



Rural Small & Medium
ENTERPRISES DEVELOPMENT
GEORGIA

GEORGIA

RURAL SMEs DEVELOPMENT PROJECT

**SWISS
FOUNDATION
FOR TECHNICAL
COOPERATION**



MONITORING AND EVALUATION (M&E)

MANUAL

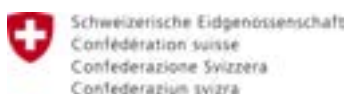
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The Rural SMEs Development Project

A consortium of **Swisscontact**, **Mercy Corps**
and **The Springfield Centre**

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Acknowledgements

This update of M&E manual is intended to guide the RSMEDP team to apply an adaptive and results oriented project management. The M&E system ensures that the evidence is more systemically collected and stored, aggregated, monitored, measured and reported. The system also informs quality implementation and learning of the project.

In addition, the system enables RSMEDP team to capture data and intervention progress in real time from any place through its online data entry system. The framework of the M&E manual is based on the Swisscontact M&E guidelines. The initial manual was developed while ProDoc elaboration and was updated on ongoing bases alongside with project learnings and finalised in January 2024 with incorporation of the project detailed approaches and further adopted monitoring related tools and systems. Following the launch of Phase II, the manual was further revised in October 2025 to reflect adjustments to the M&E instruments, informed by [DCED audit feedback](#) and lessons learned. The manual is intended to be a living document and might be further updated if needed to fit the specific needs of the project.

The manual is developed in the way to follow all the internationally acknowledged monitoring practices, rules and strategies, including fulfilment of *Donor Committee for Enterprise Development* ([DCED](#)) standard. The framework of the manual has been prepared as a reference document for the consortium partners and Swiss Agency for Development and Cooperation (SDC)

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1 THE GOAL OF THE RSMED PROJECT

The Rural SMEs Development Project (RSMEDP) has been commissioned for a first phase (October 2021 to December 2024) under a mandate from the Swiss Agency for Development and Cooperation (SDC) under the Swiss Cooperation Office (SCO) for the South Caucasus after an inception period (December 2020 – September 2021). The second phase has been launched in January 2025 and is planned to last until the end of December 2028.

The project phase II aims to:

- Improve job quality (decent work): Ensure fair wages, safe working conditions, skill development, and family-friendly practices.
- Strengthen business and financial capabilities: Build management skills, risk awareness, and informed investment decisions among rural SMEs and smallholder farmers.
- Expand access to inclusive services and markets: Provide tailored financial products, quality advisory support, and better market linkages.
- Enhance resilience and wellbeing: Achieve sustainable growth, increased incomes, and stability for SME owners, workers, and their families.

2 RSMEDP MONITORING AND EVALUATION (M&E) SYSTEM

2.1 OVERVIEW

As a management tool M&E represents an integral part of the project and supports its management and the team to keep track of the progress, being informed on the achievement of the current targets VS planned ones and take adequate and timely measures to improve the interventions and the project performance as a whole. M&E is an integral part of the project and acts as a management tool in supporting management and the team in adaptive management processes.

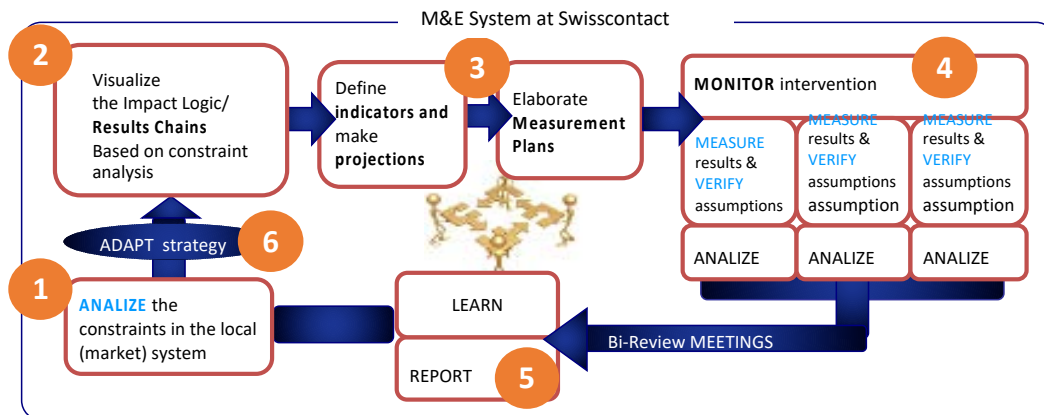
The system is based on the Swisscontact *Monitoring and Evaluation* system and incorporates local contextualised guidance. The system incorporated digital approaches that enables the team to capture the data and progress in real time supporting results with evidence files. Overall, the M&E system:

- Enables **progress tracking**, information on achievements, and informing discussion on adequate and timely measures to improve the interventions and the project performance as a whole.
- Through informing a process of reflection and exchange, encourages a **continuous learning process** within the team and with its partners.
- Provides **bespoke guidance** for the team on the monitoring and evaluation actions to be taken under consideration by the team.
- Enables **understanding of the performance of from the perspective of interventions** (Intervention lens) **and the main functions** (market systems) the project seeks to change (helicopter lens).
- As a reporting tool it **increases external accountability** through proving the performance, results and impact of the project towards different audiences (donors, headquarters, taxpayers, media, and others).

This is essential to RSMEDP's performance as an MSD project, as the market is fast changing and needs a flexible and adaptable approach to capture and analyse system changes and results.

2.2 KEY ELEMENTS AND MANAGEMENT PROCESS

The M&E system is based on the Swisscontact system as detailed in the Swisscontact Monitoring and Evaluation (M&E) Manual. It contains the following key processes which are adapted for the RSMEDP as per the below:



(1) **Analysis of constraints:** RSMEDP works in the following market systems identified in the ProDoc, these are referred to as 'main functions':

1. Financial Knowledge and Skills
2. Investments in Productive Assets and Technology
3. Market Access

The **ProDoc** forms an integral part of the project's selection of the main functions/market systems through action research. Once the market systems and the market functions have been analysed and the underlying constraints which hinder the autonomous development of the market functions have been identified, a strategy for addressing these constraints is formulated through various interventions.

(2) **Visualise impact logic.** Visualisation occurs at various levels in the RSMEDP. The overall **impact logic** for the project was developed in the inception phase and provided in the ProDoc. For each key function a **functional strategy** provides an overview of the logic for identified interventions and how they affect the function. At intervention level, this logic is further detailed into a **results chain**, with indicators for the expected changes, as well as target projections in the chain. The results chain is developed in Visio format and is uploaded into the digital monitoring system - EMON¹.

On the intervention level the project has *Pilot Interventions* and *Interventions*: *Pilot Interventions* are the activities that the project does to test the ownership of the partners and test the business plans. For these interventions, the project does not do any projections beyond the output as the project is unsure of the SKILL and WILL of the partner. If the project observed progress towards outputs, then the project updates the results chain with projections for outcome and impact, and the pilot intervention is transformed to intervention. *Interventions* are the activities that the project undertakes with medium term and long-term projections for the targets and the achievements. The interventions are detailed in the IP completing all the sections including the systemic change plan.

(3) **Definition of indicators and elaboration of measurement plans.** A **measurement plan** is elaborated for each intervention that includes measurement methods for each of the results chain box, respective indicators and KPIs, timelines, responsibilities and measurement tools to measure the defined indicators as well as an attribution strategy per stakeholder. An attribution strategy ensures that only results of the project are claimed and considers possible support provided by other actors. A dedicated calendar is developed for each intervention based on its measurement plan, ensuring alignment with specified timelines and means of verification to guarantee timely and high-quality data collection and assessments conduction.

(4) **Monitor interventions.** After development of the measurement plan other ongoing monitoring tools are also being used and filled, such as **monitoring and observation diary** and the **logsheet**. RSMEDP project

¹ EMON is a digital system that the team uses to capture quantitative results according to each of interventions' RCh boxes and their indicators. The system is linked to the evidence files thus ensuring traceability. Further, the data is transferred into the excel and modelled into the Power BI.

follows ongoing monitoring practices as well as captures broader changes in the system thus timely adaptation of the interventions and its documenting are crucial. The discussion of ongoing monitoring results is made while *bi-monthly intervention steering meetings* and further necessary actions are defined.

During the implementation of an intervention, intermediate results are captured, and assumptions verified by the implementation teams feeding into a regular analysis and review of the results chains and target projections. Regular analysis of the Results chains alongside the assumptions is made at least once in six months while bi-monthly meetings, where the results chains are discussed, and necessary changes (if needed) are documented in IP and further addressed.

Furthermore, the team collects structured information, through outcome assessments and full impacts assessments, *at least once per each intervention*, that is based on the intervention progress discussion and feasibility of the impact assessment conduction. The time frame of impact study mostly is corresponding to the reporting for the donor (see step 5). Information for RSMEDP log-frame outcome indicators for most interventions is collected *twice a year*, through assessments that cover interviews with beneficiaries, and when it is feasible proved and consolidated by the representative end-year impact assessment.

(5) Reporting. The monitoring results, analysis and learning form the foundation for the project reporting. Reports to the donor are made by March of each year and follow the reporting annex of the mandate agreement with SDC. Technical reports in the form of power point presentations are due every quarter covering the respective period, and **Annual Operational and Financial Reports** due every March covering the period January-December of the previous year. Annual reports are redacted to remove confidential information and posted on the RSMEDP website library. Concerned stakeholders also have an opportunity to comment on the findings, conclusions and recommendations of the M&E system and discuss them in Steering Committee meetings (formal) and through informal and ad-hoc advisory group meetings.

(6) Adapt strategy. In order to bring broader vision to the project progress the project uses helicopter lens and once in two years assesses interventions under the *functional lens* with updating of the **functional strategy**. The team utilizes information from monitoring and assessment for periodic reviews, which involve the management, the technical team, and the partners, as well as the decisions to adapt, continue, or close the interventions. In case of need, the additional interviews with relevant stakeholders are conducted to show the full picture. The results feed into the *functional strategy* that is used for utilisation of interventions common efforts under functions and is being reviewed every two years.

Cross cutting elements: In line with the MSD approach, RSMEDP seeks sustainable interventions and changes. Sustainability is therefore assessed through all implementation stages, during intervention design, implementation and assessment. **Systemic change** – AAER, copying, crowding in, unintended effects and displacement are assessed carefully as defined within the intervention measurement plan.

RSMEDP implements an active, inclusive and opportunity-based strategy on gender inclusion. The project implements a separate GESI strategy to ensure gender mainstreaming and social inclusion elements are clearly outlined in every stage of implementation. Each results chain has gender related box indication and

is measured appropriately. The project also implements a grant mechanism which is detailed further in the **Grants Manual**.

2.3 RSMEDP KEY DOCUMENTS AND POTENTIAL USES

RSMEDP plans to utilize the following set of documents for management and monitoring purposes. The following list describes briefly the main documents and their potential uses.

2.3.1 General Documents

- **Project Document (Prodoc):** The Prodoc is one of the most important backbones of the project, it describes the implementation strategy of the project, main outcomes, goals, methodology, market systems and functions, expected results, and other important elements. Part of the Prodoc is also long list of annexes, which includes important documents such as budget, overall Theory of Change, logical framework (log-frame), organogram, manuals, etc.
- **Donor reporting documents,**
 - Yearly Plan of Operations (YPO): is a power point report with description of interventions and respective activities that RSMEDP plans to implement during each year. The document provides other important information as well, including snapshots of key project indicators output, outcome and impact targets vs actuals table, workplan on the yearly activities, key narrative explanation of the activities and achievements, communication and finance etc.
 - Annual Operational and Financial Report: covers and reports the implementation period for one year. The Annual Operational report is structured as per the log frame of the project and presents results for a year period and consolidated and validated data and information.
- **M&E manual:** The core manual that outlines all processes and procedures related to managing the monitoring and evaluation process in RSMEDP. The manual is supported with various Annexes such as EMON quantitative data capturing example, guidance note for capturing KPIs, tool and guidance note for aggregation and overlap calculation, DCED compliance document tracking tools, monitoring activity tracking calendar, grants manual and gender RM framework to capture the qualitative indicators as well as the monitoring tools used to systematise the occurred detailed results and ensure the bases for reporting and attribution the results.
- **Aggregation File:** where RSMEDP attributable quantitative results and projections are noted per interventions. The aggregation file is considering the adjusted overlap calculation percentage between the interventions and within the interventions. The overlap percentage is then reflected into the visualisation dashboard based on the EMON data and the desilts are visualised with the adjustment for overlap. Given that several interventions in Phase II are continuations of Phase I activities, there is a high likelihood that some beneficiaries have been captured more than once. To mitigate the risk of double-counting and to ensure the integrity of reported data, the M&E team has improved data aggregation tool and made it more enhanced at the launch of Phase II. This tool is designed to:
 - **Capture both new and existing beneficiaries,** with clear identification markers
 - **Calculate overlap ratios** between and within interventions
 - **Disaggregate unique beneficiaries** by gender and LNOB status
 - **Document methodology** for overlapping calculation per KPI, including specific comments and assumptions.

The Excel-based tool is structured with separate sheets for each intervention and a consolidated sheet for the overall project. Where available, beneficiary-level data including full names and the services received are cross-referenced with Phase I records to identify individuals who received the same service more than once. These cases are flagged as overlaps and adjusted accordingly.

- **Value for Money (VFM)** records the expenses and investment in interventions, that RSMEDP was fulfilling (mainly from the part 4 budget – direct implementation costs) per interventions and main impact results. The Value for money analysis also captures all the stakeholders in kind and cash contribution to the project interventions. **Cost Benefit Analysis (CBA)** of the project in addition to Value for money calculates all the possible costs including opportunity costs, third party costs and other project parts costs (part 1,2,3) in order to calculate what is the cost and respective benefit generated from the project as a whole.
- **Functional strategy:** The document represents the compilation of intervention strategies systemic changes within the market system. The functional strategy helps the team to analyse the changes through a helicopter lens and helps to see the linkages between the intervention logic, objectives, beneficiaries, LNOB inclusion etc. The functional strategy ensures understanding of aggregated benefits from several interventions towards each of the function. Functional strategy review meeting takes place every 2 years (known as a ‘helicopter lens’ meeting). These routines and spaces are consistent with a DCED-compliant M&E system.

2.3.2 Intervention documents

- **Intervention Concept Note:** is an interventions specific document that is developed at an initial stage of intervention. It encompasses estimations and research analysis on the activities, underlying constraints, business model, potential partners, sustainability, target groups, LNOB inclusions and expected results, estimated budget, potential displacement, etc. Concept note is prepared by technical team, with support and quality assurance of the M&E unit. Concept note is utilized as a document for discussion and finetuning of the concept with the management. Concept note creates the bases for the baseline plan development and defining the key research questions.
- **Intervention Plan (IP):** (also used as the intervention steering document) consists of several sections and the key to adaptive management with substantial information. Key sheets in the IP:
 - **‘Summary’** sheet presents an introduction of the intervention, including background, partners, budget, relevance of gender, displacement etc. The narration changes from the concept note based on evidence during implementation. The sheet also has the section of review sheet/logsheets which indicates the dates when the key changes to the results chain and consecutively measurement plan happened (including the rationale for the change). If the changes are made to the results chain and respectively to the Monitoring Plan, the Ip is archived and new changes are reflected into the duplicate version of archived IP.
 - **‘Results Chain’** is a copied picture from the Visio RCh. The Visio file keeps previous versions of the results chain in archive. Regular analysis of the Results chains is made at least once in six months while RCh and Assumptions revision meetings, where the results chains are discussed individually per each intervention and necessary changes (if needed) are documented under review sheet/logsheets and further addressed.
 - **‘Monitoring and Evaluation Plan’ (M&E Plan).** The M&E Plan is a crucial M&E document, which includes all information related to activities, outputs, outcome and impact of the results chain

(according to the RCh box numbering) and presents all the indicators for each RCh box. Quantitative and qualitative indicators are recorded in two columns, followed by assumptions, means of verification, attribution strategy, baseline data, responsible staff and times of change and data evidence location. The baseline column either presents the baseline information or the location where the baseline data is analysed.

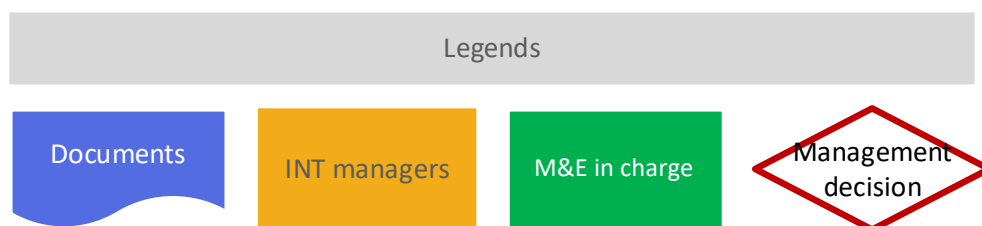
- **‘Calculations’** sheet presents a summary of projections, baselines and results recorded according to the years. The calculation sheets summaries both the log frame indicators (also referred as KPIs) and other intervention related indicators and refers to the analysis documents such as Outcome and Impact Assessment reports.
 - **‘Systemic Change’** presents the pathway the of sustainability and scale for the intervention. The Systemic change is assessed using the intervention lens and follows the Adopt, Adapt, Respond Expand (AAER) framework. The narrative is supported with indicators and an M&E plan to measure the changes in the Adapt, Respond and Expand stages since the changes in the adopt level is measured mostly through M&E plan. RSMEDP foresees relevant sustainability changes within the market functions and plans to conduct full assessment of systemic change during the second year of this second phase of the project. The project regularly collects data on systemic change and unintended change (if any) and documents them in the review sheet of the IP (see below). Given the fact that the project is in its second phase and the is expectation on appearance of systemic changes, the project will develop an overall plan for assessing systemic changes at project level. This includes assessment of systemic changes at market systems level and beneficiary level using appropriate methods. Besides, a plan for assessing and estimating the effect of expected systemic change on beneficiaries will be developed.
 - **‘Review’** sheet summarises information about regular periodic review meetings of the intervention, leading to the intervention change decisions. It is based on the interviews with partners, field visits, assessments and their provided evidence files. It also included information on unintended changes and keeps notes on what needs to be done to track the changes in the market system and adaptations to the results chain. Besides, it includes the links to the evidence files behind the listed decisions, in order to ensure traceability of the results.
- **Intervention Results Chains (RCh)** is a visual depiction of the intervention impact logic. The RCh presents details of activities, outputs, outcomes and impact, in boxes, where each box presents an active formulation of the expected change (WHO does WHAT for WHOM). The box also includes KPI abbreviation (where relevant) for measuring the change (for better traceability of targets towards KPI numbers), targets (based on projections) and actual results (based on the validated partner data and/or assessments).
 - **Baseline Planning** is a document that outlines the methodology, target group, rationale, time frame and key research questions-indicators that need to be collected for the intervention. Baseline planning sets also a time for collection of baseline information, however in cases where additional partnership agreements are signed at a later time, the information for the partner is collected as per the baseline planning document. In any case, whether it is possible to collect baseline data at the beginning of the intervention or not, the baseline plan should be prepared at the beginning of the intervention.

- **Baseline and Projections** present processed and analysed information regarding the baseline information of partners and beneficiaries and projections based on the expected attribution, also defined in the calculation sheet of the IP. Projections are generally prepared through discussions with partners, review of secondary research (where applicable), and team analysis. The process involves market facilitators, M&E unit, technical team and management. The aim of the process is to make efforts in preparing realistic attributable projections. Sometimes, it is not possible to collect baseline data at the interventions' initial stage as the target group is too broad and it is difficult to define the particular target group, thus in such cases baseline data is collected and analysed retrospectively together with the outcome or impact assessments. This is also more feasible for the project based on the limited resources and conduction of baseline surveys and outcome/impact assessments for all of the interventions separately deriving from the specificity of the interventions. Besides, sometimes the project together with its partners undertakes action research, which represents the activities that the project undertook under piloting of the intervention instead of an intervention baseline study to understand baseline as well as the constraints within the market systems across the sectors. These are also the first entry point for the project as envisioned in the project document. Depending on the success of the activities under piloting some of the action research transforms into interventions. Since some of the interventions are continuation of the first phase activities, if the target group represents the same/existing beneficiaries in the second phase, the calculation of baseline is made according to the validated impact results from the first phase (where possible), while if the kind of beneficiaries is new/different from the phase I, the baseline will be considered as 0.
- **Assessment Planning** document is the template which guides the team to plan different assessments such as outcome and impact or early signs of impact. It details the sample size, timing of data collection, methodology and mode of data collection, persons responsible and resources needed. The assessment planning also documents the attribution method and the rationale for the attribution. The assessment planning document helps to make assessment efficient by merging the data collection for different interventions where applicable.
- **Outcome Assessment Report (OA)** is a detailed report that captures all the outcomes generated by the intervention in the particular time. It consists of background information on the intervention, data collection methodology including sample size, key findings, the attribution methodology of the results as well as discussion of possible projections of the intervention to inform future planning.
- **Impact Assessment Report (IA)** is a detailed report on the implementation of the intervention, presenting findings from regular monitoring of the intervention and results of the full representative impact assessment. The report starts with a background and goals of the intervention. It provides an explanation on the methodology used for the assessment, including sample selection, questionnaire design, attribution strategy, etc. The impact assessment report presents the intervention attributable impact results and achievements. The report provides also information on systemic change (scaling, crowding in, etc.) and unintended change. The report also enables the project team to come up with the benchmarking of the intervention results that will further be applied to the results of the intervention until the next representative impact assessment. Finally, based on the findings, lessons learnt, and intervention way forward are presented.
- **Evidence files** are the supporting documents which make the M&E information reliable and credible. Each result chain box is given a unique number, and each box is supported by evidence files placed in the

respectively numbered evidence folder. One such evidence file is Partnership Agreement which outlines the purpose and rationale of support, incentives, business model and sustainability, roles and responsibilities of the parties, expected outcomes, budget, activities to be implemented, etc. Other evidence files may be reports from partners, participation lists, studies, impact studies etc.

2.4 DRAFT PROCESS FLOW AND ROLES AND RESPONSIBILITIES

The Process flow diagram below illustrates how the M&E system is sequenced in RSMEDP and where the critical decision points are within the system.



2.5 KEY M&E ELEMENTS

RSMEDP uses the SC M&E guideline to develop its M&E system. The guideline is also based on DCED standard. The following are the key elements of the system that the project adapted based on the context of Georgia. The section does not repeat the technical aspects of the M&E elements, such as how result chains are developed, because such details with examples are elaborated in the SC guideline. Under each key element, RSMEDP defines the specific changes and needs for the project.



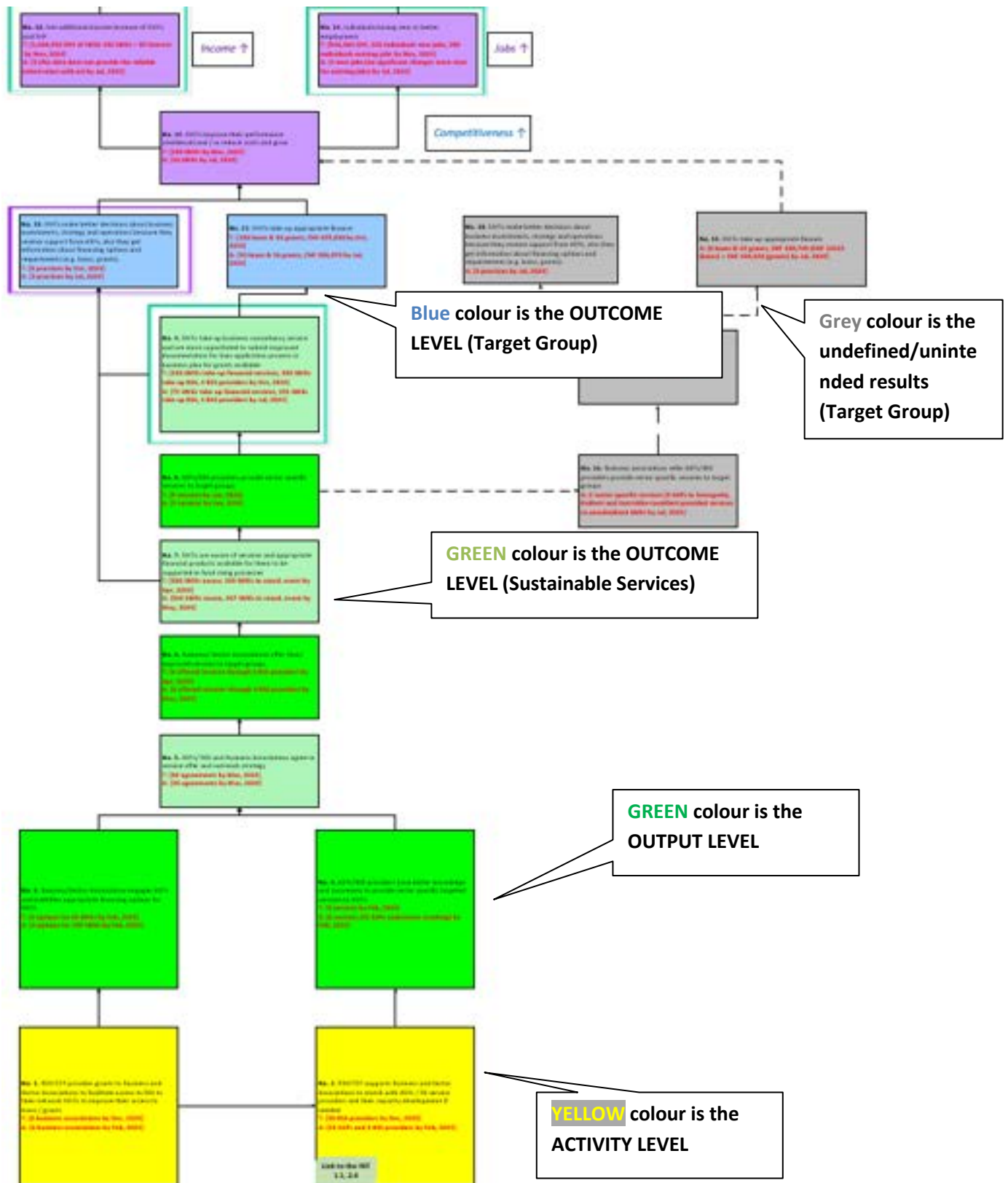
3 M&E GUIDELINES

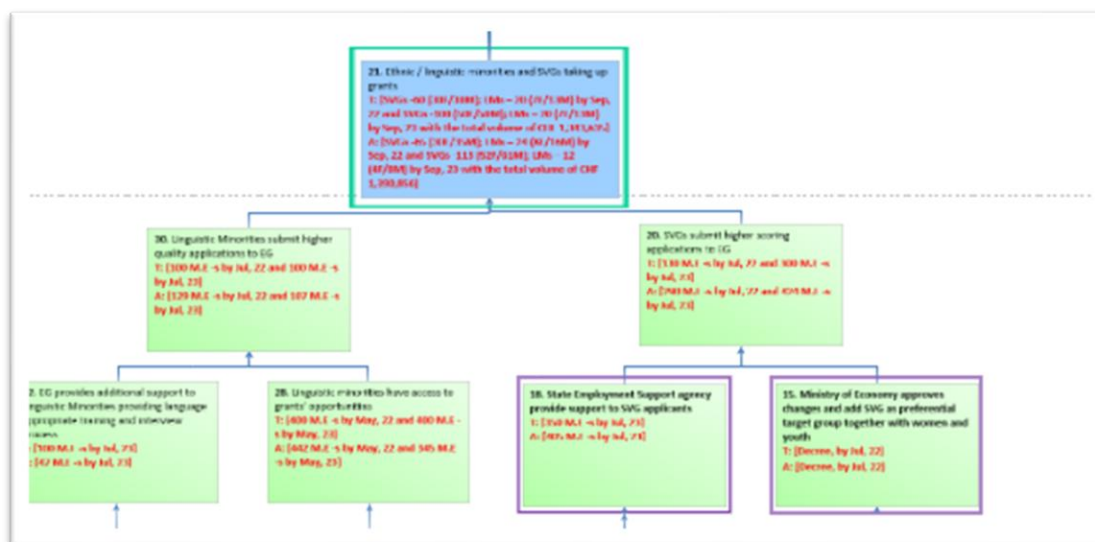
3.1 RESULTS CHAINS

Refer to Guideline 2: Development of Results chains in SC M&E guidelines.

In RSMEDP, a result chain is developed within 2 months of finalising contract using a participatory approach involving the M&E team and the intervention manager. Results chains have Activities, Outputs, Outcome and Impact level and are aligned to the RSMEDP Logframe. Result chain is the most important element of the M&E system. It helps the team to think through, see the likelihood of achieving results, communicate and optimize the strategy of an intervention and putting them into a causal logic with regards to expected changes at output, outcome and impact level. RSMEDP reviews the logic of each intervention during bi-monthly steering meetings. These sessions also involve revisiting the result chain boxes (if needed on bi-monthly bases, otherwise on bi-annual bases, while revision meetings of RCh), including their associated logic and assumptions. When assumptions prove invalid or the intervention logic requires adjustment, the team decides on necessary changes to the relevant result chain and ensures these updates are reflected in the logsheet. In RSMEDP, result chains are developed in MS Visio (which is a flowchart building application).

The colours and the arrows hold visual aid for the team to read through the logic. The intervention results chain box colour codes are interpreted as following: yellow (for activities), green (for market trigger and uptake-output), blue (for TG performance-outcome) and Purple (for impact). In some interventions, there also are grey boxes that are added later and indicate the occurrence of unintended/undefined changes that happen as a result of the intervention implementation but outside the RSMEDP facilitation. An activity or output that leads to another box is depicted through arrows. Arrows are usually through a full line, whereas an interrupted arrow line means that the logic of the change is still in early stage and is an estimation. A similar logic is also used for other documents such as Function RChs and AEER visualizations. Each box also highlights the relevant KPIs (where measurable), enabling better traceability of each KPI across interventions. Beneath the box title, targets for specific quantitative indicators are listed, along with the actual results and the corresponding date of activity completion.





Targets are marked with “T:” and they are presented per cumulative values of the box for the intervention lifetime. Achieved results are marked with “A:”. The project also uses green border around boxes which are seen as relevant to measure changes in gender indicators and purple border around boxes which shows signs of systemic change.

RSMDP uses Visio software for RChs, and the picture is copied afterwards in the RCh sheet of the intervention plan. The RChs are updated every six months at least after it is being developed (In general within three months of the start of the first intervention partnership). The team records the version of the RCh with respective date in Visio, and all versions are kept in the archive folder. The project uses the RCh for adaptation of interventions based on regular monitoring and findings. As mentioned under review sheet, any change of the intervention is documented in review section of IP, and the changes are reflected in the summary sheet and RCh during the update process to minimise continuous RCh changes.

3.2 INDICATORS AND PROJECTIONS

Refer to Guideline 3: Indicators and projections

Each box of the result chain is referenced with at least one quantitative and one qualitative indicator, and it is documented in the M&E Plan sheet of Intervention Planning. RSMDP aggregates logframe indicators across all the interventions to report on the project impact. Some of the key aggregated impact indicators are:

Sr Number	Indicator	Description
I1	Number of people having new or better employment	- This indicator captures the impact of the project phase II on employment outcomes across Georgia’s rural regions. It reflects both the creation of new job opportunities and the qualitative improvement of existing employment conditions, including among marginalised groups (women and ethnic minorities identified under the LNOB framework). “New

		employment” refers to individuals who enter the workforce through jobs created by SMEs supported by the project, including seasonal and part-time roles. “Better employment” encompasses enhancements in job quality, such as increased wages, formal contracts, improved working conditions, and access to benefits, aligned with the ILO’s definition of overcoming decent work deficits.
12	Number of smallholder farmers with increased incomes from agricultural production	This indicator measures progress along the Government Agriculture and Rural Development Strategy priority area of increasing incomes for small-scale farmers. Under SHF the project defines farmers engaged in agricultural production with average land plot size of 3 ha or with average number of cows up to 5. In some sectors such as almonds and walnuts the project considers as SHF those with up to 8 ha, as on 3 ha this sector is not operational at all.
13	Change in yearly net income (salary/wage or profit) of individuals in reporting currency, adjusted for inflation	This indicator is directly linked to I1 covering employment including individuals as well as SME owners. Under ‘change in yearly net income’ we consider changes in salary, wage or profit of individuals (including SME owners) throughout the project implementation as a result of interventions. Net income considers income left after deducting all the expenses.
14	Number of SMEs benefitting with additional income, reduced costs and/or improved resilience	This indicator measures the extent to which rural SMEs and SHFs supported by the project experience tangible economic and operational benefits. It captures three interrelated dimensions of SME/SHF performance: • Additional income – growth in revenues or profits resulting from improved market access, expanded sales, or enhanced competitiveness. • Reduced costs – efficiency gains achieved through better financial management, adoption of new technologies, or access to more affordable services and inputs. • Improved resilience – the strengthened capacity of SMEs/SHFs to survive from external shocks (e.g., market instability, climate risks, or macroeconomic instability) through diversification, risk management practices, and stronger linkages with support systems.
15	Net additional income increase of SMEs - including SHF	This indicator measures the outreach and effectiveness of project interventions towards income increase of SMEs/SHFs. It captures the volume of SMEs/SHFs financially benefiting from project activities. Income could come from SMEs/SHFs access

		to appropriate finance as well as improved financial management and re-investment in their businesses.
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RSMEDP analysis quantitative indicators for Projections and achievements. Projections are calculated through interviews with partners, secondary data analysis, triangulation, historical data trends and internal analysis. These efforts are done to ensure that intervention projections are realistic. It is important to note that triangulation of information is a central element of the RSMEDP M&E system, not only for projections but also for impact assessment. The team regularly consults data from agencies such as EG, SESA, Statistics for data triangulation and verification. For example, a reported SME income or employee wage is always triangulated with informal interviews with competing SMEs, national statistics within the sector, etc. Where the sample size is too low (such as income reported by SMEs), RSMEDP uses government statistics as proxy data.

The full list of indicators, quantitative and qualitative are developed along with the development of result chains. The list also allows the team to combine field visits and collect data on wider changes and unintended changes to maximum project resources.

3.3 M&E GUIDANCE PRODUCTS DEVELOPMENT

The project has several key guidance products which enables smooth monitoring and data collection process as well as provides clarity to the team on respective procedures and data collection. These products include **KPI Guidance Note, Guidance Note on the use of the Logsheet and the Monitoring Observation Diary** and **Guidance Note for Overlap Calculation** with the Excel tool for data aggregation.

Guidance Note for KPIs serves as a guiding tool for the RSMEDP team to clearly define each indicator at outcome and output levels. It provides a structured approach to accurately determine the means of verification and measurement for effective monitoring. The guidance note was developed based on the project descriptions in the logical framework of RSMEDP Phase II, supplemented by discussions with the team to ensure clarity and alignment. Each section of the guidance note plays a distinct role in shaping a shared understanding of the indicator and its application.

Guidance Note on the use of the Logsheet and the Monitoring Observation Diary explains the distinct purpose and use of the Logsheet and the Monitoring Observation Diary to ensure consistent and meaningful monitoring practice. It clarifies that the Logsheet is intended for recording information that is decision-relevant and may lead to changes or adjustments in interventions, while the Observation Diary is designed to capture qualitative field-based observations and learning that support reflection, interpretation, and validation of assumptions without necessarily triggering immediate action. The guidance note provides guidance on how and when to complete and store these tools. By distinguishing between these two tools, the guidance supports teams to document information more purposefully, strengthen learning, and improve adaptive management.

The guidance note on calculating beneficiary overlaps in Phase II provides a systematic framework for identifying and managing cases where SMEs may have received support in both project phases. Its purpose is to ensure accurate, unduplicated reporting and credible attribution of results, in line with donor expectations and the DCED Standard for Monitoring and Evaluation. The guidance note for overlap calculation is complemented by the aggregation file of the project results which is an Excel file and includes

new and continuing beneficiaries disaggregated by gender and LNOB status, overlap ratio and unique beneficiaries. Detailed information about the tool is given under the intervention documents sub-chapter.

3.4 SUSTAINABILITY AND SYSTEMIC CHANGES

Refer to Guideline 4: Systemic Changes

RSMEDP aims to achieve sustainable positive changes within the market system. However, the market functions are complex, dynamic and inter-linked and therefore their development is often not predictable on the long run.

Within the design phase, the team analyses and evaluates the business sustainability of the interventions which is presented in the interventions concept note. This analysis is rather brief and presents why and how a proposed change will be sustainable. Sustainability can then be found at the intervention level using the AAER (Adopt, Adapt, Expand, Respond) and assessed through the impact assessment where elements such as sustainability of the service and scale are evaluated. Sustainability can be measured with indicators such as additional resources put by the partners to continue the service provision (facilitated by the project), adaptation of the service provision, etc.

AAER framework is used by the team in both the intervention level and then aggregate at the functional level to analyse the before and after scenario of the market system. However, it is important to stress that Systemic Changes often reflect unexpected developments, which can only be detected by keeping eyes and ears open for what's happening in the market. Also, all interventions will not show all signs of Systemic Change (Adopt, Adapt, Expand, Respond), therefore, the team defines which interventions to analyse using the framework. Regular information on systemic change is collected through partner meetings, bi-monthly meetings and regular field. Moreover, a broader systemic change assessment is planned for relevant intervention after two years of benefit (if they show early signs of systemic change).

In Phase II of the project, the M&E system places stronger emphasis on tracking and understanding systemic change across all interventions. Semi-annual reviews are conducted for each intervention to capture emerging shifts in market behaviour, relational dynamics, and institutional responses. These reviews are structured using the AAER framework, which enables teams to assess how interventions are influencing system actors and to project potential pathways of change. Projections and the indicators for systemic change are developed collaboratively and revisited regularly to ensure they remain grounded in field realities. To complement these internal reviews, a market system analysis is scheduled twice in the project phase to provide a snapshot of how market relationships, influence flows, and structural conditions are evolving. For this aim the project will involve its consortium member-Springfield to ensure and validate proper capturing of systemic changes. The market system review will be conducted as a rapid assessment supported by the desk review of the project collected results and offering timely evidence to validate observed changes and inform strategic adjustments. These practices ensure that systemic change is not only monitored but actively interpreted and integrated into the project's learning and adaptation cycle.

Displacement

Possible displacement is always considered under each of the intervention. The initial discussion of displacement starts while the development of the concept notes and the possible displacement is further

discussed under results chain revision meetings. However, displacement is the area that is constantly in the mind of teams and if possible, displacement case is revealed by the technical team, it is immediately discussed with M&E to further plan proper assessment and evaluation. There is no common definition of the displacement in the project because of the different nature of the interventions.

3.5 MEASUREMENT PLANS

Refer to Guideline 5: Measurement Plan

The measurement plan is based on the results chain with the objective to ensure that the measurements of the changes in the system are well planned, thought through and can be measured periodically. The measurement plan outlines for each intervention the following key aspects:

- Reference to box number in result chain
- Impact chain (Change that we want to see)
- Indicators (How the change is measurable) – Quantitative
- Indicators (How the change is measurable) - Qualitative
- Assumptions
- How? (Methods/Mean of Verifications)
- Attribution Strategy
- Baseline data
- Who? (Team responsible)
- When (Timeliness to assess change)
- Documentation with date

The structured use of the collected data and findings of the M&E system allows an informed steering of the interventions followed by regular updates of the measurement plans, monitoring and results chain. In order to timely follow the measurement plan respective calendar is being developed per each of the intervention and overall, for the whole project. The calendar is updated in line with the updates of the measurement plan.

3.6 MEASUREMENT METHODS AND ATTRIBUTIONS STRATEGIES

Refer to Guideline 6: Measurement methods and attributions strategies

Monitoring system helps the team to measure and attribute quantitative results supported by quantitative findings to the project in a cost-effective manner. In general, baseline data is collected at the beginning of the interventions, to the possible extent. In cases when the baseline data is not available the project conducts baseline assessment in the beginning of the intervention or retrospectively to ensure feasibility. Observations and monitoring visits are regularly conducted to keep ongoing monitoring of the interventions. Besides, regular data (monthly, quarterly, seasonally etc) is collected from partners specific to services (no of grants/loans obtained, services delivered, no of generated new/improved conditions of employees, etc.) helps the team to understand the changes and also aids in attributing the results at the end of the intervention. Attribution strategy in the project considers attribution only of those results occurred from project interventions. This is thoroughly being checked through the assessments and triangulation of data among various stakeholders.

Interventions that commenced in Phase I and continue into Phase II should be treated as ongoing activities rather than new initiatives. Attribution remains with the original implementing agency to ensure consistency and avoid double-counting of achievements. Even when Phase II introduces additional components or services, these are considered gradual enhancements within the same intervention framework, not separate agencies, unless they operate under a fully independent mandate, budget, and delivery structure. In line with the KPI guidance note and overlap calculation principles, only new outputs or beneficiaries added in Phase II should be attributed as incremental contributions, while achievements from Phase I should not be repeated. This approach recognizes continuity while accurately reflecting the expanded scope of work. The project's attribution strategy follows an exit-oriented approach, particularly for interventions that are continued from Phase I. Full attribution is applied to interventions that generate results within the first two years of implementation. This attribution is systematically validated through assessments. Beyond this initial period, the level of attribution is gradually reduced, and the project exits without continuing to claim results after the two-year timeframe. With the robust set of monitoring data, outcome and impact assessments focus more on validation of results, collection of all indicators including qualitative, sectoral changes, triangulation of the results and developing benchmarks for the interventions. This makes the system resource efficient, economic and fit within the geographic context of Georgia. The planning of the assessments (including outcome and impact assessments) is done based on each intervention M&E plan that is compiled on the M&E calendar, combining all the interventions. The calendar is updated on yearly bases while development of YPO.

3.6.1 Data Collection and processing

Refer to Guideline 7: Data collection, recording and processing

For survey, quantitative data is usually collected using IT-tools such as Google docs or Kobo toolbox to capture data from surveys using mobile devices, feeding the results automatically in databases. In some cases where it is not possible to use IT solutions, the data is collected through paper-based questionnaires and then transferred into excel or SPSS databases. As quantitative data is usually incomplete without qualitative understandings, the team also collects qualitative data from partners and potential beneficiaries using guided questions or FGDs as outlined in the Measurement plan. For such assessments, RSMEDP may sometimes outsource full or partial the data collection and analysis. On the other hand, it has recently proved to be more efficient to keep all the thinking in house and employ enumerators for field data collection. In case of in-house assessments, the team has developed assessment package with all the necessary tools and documents to be prepared for the proper data collection (including assessment planning, databases, assessment tools, data aggregation excel, report template and other respective documents). Businesses data is usually collected from partners using specific templates developed as per the data need from the partner. When there is a need for quick validation of the data provided by partner, the team conducts brief phone interviews with the beneficiaries and/or stakeholders without any representative study or send out self-administered survey questionnaires entered the Kobo toolbox. In case of need in representative assessment, the project outsources the assessment to be more efficient.

Data from various sources are stored within the Microsoft SharePoint cloud services and modelled using Power BI through digital quantitative data aggregation system EMON and its transferring into Excel. This

enables the project team to have access to real time data and steer the inventions using interactive, user-friendly dashboards.

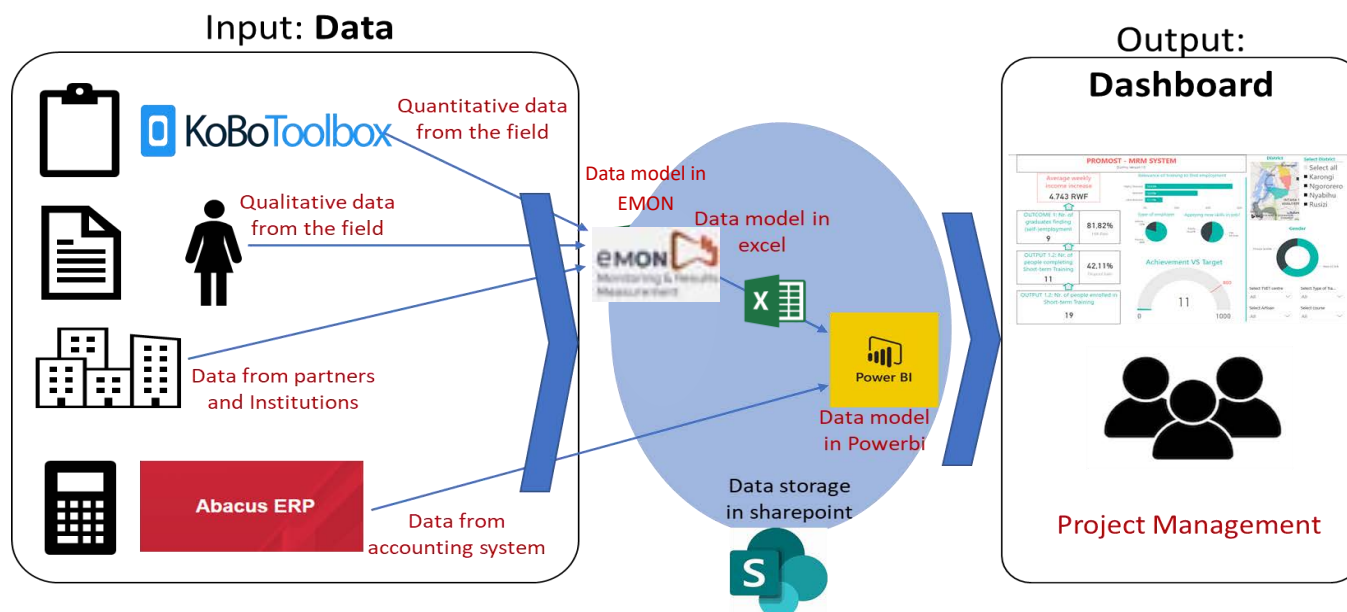


Figure 3: Data collection and Processing

3.6.2 Quality Reporting

Refer to guideline 10: Use of Findings, reporting, communication and knowledge sharing

The M&E system produces regular reports on the measured projects results, identifies challenges and lessons learnt as well as next steps, including possible adaptations of the project interventions. Some of RSMEDP's M&E reports are:

- Quantitative and qualitative results at the logframe level and updating the Cost Benefit analysis
- Financial information on the costs of interventions that allow a calculation Value for Money analysis of the interventions.
- Outcome Assessment reports that cover the outcome results of the intervention. These reports are made for such interventions that have not generated impact yet and ensures validation of outcomes.
- Impact Assessment reports that describe the achievements and challenges of each intervention: After the results of an intervention have been collected an intervention report is made as the basis for internal learning and improving.
- Annual Report
- Case Studies and other publications

3.6.3 Data aggregation and overlap calculation

After the quantitative data collection is completed and validated by the M&E team the data is added into the Electron quantitative monitoring system EMON. The data is entered under each box of the RCh of each of the intervention and is supported by evidence files to ensure the traceability of the results. The aggregation

of the added data is automatically transferred into the excel database separately for each intervention as well as aggregated according to the KPIs of the logframe.

The overlap calculation is made based on the databases of target beneficiaries on two levels: one for the intervention internally (as some of the SMEs could be getting several services and when the KPIs is looking on unique SME numbers the overlap is to be calculated) and the second one between the interventions (some interventions are working in the same regions and could be working with the same SMEs, thus the overlap calculation is in place). As soon as the overlap ratio is defined it is applied to the raw data results and the final impact numbers are agreed.

In instances where direct beneficiary data is unavailable (particularly from state agencies constrained by confidentiality policies) the team employs alternative methods to estimate overlapping. These can include:

- **Targeted telephone surveys** with a sample of beneficiaries (where contact information is available), asking whether they previously participated in similar interventions and received the same service from the same provider
- **Utilizing partner-provided analysis**, where overlap ratios have already been calculated and validated, thus eliminating the need to request raw beneficiary lists
- **Triangulating with other data sources** and cross-check beneficiary data with other administrative datasets to validate participation and avoid duplication.
- **Or estimation of overlaps** based on the previous experience with consideration of outside factors such as location and sector representation.

3.6.4 Transversal themes -GESI

The M&E system ensures collection and capturing of GESI disaggregated data in all the interventions. Some interventions under the project are directly focusing on Gender and their results are more precisely assessed in the lens of benefits. The majority of interventions do not have direct targeting of women, but there is targeting of other LNOB groups such as ethnic/linguistic minorities and respective disaggregation and results assessment is made. However, even for those interventions that are not directly targeting any of the LNOB groups there is still detailed disaggregation according to LNOB groups including women as it is still anticipated that there is an impact on women especially in terms of business decision making.

3.6.5 Resources to Manage the System

Refer to Guideline 9: Managing the M&E system

M&E is integrated within the project in various ways. There is clear assignment of M&E functions to staff which is part of job description. The M&E unit, reporting to the Team Leader, is also closely working with Portfolio Lead and is responsible for the quality and coherence of the M&E-system. This set-up ensures that the project management receives the information needed for steering in an appropriate quality. The M&E-unit (comprising of the Head of Country M&E and the M&E Coordinator) supports the implementation team in planning and monitoring. It is responsible for defining appropriate methods of evaluation, aggregation and reporting achievements. Furthermore, the unit conducts M&E related chain of workshops for the programme team to facilitate the knowledge sharing process as well as help them to use M&E related tools and documents properly. To keep the process documented, RSMEDP specific M&E adaptations are compiled in

this M&E manual. RSMEDP M&E manual refers to SC guideline for details regarding specific tools and methods. The manual is drafted with the key framework in the Phase I of RSMEDP project and was updated in the beginning of Phase II of the project. Additionally, the team developed guidance note for KPI explanation including its calculation and attribution strategy (see annex 1).

The M&E-unit is also supported by a specialised **advisory group** consisting of regional M&E-advisor and a coordinator at Swisscontact's head office to ensure international learning and networking with platforms such as SEEP, DCED, think tanks and academia. Within the organisation, the M&E-team is connected through a Community of Practice, where they exchange and develop their capacities and feed good practices back to their projects.

RSMEDP dedicates a significant share of financial resources, around 12%, for Monitoring and Evaluation purposes. This includes expenses for Head of Country M&E, M&E coordinator, M&E Advisor and M&E under the part 4. This is in line with Swisscontact principles, and it includes a decent share of financial resources, as well as the resources of all the team.

Ongoing implementation of activities is also ensuing regular monitoring for timely and effective steering of interventions. Therefore, it is imperative that regular checks and balances are in place for managing the M&E system so that it can produce robust results. Additionally, regular review meetings (on bi-monthly bases together with intervention steering meetings) ensure adaptive management of the system and to address bottlenecks so that the technical team can steer activities efficiently. Moreover, the M&E team emphasizes the quality of M&E activities through internal bi-weekly meetings, including sessions with the project's senior management.

One of the most important components of the MRMM&E system is the Function Review Meetings. These meetings are conducted twice a year. Inputs for the meetings include impact assessments, regular monitoring data, updated Intervention Strategy Documents (ISDs), and systemic change analyses. The outcomes of the Function Review Meetings are decisions to close, upscale, pilot, or introduce new interventions. The results are documented as Functional Strategy documents in the meeting minutes and are referenced in other relevant documents as appropriate. Below is an illustrative timeframe for different types and frequency of review meetings. As implementation proceeds, the team may adjust to meetings as deemed necessary for the optimum results.

Type	Frequency	Who leads	Who participates	Output
Team meetings	Weekly/bi-weekly	TL	All team	Meeting minutes
Intervention steering meeting	bi-monthly	TL	M&E and Intervention Manager	Meeting minutes and Updated Intervention steering file (IP)
Steering committee meetings	Bi-annually	PM	Steering committee members	Meeting Minutes

M&E Catch up meetings within the unit	Bi-weekly	Head of Country M&E	M&E Coordinator	Meeting minutes
M&E meetings with Senior Management	Bi-weekly	Head of Country M&E	M&E Coordinator and Senior Management	Meeting minutes
Intervention Lens Meetings	Before the annual report	M&E&TL	Technical Team	Meeting minutes
Helicopter Lens Meetings	Once in two years	M&E&TL	Technical Team	Meeting minutes

4 FURTHER REFERENCES

1. SC M&E guideline
2. Grant Manual
3. Conflict Sensitivity Analysis, GESI Strategy, and Risk Analysis
4. CBA Analysis
5. Functional strategy
6. Specific Technical Guidance
 - a. Financial Management Capacities (Op 1.2.2)
 - b. Calculation tool for estimating contribution to SME finance
 - c. Projected vs actuals aggregation tool and overlap calculation
 - d. EMON quantitative data capturing example
 - e. SME financial practice adoption aggregation sheet
 - f. Partner monthly reporting template (INT 1.5 SMEDA)
 - g. KPI Guidance Note,
 - h. Guidance Note on the use of the Logsheet and the Monitoring Observation Diary
 - i. and Guidance Note for Overlap Calculation
 - j. Monitoring calendar
 - k. Systemic change calendar



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