

SME Policy Effectiveness in Jordan

User Guide 2: Effective monitoring and evaluation of SME and entrepreneurship policies and programmes



Policy Handbooks

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Foreword

From 2016 to 2019 the OECD and the Jordan Enterprise Development Corporation (JEDCO) have been implementing the MENA Transition Fund project “SME Policy Effectiveness in Jordan” to help improve co-ordination and dialogue among the many actors involved in supporting small and medium-sized enterprises (SMEs) and entrepreneurship in order to increase the impact of their actions, identify gaps and avoid any overlaps. It also aims to introduce and strengthen monitoring and evaluation mechanisms, and to help the Jordanian authorities – notably the Department of Statistics and the Jordan Enterprise Development Corporation (JEDCO) – to improve SME and entrepreneurship data collection to strengthen the knowledge base for policy making.

This manual provides Jordan with guidance on how to monitor and evaluate SME and entrepreneurship policies and programmes. It covers both monitoring and evaluation of individual SME and entrepreneurship projects and programmes, as well as the full package of policy applied by government ministries, agencies and delivery partners as part of the 2015-2019 National Entrepreneurship and SME Growth Strategy and its action plan. It can also be applied to SME and entrepreneurship policy actions under the Jordan Economic Growth Plan 2018-2022.

Taken as a whole, the manual not only provides a practical toolkit for the Jordanian Government, but also for other governments in developing and transition economies. The manual is the second in a series of policy manuals or user guides produced for Jordan under this project:

1. User Guide 1: Reinforcing SME policy co-ordination and public-private dialogue.
2. User Guide 2: Effective monitoring and evaluation of SME and entrepreneurship policies and programmes.
3. User Guide 3: SME statistics and entrepreneurship indicators.

The user guides also serve as textbooks for policy analysis and policy improvement in the areas addressed by the project. They intend to help all Jordanian actors in charge of SME and entrepreneurship support in their efforts to increase policy effectiveness. They also intend to help and inspire other countries in the region and beyond to better analyse and strengthen their policies.

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This document was prepared by Lois Stevenson, international consultant and expert advisor to the OECD, in co-operation with Jonathan Potter, of the Centre for Entrepreneurship, SMEs, Regions and Cities of the OECD and Mira Hussein, of the Jordan Enterprise Development Corporation (JEDCO). The report builds on the exchanges held during various seminars organised by JEDCO and the OECD and with the participation of representatives of the Jordanian Ministries of Industry and Trade, Planning and International Co-operation, Labour, Finance, Municipal Affairs, and Higher Education and Scientific Research, among others. The seminars also benefited from the participation of government agencies such as the Department of Statistics, the Customs Department, the Central Bank of Jordan, the Companies Control Department, the Employment and Development Fund, the Jordan Loan Guarantee Corporation, and the Income and Sales Tax Department, among others. Important contributions were also provided by the private sector, including the Jordan Chamber of Commerce, the Jordan Chamber of Industry, the Business and Professional Women Association, and other organisations. Agencies and organisations providing support to SMEs and entrepreneurs were also part of the project, including the Business Development Centre, the Young Entrepreneurs Association, Injaz, the Crown Prince Foundation, the King Abdullah Fund for Development, the SME Association, Endeavor, Oasis 500, iPark Technology Hub, and the Information Technology Association, among many others. Donors and international partners including the European Union and USAID also contributed to the discussion seminars.

The documents produced under this project were reviewed by Alexander Böhmer, Head of the South East Asia Division at the Global Relations Secretariat of the OECD. The documents were harmonised and prepared for publication by Jorge Galvez Mendez, Sophie Elliott, Kristin Szama and Carla Casado Rubert, under the supervision of Carlos Conde, Head of the Middle East and Africa Division of the Global Relations Secretariat, OECD. Fiona Hinchcliffe edited the reports.

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Acronyms and abbreviations

APR	Annual Progress Report
BDC	Business Development Centre
BDU	Business Development Unit
BPWA	Business and Professional Women Association
CCD	Companies Control Department
DEF	Development and Employment Fund
DOS	Department of Statistics
ECOSOC	Economic and Social Council
EIB	European Investment Bank
E-TVET	Employment, Technical and Vocational Education Training (Fund)
EU	European Union
FP	Focal point
HCST	Higher Council for Science and Technology
HLC	Higher Level Committee
ICT	Information and communications technology
ILO	International Labour Organization
IMC	Institute of Management Consultants and Trainers
INT@J	Information and Communications Technology Association of Jordan
IP	Intellectual property
IPR	Intellectual property rights
JEDCO	Jordan Enterprise Development Corporation
JD	Jordan Dinar
JFBPW	Jordan Forum for Business and Professional Women
JIC	Jordan Innovation Centres (business incubators network)
JLGC	Jordan Loan Guarantee Corporation
JLGF	Jordan Loan Guarantee Facility
KAB	Know About Business
KACE	King Abdullah II Centre for Excellence

KAFD	King Abdullah Fund for Development
KPI	Key performance indicator
M&E	Monitoring and evaluation
MIS	Management information system
MIT	Ministry of Industry, Trade and Supply
MoE	Ministry of Education
MOHE	Ministry of Higher Education
MoL	Ministry of Labour
MOPIC	Ministry of Planning and International Cooperation
MSME	Micro, small and medium sized enterprise
NAFES	National Fund for Enterprise Support
NCRD	National Centre for Research and Development
NES	National Employment Strategy
NGO	Non-governmental organisation
QRCE	Queen Rania Centre for Entrepreneurship
RIA	Regulatory Impact Assessment
SME	Small and medium sized enterprise
SMEFAC	SME Financing Advisory Committee
ToRs	Terms of reference
VMP	Virtual Market Place
VTC	Vocational Training Corporation (Jordan)
WIPO	World Intellectual Property Organization
WTO	World Trade Organization
YEA	Young Entrepreneurs Association

Glossary of terms

Term	Definition
Attribution	The ascription of a causal link between observed (or expected to be observed) changes and a specific intervention. Refers to that which is to be credited for the observed changes or results achieved. It represents the extent to which observed development effects can be attributed to a specific intervention or to the performance of one or more partners taking account of other interventions, (anticipated or unanticipated) confounding factors, or external shocks.
Data collection tools	Methodologies used to identify information sources and collect information during an evaluation. These could include informal and formal surveys, direct and participatory observation, interviews, focus groups, expert opinion, case studies, and literature search.
Counterfactual	The situation or condition which hypothetically may prevail for individuals, organisations, or groups were there no development intervention. By definition, the counterfactual cannot be observed. Therefore, it must be estimated using a comparison group.
Evaluation	The systematic and objective assessment of an ongoing or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, efficiency, effectiveness, impact and sustainability. Evaluation also refers to the process of determining the worth or significance of an activity, policy or programme. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and funders. Evaluation in some instances involves the definition of appropriate standards, the examination of performance against those standards, an assessment of actual and expected results and the identification of relevant lessons.
Ex-ante evaluation	An evaluation that is performed before implementation of a development intervention.
Ex-post evaluation	Evaluation of a development intervention after it has been completed with the intention to identify the factors of success or failure, to assess the sustainability of results and impacts, and to draw conclusions that may inform other interventions. It may be undertaken directly after or long after completion.
Formative evaluation	Evaluation intended to improve performance, most often conducted during the implementation phase of projects or programmes.
Impacts	Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.

Indicator	Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor.
Inputs	The financial, human, and material resources (amount, type, quality) used/consumed in the process of implementing an intervention (programme, initiative, etc.) to produce the outputs.
Logical framework (Logframe)	Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution and evaluation of a development intervention.
Meta-evaluation	Evaluations designed to aggregate findings from a series of evaluations. It can also be used to denote the evaluation of an evaluation to judge its quality and/or assess the performance of the evaluators.
Monitoring	A continuing function (regularised tracking) that uses systematic collection of data on specified indicators to provide policymakers and the main stakeholders with information on where an ongoing policy or programme intervention is at any point in time relative to its targets with indications of the extent of progress, achievement of objectives, and use of allocated funds compared to the implementation plan.
Outcomes	Outcomes focus on accomplishments or impacts, either intermediate, or end outcomes. The likely or achieved short-term and medium-term effects of an intervention's outputs (accomplishments, achievements, results).
Outputs	The products, capital goods and services or activities which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes. Outputs lead to outcomes.
Participatory evaluation	Evaluation method in which representatives of agencies and stakeholders (including beneficiaries) work together in designing, carrying out and interpreting an evaluation.
Performance indicator	A measurable value that allows the verification of changes in the development intervention or shows results relative to what was planned, i.e. demonstrates how effectively the objectives of a policy, programme or project intervention is being achieved.
Results-based management	A management strategy focusing on performance and achievement of outputs, outcomes and impacts.
Summative evaluation	An evaluation conducted at the end of an intervention (or a phase of that intervention) to determine the extent to which anticipated outcomes were produced. Intended to provide information about the worth of the programme.

Source: OECD (2002), "Glossary of Key Terms in Evaluation and Results Based Management."

Executive summary

The 2015-2019 National Entrepreneurship and SME Growth Strategy (the SME strategy) was drafted in 2014 with the aim of fostering job creation and income generation by promoting business start-ups and improving the performance and growth of existing SMEs. Although the SME strategy and action plan were never officially approved by Cabinet, many of the activities have in fact been implemented by the Jordan Enterprise Development Corporation (JEDCO), other ministries and agencies and other stakeholder organisations over the last five years. At the request of JEDCO, the OECD has produced this guide on creating a monitoring and evaluation (M&E) system to track the progress and impact of its SME and entrepreneurship support measures.

This guide takes into account the institutional settings and thematic pillars outlined in the SME strategy. It draws on guidance from international organisations and good practice experience from developed and developing economies alike to explore:

- 1) how to develop key performance indicators
- 2) how to set up and co-ordinate a management information system for collecting and using monitoring data
- 3) how to evaluate impact
- 4) how to sustain M&E systems over time.

The guide could also be applied to the SME and entrepreneurship policy actions of the Jordan Economic Growth Plan 2018-2022, and offers a practical toolkit for other governments interested in designing effective structures for monitoring and evaluating SME and entrepreneurship strategies. It outlines a clear step-by-step approach for setting up and sustaining an M&E system:

1. Refresh and review the SME strategy and action plan

- Begin by conducting a formal review of the implementation status of actions included in the existing SME strategy action plan.
- Adjust the strategy accordingly, especially the baselines, outcome targets and key performance indicators, as a basis for future monitoring and evaluation.

2. Set up monitoring and evaluation indicators

- Establish monitoring and evaluation indicators for SME and entrepreneurship policy in Jordan that can reveal progress towards the goals and targets both of the strategy overall, and its individual projects and programmes.
- Create a logic model for every project and programme and for the overall strategy. This sets out the problem that the project or programme seeks to address; the expected inputs, activities, and outputs; and the expected outcomes. It is vital for identifying the key performance indicators and deciding what needs to be monitored and evaluated.

3. Create a management information system for monitoring and evaluation

- Set up a central Monitoring and Evaluation Unit in JEDCO to manage the process across government, in collaboration with other ministries, agencies and service provider organisations.
- Install a monitoring and evaluation software tool for entering information on each project and programme and reporting on progress.
- Appoint SME focal points in all ministries and agencies implementing SME and entrepreneurship policy to provide information to the central M&E Unit.
- Each focal point should prepare project profiles and project progress reports with key monitoring and evaluation information and provide it to the M&E Unit. The unit should also prepare an annual progress report covering implementation of actions/activities, major difficulties or constraints encountered, changes introduced, and achievement of results (outputs and outcomes).
- Establish key baseline indicators for SME and entrepreneurship activities against which to measure progress over time, working in collaboration with the Jordan Department of Statistics.

4. Evaluate impact

- Establish an internal evaluation team for each project or programme impact evaluation, together with an appropriate evaluation budget, and good data on treated and control group entrepreneurs or enterprises.
- The evaluation team should appoint an independent evaluator and provide detailed terms of reference.
- Ensure impact evaluation techniques are capable of contrasting the outcomes for recipients with those of non-recipients of projects and programmes, following the guidance of the OECD Framework for the Evaluation of SME and Entrepreneurship Policies and Programmes.

5. Sustain the monitoring and evaluation system

- Seek champions to ensure high-level political support for monitoring and evaluation and making use of the results.
- Allocate financial resources for individual evaluations, establishing monitoring and evaluation units across government, continuous professional staff development in monitoring and evaluation, and for data collection and management.

Chapter 1. Introduction

Micro, small and medium-sized enterprises (SMEs) and entrepreneurs have the potential to become important drivers of change and development in Jordan. SMEs represent the vast majority of firms in Jordan and account for important shares of employment and production. For example, private firms employing between 1 and 19 people account for over half of employment in the business economy and between 70% and 80% of jobs in sectors such as professional services, real estate and wholesale and retail.

Yet, the productivity performance of Jordanian SMEs is weak. For example, over 54% of those working in firms employing fewer than four people in the services sector are unpaid workers (e.g. family members), compared to just 8% in firms with 5 to 10 workers and 0.23% of firms with 20 or more workers. Furthermore, as noted in the Jordan National Strategy for Entrepreneurship and SME Growth 2014/15-2018/19 (“the SME strategy”) the preponderance of micro firms (fewer than ten employees) in the enterprise population (96%) limits the competitive and productivity potential of the economy (Stevenson, 2015). This is because micro firms have fewer internal resources, less capacity to compete in global markets, and suffer from a lack of management skills, financing, and technology that limits their survival and growth potential.

The SME strategy was drafted in 2014 with the aim of fostering job creation and income generation in Jordan by promoting the entry of new start-ups and improving the performance and growth of existing SMEs.

The strategy rests on six pillars: 1) a conducive legal and regulatory environment; 2) entrepreneurship awareness and culture-building; 3) entrepreneurial/ managerial skills and top-quality business development support; 4) access to finance; 5) innovation capacity and technology adoption/development; and 6) market access (Stevenson, 2015).

Following international good practice, the strategy proposed the following preliminary steps in order to effectively monitor its objectives and targets (Stevenson, 2015):

- Realigning the Department of Statistics’ (DOS) reporting on enterprise and employment distributions with the size bands outlined in the strategy.
- Developing a management information system capable of collecting data on each of the initiatives and programmes included in the strategy (using indicators such as number of clients served, types of services and programmes accessed, etc.).
- Assessing the impact of assistance programmes on the performance of beneficiary SMEs.
- Preparing an annual report on the state of entrepreneurship and SMEs, and on progress in implementing the strategy.

The strategy was complemented by a draft five-year action plan that includes a number of matrices consistent with a results-based monitoring and evaluation (M&E) system (JEDCO, 2015). For each action and activity the matrices indicate the intended results, the

responsible parties, the start date and end date, the resources required, and the key performance indicators.

The draft action plan involves a wide range of ministries, agencies, private sector and non-government organisations in the delivery of SME and entrepreneurship development measures (see Annex B). Thus, an effective system for co-ordinating and collectively monitoring and evaluating the strategy's six pillars, programmes and initiatives will be critical for assessing the implementation progress and impact of the national strategy.

In addition, many of the pillar objectives and activities outlined in the strategy are referred to in the *Jordan Economic Growth Plan 2018-2022* (Economic Policy Council, 2017)(see Annex A). The Prime Minister's Office is co-ordinating the implementation of the Economic Growth Plan across ministries and private sector partners. This includes establishing a Government Follow-up Unit to monitor monthly progress in project implementation by sector, including projects under the SME section of the plan.¹ Although the Economic Growth Plan does not include an evaluation framework, the measures outlined in this user guide will also be relevant for monitoring and evaluating the SME and entrepreneurship measures in the Economic Growth Plan.

1.1. What is this guide for?

Although the SME strategy and action plan were never officially approved by Cabinet, many of the activities have in fact been implemented by Jordan Enterprise Development Corporation (JEDCO), other ministries and agencies and other stakeholder organisations over the last five years. These measures need to be subject to monitoring and evaluation processes that review progress in implementation and impact.

The impetus for developing this guide stemmed from a request to the OECD from JEDCO for guidance on creating an M&E system to track the progress and impact of its SME and entrepreneurship support measures.

This guide takes into account the institutional settings and thematic pillars outlined in the SME strategy. It draws on guidance from international organisations and collective good practice experience from developed and developing economies. It explores:

- how to develop key performance indicators
- how to set up and co-ordinate a management information system for collecting and using monitoring data
- how to evaluate impact
- how to sustain M&E systems over time.

It concludes by outlining the next steps for Jordan in establishing an M&E system for SME and entrepreneurship policies within the context of the national strategy. A checklist for good practice in M&E systems helps guide the process.

More generally, the guide also offers a practical toolkit for other governments interested in designing effective structures for monitoring and evaluating SME and entrepreneurship

¹ The Prime Minister's Office website includes a monthly calendar showing project implementation, indicating whether it is completed, delayed, or late (www.egp.jo/ar).

strategies, particularly those in the early stages of such activity. It may also be relevant to private sector business associations and donor agencies.

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Chapter 2. Establishing indicators for monitoring and evaluation

2.1. The distinction between monitoring and evaluation

2.1.1. *Monitoring*¹

The processes of monitoring and of evaluation, although related, are qualitatively different. Monitoring is a continuous exercise of observation and record keeping that tracks progress on implementing a programme or project, and with periodic analysis and discussion enables corrective action to be taken in a timely manner (UNDP, 2009). It seeks to answer the questions highlighted in Box 2.1. Monitoring should, at a minimum, assess the extent to which intended outcomes are being achieved; factors contributing to any lack of progress; the contributions of individual partner organisations to the outcomes based on outputs generated by programmes, projects, or other actions (e.g. whether or not outputs are in the process of being delivered as planned and whether or not these outputs are contributing to the outcome); and any lessons for wider sharing (UNDP, 2009).

A distinction can also be made between implementation monitoring and impact monitoring (Metz, 2005). Implementation monitoring assesses the management of a policy intervention, answering the question of whether or not it functions well and how it works. It tracks inputs, such as financial and human capital, and activities (e.g. the activities performed and the management of resources), and compares them to the achieved outputs and the actual targeted achievements. Impact monitoring tracks and assesses the outcomes of interventions and aims to provide evidence of the effect of the intervention and its contribution to the higher objectives, as well as any unanticipated side effects. It shows whether a policy, programme or project is working effectively in producing a positive and intended effect.

Box 2.1. Key questions that monitoring seeks to answer

- Are the pre-identified outputs being produced as planned and efficiently?
- What are the issues, risks and challenges, faced or foreseen, that need to be taken into account to ensure the achievement of results?
- What decisions need to be made concerning changes to the already planned work in subsequent stages?
- Will the planned and delivered outputs continue to be relevant for the achievement of the envisioned outcomes?
- Do the envisaged outcomes remain relevant and effective for achieving the overall national priorities, goals and impacts?
- What is being learned about the implementation of the project to lead to improved performance?

Source: UNDP (2009), *Handbook on Planning, Monitoring and Evaluating for Development Results*, United Nations Development Programme, p.82.

2.1.2. Evaluation

Evaluation is a periodic and objective assessment of ongoing or completed programmes, projects or policy that is carried out at discrete points in time. It is complementary to monitoring but involves a more in-depth and independent assessment of activities to determine the extent to which they are achieving stated objectives and intended results/impact. Evaluation results contribute to decision making in terms of what worked, what did not work, and the factors leading to the particular outcome.

Data generated through monitoring can be used in evaluations. However, evaluation is more rigorous in the procedures, design and methodology, involves more extensive analysis, and aims to provide a more objective assessment of the impact of programmes or policies and where and how improvements can be made (UNDP, 2009). Chapter 4 discusses evaluation in more detail.

2.2. Key performance indicators for Jordan**2.2.1. The nature of key performance indicators**

An important step in establishing an M&E system is to set up key performance indicators (KPIs) to monitor progress on inputs, activities, outputs, outcomes and impacts. KPIs are the critical indicators of progress towards an intended result and form the basis for all procedures of data collection, analysis and reporting. They enable the provision of important performance information and continuous feedback (Kusek & Rist, 2004).

Establishing KPIs includes setting targets for the desired level of performance. To be useful and instructive, KPIs must be clear, relevant, adequate (to assess performance) and monitorable, as well as being available at a reasonable cost considering the likely expense of collecting and analysing data, such as the need for a large survey (Kusek & Rist, 2004). Box 2.2 highlights key characteristics of good KPIs.

Box 2.2. Good key performance indicators ...

- are specific, measurable (quantifiable), attainable (realistic), relevant (to the goal), and time-bound (attainable within a specified time frame)
- provide objective evidence of progress towards achieving a desired result
- measure what was intended to be measured to help inform better decision making
- offer a comparison that gauges the degree of performance change over time
- can track efficiency, effectiveness, quality, timeliness, governance, compliance, behaviours, project performance, personnel performance, and resource utilisation.

Source: KPI.org (2019), *What is a key performance indicator?*, <https://kpi.org/KPI-Basics> (accessed on May 2019).

Depending on the activity, KPIs can be qualitative or quantitative. Qualitative indicators are used when the output is of a qualitative nature, for example, “the strategy or law was approved”, or “a certain number of people were satisfied with a training programme” (subjective assessment of quality). Quantitative indicators are common when the output is quantitative in nature, such as “number of SMEs benefitting from a certain action”, “number of training programmes developed/delivered”, or “percentage of business bank lending going to SMEs”. Quantitative KPIs are also used to monitor policy outcomes, for example, “number of enterprises created”, “number of new jobs generated”, or “volume of investments made by SMEs”.

2.2.2. Strategic indicators

At the level of the SME strategy, it is important to select indicators that can be used to measure the achievement of strategic goals and objectives, i.e. outcome indicators (Kusek & Rist, 2004). Outcome indicators need to answer two fundamental questions: 1) how will we know when we have achieved the desired outcome; and 2) are we making progress in achieving the desired outcome?

Key strategic goals and objectives have already been established in Jordan’s SME strategy, together with performance targets. They are listed below:

Strategic goals and performance targets

1. Increase the net stock of formal private sector SMEs by at least 15% by the end of 2019, which means doubling the average annual growth in the stock of enterprises in Jordan in the five years to 2012.
2. Increase the SME share of non-agricultural employment.
3. Raise the level of SME productivity and competitiveness.
4. Double the SME share of exports.

Strategic objectives and performance targets

1. Increase the rate of new enterprise formation, including among educated young people and women.

2. Increase the proportion of high-growth and innovative SMEs (which tend to be disproportionately high job creators as well as more likely to engage in international markets).
3. Increase the number of SMEs benefiting from upgrading and quality enhancement programmes to improve their productivity, growth and ability to compete in international markets, both domestically and abroad,
- 4a. Facilitate access to financing (including doubling the share of SME lending in total bank lending from 10% to 20%).
- 4b. Facilitate access to top quality, comprehensive business development services in all governorates (through, for example, expanding the number of incubators, establishing JEDCO Business Development Units in the governorates, and developing professional development and capacity-building programmes for SME advisors, mentors, coaches and consultants).

Data should be collected regularly on these indicators to assess whether the goals, objectives and targets are being met.

Furthermore, the goals, objectives and targets should be renewed when the strategy and action plan documents are updated (see Section 5.1). In updating the goals, objectives and targets of the strategy and action plan they should be made more precise for the purposes of monitoring and evaluation. For example, the objective to “increase the formation rate of firms” could be reformulated as “raise new firm formation by 10% over the next three years”. This sets a clear target which is easy to evaluate.

2.2.3. Activity indicators

The action plan for the SME strategy has already identified KPIs for each of the actions under each of pillar of the strategy (see Annex C). Some of the KPIs are qualitative and others quantitative.

In any revitalisation of the strategy, JEDCO and implementing partners will have to make a concerted effort to identify quantifiable and measurable performance indicators for each pillar, as well as for the strategy as a whole. In addition, the action plan lacks a matrix highlighting the sources of data and data collection details (methodology, frequency, etc.) for tracking progress on the implementation of each action. This needs to be added.

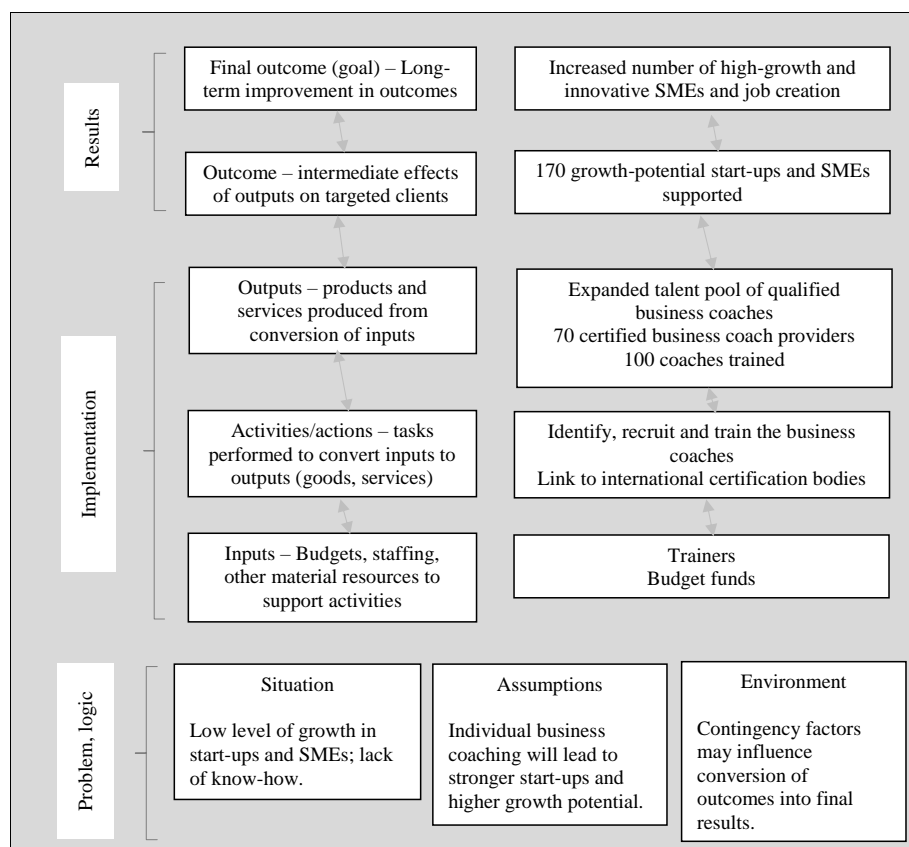
2.3. Logic models

A logic model should be established for every project and programme and for the strategy overall. This should be introduced for every new project or programme and for any renewed version of the strategy. It should also be undertaken retroactively for any existing project or programme coming under evaluation.

Logic models or frameworks (logframes) are commonly used as the basis of effective monitoring and evaluation of policies and programmes. As a planning tool, the logframe is a performance matrix that illustrates what a programme or activity aims to do (the ultimate goal), the input resources, how the scheme is meant to work and its anticipated outputs and outcomes. Figure 2.1 shows an example for the policy goal “Increased number of high-growth and innovative SMEs and job creation”. Logic models can take many forms – all are valid as long as they clearly express what the policy is seeking to achieve (OECD, 2008).

The logic model is a matrix of inputs, activities, outputs and outcomes that form the basic design of the M&E system. It forms the basis for planning (e.g. budgeting, resource allocation, staffing, etc.) and for collecting information and data to track progress towards achieving targets. Appropriate indicators are needed at each stage of the logic model and corresponding monitoring and evaluation data need to be collected.

Figure 2.1 Illustrative logic model for monitoring and evaluating a strategy goal



Source: Configuration by OECD.

Notes

¹ For definitions of many of the terms used here, please refer to the Glossary of terms at the start of this guide.

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Chapter 3. Creating a management information system for collecting and reporting data

This chapter provides guidance on creating a management information system (MIS) for collecting data and reporting on each of the initiatives in the SME strategy and action plan, including inputs, activities, outputs, outcomes and impacts.

It discusses the roles of a Monitoring and Evaluation Unit in JEDCO and focal points in the ministries and agencies implementing SME and entrepreneurship support measures. It proposes data collection instruments, including monitoring and reporting templates. It also proposes an annual progress report on the strategy and action plan and the introduction of a software tool for monitoring and evaluation.

3.1. Establishing a central Monitoring and Evaluation Unit and SME focal points

The first step in creating a management information system is to set up reporting responsibilities for monitoring and evaluating SME and entrepreneurship policies across the government ministries, agencies and service-provider organisations that are delivering public policies in this area. It is recommended that a central and adequately resourced M&E Unit be established in JEDCO, responsible for co-ordinating the monitoring and evaluation of SME and entrepreneurship policy in Jordan.

Another crucial step is to designate monitoring and evaluation focal points in each ministry, agency and service- providing organisation. Their role should be to collect and report data for monitoring and evaluation.¹ The central M&E Unit should co-ordinate the SME focal points, who should participate in regular meetings with JEDCO to plan and co-ordinate policy, programmes and other SME support interventions.

The government ministries/agencies involved are broad, with some playing a more dominant role than others (see Annex B). For example, the MIT, MOPIC, Ministry of Finance, Ministry of Higher Education, the Central Bank of Jordan, and Vocational Training Corporation (VTC) are each involved in actions falling under three or four of the six pillars of the SME strategy. Non-government entities are also involved in implementing the SME strategy action plan – these should be invited to designate focal points on a voluntary basis.

It will be necessary to provide the focal points with capacity building/training in the methodology being used by JEDCO to co-ordinate the collection and reporting of monitoring and evaluation data, based on the approach outlined in this guide.² During the initial training, focal points should be taught how to develop project profiles and progress reports (see Section 3.2); how to develop KPI description cards for each of their SME and entrepreneurship-related projects; how to undertake data collection, analysis and interpretation related to KPIs; and how to present their project and programme results.

3.2. Preparing project profiles and progress reports for activity indicators

Project profiles and project progress reports are key tools for the SME focal points to use in monitoring and evaluating projects and programmes. They are appropriate for gathering information on activity indicators (see Section 2.2).

The first step is to identify and prepare projects that fit within the goals and objectives of the SME strategy and action plan. This can be done through individual meetings between the central M&E Unit in JEDCO and each SME focal point. The M&E Unit needs to ask the focal points to prepare project profiles for each relevant project.

Each project profile should describe the nature of the project, specified target group (e.g. start-ups, existing SMEs, etc.), geographic location, start and end dates, and implementation details over time (if it is a multi-year activity). It should also include information on targets, outputs and outcomes. The M&E Unit will need to design a project profile template to be used by the SME focal points for submitting their project information. A sample project profile template is provided in Annex E. The project profiles will then have to be signed off by the appropriate ministry, agency or service-provider organisation (e.g. at director or department head level) to confirm their commitment to implementing the project, and then sent back to the M&E Unit.

The SME strategy action plan includes a number of annexes with useful information to help the central M&E Unit and the focal points to identify potential projects for reporting by each responsible party (Box 3.3). For each pillar and programme, the action plan provides information on anticipated budgets, start and end date, objectives and intended results (by KPI). When updated, these can form the basis for the information on which reporting and monitoring is required from focal points.

Box 3.3. Useful SME action plan annexes for identifying projects and activity indicators for monitoring

The action plan annexes include a range of relevant information that can support the process of monitoring and evaluation. This information could be the starting point for completing project profiles and project progress reports by focal points in collaboration with the central M&E Unit:

Annex 1: Contains a matrix which lists for each pillar the strategic objectives, intended results, specific action, responsible parties for each action, the start date and duration of the action, the resources required, and the key performance indicators for each action.

Annex 2: Contains an annual budget estimate for each of the actions under each pillar over the five years of the strategy, and lists the intended results.

Annex 3: Contains a quarterly implementation schedule for each of the actions under each pillar from 2014 to 2019 (calendar view), and lists the intended results.

Annex 4: Contains a programmatic view of the action plan, which recasts the strategic goals and objectives, intended results, related actions and budget estimates across pillars according to five programmes:

- National Entrepreneurial Society Programme
- National Start-up and Incubation Programme
- National SME Upgrading and Modernisation Programme
- National SME Innovation and Growth Acceleration Programme
- National Programme to Improve Quality of Regulatory, Financial, and Business Support Services for Entrepreneurship and SME Growth

Source: JEDCO (2015), *Final Action Plan for Implementation of the Jordan National Entrepreneurship and Small and Medium Enterprise (SME) Growth Strategy – 2014/15-2018/19*”, JEDCO. 30 April draft.

Once all the project profiles have been received by the M&E Unit, it will hold a clinic with all the focal points to review the profiles and screen them to check that they fit within the framework, objectives and targets of the SME strategy action plan. It may be necessary to follow up with focal points for any missing information from the project profiles, such as budget estimates and KPIs. In addition, a centralised co-ordination and quality assurance process should be set up to support the data collection and use (Metz, 2005); Gertler et al., 2016). This will involve the central M&E Unit working with stakeholders to review the reliability and quality of the monitoring data collected. This may also require follow-up consultations with implementing partners.

The accepted project profiles can be sorted by pillar, target group, and geographic coverage, and will become the basis for monitoring and evaluating the activities of the action plan. Aggregating the individual budget estimates will indicate the total budget dedicated to SME and entrepreneurship projects and initiatives across all the actors involved.³

The SME focal points should also be required to provide regular progress and monitoring reports to the M&E Unit on each project (e.g. on a quarterly basis). For this, they can use a project reporting template designed by the M&E Unit that follows the same format as the project profiles. This will cover their activities, their KPI results and other information. Quarterly meetings should be held with the focal points to discuss the progress reports. The information provided can feed into the annual progress report on the strategy (discussed in Section 3.5).

Based on these progress reports, the M&E Unit should prepare a quarterly summary progress monitoring report on the status of every project and any implementation challenges (see report outline example in Annex D). The quarterly report should contain a systematic presentation of the status of each project profile and an assessment of its progress: e.g. completed; behind schedule (and why); ongoing; no funding available for the project to start implementation; not started yet; on hold. It will outline the implementation challenges/obstacles (e.g. some focal points are not performing well; high turnover of focal points; budget cutbacks, etc.); and report on the budget allocated to each project and the budget necessary to implement not-yet-started or on-hold projects. The report should first be circulated to the focal points, the JEDCO President, the Minister of Industry and Trade, and then submitted to the HLC for review, discussion and approval.

3.3. Sourcing data for monitoring strategic indicators

Strategic indicators are important for monitoring the progress of the strategy in achieving its goals and objectives (see Section 2.2.2). A baseline needs to be set up as the reference point at the beginning of the implementation of the strategy against which to monitor changes over time. Baselines are often expressed in terms of a date (year of the baseline data), a percentage or share of something (at that point in time), or a number (e.g. of SMEs, or new start-ups, etc.).

National statistical offices are an obvious source of information for monitoring strategic indicators – they are therefore an important partner in any M&E system. However, their statistical systems may not be sufficiently sophisticated to provide all of the necessary data and they may lack the capacity to expand the scope of their data collection and analysis. Other sources of strategic indicator data might include administrative or budget data, one-off surveys or panel surveys, or secondary data collected by other organisations for other purposes, but which are also relevant to some of the strategic indicators

Table 3.1 lists the strategic goals and objectives of the strategy together with potential sources of data that could be used for monitoring the progress against them.

Table 3.1. Strategic goals, objectives and targets, and potential indicators and data sources, for monitoring Jordan's SME strategy

Strategic goals and performance targets contained in the strategy	Potential monitoring data
1. Increase the net stock of formal private sector SMEs by at least 15% by the end of 2019, which means doubling the average annual growth in the stock of enterprises in Jordan in the five years to 2012.	At the end of 2012, DOS data show that there were 157 757 enterprises (almost all fitting the definition of SMEs). This could be used as the baseline. A 15% increase in the stock of private enterprises would result in a total of 181 420 by 2019, a total net increase of 23 663 enterprises. Annual data on the number of enterprises by size are available from the annual DOS establishment survey. ¹
2. Increase the SME share of non-agricultural employment.	A baseline for the employment share of SMEs (i.e. enterprises with fewer than 250 workers) could be taken from the DOS 2011 Establishment Census. To monitor progress on the strategic goal, DOS would have to provide a breakdown of the employment share of private enterprises with fewer than 250 workers (over time) according to the definition of SMEs used in the Jordan National Entrepreneurship and SME Growth Strategy. This would provide data on SME employment, which could be analysed and compared with the growth in total employment.
3. Raise the level of SME productivity and competitiveness.	Data on value added per worker from DOS could be used to set a baseline and monitor progress towards this strategic goal. One of the targets could be equalising the labour productivity of SMEs in Jordan with that of successful developing countries.
4. Double the SME share of exports.	Indicators for this objective could be share of SME exports in the total export volume or the percentage of SMEs among all exporters provided by DOS. A system will be needed to track this performance, perhaps facilitated through the DOS and Customs Authority.
Strategic objectives and performance targets	
1. Increase the rate of new enterprise formation, including among educated young people and women.	Jordan does not collect data on the annual rate of new enterprise creation. Efforts should be continued to develop these data through DOS.
2. Increase the proportion of high-growth and innovative SMEs (which tend to be disproportionately high job creators as well as more likely to engage in international markets).	Jordan does not have official statistical data that can assist in monitoring this objective. However, Endeavor estimates that 9% of Jordanian enterprises are "scale-ups", defined as enterprises that are more than three years old, with a minimum of 20% annual employment growth.
3. Increase the number of SMEs benefiting from upgrading and quality enhancement programmes to improve their productivity, growth and ability to compete in international markets, both domestically and abroad.	A monitoring indicator for this objective could be established by conducting a large-scale survey of the SME sector to obtain the percentage of SMEs that have benefited from upgrading and quality enhancement programmes in the past (and impact on productivity and growth, if possible). In the meantime, the M&E system for the SME strategy will have to develop the capability to track the number of SMEs participating in the related initiatives under Pillar 3 and the National SME Upgrading and Modernisation Programme.
4(a). Facilitate access to financing (including doubling the share of SME lending in total bank lending from 10% to 20%).	4(a.) SME share of bank financing could perhaps be obtained from the Central Bank of Jordan.
4(b). Facilitate access to top quality, comprehensive business development services in all governorates (through by example, expanding the number of incubators, establishing JEDCO Business Development Units in the governorates, and developing professional development and capacity-building programmes for SME advisors, mentors, coaches and consultants).	4(b). The M&E system could track the number of SMEs accessing business development services by governorate using data collected by business development services providers.

Note: ¹Available at: <http://dosweb.dos.gov.jo/labourforce/employment-in-establishment/tables-of-employment-in-establishment/>

Source: Strategic goals and monitoring targets obtained from JEDCO (2015), *Final Action Plan for Implementation of the Jordan National Entrepreneurship and Small and Medium Enterprise (SME) Growth Strategy – 2014/15-2018/19*, JEDCO. ", 30 April draft; potential monitoring data contributed by authors.

Jordan's Department of Statistics (DOS) is a key source of data to establish the baselines and indicators of progress towards the strategic goals. A key publication is the annual establishment survey, which can provide information on establishment numbers,

employment, value added and exports in the SME sector. However, there is a mismatch in enterprise size categories between the DOS data and the SME definition used in the SME strategy. The size bands used for DOS reporting are: 1-4 employees; 5-19 employees; 20-49 employees, and 100 or more employees, while the strategy requires reporting against the following bands: 1-5 employees, 5-9 employees, 10-19 employees, 20-49 employees, 50-99 employees, 100-249 employees, and 250+ employees. Earlier discussions with DOS officials indicated that they could realign their reporting with the strategy requirements. Doing so would make it easier for Jordan to compare the distribution of its enterprises by size with the more standard size-classifications of enterprises used in other countries, including the European Union. It would also allow it to better monitor shifts in the distribution of enterprises across enterprise-size categories. These data could inform the design of future SME support programmes.

Furthermore, information on the net change in numbers of SMEs set out in **strategic goal 1** is actually the result of gross start-ups minus exiting (closing) businesses over the same period of time. Data on business demography (business births and deaths) are not currently available from DOS. However, they would be useful to provide more understanding of what lies behind the change in SME stock, and to identify an estimated gross number of start-ups that would be needed to produce the net increase of SMEs desired within a given timescale.

In the case of entrepreneurship development (strategic objective 1), another potential source of baseline data is the Global Entrepreneurship Monitor Survey which operates internationally. This survey gathers data to track changes in attitudes towards entrepreneurship, levels of “intent to start a business” in the population, and entrepreneurial activity rates. However, the survey is not currently conducted in Jordan – to do so on an annual or bi-annual basis would require funds.

Efforts should be made to improve the capacity of the Jordanian statistical system to track the annual entry of new enterprises, the annual closing of existing enterprises, and the annual employment dynamics created as a result of new, growing, declining and exiting enterprises. This will be important for understanding the dynamic underlying net growth in the stock of SMEs and in monitoring the overall impact of the SME strategy. These efforts could be facilitated by DOS in collaboration with the Jordan Chamber of Industry and the Jordan Chamber of Commerce to compile business registration data from all chambers of industry and commerce on a regular basis, enabling at least annual reporting on this activity. A project such as this would allow Jordan to calculate annual business entry and exit rates as a measure of the dynamic evolution of the SME sector.

In terms of **strategic goal 2** – to increase the SME share of employment – additional sources of information could also be considered alongside the establishment survey. In particular, the DOS “Newly Created Job Opportunities Survey”, conducted bi-annually, is a source of data for monitoring the net job increases of own-account workers and employers.⁴ The JEDCO M&E Unit could work with the DOS to glean data from these survey results to monitor increases in SME employment, using new and net jobs as employers and own-account workers as the proxy.

The baseline for increasing the share of SMEs in total bank lending (business loan portfolio) from 10% to 20% (i.e. **strategic objective 4a** in Table 3.1) was based on a 2011 survey of Jordanian banks as part of a regional study (Rocha, Farazi, Khouri, & Pearce, 2011). Because the same study is unlikely to be repeated and updated, another source of Jordanian data will be needed in order to monitor progress on this indicator, perhaps from the Central Bank of Jordan.

As the strategy begins to be implemented, analytical work will be required to fill some of the gaps in availability of baseline indicators and indicators to monitor progress towards strategic goals and objectives, so as to ensure quantifiable and measurable targets for the strategy's strategic goals and objectives, as well as the operational objectives for the six pillars. A concerted effort will be needed by JEDCO, DOS and other relevant stakeholders to identify the sources of baseline indicators and to obtain and present the data.

3.4. Creating an M&E software tool

Once all the data (the project monitoring data in project progress reports tracking activity indicators and the national data tracking strategic baselines and indicators) have been collected they need to be stored in a way that ensures they can be used in the future. An integrated computer database containing all the information for the preceding years would be ideal, enabling data to be compared over time to draw conclusions from longitudinal analysis.

It is recommended that JEDCO buy an M&E software tool for entering all relevant information and managing the collection of data and reporting on project progress. The project management software tool could produce an organised Gantt chart comparing degree of activity on each project with the to-do list of activities. This tool, using information from the project progress reports, would generate updates on the progress of activities and outputs against time frames as the project unfolds. Establishing the indicator results database and project management software tool will require technical support and capacity building.

3.5. Producing annual progress reports

An annual progress report on implementing the SME strategy action plan is an important part of the monitoring system; this annual report should be prepared by JEDCO and submitted to the HLC. It should include an update on the strategic indicators, i.e. on the state of the SMEs and entrepreneurship, based on analysis of data from the DOS annual surveys of establishments and employment and other statistical sources (e.g. Global Entrepreneurship Monitor data if available). It should also report on the activity indicators, based on progress reporting on the policy and programme actions taken to implement the action plan, and any achievements.

The annual progress report should provide an accurate account of the implementation of actions/activities, major difficulties or constraints encountered, changes introduced, and the degree of achievement of results (outputs and direct outcomes) as measured by corresponding indicators. As a reference point, it can use the logframe matrix (for project modality) and the list of results indicators (for budget support). The report should also identify lessons learned and make recommendations for approaches to address the main implementation challenges.

Besides being a performance monitoring tool, the annual progress report is also useful for gathering feedback from the HLC and others on solutions to major obstacles to achieving the planned results and any necessary modifications to the overall project design and results frameworks. In addition to the annual progress reports, a final monitoring report (narrative and financial), should cover the entire period of the action implementation, and be an integral document in any final formal evaluation of the entire strategy.

The central M&E Unit will have the main responsibility for preparing the annual progress report, but will integrate monitoring reports from implementing partners on their specific programmes, projects or activities. Collecting timely information from all the stakeholders in a way that enables an overall annual progress report to be produced can be facilitated by establishing a formal process to be adhered to by all participating organisations. Box 3.4 outlines how the annual progress report process works in the Republic of Moldova.

Box 3.4. Reporting system for monitoring implementation progress – the SME Development Strategy in the Republic of Moldova

The SME Development Unit in the Ministry of Economy collects information on an annual basis from the different institutions involved in SME policy on progress in implementing activities in the SME Development Strategy Action Plan. This entails six steps:

- **Step 1:** Every year, the Ministry of Economy sends a letter to all institutions involved in the execution of the strategy (25 ministries, agencies and other institutions) requesting them to report back, by a given deadline, on progress in implementing the actions as defined in the action plan.
- **Step 2:** All organisations involved in the monitoring process report their progress using a standardised letter format. Progress measurements are based on performance indicators for each measure. These performance measurements contain indicators such as “strategy approved”; number of meetings held”, “number of events and participants” as listed in the original action plan. These performance indicators have been decided upon by each organisation in charge of the respective measure.
- **Step 3:** The team in the SME Development Unit in the ministry reviews the letters and gets back to the respective organisation if clarification is needed.
- **Step 4:** The SME Unit draws on the information received to create the annual report, which lists the actions, the year, the responsible institutions and the performance against each action using a template very similar to the action plan. Each action is headed either “ongoing” or “realised”.
- **Step 5:** The report is then sent to the Minister of Economy for approval; once approved it is published on the website.
- **Step 6:** In parallel, the report is sent to the State Chancellery for information purposes.

The financial justification of the strategy is done separately for each action plan activity and includes budgetary and other funds, as well as funds from donor support. Each institution responsible for the action is responsible for their respective budget funds. The Ministry of Economy does not monitor the expenses or costs of the strategy.

Source: OECD (2015), *Guidance Note, Monitoring and Evaluation Mechanisms related to the SME Development Strategy 2012-20 in the Republic of Moldova*, OECD, p. 12.

Notes

¹ User Guide I also recommends assigning SME focal points in each relevant ministry/agency involved in implementing actions in the SME strategy (OECD, 2019).

² In the case of the National Employment Strategy (NES), this training consisted of a seven-day programme delivered by the International Labour Organisation (ILO), which made a major investment in building the capacity of the NES Coordination Unit. The FP was an instrumental financial and technical partner in the development of capacity-building training and ongoing support. A JEDCO M&E officer from the Cross-Cutting Directorate and who was well-versed in the approach participated in these capacity-building activities as the NES focal point for JEDCO.

³ In the case of the Jordan NES, the strategy itself did not have a specific implementation budget. Each focal point project brought its own budget (i.e. financing was done within its respective ministry/agency). Each focal point member presented their own budget request to the Government of Jordan (or donor) for the project. The Ministry of Labour did have a budget for the projects under its direct domain.

⁴ The survey collects data on people obtaining new jobs and is organised by employment status (paid employee, employer, own-account worker, and unpaid family worker), and by sex. The survey aims to identify: 1) the demographic, social and economic characteristics of the 15+ population who have undergone a change in their economic status; 2) the scale of newly created job opportunities in the Jordanian labour market; 3) the work record of individuals who have had a change in their employment status during the reference period; 4) the professions and jobs created by the labour market; and 5) the occupational structure, economic activity and employment status of the individuals who have undergone a change in their economic status. See <http://dosweb.dos.gov.jo/labourforce/job-creation/>.

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Chapter 4. Evaluating impact

This chapter focuses specifically on impact evaluations. Impact evaluations aim to assess the relevance, effectiveness, efficiency, sustainability and impact of a programme or policy (UNDP, 2009). The chapter outlines how to plan for an impact evaluation, including budget allocation, engaging stakeholders and knowing when to conduct an evaluation. It highlights various techniques for policy evaluation, focusing on quantitative methods that compare assisted with non-assisted firms and entrepreneurs. It also provides information on evaluating aggregate policy impacts and disseminating evaluation results. It draws particularly on the OECD Framework for the Evaluation of SME and Entrepreneurship Policies and Programmes (OECD, 2008).

4.1. Planning for an impact evaluation

4.1.1. *Choosing between internal or external evaluators*

A choice needs to be made between using an internal or external evaluator. Each has its advantages and disadvantages. The key argument in favour of using external evaluators (private consultants, academics) is that they are more likely to be seen to be independent and objective in the evaluation. A second point in their favour is that they can bring new ideas and fresh approaches not only to the evaluation, but also to subsequent policy development.

In contrast, the key advantage of using internal evaluators is that they frequently have much more in-depth knowledge both of the policy itself and of the political context in which it is undertaken. Internal evaluators, therefore, have to spend less time in acquainting themselves with the detailed workings of policy and can focus much more on producing targeted recommendations. Internal evaluators are also more likely to engage the support of the programme delivery managers because of their greater knowledge and because they are perceived to be less threatening. Finally, internal evaluators may tend to be careful about their policy recommendations, since they will have to perhaps live with, and possibly implement, any changes they recommend.

The choice over use of internal or external evaluators may depend on whether the purpose of the evaluation is to ensure programmes are “on track”, which might favour the use of internal evaluators; or to undertake a “root and branch” approach, in which case external evaluators might be preferred.

JEDCO is quite proficient in conducting internal programme and project evaluations as many of its initiatives (frequently grant-based financial support) have been funded by international or donor organisations such as the European Union and the European Investment Bank, who typically require evaluation reports on the programme’s impact on SMEs and entrepreneurs’ performance. The programme officers collect data from the recipient SMEs or entrepreneurs on their pre-assistance performance indicators (e.g. annual turnover, employment, export sales, etc., as appropriate) and data on the post-assistance situation of the recipients. From this, the JEDCO M&E officer is able to produce reports

for the funders on the impact of the programmes against the programme objectives, targets, and expected outcomes.

However, only in rare cases is an external evaluator used (unless specified as a requirement by a donor-funded project) and there is limited evidence of the use of more sophisticated evaluation methods using control groups. In creating a full M&E system for the entrepreneurship and SME growth strategy, JEDCO should make greater use of independent evaluators and more robust evaluation techniques for assessing the impact of the projects and programmes for which it has implementation responsibility.

4.1.2. Setting up an internal evaluation team

An evaluation team should be formed to plan and manage the impact evaluation. This will include an evaluation manager, a data collection team (responsible for developing data collection instruments and delivering a clean and documented dataset to the chosen evaluator); the programme implementer (to provide input on the evaluation design, and help the evaluator supervise field work for data collection); and the policy maker (to assist in determining the core evaluation questions and indicators of interest and to ensure that the necessary stakeholders are consulted and informed about the design and implementation of the evaluation, as well as of the final results) (Gertler, Martinez, Premand, Rawlings, & Vermeersch, 2016). Members of the evaluation team will draft the terms of the reference (ToRs) for the evaluator and act as liaison between the administration and the evaluator.

For larger evaluations it is advisable to also establish a Steering Committee to oversee the evaluation plan, provide input into the ToRs, participate in initial meetings with the selected evaluator (inception stage) and approve the draft final report. Members of the Steering Committee should include the strategic management of the programme or intervention (policy level); the operational management of the programme or intervention (senior level); the social partners, i.e. the people representing the main interests affected by the programme; and experts with substantive or methodological knowledge who can be useful for defining the evaluation questions or interpreting the results (European Commission, 2008).

4.1.3. Establishing the terms of reference for the evaluation

The ToRs should clearly specify the requirements of the evaluation. At a minimum, they should include (IEG, 2011); (UNEG, 2013):

- the evaluation context and purpose (underlying rationale, why the evaluation is being undertaken and how it will be used)
- a description and clear definition of the activity to be evaluated, including the target population of the activity
- the scope of the evaluation (what the evaluation is expected to cover; setting the boundaries of the evaluation)
- the evaluation objectives
- the main evaluation questions and/or criteria (which will guide the evaluator in formulating the methodologies to be used, and in determining the required resources)

- the framework delimiting the work plan, how the evaluation process will be managed (reporting, meeting requirements) and the budget process
- expected deliverables (e.g. final report, progress reports and structure)
- the evaluation process and timetable.

If an external evaluator is to be engaged to conduct the evaluation, the ToRs should also specify the requirements of the evaluation team: the methodological skills required; prior experience in performing similar work; knowledge of the institutional context; professional background and disciplinary expertise; and ability to manage and deliver an evaluation on time (European Commission, 2008). The ToRs may be issued as an open call for expressed interest and/or sent out to a shortlist of companies in the field of evaluation studies inviting them to prepare proposals for consideration.

The internal evaluation team will meet to review the proposals and rate their quality against a set of predetermined criteria. These evaluation criteria should include: 1) understanding of the objectives and tasks; 2) the proposed methodology (credibility and rigour of the design, and credibility of the data collection and analysis techniques); 3) project management approach (clarity of objectives and milestones; soundness of work method and resource allocation); 4) quality and competence of members of the proposed evaluation team (qualifications, experience, competence in the type of evaluation being requested); and 5) price (professional fees, any travel and other costs). References may also be requested.

In rating the quality of proposals, weights should be given to each of the evaluation criteria (i.e. understanding of the dimensions of the evaluation task; proposed methodology, approach to managing the project, competence of the evaluation team, and price). For example, the methodology may be assigned up to 40% of the rated points, and project management only 25%. The internal evaluation working group will have to make this decision on weighting before the ToRs are issued.

Following government procurement rules in many countries, the bidders are asked to submit their technical and cost proposals in separate envelopes. The cost envelope is not generally opened until the evaluation team has completed its rating of the technical proposals. The final selection decision is informed by a calculation of cost per technical proposal rating point. Of course, it is also possible that the price proposal of certain bidders may be beyond what is budgeted, even if the cost/quality calculation works in their favour.

4.1.4. Ensuring good data are available

A strong logic model, baseline data and good monitoring systems will all provide data for the evaluation. However, other data will also be required. For example, an evaluation of the impact of business advice or of loans or grants requires, as a minimum, the availability of a complete and up-to-date list of clients. Until this exists no evaluation should even be contemplated. In addition, to assess the “counterfactual” impact of the intervention (see Glossary), a list of control group companies (matched to the assisted beneficiary companies) must also be available.

4.1.5. Timing the evaluation

Decisions on the timing of an impact evaluation will depend on the programme and form of assistance being evaluated (OECD, 2008). Some forms of assistance take longer to affect SME and entrepreneurship performance than others. For example, a programme designed

to network firms with one another at a trade fair might be expected to have an impact on sales within three to six months. In contrast, a programme to provide management training for SME owners might not be expected to have significant impacts for at least two to three years. Given the different timeframes involved in the impacts of a policy intervention, the timing of evaluations will also vary. However, a broad rule of thumb is that for SME policy initiatives, such as the impact of loans and grants on SME performance, the evaluation team should plan for the evaluation as soon as the programme is introduced and begin the formal evaluation within two to three years.

Jordan's SME strategy and action plan, once implemented, should be subjected to both a mid-term and final evaluation, preferably conducted by independent consultants. The aim of the mid-term evaluation is for problem-solving and learning about the design and effectiveness of programmes and their impact on entrepreneurship and SME growth. The final evaluation is carried out for accountability and learning purposes at various levels, including for policy revision. It answers the questions of whether the right things were being done at the strategy and operational levels (e.g. the effectiveness in achieving expected outcomes, the efficiency in optimising input resources, client satisfaction), and whether there are better ways to achieve impact (e.g. alternative options, best practices) (Kusek & Rist, 2004). The external evaluator would require the full co-operation and collaboration of the implementing partners in providing all necessary information and documentation, including results of the monitoring reports.

The evaluation reports should be reviewed by the HLC and other key stakeholders. After analysing the conclusions and recommendations of the evaluations, the HLC should make decisions on any adjustments or reorientations to be made to the strategy.

4.1.6. Budgeting for the evaluation

Evaluation costs include the professional fees of external consultants/evaluators, the costs of data collection (from both clients of the programme, and a potential "control group" of non-clients), travel, the time taken from those delivering programmes to inform the evaluation, and dissemination activities. However, the resources committed to evaluation are normally very modest in comparison with the overall programme budget. The OECD estimates that an appropriate budget for a formal, external evaluation would usually be in the range of 0.5% to 1% of the annual programme expenditure, perhaps up to 2% of the expenditure if the programme is small (OECD, 2008).

4.2. Techniques for evaluating project and programme impacts

The 2004 OECD report "Evaluation of SME Policies and Programmes" points to seven key areas that should be addressed in a policy evaluation (Box 4.1). The aim is to provide analysis and insights that can allow programmes to be improved. These could be in the form of various targets and objectives, a focus on different client groups, different approaches to achieving objectives, and different resourcing levels. To fulfil these purposes the evaluation must be capable of distinguishing the impacts of a programme or project from the counterfactual, i.e. if the programme did not exist. This section examines the techniques available.

Box 4.1. Taxonomy of issues to be addressed in a policy evaluation

1. Rationale: The justification for the policy.
2. Additionality: The net added value of the programme (e.g. the firm would not have engaged in the activity without the programme assistance and the performance outcome at the firm level is attributable to the firm participating in the programme).
3. Appropriateness: The extent to which the programme addresses a clearly identified market failure.
4. Superiority: Whether the programme is more effective than other possible programmes addressing the same goals.
5. Systemic efficiency: The extent to which the programme interacts positively and negatively with other government actions.
6. Own efficiency: Whether the programme is cost effective in achieving its objectives.
7. Adaptive efficiency: The extent to which evaluations lead to the implementation of programme change.

Source: OECD (2004), *Evaluation of SME Policies and Programmes*, Final Report prepared for the 2nd OECD Ministerial Conference on SMEs on "Promoting Entrepreneurship and Innovative SMEs in a Global Economy – Towards a More Responsible and Inclusive Globalisation", OECD.

Approaches to impact evaluation can be categorised within the "Six Steps to Heaven" framework (Storey, 2000), as illustrated in Table 4.1. This recognises a graduation of sophistication in evaluation methods, with Step 1 being the least sophisticated and Step 6 the most sophisticated in terms of being able to most reliably attribute performance changes in assisted businesses or entrepreneurs to their participation in the programme.

In fact, this framework considers the first three steps to be monitoring rather than evaluation techniques. Monitoring techniques focus exclusively on the recipients of the programme or policy measure, whereas evaluation methods commonly contrast the outcomes for the recipient with those of non-recipients (i.e. a control group) to determine the difference between the actual changes and the "counterfactual". The control group methodology enables the policy maker to assess whether the programme support has improved performance for assisted firms compared to non-assisted firms.

Table 4.1. Six “steps to heaven”: assessing the reliability of methods for evaluating impact

Monitoring	Information gathered	Assessment questions	Problems
Step 1	Take-up of schemes/programmes	How many firms participated? What sectors were they in? What locations were they in? How big were those firms? How much money was spent on the programme?	Does not provide any information on policy effectiveness or whether objectives were satisfied.
Step 2	Recipients' opinions	Did they like the programme? Were there problems in applying the programme support? Were procedures too slow or cumbersome?	Offers insight into policy delivery, but does not provide any information on effectiveness of the programme.
Step 3	Recipients' views of the difference made by the assistance	What would have happened to their firm if they had not participated in the programme? Would firms/entrepreneurs have done it anyway?	Provides some indication of the “additionality” of the programme, and the extent of “deadweight” (project would have gone ahead without programme support). Based on firm responses; no way of validating.
Evaluation	Information gathered	Assessment questions	Problems
Step 4	Comparison of the performance of “assisted” with typical SMEs	Employment/sales growth of assisted firms compared to “typical” firms. Survival rate of assisted firms compared to “typical” firms.	Assisted firms may not be “typical” and differ from other firm in ways that systematically influence their performance. Some of the programme impact could be a reflection of the characteristics of the firms so the programme impact may be over- or under-estimated.
Step 5	Comparison with “matched” firms (i.e. not average or typical firms, but firms with the same observable characteristics – age, sector etc.- as the supported firms)	Compare assisted firms with “matched” firms on the basis of age, sector, ownership, geography; and compare the performance of both groups of firms over the same time period.	Perfect matching can be difficult. Could be sample selection bias – more “motivated” firms apply to the programme and differential performance is attributed to the programme participation and not to “motivation”. Results are still ambiguous.
Step 6	a) Comparison with “matched” firms, but taking account of selection bias b) Random Control Trials	Statistical adjustment for selection bias	Policy makers may feel uneasy about statistical “adjustment”. Use of random panels could mean public money is given to firms known to not benefit. In some programmes, the causal link between programme participation and firm performance is clearer than in others.

Notes: *Other statistical techniques geared to addressing the selection bias issue are described on page 25 of the source document.

Source: Updated from OECD (2004), *Evaluation of SME Policies and Programmes*, *Final Report prepared for the 2nd OECD Ministerial Conference on SMEs on “Promoting Entrepreneurship and Innovative SMEs in a Global Economy – Towards a More Responsible and Inclusive Globalisation”*, OECD.

Many impact evaluations still only make use of Step 3. In this approach, the evaluator is most likely to interview or survey beneficiaries for their opinions on what would have happened without the programme support. This information cannot be quantitatively verified. At best, the evaluator will be able to complement these opinions by examining data on the performance of the firm before the intervention (ex-ante) and after the intervention (ex-post) and compare the before and after outcomes. While the difference

may be attributed to the impact of the programme, other factors may have influenced the outcome, and therefore before and after comparisons of the same group cannot determine the true impact of the intervention.

Steps 4 to 6 are evaluation techniques that involve experimental and quasi-experimental quantitative designs to assess whether an intervention has made a difference and to identify the extent to which the impact can be attributed to the intervention. It is recommended that Jordan undertakes step 4 to 6 impact evaluations, as recommended by the OECD Framework for the Evaluation of SME and Entrepreneurship Policies and Programmes (OECD, 2008).

To make a reliable determination of what would have happened in the absence of the intervention involves comparing the outcome of the treatment group with the outcome of a control group of similar firms or entrepreneurs that did not benefit from the intervention. In applying this counterfactual approach, choosing a valid control group with the same characteristics as the treatment group (e.g. by enterprise sector, size, age, location, etc.) is critical to eliminating selection bias² effects and solving the problem of unobserved variables in order to produce reliable and credible results. This implies that a Step 6 approach needs to be applied to have fully accurate information on impact. Further guidance on the use of control group methodologies (e.g. randomised control trials, regressions discontinuity design, propensity score matching) are explained clearly in Section 3 of “Impact Evaluation in Practice” (Gertler, Martinez, Premand, Rawlings, & Vermeersch, 2016).

Control group data can come from a number of sources, most commonly by conducting special surveys that track assisted firms and non-assisted firms (which could be selected from a list of programme applicants that were rejected), or from official administrative data (e.g. tax and social security records, business censuses, business registries).

For this purpose, it would be useful if all business registration data in government ministries were centralised and each Jordanian enterprise was issued a Unique Business Number (UBN) to be used for all transactions within the government. This would enable the integration of data from the Establishment Census, Customs Authority, Ministry of Finance, the Social Security Corporation, etc. It would also enable the establishment of data for treatment groups, based on knowledge of the UBNs of firms treated on any programme, and the UBNs of non-treated firms.

² (Storey, 2000) pp. 23-24 presents two examples of selection bias: self-selection and committee selection. An example of self-selection bias is a programme seeking to provide support for rapidly growing businesses. In this case, businesses already seeking growth may be more likely to apply to the programme than those with only modest or with no growth ambitions. Thus, applicant firms, because they have more motivated owners, would have been expected to perform better than the “matched” firms, even if there had been no programme. It is therefore unreasonable to attribute all differences in performance to programme participation, although the precise proportion attributable to the programme is unclear. Committee selection bias refers to programmes where only a proportion of applicants are successful in being accepted. In this case, a committee or similar group makes a judgement, with the “better” firms/applications obtaining the funding. If the committee is effective in its selection process, it will eliminate those firms likely to perform poorly, so that the remainder are clearly non-randomly drawn from applicants. Even if the programme did not exist, the selected firms would be expected to have outperformed the other firms. Hence, one again, observed differences in performance between programme participants and “matched” firms cannot be attributed solely to programme participation.

4.3. Relating individual evaluations to overall policy impacts

Impact evaluations of individual projects and programmes provide information on their contribution to the overall objectives of a strategy. However, it is difficult to assess the aggregate and combined impacts of these programmes on the strategy goals (e.g. changes in the new firm start-up rate, number of SMEs, SME productivity, change in bank lending to SMEs, improvement in attitudes towards entrepreneurship, etc.). This is because many other factors can affect these aggregate outcomes. For example, SME and entrepreneurship performance is influenced by public policies not specifically directed at the SME sector – including macro-economic policies, interest rate policy, taxation policy, unemployment rates, inflation rate, competition policy, and immigration/emigration policies, among others (OECD, 2008). SME and entrepreneurship performance is also likely to be influenced by changes in national conditions – such as the political and economic environment, the Syrian refugee crisis and global market conditions.

It must therefore be recognised that changes in aggregate SME and entrepreneurship performance do not necessarily reflect the effectiveness of individual projects or programmes, even if the impacts of these programmes are combined (Metz, 2005). It is quite possible that the programmes and projects have positive impacts on aggregate SME and entrepreneurship performance, even while the overall performance declines due to other factors. The key consideration for policy is to invest in programmes and projects for which the individual impact evaluations show success in meeting their objectives at reasonable cost.

4.4. Disseminating impact evaluation results

The ultimate purpose of impact evaluation is to steer change in policy. It is therefore important that the results are clearly stated and shared with project and programme funders and decision makers.

Evaluation reports should be well-structured and present the relevant information clearly and as straightforwardly as possible. Essentially, the impact evaluation report should cover (UNEG, 2013):

- the purpose and scope (what was evaluated and why)
- how the evaluation was designed and conducted (evaluation questions, methodology and limitations)
- findings of the evaluation and the supporting evidence base
- conclusions from the findings in relation to the main evaluation questions and the basis for drawing these conclusions
- recommendations (firmly based on evidence and analysis, results-oriented, and realistic)
- lessons learned for revising the existing policy or programme input or for designing future policies and programmes.

It can also be useful to disseminate evaluation reports more widely, including to the media, to stimulate public debate. The evaluation team should take on the job of distilling a manageable set of key messages summarising the most policy-relevant results and recommendations for consistent communication across relevant audiences, particularly,

programme staff and managers (who designed and implemented the programme), high-level policy makers, civil society, development practitioners and researchers (Gertler, Martinez, Premand, Rawlings, & Vermeersch, 2016). Table 4.2 summarises the why, when and how of engaging with different audiences.

Table 4.2. Engaging key constituencies for policy impact: why, when, and how

	Programme staff and managers	High-level policy makers	Civil society (including media), development practitioners and academics
Why?	Can become champions of impact evaluation and the use of evidence.	Need to understand why the issue is important, how impact evaluation can help them make better decisions, and ultimately, what the evidence tells them about where their energies (and available financing) should be directed.	Need evidence about the impact of programmes in order to make decisions, design new programmes, replicate successful programmes, and carry out research that can help improve lives.
When?	Early on, even before the programme is rolled out, and with continued and frequent interactions throughout. Baseline data can be used to tailor the intervention. They are the first to comment on evaluation results.	Early on, when defining the evaluation questions and before the evaluation begins, and again when results have been finalised. Important that senior policy-makers understand why an impact evaluation is being conducted and how the results can help them.	Depending on the programme being evaluated, civil society groups and development experts can be important local champions. Information should be disseminated once results are finalised and have been vetted by programme staff and policymakers.
How?	Introduce the role of evidence in policymaking in a workshop to engage programme managers in the evaluation design. Follow up with meetings at key points: immediately after collection of baseline data, after collection of intermediate results, and at the end line.	Present at national workshops and seek direct meetings with senior-level staff to explain the work. Encourage programme managers, technical staff, and mid-level policymakers to keep ministries informed about the impact evaluation. When the evidence is finalised, present to senior policymakers. When possible, include cost-benefit or cost-effectiveness analysis and suggestions for next steps.	Public events and forums, including seminars and conferences, working papers, journal articles, media coverage, and web-based materials, are all avenues for reaching these audiences.

Source: Gertler, P. et al. (2016), *Impact Evaluation in Practice*, World Bank and Inter-American Development Bank, p. 251.

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Chapter 5. Next steps for Jordan

Having reviewed the best practice approaches to M&E in the preceding chapters in the context of the Jordan SME strategy and its M&E requirements, this final chapter outlines the next steps for Jordan in building its own M&E system. It begins by outlining some initial actions needed which will underpin and sustain the new system, and then lists the specific actions needed to get the system up and running. It concludes with a checklist of best practice actions to guide Jordan as it embarks on the process.

5.1. Refresh the SME strategy and action plan

Both the National Strategy for Entrepreneurship and SME Growth and its action plan now need to be updated. This will mean reviewing progress to date on implementing the action plan. This exercise should be undertaken through a formal review of the implementation status of actions outlined in the draft action plan. If possible and feasible, this review should be conducted by an external consultant who should take stock of all of the implemented actions, the status of implementation (e.g. completed, in progress, etc.), and any reported outcomes against the performance indicators outlined in the action plan. For actions not yet implemented, the consultant could meet with the responsible parties noted in the action plan to determine why they have not been implemented. The results of the consultant's review and analysis should be shared with stakeholder organisations for discussion and feedback.

Then, overseen by the Ministry of Industry and Trade (MIT) and the Higher-Level Committee (HLC) on Support for SMEs, JEDCO could begin a new process of consulting with relevant stakeholder organisations to reach agreement on their role and participation in the implementation of the initiatives/actions going forward.

As part of this JEDCO could organise an orientation workshop with representatives of the ministries, agencies and service-providing organisations involved in SME and entrepreneurship policy actions to review the SME strategy action plan to:

1. review the initiatives and actions that have already been implemented or are underway
2. seek confirmation of the role and participation of the stakeholder organisations in the implementation of the other initiatives and actions going forward
3. reach agreement on a draft annual work plan for the coming period.

This annual work plan could be submitted for approval at the ministerial level (ideally by the HLC).

Furthermore, based on the results of this process, the MIT, in co-operation with other ministries and JEDCO, should determine the merits of updating the National Entrepreneurship and SME Growth Strategy for Cabinet approval along with a revised and updated action plan. The strategic goals, objectives and pillars of the strategy are likely still

relevant, but in light of developments since 2014, adjustments in baselines, outcome targets and key performance indicators will be needed. These adjustments would take into consideration analysis of recent trend data produced by the DOS on the state of SMEs in Jordan and pillar-related improvements due to the impact of activities implemented over the past five years. The details in the new action plan will form the basis of the M&E system.

5.2. Build on the National Employment Strategy M&E model

Jordan is in the early stages of building an evaluation culture. The Prime Minister's Office has recently established an M&E Unit for implementing the Jordan Economic Growth Plan 2018-2022, which has begun monitoring progress. At the same time, M&E Units have been established in partnering ministries and agencies. However, these units have limited staff, no budget allocations, and lack clear instructions and guidance on what to do and how to do it.³

The Ministry of Labour has gained considerable experience in establishing an M&E system through its work in implementing the National Employment Strategy (NES) 2012-2017, for which it designed and set up a co-ordinated monitoring mechanism that integrated programme inputs from 23 participating organisations. The NES was subject to a mid-term and final evaluation – the lessons learned have been carried forward into the design of the new five-year NES. To overcome some of the M&E challenges encountered, the updated NES includes an evaluation framework and is piloting a customised e-evaluation platform that allows multiple users to interact with the system simultaneously. This allows project plans to be entered into standardised templates (including all performance indicator information and data), replacing the previous paper-based and email system for sharing this information. The platform will be able to produce a variety of dashboards and progress reports, including reliable data for the impact evaluations; link project goals with the strategic goals of the NES; and trace beneficiaries for future evaluations.

This M&E approach could be a good model for developing the M&E functions of other policies and programmes, including for SME and entrepreneurship policy.

5.3. Mainstream and sustain the system

The development of a monitoring and evaluation system is a long-term effort that should be well sustained within the governments and agencies in charge of it.

One of the essential factors for sustainable M&E systems is strong political commitment to the principles of conducting M&E and making use of its results to improve policy decisions and actions. Without this high-level support, there will be limited demand and resources for M&E.

In addition, sustainability requires:

- Institutionalising M&E as an integral component of the policy development and implementation cycle, including a budget allocation for the monitoring and evaluation of policy actions.

³ Input from participants at the OECD workshop on “Evaluation of SME policies and access to finance statistics”, 14 February 2019, Amman.

- Establishing clear organisational structures for collecting, analysing and reporting M&E information (e.g. a central M&E Unit and focal points in ministries and agencies), backed up by clear roles, responsibilities and lines of authority, both at the organisational and political level.
- Creating and maintaining the technical and managerial skills required for planning, managing and operationalising M&E functions within the M&E system, including adequate staffing of the M&E Unit.
- Committing financial resources for the upkeep and management of the M&E system, including training and professional development of M&E officers, and development and maintenance of data collection and retrieval systems.

Other aspects of good practice in building a sustainable M&E system are presented in Box 5.1.

Box 5.1. Good practice in building sustainable M&E systems

- The demand for capacity building is unending and must be reinforced.
- Keep champions on side and help them.
- Establish the understanding with the Ministry of Finance and parliament that an M&E system needs sustained resources.
- Look for every opportunity to link results information to budget and resource allocation decisions.
- Begin with pilot efforts to demonstrate effective results-based monitoring. Begin with an enclave strategy as opposed to a whole-of-government approach.
- Monitor both implementation progress and results achievements.
- Complement performance monitoring with evaluations to ensure better understanding of public sector results.

Source: Kusek, J. and R. Rist (2004), *Ten Steps to a Results-Based Monitoring and Evaluation System: A Handbook for Development Practitioners*, World Bank, pp. 159-161.

However, hurdles are likely to be encountered in sustaining M&E systems (Kusek & Rist, 2004). Among the most prominent are:

- Securing permanent budgets for the system.
- Meeting human resources and personnel training needs – recruiting, allocating and retaining qualified staff, and providing continuous training in M&E methodologies and procedures.
- Maintaining indicator stability over time, which is essential to being able to compare similar issues and trends over a given period of time.
- Documenting the outcome measurement process (deciding who will do what).
- Dealing with fear and resistance from programme managers.
- Getting other levels of government and the private sector involved.

Consequently, there is an important role for strong M&E champions inside and outside government. These people can serve as advocates for an evaluation culture across government and its agencies and delivery partners.

5.4. Summary of key actions

The following actions are to be led by JEDCO, in co-ordination with partners where relevant, and are set out in broad chronological order:

1. Review the status of the action plan for implementing the National Entrepreneurship and SME Growth Strategy to take stock of which actions have been completed, are underway, or are dormant.
2. Based on the results of this review, and with approval from the Minister of Industry and Trade (MIT), prepare a logic framework for entrepreneurship and SME growth to guide the development of an actionable implementation plan.
3. Establish a network of SME focal points and convene a meeting to discuss and agree on a realistic SME Strategy Action Plan for the upcoming year that can be presented to the Minister of Industry and Trade and HLC for endorsement.
4. Establish a clear and adequately resourced unit within JEDCO responsible for monitoring and evaluating the implementation of the SME strategy action plan across government.
5. Issue directions (from the MIT) to line ministries and agencies on their role in collecting and reporting data for monitoring the outcomes of the programmes or projects they are implementing.
6. Design project profile templates that can be used by all entities responsible for implementing programmes/projects in the coming annual SME Strategy Action Plan.
7. Deliver capacity building workshops for the SME focal points on monitoring project activity against the key performance indicators for outputs and outcomes.
8. Develop a management information system that is capable of recording all project details and collecting and managing data for each of the initiatives and programmes included in the action plan, including inputs, activities, outputs, and outcomes (such as number of clients served, types of services and programmes accessed, etc.).
9. Meet with the Department of Statistics (DOS) to discuss realigning reporting on enterprise and employment distributions with the size bands in the national SME strategy document.
10. Develop a statistical system to track the annual entry and closing of enterprises (to be undertaken by DOS in co-operation with the Jordan Chamber of Industry and Jordan Chamber of Commerce).
11. In co-operation with SME focal points, develop a plan to evaluate the impact of relevant assistance programmes on the performance of assisted entrepreneurs and SMEs.
12. Prepare an annual report on the state of entrepreneurship and SMEs and on progress implementing the SME strategy action plan.
13. Clarify JEDCO's role in preparing annual progress reports to the HLC on the implementation status of the Action Plan initiatives, and preparing annual reports on the status of the SME sector.

14. Make greater use of independent evaluators and more robust evaluation techniques for assessing the impact of the projects and programmes for which JEDCO has implementation responsibility.
15. Subject the SME strategy and its action plan components to a mid-term and final evaluation, preferably conducted by independent consultants.

5.5. Checklist for good practice monitoring and evaluation

To support the above guidance, the following checklist is offered on the application of good practice in M&E systems.

Institutional framework for M&E

- ☐ Is M&E commonly built into the framework of national policy and programme plans?
- ☐ Has an M&E Unit been established with responsibility for coordination and monitoring of the Entrepreneurship and SME Growth Strategy and Action Plan?
- ☐ Is the M&E Unit adequately staffed to perform this role?
- ☐ Has the government established and published a guide concerning its M&E practice (starting from the decision to undertake an evaluation to reporting and dissemination of results) that can be used by managers of M&E Units as a reference document for planning, preparing and managing the M&E process, as well as providing external evaluators with a clear picture of the practical arrangements they should expect in relation to the management of evaluation projects and approval of reports.
- ☐ Is there a system in place for broad participation of all actors involved in the implementation of SME policy and programmes to contribute to the preparation of monitoring and assessment reports relative to the programmes and projects for which they are responsible and on the basis of the performance indicators outlined in the Action Plan?
- ☐ Have SME Focal Points been appointed in other ministries and agencies to be responsible for monitoring activities of their own projects, including collecting tracking data and planning any programme evaluations?
- ☐ Does the SME ministry/department/agency work collaboratively with these Focal Points to design annual work plans on SME development and engage in collaborative M&E efforts?
- ☐ Has a group been assigned to draft semi-annual and annual reports on the implementation progress of the planned activities and identify any obstacles to implementation?
- ☐ Is there a commitment of the Ministry of Industry and Trade to present the annual monitoring and assessment reports of Strategy's implementation to Government?

Selecting performance indicators and outcomes

- ☐ Has a logic model been constructed for the policy or programme?
- ☐ Are the performance indicators clearly specified (both for outputs and outcomes) for all programmes and activities?

- ☐ Are the indicators measurable, relevant, realistic, accessible at a low cost and timebound?
- ☐ Have baseline indicators been determined?

Collecting data for the indicators

- ☐ Are sources of data for each indicator identified and available (e.g. administrative data, surveys, project file records)?
- ☐ Have data collection methods been identified?
- ☐ Has a template on data collection been developed for use by all implementation units, including for reporting on performance indicators?
- ☐ Has a timetable been determined for the collection of data for each indicator (i.e. frequency)?
- ☐ Have responsibilities for collecting the data been assigned to specific implementing entities?
- ☐ Have the resource requirements for producing the data been determined?
- ☐ Has the system for documenting the data been developed (e.g. registry or management information platform)?
- ☐ Is the national statistical office a credible and reliable source of baseline data and sufficient source of data on developments within the SME sector over time?

M&E reporting system

- ☐ Are the SME Focal Points brought together on a regular basis to report on progress in implementing SME policy and support actions within their own ministries/agencies and held accountable for progress and performance?
- ☐ Is there a system in place for all implementation units to report monitoring results to the M&E Unit on an annual basis, at minimum?
- ☐ Has a common template been developed for each institution to report on their progress?
- ☐ Is the M&E Unit able to relate the collected information to the strategic goals and objectives outlined in the Strategy?
- ☐ Is the annual report used as a tool to make any adjustments to the implementation process, so as to lead to more effective outcomes?

Designing and managing an impact evaluation

- ☐ Is a steering committee formed to oversee the evaluation process for specific initiatives?
- ☐ Is an internal team put together to manage the evaluation process for specific initiatives and to act as liaison with the evaluator?
- ☐ Is the evaluation question for a project evaluation framed in such a way to be able to quantify the difference between the achieved results for assisted clients in contrast to the performance outcomes for treatment or comparison groups (non-assisted firms)?
- ☐ Is use being made of independent external evaluators for the evaluation of major programmes, projects and policy initiatives?

- ☐ Is high-quality data and required information for the impact evaluation available as input to the evaluator, including baseline and monitoring data, programme implementation and costs, and data sources for any treatment and control groups?
- ☐ Are robust techniques being used in the evaluation of programmes and projects (i.e. counterfactual estimation showing the casual relationship between the programme and desired outcomes)?
- ☐ Is a process in place for quality assurance of the draft evaluation report?

Dissemination of monitoring and evaluation results

- ☐ Does the M&E plan include consideration for the dissemination of monitoring and impact evaluation reports and results?
- ☐ Is there a formal mechanism for sharing the results of monitoring and evaluation reports with the appropriate stakeholders?
- ☐ Are formal programme and policy evaluations posted on the government website?

Sustainability of the M&E system

- ☐ Is there political will and demand for M&E processes and results inside the government?
- ☐ Is M&E built in as a component of all national policy documents and plans?
- ☐ Are M&E budgets assigned to the implementation of policies and programmes?
- ☐ Do M&E Units exist on all ministries and agencies? Are they adequately resourced?
- ☐ Are the M&E Units provided direction and guidance on their role and functions, and opportunities for enhanced learning on M&E practices, including robust evaluation techniques, to build their capacity?
- ☐ Does the government make active use of M&E results to inform policy and programmes decisions?

Further reading

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Annex A. Intersection of entrepreneurship and SME policy priorities: National Entrepreneurship and SME Growth Strategy and Jordan Economic Growth Plan 2018-2022

Extracted from Chapter 6 of the Jordan National Entrepreneurship and Small and Medium Enterprise (SME) Growth Strategy – 2014/15-2018/19, March 2015.

National Entrepreneurship and SME Growth Strategy 2014/15-2018/19	Jordan Economic Growth Plan 2018-2022 (Stated policy directions - MSME Sector section)
Pillar 1: Conducive legal and regulatory environment Strategic objectives: <ul style="list-style-type: none"> Accelerate reforms to the legal and regulatory environment in order to create more favourable conditions for the start-up of new enterprises and the operation and the growth with of existing MSMEs Adopt a "think Small First approach to the legal and regulatory regime to reduce the regulatory and compliance burden on MSMEs 	Accelerate reforms related to the legal and regulatory environment <ul style="list-style-type: none"> Preparing a draft law on SMEs Passing the removable assets law
Pillar 2: Entrepreneurship awareness and culture-building Strategic objectives: <ul style="list-style-type: none"> Create a more entrepreneurial society by: 1) exposing more Jordanians to the option of becoming an entrepreneur and starting a business as a viable career and employment opportunity; 2) celebrating entrepreneurial success and promoting entrepreneur role-models; 3) fully integrating entrepreneurship as a curriculum component across all levels of the education system 	Encouraging and stimulating entrepreneurship and innovation <ul style="list-style-type: none"> Implementing the second pillar of the National Strategy for Entrepreneurship and Developing MSMEs "build awareness and a culture of entrepreneurship within society" through: fostering an entrepreneurial spirit in all governorates and across all sectors; and integrating the concept of entrepreneurship in school curricula at all grade levels Financially support programmes that focus on fostering entrepreneurship amongst the youth (under National Employment section)
Pillar 3: Entrepreneurial/management skills and top quality business development support Strategic objectives: <ul style="list-style-type: none"> Enhance the ability and know-how of potential and nascent entrepreneurs, including young people and women, towards higher value-added start-ups with greater probabilities of survival and growth; Improve the survival and growth probabilities of early-stage start-ups during the first two years of operation by making post-creation coaching, mentoring and other intensive support available to new entrepreneurs; Improve the management ability/ capacity of existing SMEs to affect improved performance in productivity, turnover, employment, quality, and innovativeness. 	Training business owners in technical and managerial skills <ul style="list-style-type: none"> Building the capacity and skills of new entrepreneurs, especially women and youth Improving the sustainability and growth potential of start-ups during the first two years of operation Enhancing the managerial capacities and capabilities of existing SMEs to achieve higher performance levels

<p>Strategy objective of “increasing the capacity of existing SMEs”:</p> <ul style="list-style-type: none"> • Foster the movement of smaller enterprises up the value chains and their growth into larger employment size categories • Improve the productivity and competitiveness of SMEs by ensuring access to quality business advisory services, training, up-to-date technology, upgrading, modernisation, lean production, and quality improvement programmes; and competency-building, including financial literacy, management skills, innovation and growth planning • Improving SMEs’ access to financing to better support their working capital, technology integration and production capacity needs • Improve SMEs’ access to markets through supply and value chain linkages, public procurement policies and export support programmes 	<p>Fostering and building the capacity of existing enterprises</p> <ul style="list-style-type: none"> • Supporting the sustainability of start-ups and SMEs, and paying particular attention to SMEs with high growth potential to boost productivity and competitiveness, through the SMEs Growth Accelerator Project • Developing clusters in cultural and innovative industries • Linking companies that import raw materials from abroad with alternative local suppliers through the National Linkages Programme • Facilitating investments in small, medium and large production enterprises through the Governorates Development Fund, whether under inception or existing ones,... so long as these projects contribute significantly to the economy, support to local communities, and are economically feasible with high added value
<p>Pillar 5: Innovation capacity and technology adoption/development</p> <p>Strategic objectives:</p> <ul style="list-style-type: none"> • Increase the innovation and technological capacity and activities of new enterprises and existing SMEs, including microenterprises (includes initiatives to support SME management on patent activities, including IP training sessions on use of intellectual property (IP) and accessing intellectual property rights (IPR,) and developing a voucher system for SMEs to help defray costs of early stages of patenting processes) • Foster the creation of innovative enterprises 	<p>Simplifying patent registration procedures</p> <ul style="list-style-type: none"> • Establishing Innovation Support Centres under the Ministry of Industry and Trade to connect SMEs with innovators and inventors • Linking SMEs with the WIPO PUBLISH website, which allows access to granted and expired patents • Conducting awareness workshops on IP rights and invention patents
<p>Pillar 6: Market access</p> <p>Strategic objectives:</p> <p>Create markets for SMEs by:</p> <ul style="list-style-type: none"> • opening up their access to national and international public procurement opportunities; • improving their capacity and propensity to export; • increasing their participation in the supply chains of large enterprises; <p>promoting the franchising model as an approach to building markets</p>	<p>Providing the right marketing for products of this sector’s projects and businesses</p> <ul style="list-style-type: none"> • Implementing the sixth pillar of the National Strategy for Entrepreneurship and Developing MSMEs “access to markets” by: increasing exposure to government procurement and tender opportunities and facilitating related contracts. Improving MSMEs’ export readiness and encouraging them to export; increasing the participation of MSMEs in large companies’ supply chains; and reinforcing the franchise model as a market-building approach • Improving and developing an e-commerce business environment in order to increase exports of Jordanian SMEs through the “Development of Exports through Virtual Market Places” programme • Facilitating the access of SMEs to international markets through the provision of services that foster connections in the business and innovation fields, to enhance competitiveness and presence through establishing business clusters among third world countries through the Enterprise Europe Network (EEN) • Improving agricultural product marketing (vegetables and fruits) of crops with high water-value, in both local and foreign markets through the Rural Economic Growth and Employment Project (REGEP)

Sources: “Jordan National Entrepreneurship and Small and Medium Enterprise (SME) Growth Strategy – 2014/15-2018/19” (March 2015 draft) and Action Plan; *Jordan Economic Growth Plan 2018-2022*, pp. 77-80.

Annex B. Organisations involved in initiatives and actions in the Jordan National Entrepreneurship and SME Growth Strategy

	Pillar 1: Conducive Legal and Regulatory Environment	Pillar 2: Entrepreneur ship Awareness and Culture Building	Pillar 3: Entrepreneurial/Management Skills and Top Quality Business Support	Pillar 4: Access to Finance	Pillar 5: Innovation Capacity and Technology Adoption/ Development	Pillar 6: Market Access
Ministries, Government Agencies, Public Sector						
JEDCO	X	X	X	X	X	X
MIT - Companies Control Department/ Commercial Registrar	X	X		X	X (procurement dept.)	X
Ministry of Finance	X			X	X	X (General Supplies Department)
MOPIC	X		X (IRADA)	X		X
Ministry of Higher Education		X	X		X (R&D Fund)	
Ministry of Education		X				
VTCS		X	X		X	
E-TVET		X	X			
Ministry of Labour		X				
Ministry of Social Development			X			
Ministry of Interior			X			
Ministry of Environment			X			
Ministry of Municipalities	X					
Ministry of Justice	X					
Legislative and Opinion Bureau	X					
Central Bank of Jordan	X	X		X		
Higher Council for Science and Technology (HCST)		X		X (NCRD)	X	
National Centre for Research and Development (NCRD)						X
Industry Research and Development Fund					X	
Department of Statistics					X	
Social Security Corporation	X	X				
Economic and Social Council (ECOSOC)		X				
Jordan Investment Commission	X			X		X
Development and Employment Fund (DEF)				X		
National Fund for Enterprise Support (NAFES)						X
Civil Service Bureau		X				
Jordan Securities Commission				X		
Higher Committee on Human Capital Development		X				
Governmental funding agencies				X		

	Pillar 1: Conducive Legal and Regulatory Environment	Pillar 2: Entrepreneur ship Awareness and Culture Building	Pillar 3: Entrepreneur ial/Manageme nt Skills and Top Quality Business Support	Pillar 4: Access to Finance	Pillar 5: Innovation Capacity and Technology Adoption/ Development	Pillar 6: Market Access
Private sector and non-governmental organisations						
Chambers of Commerce and of Industry	X	X (Jordan)	X		Chambers of Industry	
Jordan Loan Guarantee Facility (JLGF)					X	
Jordan Loan Guarantee Corporation (JLGC)					X	X
SME Financing Advisory Committee (SMEFAC)					X	
Association of Banks in Jordan	X				X	
Institute of Banking Studies					X	
Commercial banks		x		X (Islamic)		
Sanabel/Tanmeyah					X	
Shabab Al-Urdun		X				
Tamweelcom			X			
Al-Baqa Applied University		X				
Al-Quds College		X				
Al-Urdunia Lil Ebda			X			
Universities/colleges		X	X			X
Business Development Center (BDC)		X	X		X	
Bedaya Business Angel Network					X	
Business and Professional Women Association (BPWA)			X			
Jordan Forum for Business and Professional Women (JFBPW)		X	X			
Jordan Women Industrial Community					X	
Endeavor Jordan		X				
German-Jordanian University		X				
Institute of Management Consultants and Trainers (IMC)			X			
INJAZ		X	X			
INT@J			X			
Jordan Innovation Centres (JICs)		X	X			
Jordan Exporters Association						X
King Abdullah II Centre for Excellence (KACE)			X		X	
King Abdullah Fund for Development (KAFD)		X	X			
JTV, Ro'ya TV		X				
Knowledge Stations						X
Mowgli Foundation			X			
Oasis500		X	X	X		
Queen Rania Centre for Entrepreneurship (QRCE)		X	X			
Young Entrepreneurs Association (YEA)		X	X			
Local NGOs		X	X (for youth and females)			
Kaizen and Quality Assurance Associations			X			
EDAMA Association			X			
Jordan Competitiveness Programme					X	
International donors		X	X (GIZ, other donors)			

Annex C. Strategic objectives, intended results and key performance indicators in the SME strategy action plan

PILLAR 1: CONDUCIVE LEGAL AND REGULATORY ENVIRONMENT	
Strategic Objectives: A-1: Accelerate reforms to the legal and regulatory environment in order to create more favourable conditions for the start-up of new enterprises and the operation and the growth with of existing MSMEs. A-2: Adopt a “think Small First approach to the legal and regulatory regime to reduce the regulatory and compliance burden on MSMEs.	
Initiatives/Results	Key performance indicators
1.1. The registration process for new business is simplified and one stop shops established (including in the governorates) to expedite the steps required to complete the process. An e-registration system is fully implemented.	<ul style="list-style-type: none"> -Number of CCD one-stop-shops for business registration in the governorates. -Number of registrations completed every quarter compared to the number of applications received, and the average time needed to complete the process -On-line accessibility to a user-friendly e-registration system -Number of sole proprietors and companies registering using this system -Help-desks established in Free Zones, Development Zones and incubators in Jordan -User-friendly Booklet outlining the registration procedures and requirements -Number of enterprises registering in these areas -Decision that business and licensing procedures and processes are a priority in the next phase of the Guillotine Regulatory Review project, and associated instructions to implement it by all relevant stakeholders -Relevant decisions and instructions to implement them are made and circulated to the relevant stakeholders -Updated CCD and Commercial Registrar databases
1.2. Licensing of home-based enterprises is permitted in urban and rural areas across the Kingdom.	<ul style="list-style-type: none"> -Licensing of home-based enterprises allowed in all governorates -Number of home-based enterprises registered and licensed in Governorates
1.3. New (registered) businesses are provided with tax and social security concessions for the first two to three years (relevant to their sector or geographic location of operation) of operation to alleviate the administrative burden and increase the cash flow available to reinvest in the development of the business and create more formal jobs.	<ul style="list-style-type: none"> -General Sales and Income Tax decisions and associated instructions -Amended Social Security Law -Articulation and listing of relevant sectors and geographic locations in which enterprises benefit from a two- or three-years' concession
1.4. Incentives to encourage formalisation of informal enterprises are in place.	<ul style="list-style-type: none"> -Reduction in the time and cost of registering and licensing a business -Increased transition of informal enterprises to the formal sector -Number of informal enterprises declaring themselves by being registered -Articulation and listing of relevant sectors and geographic locations in which enterprises pay one-time fees
1.5. The Guillotine Regulatory and impact Assessment Reform Project to examine all laws and regulations directly affecting the start-up and operation of SMEs is renewed and in place.	<p><u>Overall KPI</u></p> <ul style="list-style-type: none"> -Improvement on scores in the SME Policy Index: baseline 2013 scores: <ul style="list-style-type: none"> Delegation of responsibility for regulatory reform and administrative simplification – 2.5/5; Strategy for the simplification of legislation and administrative procedures – 2.5/5; Review and simplification of current legislation – 2.0/5; Elimination of redundant legislation and regulation – 2.5/5; Cost-benefit analysis of new enterprise legislation and regulation – 2.4/5) <p><u>Specific KPIs</u></p> <ul style="list-style-type: none"> -Regulatory reform unit established inside government -Number of redundant legislation and regulations affecting business eliminated -Number of laws and regulations simplified

1.6. A Regulatory Impact Assessment (RIA) regime is established, and assesses the impact on SMEs of all new legislative and regulatory proposals (i.e. the "SME Test" is applied).	<ul style="list-style-type: none"> -RIA regime is implemented -Number of laws/ regulations including an RIA assessment -JEDCO is consulted -Number of laws/ regulations/ administrative procedures provided to JEDCO for comment -Application of the SME Test and associated reporting -Number of proposed new laws and regulations subjected to the SME Test (i.e. number of SME Test surveys/ consultations carried out) -Number of cases where modifications are made to the proposed new laws and regulations in consideration of the impact on SMEs -Estimated reduction of costs to SMEs as a result of modifications
1.7. The legal departments of the various relevant public institutions are trained in good regulatory practices in favour of SMEs, such as consultation mechanisms and impact assessments (e.g. use of the SME test on new laws and regulations affecting the private enterprise sector).	<ul style="list-style-type: none"> -Number of training courses held per annum -Number of officials trained per annum
1.8. Business bankruptcy/ insolvency laws and procedures make it possible for "failed entrepreneurs" to have a second chance to start a new business.	<ul style="list-style-type: none"> -Study on good practices and recommendations for adoption in Jordan -Improved score for Jordan on the "second chance" dimension on the SME Policy Index from the 2013 baseline of 2.0/ 5
1.9. The complexity and administrative costs of changing the legal status of an enterprise from one form to another are reduced.	<ul style="list-style-type: none"> -Reduced burden on SMEs
PILLAR 2: ENTREPRENEURSHIP AWARENESS AND CULTURE BUILDING Strategic Objectives: Create a more entrepreneurial society by: A: Exposing more Jordanians to the option of becoming an entrepreneur and starting a business as a viable career and employment opportunity; B: Celebrating entrepreneurial success and promoting entrepreneur role-models; C: Fully integrating entrepreneurship as a curriculum component across all levels of the education system.	
Intended results	Key performance indicators
2.1. Broad-based entrepreneurship awareness programmes are in place, including "road-shows" in the governorates to provide information to the public on the opportunities for starting a business and featuring presentations from successful entrepreneurs and start-ups. Promotional campaigns profile entrepreneur success stories in the media in all its available/affordable forms and publicly recognise the entrepreneurial achievements of Jordanian enterprises and entrepreneurs.	<ul style="list-style-type: none"> -Number of relevant role models identified -Number of stories articulated and messages crafted -Number of town hall meetings held -Number of attendees, including number of students, youth, parents, educators, community leaders attending -Number of television spots covered -Social media forums utilised -Number of views recorded -Uploads of digital records on social media forums and number of views -Amount of press coverage and cumulative television exposure -Number of "talk-show" episodes -Uploads on social media and number of views, YouTube hits, comments on YouTube, mobile application downloads -Monitored number of views -Reality show episodes -Monitored number of views -Number of attendees -National entrepreneurship promotion programme is designed -Programme is implemented, in part or in whole, including at the governorate and municipal level -Annual results presented in the follow-up annual Conference

<p>2.2. Special promotional activities are in place to create a stronger entrepreneurial culture among women and youth and encourage them to explore entrepreneurial activity.</p>	<ul style="list-style-type: none"> -Number of promotional activities to youth and females -Number of attendees attending promotional activities -Number of orientation workshops targeting youth and females - Number of youth and females participating in the basic entrepreneurship orientation workshops -Number of joint programmes developed -Number of Joint ETVET proposals -Number of students/ trainees taking entrepreneurship and business skills-related training -Number of in-waiting Civil Service applicant trainees taking the entrepreneurship and business skills-related training, and withdrawing their applications as they have decided to become entrepreneurs -15 on-line training courses on entrepreneurship training delivered through the KAFD web portal (www.forus.jo) -Number of Jordanians accessing the on-line training courses
<p>2.3 INJAZ Business Entrepreneurship Programmes, Know About Business (KAB) courses, and other entrepreneurship-oriented education material are integrated in educational institutions and expanded to further infuse an entrepreneurial culture and mind-set among Jordanian youth and build entrepreneurial skills and know-how.</p>	<ul style="list-style-type: none"> -Number of school principals participating (target of 20 per year) -Up to 20 new schools a year adopting INJAZ programmes - increase from 250 schools in 2014/2015 to 330 schools by 2018/2019) -400 school teachers trained (100 per year) -Amount of funding allocated for teacher training -Increase in number of students exposed to entrepreneurship and business-related INJAZ course and programmes -Number of INJAZ rooms equipped -Secured funding to expand into the governorates -1 920 trained university students per year starting businesses (480 students a year) -Baseline measurements in 120 schools -Secondary measurements in 120 schools -Measure of change in students' knowledge about and attitudes towards entrepreneurship -Percentage of INJAZ graduates who become business owners -Employability rate -Funding secured -Number of additional interventions held by BDC -Number of KAB trainees (target of 300 additional per year; 1,200 over 4 years) -Number of certified trainers at schools, VTCs, and technical colleges -60 more certified KAB instructors at VTCs and Technical Colleges in the governorates -40 more certified KAB instructors at community colleges in the governorates -Number of VTC students reached with KAB training (800 more projected in four years) -Numbers of students who both started the KAB training and completed the training -Number of start-ups as a result of the training (% of all taking the training)

<p>2.4. "Entrepreneurship" is adopted as a core curriculum component in the primary, secondary and vocational educational system.</p>	<ul style="list-style-type: none"> -Action taken by the Minister of Education (MoE) and the MOHE on their letter of commitment to integrate entrepreneurship as core curriculum in the educational systems -Policy paper prepared by the ECOSOC with regard to the importance of entrepreneurial education in schools, VTCs and universities -Number of Ministry of Education Staff who attending information and policy briefing sessions -Enhanced level of knowledge and interest among MoE staff -MOPIC sought out and secured international donor funding for entrepreneurial education -Internationally-funded initiative to partner with the MoE on entrepreneurship curriculum development (as a core component), teaching training, etc. to prepare for introduction as core curriculum component -Defined impacts of the entrepreneurship curriculum; list of KPIs produced -Measurement against the KPIs as the curriculum is being introduced in the schools -Number of entrepreneurship and basic business skills training courses given as requirement for VTC graduation -Number of VTC students participating in entrepreneurial skills training (target of 240 students in year 1; 480 students in year 2; and 480 students in year 3) -Percentage of the graduates starting a business -Existence of a single, hybrid documented and articulated entrepreneurship training programme using components of existing good practice training material and approaches in Jordan -A first set of training courses with curriculum piloted by the Al Quds College and Luminis Group entrepreneurial training programme to their technical students
<p>2.5. Courses on entrepreneurship and small business management are integrated as part of the credit curriculum in Jordanian universities, making them available on a cross-disciplinary basis so that all university students are exposed to this field of knowledge. Develop degree programmes in entrepreneurship approved by the Minister of Higher Education.</p>	<ul style="list-style-type: none"> -Percentage of students who think owning a business is a desirable or good objective -Percentage of senior university students considering establishing their own businesses -Number of public articles from MoL speaking about entrepreneurship -Number of interactions between the MoL and the MOHE -Number of business and non-business students taking pilot entrepreneurship courses -Effectiveness of the pilot curriculum Interest generated from other universities -Percentage of students who think owning a business is a desirable or good objective -Percentage of students considering establishing their own businesses -Number of instructors trained on the curriculum – target of 20 professors trained (10 per year) and 20 instructors trained (10 per year) -Number of universities sending their instructors for training -Number of universities applying to participate -Number of professors or instructors who participate =Increased knowledge and competence gained -Existence of a base national entrepreneurship curriculum -Number of universities participating
<p>2.6. University-based entrepreneurship centres are established to promote entrepreneurship as an option for students and provide information and advisory services to new graduates (male and female) who want to start their own businesses.</p>	<ul style="list-style-type: none"> -Completed study of capacity to establish university-based entrepreneurship centres -Number of university-based entrepreneurship centres established -Number of students and members of the university community impacted by the centres -Number of community citizens using the centres -Existence and promotion of service standards for university entrepreneurship centres -Number of visitors to the entrepreneurship centres -Number of frequent beneficiaries -Number and selection of services used -Measured intention of students to become entrepreneurs -Number of start-ups and jobs generated -Number of press releases /events publicly promoting the benefits and efficacy of the entrepreneurship centres -Number of universities where students have formed entrepreneurial clubs or societies

2.7. Partners are engaged to support and sponsor entrepreneurship/ business plan competitions in schools and universities.	<ul style="list-style-type: none"> -Increased number of universities and university students participating in the QRCE National Entrepreneurship Business Plan Competition and Awards -Number of identified challenges by sector seeking solutions -Number of written problem/challenge statements by the SMEs or sectors -Number and amount of private sector financial sponsors -Number of students attending business plan development training - Number of business plans received from trainees -Number of promising solutions to SME sector problems or sector development opportunities -Amount of funding set aside for business plan teams
PILLAR 3: ENTREPRENEURIAL/ MANAGEMENT SKILLS AND TOP QUALITY BUSINESS SUPPORT Strategic Objectives - C-1: Enhance the ability and know-how of potential and nascent entrepreneurs, including young people and women, towards higher value-added start-ups with greater probabilities of survival and growth; C-2: Improve the survival and growth probabilities of early-stage start-ups during the first two years of operation by making post-creation coaching, mentoring and other intensive support available to new entrepreneurs; C-3: Improve the management ability/ capacity of existing SMEs to affect improved performance in productivity, turnover, employment, quality, and innovativeness.	
Intended results	Key performance indicators
3.1. Basic entrepreneurship training modules are widely available (including in the governorates) to provide knowledge on the process of starting a business, the functional areas of business management, how to develop a business plan, and how to access financing. Already good entrepreneurship training programmes in Jordan are adapted for this purpose.	<ul style="list-style-type: none"> -Number of service providers who agree to provide services within the national value chain -Number of suggestions and interventions to build capacity within universities. -Identified, documented and staged entrepreneurship development programme -List of skills and competencies needed to enrol in an entrepreneurship development programme. -Number of service providers actively promoting their services through information sessions and other mediums -Number of students, young people, and women attending these sessions -Number of parents attending these sessions -Identification and documentation of areas of interest articulated by each governorate (e.g. who needs what and where) -Number of training courses held within governorates -3,600 people trained (1,200 per year; average of 100 per governorate) -Number of in-waiting Civil Service applicant trainees taking the entrepreneurship and business skills-related training, and withdrawing their applications as they have decided to become entrepreneurs -Number of governorates served -Level of satisfaction with the training content and delivery
3.2. The Business Clinic Initiative is implemented to assist entrepreneurs and business owners improve their business.	<ul style="list-style-type: none"> -Business Clinic methodology documented -List of expected outcomes from the methodology -List of willing participants to provide Business Clinic services, categorised by areas of competency -Possible stipend for business clinic evaluators -Documentation on the business clinic methodology -Number of trained Business Clinic advisors -Number of promotional activities for the Business Clinic -Number of potential beneficiaries who attend -Number of business clinics hosted -Target of 2,400 clients/ interventions (1,200 per year – average of 100 businesses per governorate) -Impact of the Business Clinic intervention on improved performance of assisted businesses -Evaluation of results of the business clinic versus the cost of holding it -Level on impact on assisted SMEs

<p>3.3. Components of the strategy specifically targeting the entrepreneurial development of women and young people are launched and in place.</p>	<ul style="list-style-type: none"> -Improved score for Jordan on the "women's entrepreneurship training" dimension of the SME Policy Index from 2013 baseline of 1.0/ 5 to 5.0 on the next SME Policy assessment report in 2018 -List of institutions stating interest in entrepreneurship and entrepreneurship skill development targeting women -Number of training sessions held -Number of women participating in the training -Percentage of women receiving entrepreneurship training that start a business within six months -Improved score for Jordan on the "women's entrepreneurship training" dimension of the SME Policy Index from 2013 baseline of 1.0/ 5 to 5.0 on the next SME Policy assessment report in 2018 -Mapping of entrepreneurship training organisations targeting youth -Data on the current reach and experience of these programmes -Estimate of demand -Increased opportunities for young entrepreneurs to access training and development services, including in the governorates -Number of training sessions held -Number of young men and women participating in the training -Percentage of young people receiving entrepreneurship training that start a business within six months -Baseline measures of required skills and intention -Post-training baseline measures of acquired skills and intention and identified areas of improvement and remaining weaknesses -Numbers of identified female and youth trainees who proceed with steps to start the business -Numbers of identified female and youth trainees who seek out further assistance -Number of meetings between the nascent female and youth entrepreneurs and service providers -Evolution of the services being requested
<p>3.4. A National Coaching and Mentoring System is in place to expand the provision of mentoring and coaching services to entrepreneurs and nurture their competence and ability in developing and implementing effective growth strategies for their businesses. Outreach beyond the Amman governorate is given a high priority. A talent pool of qualified Jordanian mentors and coaches is available to entrepreneurs, including linkages between Jordanian entrepreneurs and international networks of coaches and mentors. The talent pool of trained business mentors/coaches is promoted to Jordanian entrepreneurs and accessible through the Roster database.</p>	<ul style="list-style-type: none"> -List of identified mentoring and coaching programmes in Jordan -Verification of the current number of coaching and mentoring relationships with entrepreneurs and SME owners -Documentation of strengths and weakness of existing coaching and mentoring programmes to inform improvements in the provision of these services -List of individuals interested in being coaches or mentors to entrepreneurs -Documented analysis of international and local training and accreditation programmes for coaches and mentors that could be applied to Jordan -Selection of most appropriate approach/ materials -70 business coaching service providers identified, trained and providing services to start-ups and growth-potential SMEs -Identified the demand levels as well as technical areas of need -Documented list of technical areas of weakness for coaches and mentors required, segmented by geography -Identification of capacity building programmes by technical area for coaches and mentors -Capacity building delivery schedule by geography -Individual capacity building budgets -Number of trained coaches and mentors (15 from each governorate = 180) -Modification of documented areas of weakness in the capacity building programme -On-line data base/roster of mentors, coaches and trainers segmented by technical areas, economic sector, geographic location, and special competencies vis-à-vis providing services to start-ups, early-stage entrepreneurs, or high-growth SMEs, etc. -Number of promotional activities targeting SME owners on the benefits and outcomes of coaching and mentoring -Online linkages to the roster of coaches and mentors from the websites of chambers, universities, NGOs, etc. -Availability of coaching and mentoring as services integrated within national entrepreneurship and SME development programmes -Number of Business Clinic clients accessing the mentoring and coaching services -600 rural MSMEs and groups are supported with business mentorship; 3 000 jobs created from interventions

<p>3.5. The expanded provision of training, advisory, and consultancy services to growth-potential early-stage start-ups and small enterprises improves their management, production, marketing and financial literacy skills so as to enable productivity enhancements and further job creation.</p>	<ul style="list-style-type: none"> -List of consulting companies, consultants and advisors segmented by technical area, geography, and specific focus on the type of enterprise (sector, size, stage of development, etc.) -Identified needs for upgraded competencies in providing consulting and advisory services to these early-stage businesses -List of matching services by stages of start-up businesses -List of potential benefits for each service at each start-up stage -Number of redeemed vouchers -Number of redeemed vouchers in the governorates -Impact of the consultancy on the growth path of assisted SMEs -Annual survey to identify service areas needing improvement
<p>3.6. A survey of SMEs across all sectors identifies their training needs and informs policies and skills development programmes.</p>	<ul style="list-style-type: none"> -Skill needs of SMEs identified by enterprise size, sector, age of the establishment, sector of activity and gender and age of owners/senior management- -Skills/technical areas of priority need identified; validation of survey results with chambers, associations and NGOs -Identified skill development areas of greatest demand or priority -Training programmes in place to respond to SMEs' priority skills training needs -Number of trainers/training organisations willing and/or capable to deliver the required training content -Level of awareness created from promotional activity -Number of courses held -Number of SME owners and staff attending the training -Results of training evaluation
<p>3.7. International quality standard modernisation and upgrading programmes, including the integration of IT in their operations, are delivered to SMEs to foster productivity and growth (e.g. basic training modules delivered to groups of enterprises on a sector basis, followed up by individual consultancies and coaching services (on a subsidised basis) to assist each enterprise with implementation of its upgrading and modernisation plan. Financing is available to the enterprises for implementation of the modernisation/ upgrading activities.</p>	<ul style="list-style-type: none"> -Developed evaluation methodology for SMEs -Developed survey for identifying areas for upgrading. -Grouping of upgrading needs into competency areas -Identified and articulated probable outcomes from upgrading and modernisation -Number of awareness session describing the interventions and their likely outcome -Number of SMEs attending these sessions -Number of SMEs who show interest in upgrading -Identified parties who are willing and capable of funding, and amount of funding -Selected intervention(s) for funding; limited number according to funding availability -Identified characteristics of potential funding beneficiaries -Number of activities which promote upgrading, modernisation, their benefits and available funding -Number of attendees -Number of potential beneficiaries seeking funding and seeking the upgrading and modernisation -Number of received applications from SMEs for upgrading and modernisation – target of 300 SMEs for selection -Identified areas or upgrading and modernisation -Number of SMEs linked to specific and predefined modernisation and upgrading programmes -Number of SMEs linked with individual coaches or mentors -Baseline measurement of SMEs to receive upgrading and modernisation services, whether funded or not -Outcomes of the modernisation and upgrading compared to the initial baseline measurements -Improvements made in the programmes

<p>3.8. Funding is available to enable more SMEs to participate in management and certification training programmes.</p>	<ul style="list-style-type: none"> -List of funding programmes in Jordan -Identification of how much of the funding programmes are utilised, how much capacity is not utilised; determined if they can be repurposed for management training -Compare the level of available funding with the required funding to satiate the demand for interested SMEs -Identification of funding programmes with underutilised funding balances which can be repurposed and identification of their limitations -List of management and certification programmes -List of service providers for these programmes -List of SME sector needs that can be met from the programmes -Number of SMEs interested in each programme -Amount of funding obtained from other funding sources
<p>3.9. Support is expanded to SMEs to achieve a higher level of SME participation in Quality Improvement Programmes.</p>	<ul style="list-style-type: none"> -List of expected improvements and benefits from the quality improvement programmes -List of sectors/SMEs which have prioritised quality improvement as a main need -Identified funding requirement for the quality improvement programme -Identified deliverers of quality improvement programmes -List of existing funding program's which can be repurposed for quality improvement and the amount of available funding -Number of public speaking events with the role models -Number of SMEs attending -Number of press releases on quality improvement programmes -Existence of a Jordan quality award -Existence of a quality patron -Existence of quality criteria and evaluators -Award winners, activities, media coverage
<p>3.10. Capacity building programmes to improve the environmental sustainability of SMEs are available (e.g. lean production, energy efficiency, waste management).</p>	<ul style="list-style-type: none"> -List of areas related to environmental sustainability -Areas of priority for SMEs. -List of trainers on environmental sustainability -List of content providers on environmental sustainability -List of institutions willing and capable of providing the training -Existence of environmental sustainability/ lean production courses within universities -Funding required master trainer's training -Funding required to acquire training material
<p>3.11. "Enterprise growth" training programmes are available on an expanded basis to help SMEs develop growth strategies and plans.</p>	<ul style="list-style-type: none"> -Train 100 growth potential start-ups and SMEs -Coach 70- high-growth SMEs -Number of start-ups and SMEs responding to the calls of interest for growth project -Number of start-ups and SMEs selected for the calls -Number of SMEs and start-ups receiving coaching, training or consulting -Number of jobs created -Increase in revenues of the start-ups and SMEs
<p>3.12. Business Development Units (BDUs) are established in the governorates and provide a unifying platform for information, advisory, consultancy, and referral services to new entrepreneurs and SMEs. Capacity-building programmes for all staff employed in the BDUs ensure provision of consistently high-quality services.</p>	<ul style="list-style-type: none"> -Five JEDCO BDUs established by 2018 -Service provision to 1,800+ new entrepreneurs and SMEs over three years -Regional Enterprise Networks formed and co-operating -Annual survey of clients and business community assesses the level of take-up and efficiency of BDU services - Areas of improvement in the BDU service provision identified from the survey results

3.13. An expanded number of <u>incubators</u> and incubator spaces in the business incubator system enables the incubation of a larger number of start-ups on an annual basis. A coordination system is in place for performance enhancement and quality control of the incubator network.	<ul style="list-style-type: none"> -List of incubators by governorate, profiles and target audience, contact information -List of successful companies graduating from regional incubators. -Identification of services provided -Survey of successful incubator tenants as to why they were successful and did the incubator help them -Survey of governorates where entrepreneurs articulate they need support. -Six new JEDCO incubators established by 2018 -Annual monitoring reports on the new incubators: Number of spaces versus number of tenants; number of services provided; number of incubator graduates; graduates of incubators; number of businesses still in business after three years -Evaluation results of all incubators re: assessment of skills sets, operating performance and collective impact of existing incubators -Areas for improvement identified -Professional standards developed and being implemented
3.14. Business accelerators are established in various regions of Jordan to facilitate the rapid growth of high potential SMEs.	<ul style="list-style-type: none"> -Inventory of business accelerators by governorate, objectives, and markets served -Data on number of Jordan start-ups and SMEs benefiting from accelerators -Outline of key success factors for high performance accelerators -Survey of governorates where entrepreneurs articulate they need support -List of institutions that are willing to promote and/ or host a physical or virtual accelerator -Defined capacity and skill training activities -Number of trainees -Declared partnerships between existing and newly established accelerators -Monitoring reports on accelerators: Number of acceleration businesses, number of services provided, number of enterprises graduating from accelerators; survival and growth rates of accelerated businesses after three years
3.15. Capacity building and professional development programmes are in place to ensure a qualified supply of SME advisors, mentors, coaches and consultants.	<ul style="list-style-type: none"> -70 certified business coach service providers -100 coaches trained -Identified training programmes -Articulated dissemination strategy and promotional campaign to stimulate demand among SMEs for consultancy providers -Supported 170 growth-potential start-ups and SMEs over three years
3.16. Cluster initiatives are developed as a vehicle for enabling SMEs to pursue high-growth and value-added opportunities.	<ul style="list-style-type: none"> -List of benefits of clusters- -Number of interventions to communicate cluster benefits in Amman and governorates - List of SMEs communicated to about clusters -Number of orientation/training sessions in local communities - Level of interest in engaging in cluster development initiatives -Cluster development action plans for Creative Clusters Project -Export contracts signed (Creative Clusters Project) -SMEs are engaged within sector clusters at the governorate level -Cluster development plans in place -Baseline measurements of economic activities within the clusters and post-clusters project impact of on economic activities
<p align="center">PILLAR 4: ACCESS TO FINANCING</p> <p>Strategic Objectives: D-1: Addressed market failures in the allocation of formal financing to SMEs in order to increase their access to credit and equity finance, including for start-ups. D-2: Doubled the volume of total bank lending going to SMEs from 10% to 20%. D-3: Increased amount of seed and venture capital funding available to promising start-ups and early-stage growth and innovative enterprises</p>	
Intended results	Key performance indicators
4.1. Private Credit Bureaus are operationalised and all banks and microfinance institutions (MFIs) provide credit data on their clients to the Credit Bureau.	<ul style="list-style-type: none"> -Overall KPI; increased lending to SMEs -Increased transparency in the banking system -All banks signed with the CBC for sharing and accessing credit information -Other financing institutions, including microfinance institutions, signed with the CBC to share and access credit information -29% of the adult population (individuals and firms) is covered by private credit bureau by 2019 (the average international private credit bureau coverage of countries as per the 2015 <i>Doing Business</i> report; baseline for Jordan is 0%) -Effective and accurate credit scoring system in place and adopted by the CBC and banks -Effective and efficient loan approvals based on accurate credit scoring results

4.2. Recommendations of the National Microfinance Strategy are implemented.	<ul style="list-style-type: none"> -MFI Law is in place -Expansion of microfinance products -Increase in the number of microfinance borrowers -Increase in the annual volume of microfinance loans
4.3. The scale of available microfinance through lines of credit to qualified MFIs is increased; microfinance facilities serve microenterprises in all parts of the Kingdom (prioritising income-generating projects that can enhance employment opportunities). Follow-up and monitoring is performed on microfinance clients, including advisory services.	-Recommendations of the National Microfinance Strategy are implemented.
4.4. Banks are required to open SME windows; build capacity of staff working in the SME windows. Training is provided to banks on the merits of lending to SMEs and methodologies for serving the SME market, including use of risk assessment tools.	<ul style="list-style-type: none"> -26 banks have active SMEs windows by 2019 (from 6 in 2015) -At least 1 SME Window per bank in the governorates -Increased volume of loans to SMEs -10,000 bankers trained per year on SME lending practices (4,196 trained in 2012) -2 working dialogue sessions per year -Problems and major obstacles in SME lending identified -Best practices identified and implemented by the Association of Banks
4.5. A range of Incentives are in place to encourage banks to direct more loan funds to SMEs.	<ul style="list-style-type: none"> -15% annual increase in the volume of loans extended to SMEs by the banking system -10% annual increase in the value of credit lines dedicated to SME lending -Guarantees required are reduced
4.6. More opportunities are available for SMEs to participate in training programmes on how to build financial statements, interpret their financial needs and present themselves to financial institutions to secure financing.	-600 new entrepreneurs and existing SMEs are trained and able to negotiate financing terms and secure financing
4.7. The JEDCO SME Banking Window service provides its services to a larger number of SMEs, including in the governorates.	<ul style="list-style-type: none"> -1 000 feasibility studies for SMEs facilitated by the JEDCO SME Banking Window and financial requests submitted to banks for approval -70% of the SMEs (700) are able to access financing from banks as a result of the JEDCO SME Banking Window -12 banks partnering with JEDCO SME Banking Window -Increased awareness among start-ups and SMEs about the SME Banking Window service, especially in the governorates
4.8. The SME Financial Advisory Committee (SMEFAC) is activated.	<ul style="list-style-type: none"> -Dissemination of SMEFAC recommendations and presentation of such in public events -Results of 5 studies submitted to the SMEFAC for discussion
4.9. Seed grants are available to start-ups by young entrepreneurs and women who have more difficulty accessing start-up financing from the banks due to lack of credit histories and collateral.	<ul style="list-style-type: none"> -Financing schemes are identified -134 start-ups by women and young entrepreneurs enable to start their businesses -Scale of additional investment or bank financing raised as a result of the seed grants -Number of jobs created by the assisted start-ups
4.10. A seed fund is in place to prime access to capital for incubating enterprises in the Jordan Incubator and Innovation Centre Network.	<ul style="list-style-type: none"> -100 JIC incubator start-ups enabled to start their businesses with seed grants -Scale of additional investment or bank financing raised as a result of the seed grant -Number of jobs created by the grant-assisted start-ups
4.11. The expanded capacity of the Jordan Loan Guarantee Corporation (JLGC) in the area of "SME productive loan" guarantee offers and the effective implementation of the OPIC-funded Jordan Loan Guarantee Facility substantially increases the number of loan guarantees to SMEs, thereby improving SMEs' access to bank financing. Guarantee funds are structured to achieve a higher leverage on the amount of bank lending to start-ups and existing SMEs.	<ul style="list-style-type: none"> -Leverage multiplier of equity to outstanding guarantees of the guarantee funds is at least 3.4 by 2018. -Increased amount of guarantees available to SMEs due to higher leverage requirement -Credit guarantees allocated for SME productive loans are increased from 26% (2014) to 50% of the total portfolio of the JLGC by 2019 -Core problems identified; recommendations made for improvement
4.12. Initiatives are in place to increase the availability of early-stage seed capital and venture capital to meet the capital expansion needs of high-growth SMEs, including efforts to attract additional fund investors to enable investments in more projects.	<ul style="list-style-type: none"> -JEDCO venture capital funds are re-launched and established -JD 20 million raised by the selected fund manager -10-15 investments are made by the end of 2019 -Enacted Venture Capital Law and legal framework by 2018 -Registration of at least one (1) private venture capital company/fund in Jordan by 2019

4.13. Incentives are in place to encourage private investors to make angel investments in early-stage enterprises and to contribute to equity investment funds targeting SMEs.	<ul style="list-style-type: none"> -Increased number of Jordanian angel investors -Increase in amount of angel investment (as % of GDP) -100 new angel investors are identified and trained -200 entrepreneurs are trained -Increase in the presence of angel investors/ investments in the governorates
4.14. Equity-based crowd-funding platforms are in place in Jordan.	<ul style="list-style-type: none"> -Study on crowdfunding completed -10 Jordanian business to be successful in securing crowdfunding, annually -Average ticket size of JD 100 000
4.15. Measures are in place to ensure that women entrepreneurs are able to access financing from banks and equity funds.	<ul style="list-style-type: none"> -10% annual increase in number of loans extended to SMEs owned and managed by women (baseline of 556 loans in 2013 up to 900 by 2018) -Increased capacity of women entrepreneurs to secure formal debt and equity financing -Increased percentage of women entrepreneurs/ women-owned SMEs among the Banking Window clients (at least 10%)
4.16. Soft loans and grants are available to support the R&D and innovation-related activity of SMEs.	<ul style="list-style-type: none"> -Increased share of SMEs among beneficiaries of the R&D/innovation grant -Increased R&D and innovation activities by targeted SMEs
4.17. The Governorate Development Fund (GDF) is expanded to support more start-up and SME expansion projects in the governorates.	<ul style="list-style-type: none"> -Production of GDF Fund manual and procedures with required templates -Confirmation of the remaining commitment from the Government of Jordan -60 start-ups and SME expansion projects over three years (20 financed annually) -Jobs created by the assisted projects (average of 30 per project = 1 800 to 2018) -Secured additional funding to continue the GDF in 2018 -Quality project proposals and business applications are increased from 5 per week to 10 per week
4.18. An Energy Efficiency/ Clean Energy Fund targeting SMEs is established.	<ul style="list-style-type: none"> -Number of SMEs receiving funding to improve their energy efficiency and implement clean technologies -Improved energy efficiency in assisted SMEs; increased productivity
4.19. Measures to enhance transparency in financial markets are in place.	<ul style="list-style-type: none"> -Database of all governmental funding programmes available for SMEs is developed

PILLAR 5: INNOVATION CAPACITY AND TECHNOLOGY ADOPTION/ DEVELOPMENT

Strategic Objectives: -E-1: Increase the innovation and technological capacity and activities of new enterprises and existing SMEs, including microenterprises. E-2: Foster the creation of innovative enterprises

Intended results	Key performance indicators
5.1. Funding programmes are available to enable SMEs to assess how integration of modern technologies, including ICT, could improve their business operations, followed by financing to acquire and install the new technology and technical solutions.	<ul style="list-style-type: none"> -Technology gap study completed -Top 3 common technology needs identified - Procurement documents, contracts signed, products/ services acquired -Number of SMEs that benefited from procurement awards -Instalment Programme(s) developed for SMEs to acquire new technologies identify in technology gap study -Number of SMEs benefiting from the purchasing instalment scheme to acquire the new technology -Improved operational performance of the assisted SMEs as a result of integrating the technology solution -Training material and Programme developed on approaches to adoption and integration of new technology -Number of training sessions -Number of SMEs involved in the training
5.2. Incentives and programmes are in place to stimulate SMEs to undertake R&D and innovation-related activities.	<ul style="list-style-type: none"> -Launch of Innovation Excellence Achievement Award -Number of award applicants (Innovation Excellence Achievement Award) -Number of accepted applications -12 success profile case studies developed (Award winners) -Use of case profiles for training and promotional purposes - Innovation/quality mark for SMEs developed -Operational plan implemented for quality mark scheme -Number of applications for the quality mark received from SMEs -Number of quality mark recipients

5.3. Actions are in place to improve access for SMEs, including start-ups, to sources of scientific and technical expertise and linkages to research and technical institutes, technology innovation centres, and technology transfer centres.	<ul style="list-style-type: none"> -Number of SMEs requesting funding from the IRDF -Percentage of SMEs involved as beneficiaries among all IRDF-funded projects -Percentage of the IRDF fund value allocated to SME-related projects -Number of SMEs attending matching opportunity events -Number of Jordanian Scientists and Technicians Abroad (JOSTA) members involved -Number of collaborations resulting from the initiative -Number of people (entrepreneurs and SME employees) attending introduction workshops at Knowledge Stations -Increase in Scientists and Technologists database queries from SMEs -Strengthened links between university professors and SMEs -Transfer of technology solutions and expertise to SMEs -Number of SMEs per year requesting information from EEN Jordan on European research/technology institutions -Number of partnership agreements
5.4. Programmes exist to support SME management on patent activities, including support to promote SMEs' use of intellectual property (IP) and accessing intellectual property rights (IPRs).	<ul style="list-style-type: none"> -16 training sessions conducted on IPR -800 trainees over 4 years (estimated attendance of 50 per session X 4 sessions per year for four years) -Number of IPRs registered by trainees -Percentage increase in number of applications for funding from entrepreneurs and SMEs -Increased share of IPR support funds allocated to entrepreneurs and SMEs -100 vouchers redeemed for purposes of prior art search -Number of IPRs registered including patents filed, copyright, plant varieties registered, etc.
5.5. A pre-commercialisation Innovation Fund subsidises the costs of proof-of-concept, prototypes, market studies, etc. for innovating entrepreneurs/enterprises.	<ul style="list-style-type: none"> -Number of funded R&D projects supported for the commercialisation stage -20 proof-of-concept models, design concepts completed (5 per year) with grant funding for incubated firms
5.6. An expanded pool of seed and venture capital is available to fund high-potential, early-stage innovation projects by SMEs.	
5.7. The appropriate systems are in place to foster innovative, technology-based start-ups (e.g. innovation centres, technology incubators, technology accelerators, technical expertise, seed funds, etc.).	<ul style="list-style-type: none"> -20 to 30 start-ups a year from new technology incubators -Established physical workshops with appropriate space, equipment and access guidelines -Number of students making use of the labs -Number of proof-of-concept and alpha products developed
5.8. National level innovation information is collected and disseminated.	<ul style="list-style-type: none"> -Published annual National Innovation Survey -Enhanced ability to benchmark the innovation performance of Jordan's SMEs with those in European and OECD countries
PILLAR 6: MARKET ACCESS Strategic Objectives F-1: Create markets for SMEs by: opening up their access to national and international public procurement opportunities; improving their capacity and propensity to export; increasing their participation in the supply chains of large enterprises; and promoting the franchising model as an approach to building markets.	
Intended results	Key performance indicators
6.1. The appropriate government procurement entities have developed an action plan for reform of procurement laws, regulations and procedures to include provisions on SME participation.	<ul style="list-style-type: none"> -Increase in Percentage of government procurement awards going to SMEs -Revised payment terms brought down to no more than 30 days (for payment to SMEs for delivery of procurement goods/services)
6.2. Qualified Jordanian SMEs are registered as providers for international organisations' tenders (e.g. World Bank, UNDP, etc.) and facilitated to participate in tender calls.	<ul style="list-style-type: none"> -Number of international organisations identified and willing to facilitate the registration of Jordanian SMEs in their service providers rosters -Number of registered Jordanian SMEs -Number of invitations to participate in tender bids received and contracts signed
6.3. Policy space is protected for preferential procurement policies in favour of Jordanian SMEs in negotiating international agreements.	<ul style="list-style-type: none"> -Policy papers used to inform negotiations in the General Procurement Agreement (GPA)/WTO negotiations -Success in securing an exemption for domestic SMEs in international procurement agreements

6.4. A governmental SME Window is established and actively disseminates information to SMEs about export market opportunities and export regulations.	<ul style="list-style-type: none"> -Export support window for SMEs established -Number of SMEs accessing the service -5 international market studies completed containing sectorial information, market size and opportunities -Study results disseminated to SMEs -4 pre-trade mission training workshops to prepare SMEs for best results on a trade mission -Number of SMEs attending the workshops
6.5. Seminars and workshops are organised to bring experienced exporters together with potential and novice SME exporters to share their strategies and lessons learned.	<ul style="list-style-type: none"> -Number of coaching/mentoring sessions conducted -Number of attendees per session -Number of requests received from SMEs for export development knowledge -Number of attendees per session
6.6. "Export readiness" programmes for potential SME exporters are offered on a regular basis include training and counselling on the steps in the exporting process, finding markets, developing an export strategy, and the firm-level requirements for adapting to the needs of export markets.	<ul style="list-style-type: none"> -Number of training programmes -Number of SMEs becoming export-ready per year -Number of Export Marketing Plans developed -Percentage of participating SMEs achieving a first export sale as a result of the export marketing plan -New products exported under the developed plans
6.7. A grant or subsidy scheme is in place to support SMEs' costs of conducting research to explore export market opportunities and participate in trade missions.	<ul style="list-style-type: none"> -Number of co-financed studies -Number of SMEs receiving funding to join trade missions
6.8. Funding initiatives have been established to enable SMEs to access financing for the implementation of their export strategies/ plans, including the costs associated with adapting their products for export markets and meeting international product standards and requirements.	<ul style="list-style-type: none"> -75 SMEs implemented their export marketing plans -Increased sales as a result of export activity -Percentage of total sales from exports -Number of applications for funding received and approved -Number of SMEs with products upgraded to international standards -Number of upgraded products able to achieve export status (i.e. sales in an export market)
6.9. Incentives and funding are in place to support the formation of SME export consortia to improve their access to export markets.	<ul style="list-style-type: none"> -Study produced on the development of Export Houses -Number of Export Houses established -Number of SMEs becoming members and making use of the Export Houses service -Volume of export sales going through the Export Houses based on SMEs' products, across sectors
6.10. The availability of export credit guarantees for SMEs is expanded.	<ul style="list-style-type: none"> -Increased allocation of JLGC export credit guarantees to SMEs -Higher proportion of SMEs supported with the export credit guarantee
6.11. SME exports are increased through existing and expanded programmes that facilitate the use of virtual market places (VMPs).	<ul style="list-style-type: none"> -200 SMEs selected to participate -Value of participating SMEs' export sales since access to the VMPs -Percentage increase in the share of e-commerce sales as part of annual exports of the participating SMEs -Percentage of the SMEs that are active and visible on VMPs -20% of the participating SMEs active on VMPs are managed by women and youth
6.12. Comprehensive SME supplier development programmes are in place to facilitate their integration into the supply chains of larger firms and build their markets.	<ul style="list-style-type: none"> -The JEDCO linkages programme reinstituted -10 companies connected to supply chains of large enterprises in each year; 40 companies in total -Increase in number of supplier relationships -300 micro and small enterprises receive value-chain upgrading support
6.13. The potential is examined for a National SME Franchise Support Programme to provide technical and financial support to Jordanian SMEs that want to develop franchised outlets as part of their growth strategy.	<ul style="list-style-type: none"> -Study of international best practices in government support programmes to promote the franchise model as a growth option for start-ups and SMEs

Notes: The Action Plan, developed in consultation with stakeholders, included the list of actions associated with each "intended result" (not shown here), to which the KPIs are collectively aligned.

Source: JEDCO (2015), "Final Action Plan for Implementation of the Jordan National Entrepreneurship and Small and Medium Enterprise (SME) Growth Strategy – 2014/15-2018/19", April draft.

Annex D. Outline and content of progress monitoring reports

Cover Page

Contents Page

Introduction

Monitoring Report

Matrix showing the overall progress of each measure (e.g. achieved, delayed, cancelled, etc.) (see matrix 1 below).

Analysis of Progress

Narrative providing an overview of what has been achieved, what has been delayed and what has been cancelled (e.g. a brief summary of progress being made with each measure).

Bottlenecks and Issues for Decision

Narrative highlighting problems and possible solutions for the delayed/not achieved measures for the attention of the SME Strategy Working Group and decisions on next steps.

Monitoring Statistics

Presentation of summary statistics, such as number of measures to be implemented, number/percentage achieved, number/percentage delayed, number/percentage cancelled, number/percentage other, etc.

Analysis of Targets

Assessment of progress against overall targets in a statistical and narrative sense (see matrix and supporting text below).

Matrix 1 showing overall progress on each measure:

No.	Priorities/objectives/actions	Status	Issues	Next steps
1.2.1	Amend the current Municipality Law to allow the licencing of home-based enterprises across the governorates.	Completed, March 2015	Ministry of Municipalities approved the law as planned. Law approved by Parliament.	None
4.4.2	Conduct semi-annual group meetings between banks and the Institute of Banking Studies to identify technical needs of banks in SME lending.	On schedule as planned	Two meetings a year taking place as planned.	Continue as scheduled.
3.4.12	Deliver business mentoring services to rural SMEs.	Delayed	250 of the 600 SMEs received mentoring. Measure delayed due to lack of mentor capacity. New mentors being trained, expected to be back on track with new deadline.	Co-ordinate with JEDCO to ensure implementation by December 2019.
Action XX	Measure xxxx	No progress	Institution xxx has not made any progress or provided any feedback.	Entrepreneurship and SME Growth Committee to decide whether to cancel the measure or insist upon implementation as planned

Notes: The detail in the matrix is for illustrative purposes only.

Color-coding should be used to differentiate the status of each deliverable and enable rapid focus on the issues that need intervention by the Entrepreneurship and SME Growth Committee.

Statistical analysis matrix (2):

Target	2012	2013	2014	2015	2016	2017
Growth of the number of SMEs up by 15% by 2019	Number of SMEs (baseline)	x% change against baseline	x% change against baseline	x% change against baseline		
Share of workers employed in SMEs up to 65% by 2020	xxx workers employed by SMEs (baseline)	x% change against baseline	x% change against baseline	x% change against baseline		
SMEs share of GDP up to 47% by 2020	xxx SMEs share in GDP (baseline) data	x% change against baseline	x% change against baseline	x% change against baseline		

1. Growth of the number of SMEs by 15% by 2019

What is the progress being made, what are the main reasons for the trend and is the target likely to be achieved or not and why?

2. Share of workers employed in SMEs up to 65% by 2020

What is the progress being made, what are the main reasons for the trend and is the target likely to be achieved or not and why?

3. SMEs share in GDP up to 38% by 2020

What is the progress being made, what are the main reasons for the trend and is the target likely to be achieved or not and why?

4. Attribution to the SME Strategy/Action Plan

To what extent is the progress or otherwise attributable to implementation of the strategy.

Annex E. Example of brief project profile template

Name of project/programme:					
Name of responsible ministry/agency/institution:					
Project objectives:					
Project description (detail)					
Project duration (start date, end date):					
Project activities: list major of actions/activities					
Target group (e.g. nascent entrepreneur, start-up, existing SME, women entrepreneurs, etc.)					
Geographic location (e.g. national, governorate):					
Total project cost:					
Budget source:					
Linked to which strategic goal; strategic objective; and pillar of the overall SME Strategy:	Strategic goal:				
	Strategic objective:				
	Pillar name:				
For each action, specify:	Key Performance Indicators (KPI) for outputs, and outcomes	Baseline (year, measure)	Source of monitoring data	Data collection method data (e.g. project data, survey, DOS, etc.)	Frequency of data collection
Action 1	Output: Outcome:				
Action 2	Output: Outcome:				
Action X	Output: Outcome:				

If a multi-year project, indicate the following by year:	Year 1	Year 2	Year 3	Year 4	Year 5
Activities to be implemented:					
Output and outcome (% of expected total to be achieved each year):					
Expected budget (and % of total):					
Expected outcome (% of total):					

Notes: The template could be transferred to Excel to allow for cells to expand to accommodate the necessary text.

Source: OECD configuration.



SME POLICY EFFECTIVENESS IN JORDAN

USER GUIDE 2:

EFFECTIVE MONITORING AND EVALUATION OF SME AND ENTREPRENEURSHIP POLICIES AND PROGRAMMES

Micro, small and medium-sized enterprises (SMEs) and entrepreneurs have the potential to become important drivers of change and development in Jordan. Private businesses employing one to nineteen people account for over half of employment in the business economy and from 70 to 80% of jobs in sectors such as professional services, real estate, and wholesale and retail. Yet, the productivity and performance of Jordanian SMEs is limited. For example, over 54% of those working in service-sector businesses employing fewer than four people are unpaid workers (e.g. family members), compared to just 8% in businesses with 5 to 10 workers, and 0.23% of businesses with 20 or more workers.

The project “SME Policy Effectiveness in Jordan,” implemented by the OECD and the Jordan Enterprise Development Corporation from 2016-19 helped to improve SME and entrepreneurship policy making by reinforcing institutional co-ordination and dialogue, advocating for better monitoring and evaluation of policies and programmes, and identifying ways to improve business and entrepreneurship statistics. Three User Guides are the main outputs of the project:

User Guide 1: Reinforcing SME policy co-ordination and public-private dialogue gives guidance on how to orchestrate efforts among the many actors providing SME support.

User Guide 2: Effective monitoring and evaluation of SME and entrepreneurship policies and programmes provides advice on how to assess the impact of SME support.

User Guide 3: SME statistics and entrepreneurship indicators in Jordan offers useful guidance on how to improve the evidence base for SME policy making.

The User Guides build on international practice and provide concrete areas of action for Jordan, but can also be of interest to other countries wanting to improve the effectiveness of their SME policy making.

The project was funded by the MENA Transition Fund and was implemented jointly by the Global Relations Secretariat; the Centre for Entrepreneurship, SMEs, Regions and Cities; and the Statistics and Data Directorate of the OECD.

www.oecd.org/mena/competitiveness/smes-and-entrepreneurship

www.oecd.org/cfe

www.oecd.org/sdd