as identifiable location remarks (e.g. GPS coordinates) should not be included. If these are required, a separate form must be used, which is saved on a GIZ-hosted server.

The business data collected includes information on jobs at the business, access to financial services, formalization status and financial figures. The financial figures are collected on a monthly basis.

5.4.3. Key M&E Tasks during the Implementation Phase

The implementation phase focuses on actual data collection. The key functions to be carried out are

- Support on data collection;
- Data quality assurance;
- Monitoring of implementation progress;
- Training of additional data collectors and users, if necessary;
- Data submission to the local Microsoft Power BI file and GIZ centralized data warehouse.

5.5. Phase IV: Completion and Beyond

At the end of the coaching support (DCP T2 or T3), through the Review Survey the business will be certified, and the situation of each business will be assessed. This marks the end of the SME Loop implementation for the businesses. An SME Loop programme usually covers a longer period (see Figure 7) than one batch of businesses. Therefore, in this phase the success of the SME Loop with regard to the programme's KPIs, the businesses' development

after the coaching ends and the lessons learned from the SME Loop implementation by the implementing organization, the SPs, trainers and coaches are of interest.

5.5.1. SME Loop Impact on Businesses

The SME Loop approach intends to have lasting effects on the performance of businesses. The business figures should improve during the coaching and beyond. This can be assessed through the review of business figures sometime after the end of the SME Loop. The minimum standard requires each SME Loop programme to collect business figures at least once, 12 months after the first training (ideally, this equals a period of 6 months after the end of coaching). These figures should cover every month since the end of coaching, using the Monthly Business Figures format. The business figures provide important indications on the level of adaptation of training content. SME Loop has a strong focus on keeping business records up to date and document all aspects of the business's performance and management decisions. A business that did not continue to keep the business records shows a low rate of adoption. The reasons might vary and should be analysed. The literacy level of the business's personnel might hinder the record keeping or fear that somebody else has access to the documents, just to mention a few.

From experience it is known that a number of businesses will stop keeping records. In such cases, or when records are incomplete an alternative approach to assess the adoption rate of a business is needed. In the Review Survey questions on content adoption, investments, and newly introduced products or services have been included, which will only be collected at specific DCPs. Figure 17 contains the list of additional questions that are targeted to generate the required insights.

Investments during SME Loop

1. Did you conduct any investment since the beginning of the SME Loop Programme?
2. What did you invest in?
3. How much did you invest?
4. What was the source of funding for the investment in your business?
5. You selected "Other", please specify
6. Is the asset in which you invested currently being used?

Newly Introduced Products or Services

1. Does your enterprise participate in economic activity in any of the following sectors?
2. Did you introduce a new product and/or new service to the products/services offered in your enterprise since you enrolled in the SME Loop programme?
3. How many new products and/or new services did you introduce to the products/services offered in your enterprise?
4. New product description(Please add information for every new product separately.)
5. You added a new product and/or new service to the products/services offered in your enterprise. Please describe the new product(s) and/or new service(s) in detail.
6. Does any of the new products and/or new services contribute to the green transformation?
7. How many of the new products and/or new services you introduced to the products/services offered in your enterprise contribute to the green transformation?
8. Description of new products contributing to the green transformation (Please add information for every new product separately.)
9. Please name the new products and/or new services contributing to the green transformation.

Other questions

1. Do you use any digital record keeping tools or apps in your business?
2. What is the name of the tool or app?

Figure 17: Questions added in Review Survey

5.5.2. Business Development beyond Coaching

SME Loop programmes have to collect business development data, at least once 12 months after Training 1 (ideally, this equals a period of 6 months after the end of coaching) (T4). If businesses continued to keep records, the data collected shall cover every month of the period since the last survey was conducted. The forms to be used are Monthly Business Figures for the collection of business figures, as well as Employment Data and the Review Survey forms for all other data. Programmes that decide to collect business development data at T5 and T6 have to follow the same approach.
In case the business stopped keeping records, average business results are estimated for the period covered or no business figures are reported.

5.5.3. Measuring Success of SME Loop Programmes

The success of a particular SME Loop programme will be measured by the level of achievement of the specific KPIs. This information will be used to assess the whether the SME Loop was successful in delivering results on the intended objectives. It also provides insights, for which objectives the SME Loop is the most suitable tool to use.

5.5.4. Review of SME Loop Implementation

It is highly recommended by the SME Loop Standard M&E System that for every SME Loop programme a review process is conducted, after completion of the programme. Though, this is not mandatory, two process steps should be considered.
At the end of an SME Loop programme representatives of all stakeholders, such as implementing organization, Service Providers, coaches, trainers, data collectors, businesses, funding agencies, etc. should meet for an After-Action Review answering the following questions

- Did the SME Loop fulfil the expectations of stakeholders?
- Did the SME Loop achieve the intended results?
- What surprises did the team encounter during the preparation and implementation of the SME Loop programme?
- What would you do different, if you were going to implement another SME Loop programme?
- What advice would you give any organization that is planning to implement an SME Loop programme?

A brief report with findings should be created and shared with stakeholders and SME Loop PM. Recommendations or requests for changes in the SSMS should be submitted following the outlined change management process (chapter 4.7)

5.5.5. Impact Evaluation

The SME Loop approach has a short-term impact evaluation process embedded into the SME Loop Standard M&E System, through programmes that are able to implement the control group approach. The results will be reviewed by SME Loop Coordinator. These might even be used to identify well performing individual or batches of businesses. The insights can inform the implementing organization on good practices or challenges of SPs or coaches.
Long-term impact evaluations will be more difficult to conduct, since it will be almost impossible to create a control group that fulfils the requirements of similar characteristics of the participating businesses (see chapter 3.1). Additionally, all personal data will be deleted at the end of the implementing programme, which makes a later impact evaluation with the involvement of the actual businesses enrolled impossible.
Therefore, impact evaluations should be planned at the beginning of an SME Loop programme. Ex-post impact evaluations are almost impossible. SME Loop PM will be responsible to execute periodical impact evaluations.

6. Improving the SME Loop through Learning

Learning from experience is a key reason for the creation of M&E structures. On implementation level the focus is to ensure that the programme is implemented as planned and that problems are identified as early as possible, to enable the initiation of corrective measures. Should a follow-up SME Loop be implemented, the experiences from previous SME Loop programmes will be considered in the design of the new programme. Programmes can submit change proposals for the overall SME Loop approach.
On a global level the focus is to identify good practices, success stories and areas for improvement. The objective is to constantly develop the approach further and implement the best possible support for businesses. This can be achieved only, if a learning culture is embedded in the overall implementation structure from a global perspective. The SME Loop Product Management is at the helm of this process.

6.1. Annual Review through global data collection

SME Loop PM leads the administration of the SME Loop Standard M&E System on a global level and monitors the implementation of SME Loop programmes in the countries. The role is not to regulate implementation. It is rather to observe whether implementation in countries show different results and if so, investigate the reasons. The SME Loop Standard M&E System will deliver results on the work and impact of SME Loop programmes and the SME Loop approach. It will provide insights in the effectiveness and efficiency of individual SME Loop programmes and the approach as such. These results will enable the SME Loop practitioners to take decisions on the developments of the SME Loop approach.

The key questions to answer are

- Does the SME Loop achieve the intended results? (against KPIs of programme)
- What challenges do Implementing Organizations experience?
- What are differences across countries?
  - Do these differences show patterns?
  - Is it necessary to adapt the SME Loop approach?
- What is the impact of SME Loop on the businesses' performance?
  - Short-term
  - Long-term
- What is the cost-benefit ratio?
  - Per country
  - In general
- How important is the availability of experienced coaches and trainers?
- What lessons can be learned for organizations that are starting to use the SME Loop approach?
- How can the SME Loop PM, the International SME Loop Association e.V. and Master Coaches support implementing organizations best?
- What kind of training programmes are required?

A very important source of information to understand the differences in implementation approaches and context is the administrative data provided by SME Loop programmes.
In addition to its own analysis of results, SME Loop PM can initiate impact evaluations for the overall SME Loop, a selection of programmes or particular programmes.

SME Loop PM with support of the global M&E system admin can prepare an annual report to highlight key developments and insights across countries (see Figure 18), covering

- The analytical results of PM analyses,
- The results of impact evaluations,
- Decisions of the Steering Board,
- Implemented and on-going changes to the SME Loop Standard M&E System,
- Changes to the SME Loop approach.

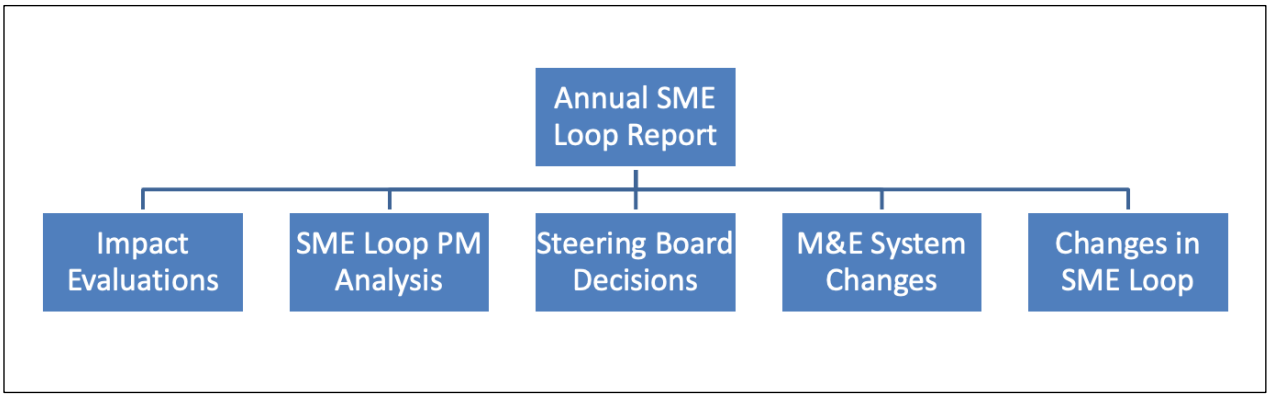

Figure 18: Possible content of Annual SME Loop Report

7. Annex

7.1. Detailed Overviews of SSMS Administration and Information Flow

7.1.1. System Administration Workflow

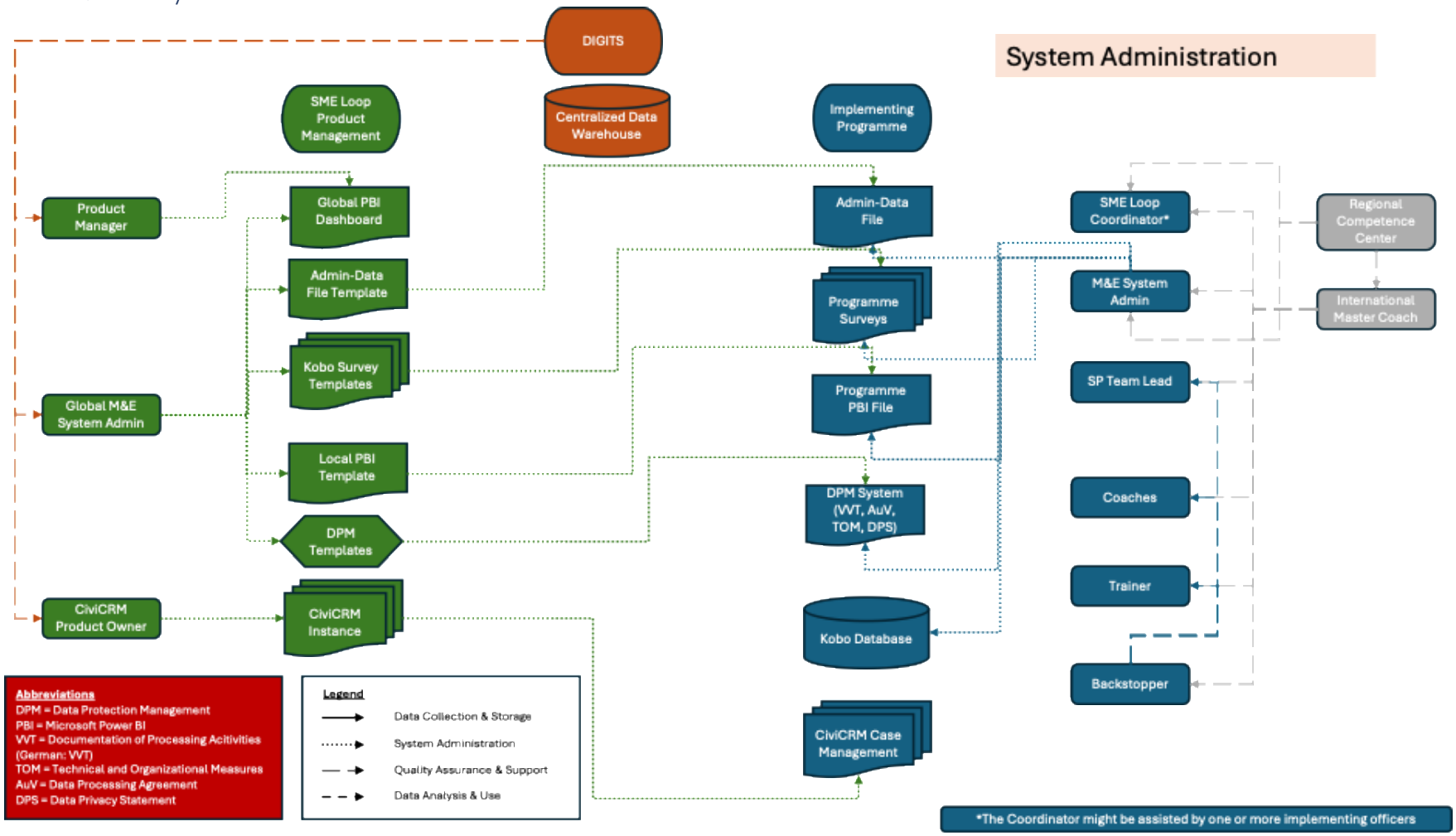

Figure 19: SSMS System Administration Workflow

7.1.2. Data Collection & Storage Workflow

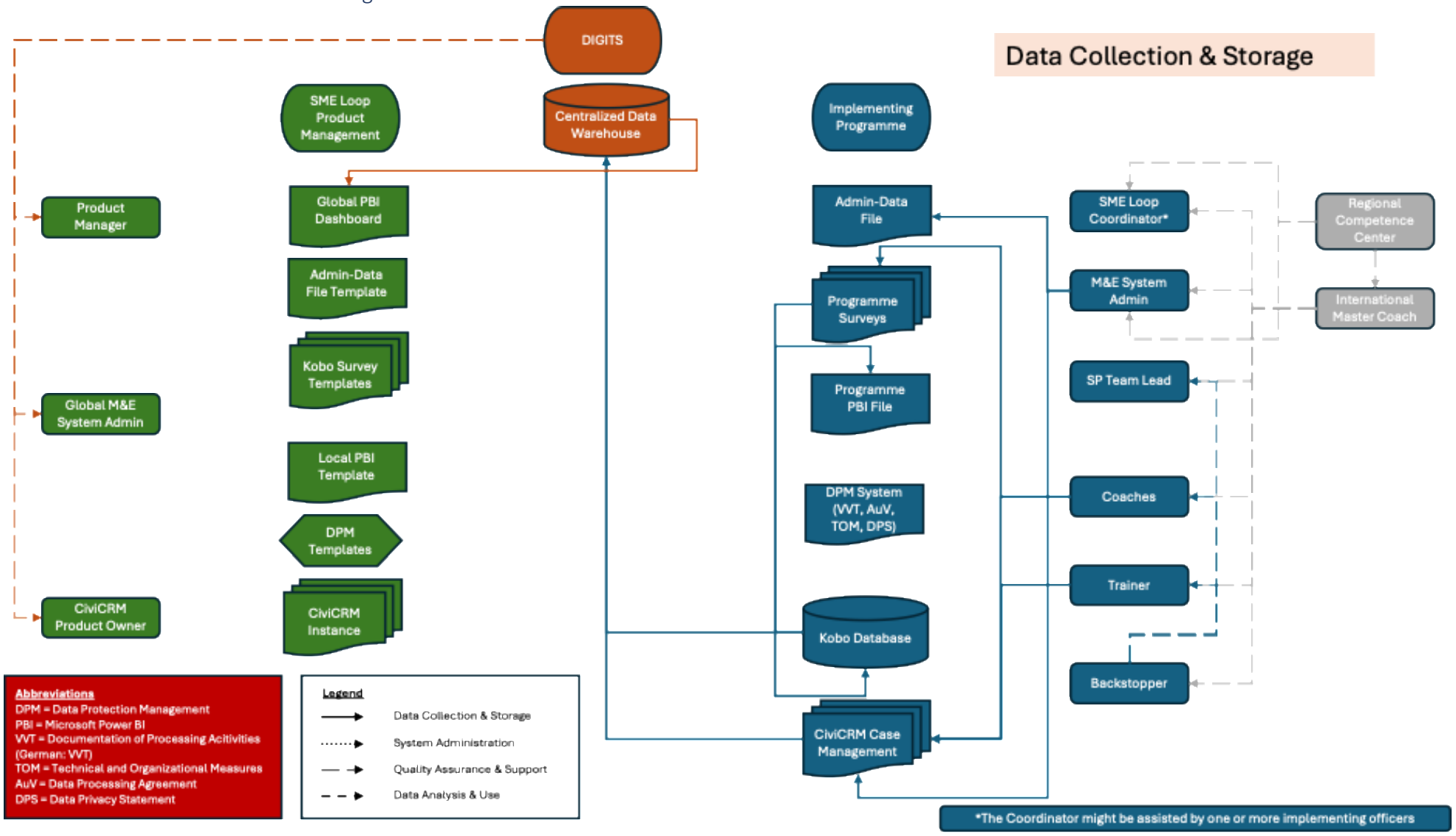

Figure 20: SSMS Data Collection & Storage Workflow

7.1.3. Data Analysis & Use Workflow

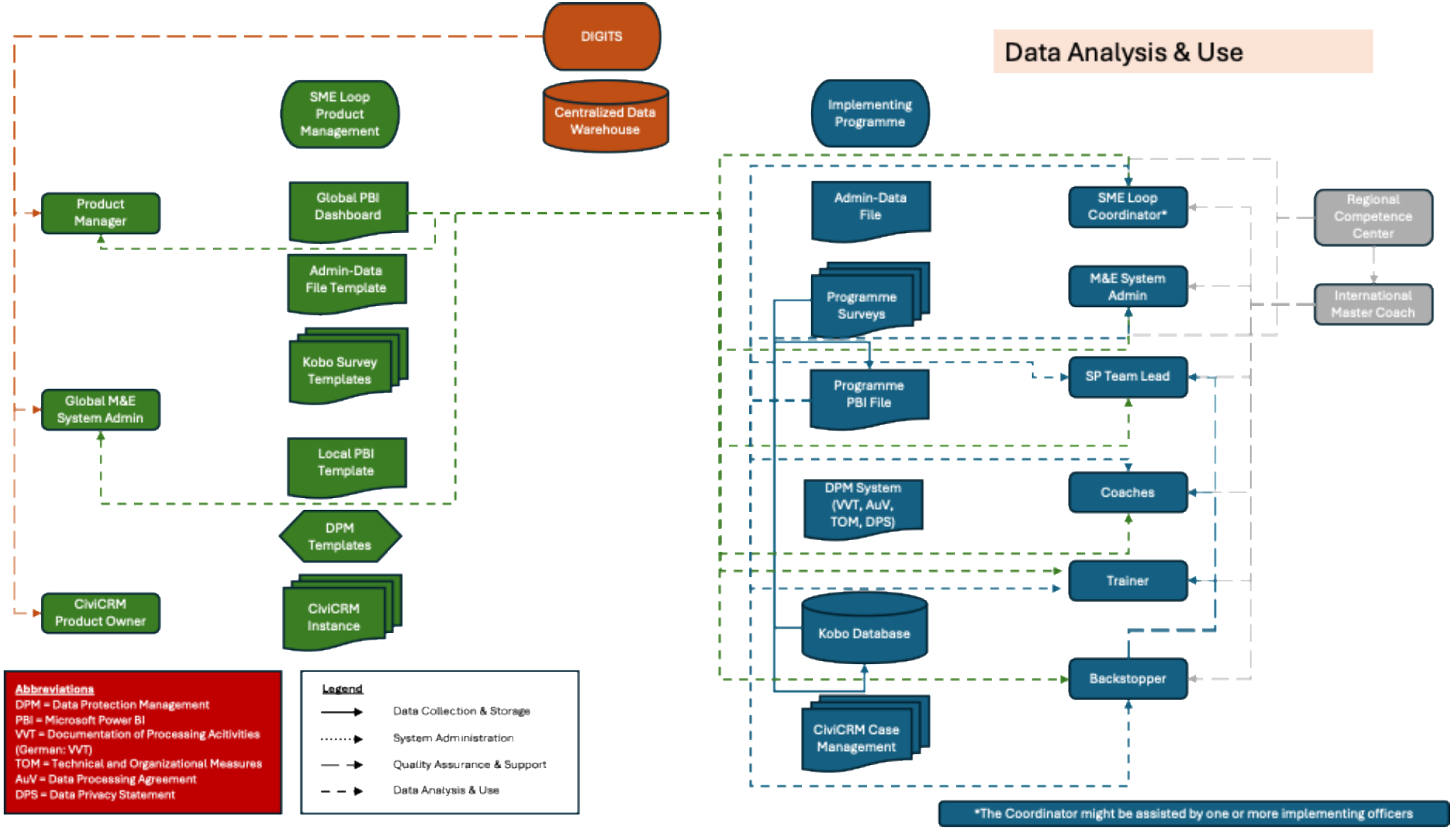

Figure 21: SSMS Data Analysis & Use Workflow

7.2. Data Collection Forms

The survey templates for setting up data collection forms can be downloaded from GIZ SharePoint through this Link. If you have no access, please contact SME Loop Product Management.
The standard survey forms can be viewed via the SME Loop Associations Account via the links provided below.

7.2.1. Baseline Survey
7.2.2. Monthly Business Figures Survey
7.2.3. Entrepreneurial Profile Survey
7.2.4. Business Profile Survey
7.2.5. Employment Data Survey
7.2.6. Review Survey
7.2.7. Coaching Session Progress Survey
7.2.8. Administrative Data File (Excel template)

This Template_Administrative Data File is accessible via GIZ SharePoint. If you have no access, please contact SME Loop Product Management.

7.3. Data Privacy Statement

Information on data processing in accordance with Article 13 of the EU General Data Protection Regulation (GDPR) ('data privacy statement')

The SME Business Training and Coaching Loop offers a unique approach for supporting small and medium-sized enterprises (SME) in their sustainable economic development by applying a systemised alternation between training, coaching and peer-to-peer learning. This method brings the entrepreneurs into active utilisation of existing knowledge and experience. In relation, the approach relies on individually assessing each enterprise and the entrepreneur to tailor the content of the program to the needs and business potentials of the enterprise.

GIZ takes the protection of personal data very serious. This document provides information about how your personal data are processed.

1. Contact data of the data controller

The data controller for processing purposes is the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

Address:
Friedrich-Ebert-Allee 32 + 36, 53113 Bonn, Germany
Dag-Hammarskjöld-Weg 1 – 5, 65760 Eschborn, Germany
Contact: by phone [Project-related phone number]; by email [Project-related email]

GIZ as data controller mainly processes your data for the following purposes:

- Monitoring (e.g., attendance of training and coaching sessions, impacts on key performance indicators, entrepreneurial skills and business profile)
- Further development of methodology (based on lessons drawn from data analysis)
- Contacting for future activities regarding SME promotion

On behalf of GIZ, service providers (e.g., Business Development Services providers, enumerators, data collection platforms, coaches and trainers, evaluators) can process your personal data for the following purposes:

- Development of targeted services for business development
- Training and coaching progress monitoring
- Validation of work, certification and accreditation of coaches and trainers
- Evaluation of the approach (e.g., baseline and review comparison, control group approach)

2. Collecting your data

We process your personal data as follows:

- Personal Master Data (first and last name, age, date of birth, gender)
- Address data and GPS-Location
- Contact- and communication data (e.g. telephone, e-mail etc.)
- Qualification data (e.g. career history, CV, qualification etc.)

- Employee data (wages and salaries, bank account, tax information etc.)
- Billing and payment data
- User data (browsing data, IP addresses, cookies, login data etc.)
- Photo, video and sound recordings
- Travel and location data
- Optional: Special categories of personal data pursuant to Article 9 of Regulation (EU) 2016/679

3. Purpose of data processing and legal basis

Purposes covered by your consent (Article 6(1)(a) GDPR)
For specific purposes, your personal data can also be processed on the basis of your consent. You may withdraw this consent at any time.
Withdrawal of consent is generally only applicable to the future use and processing of data. It does not affect any processing carried out prior to the withdrawal of consent, which remains lawful.

Provided you have given your consent, we process photo, video and sound recordings for the following purposes:

- Publication as part of GIZ's public relations work (e.g. in event documentation, flyers, brochures, GIZ's websites and social media channels)
- Internal showcasing and communication purposes

Furthermore, we will store your personal data for consideration in future activities regarding SME promotion including additional SME Loop implementations provided you have given your consent.

Purposes for the performance of a contract or pre-contractual measures (Art. 6(1)(b) GDPR)
We process your personal data for the SME Business Training and Coaching Loop for the following purposes:

- Application and selection process for participation (beneficiaries), as well as (if applicable) control group
- Data in relation to certification and accreditation of (new) coaches or trainers
- Carrying out training and coaching sessions
- Monitoring and evaluation of training and coaching progress, as well as impacts on key performance indicators (e.g., monthly business figures, employment numbers)
- Travel management including booking of transportation, accommodation etc.
- Contact and communication

This processing of your personal data is required for the performance of a contract or for carrying out pre-contractual measures.

Purposes for compliance with a legal obligation (Article 6(1)(c) GDPR)
We process personal data for the following purpose:

- Retention and reporting requirements

This processing of your personal data is required in order to comply with a legal obligation by which our company is bound. Both GIZ and the organisation processing your data are bound by statutory requirements that permit them to share your data.

4. Disclosure to third parties

Your personal data may be passed on to third parties, if GIZ is legally obliged or entitled to do so.

Your personal data may be passed on to service providers, trainer and coaches for the implementation and evaluation of trainings and coaching sessions.

Your personal data may be passed on to partner organizations so that they can contact you for further cooperation, for transparency purposes, for sustainable integration of the approach into partner systems and for further public relations work.

Your personal data may be passed on to independent evaluators or research institutions for (rigorously) evaluating the (direct and indirect) impacts of the approach.

5. Transfer of data to a third country

Data might be transmitted to third countries for the above-mentioned purposes (e.g. implementation of trainings and coaching sessions). When transmitting data to third countries, suitable safeguards are applied to ensure an adequate level of data protection (Article 44 et seq GDPR).

6. Retention and erasure of your data

Your data will not be retained any longer than this is necessary

- in order to fulfil the purpose for which they were collected;
- to fulfil another purpose that is compatible with the purpose for which the data are initially collected, as set out in Article 6(4) GDPR in conjunction with Section 23 of the German Federal Data Protection Act (BDSG), or
- to comply with statutory retention periods.

7. Technical and organisational measures to protect your data

GIZ uses appropriate technical and organisational measures to protect data against unintended or deliberate falsification, destruction, loss or access by unauthorised persons. These measures are updated accordingly based on technical developments and adapted continuously in line with the given risks.

8. Your rights

In accordance with the General Data Protection Regulation, you have the right

- to obtain **information** about your data stored by us (Article 15 GDPR)
- to have your data stored by us **rectified** (Article 16 GDPR)
- to have your data stored by us **erased** (Article 17 GDPR)
- to obtain **restriction** of processing of your data stored by us (Article 18 GDPR)
- to **object** to the storage of your data if they are processed on the basis of Article 6(1)(1)(f) and (e), GDPR (Article 21 GDPR)
- to receive data that concern you in a commonly used and machine-readable format from the controller such that they can be potentially transmitted to another controller (right to **data portability,** Article 20 GDPR).
- to **withdraw your consent** to the extent that the data have been processed on the basis of consent (Article 6(1)(a) GDPR). The lawfulness of processing on the basis of consent given remains unaffected until receipt of the withdrawal.

In accordance with Article 15 GDPR, you can also contact GIZ's Data Protection Officer at datenschutzbeauftragte@giz.de.

You also have the right in accordance with Article 77 GDPR to lodge a **complaint with the competent data protection supervisory authority**. The competent authority for GIZ is the Federal Commissioner for Data Protection and Freedom of Information (BfDI).

Declaration of consent to the processing of personal data by GIZ

Right to revocation

You are entitled to revoke this consent for future data use at any time without giving reasons. Simply contact us via [phone number/email address]. Withdrawal of consent does not affect the lawfulness of any processing conducted on the basis of the consent up to the point of withdrawal.

The data subject's consent

☐ I hereby consent to the processing of my personal data, as specified in the above data protection notice, by the Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH for the aforementioned processing purpose.

Information

☐ I hereby confirm that I have been informed of the data processing activities and my rights (see the privacy policy above according to Art. 13 GDPR).

_____

Place, date

_____

Signature*

*Parents or guardians must sign the consent form for children or young people under the age of 16.

7.4. Selection of Businesses Form Sample

CAPACITY ASSESSMENT TOOL

Name of Interviewee……..Designation……..Date…….					
Name of Business……..					
Village/Town ……Chiefdom ……District ……..					
Type of Business: Sole Proprietorship…… Group/Association/Joint Venture……					
Total No. of Employees …….. Permanent…….. Casual……					
	A. GOVERNANCE	***Strongly Disagree***	***Disagree***	***Agree***	***Strongly Agree***
1.	**Board**				
a	Functioning board in existence				
b	Ownership are involved in the business decisions				
c	Management are involved in the business decisions				
2.	**Mission, Goals and Philosophy**				
	Entrepreneur's business vision is clear on:				
a	Profitability				
b	Sales				
c	Cost				
3.	**Executive Leadership**				
	The leadership is:				
a	Open to new ideas				
b	Proactive in seeking out new opportunities				
4.	**Legal Status**				
a	Registration documentation is in order				
	B. MANAGEMENT PRACTICES				
1.	**Organizational Structure**				
a	Systems are in place so decisions can be made quickly				
2.	**Information Systems**				
a	Timely information is available to support decision making				
3.	**Administrative Procedures**				
a	Established format for running the business on a daily basis				
4.	**Planning**				
a	The business has a marketing plan (How to sell?)				
b	I know exactly who my ideal target customers are?				
c	I spend time working on improving my business plan?				
5.	**Program Development**				
a	Market information is collected in line of business				
b					

6.	**Program Reporting**				
a					
b					
	C. HUMAN RESOURCES				
1.	**Personnel Management**				
a	I have dedicated staff				
b	Staff are trained to provide a high level of service				
c					
2.	**Diversity Issues**				
	Business work force is diverse with regards to:				
a	Gender				
b	Skilled/Unskilled Labour				
c	Age group				
3.	**Supervisory Practices**				
a	I get my staff's opinions on any changes I make to the business and respect their input				
b	I regularly communicate with my staff about their performance and performance of the business				
c					
4.	**Salary and Benefits**				
a	Salary and benefits are sufficient to retain staff				
b					
c					
	D. FINANCIAL RESOURCES				
1.	**Accounting**				
a	Records are in place for accurate financial data				
b					
c					
2.	**Budgeting**				
a	The business has a sales and cost plan				
b					
c					
3.	**Financial/Inventory Control**				
a	The business gets external financial supervision				
4.	**Financial Reporting**				
a	The business creates monthly, quarterly and yearly reports				
	E. SERVICE DELIVERY				
1.	**Sectoral Expertise**				
a	My customers know and appreciate our business practices				
b	We have a high retention rate of our customers				

c	We have an on-going source of new customer referrals				
2.	**Constituency Ownership**				
a	The business focuses production on local demand				
3.	**M&E Systems**				
a	The business has an internal monitoring system				
	F. EXTERNAL RELATIONS				
1.	**Constituency Relations**				
a	The business has a good relationship with the local community				
2.	**Government Relations**				
a	The business has benefitted from some form of government support				
3.	**Donor Relations**				
a	The business has benefitted from some form of NGO support				
4.	**Public/Media Relations**				
a	The business uses the media to attract new customers				
	G. PARTNERING				
1.	**Intra/inter-sectoral Partnering**				
a	The business engages in partnerships with other businesses within the agribusiness sector				
b	The business engages in partnerships with other businesses outside the agribusiness sector				