



## Module 6

### Ensure monitoring and evaluation (M&E)

#### In brief

Sound monitoring and evaluation (M&E) of productive use promotion activities is an essential element a programme cycle, and is particularly important in light of the **limited well-documented experience** with productive use programmes. Such evidence is needed first and foremost to underpin decision-making on whether and in which cases it makes sense to add productive use components to energy programmes.

Even though M&E is only discussed in detail in this last section of the manual, the process should accompany all steps throughout the productive use promotion project cycle, from the very early planning steps onwards (not least because M&E costs and capacity requirements must be considered in the budget and personnel planning of interventions). The tasks included in this module, although outlined in a separate module, must therefore be implemented **in parallel** to tasks proposed in the previous modules.

If productive use promotion is implemented as a sub-component of an energy access programme, it is recommended that a **separate monitoring framework** be set up for productive use interventions. This is because results from productive use promotion will materialise within distinct

(often longer) time horizons, and because a distinct target population will be subject to the M&E surveys and studies to be undertaken.

#### Practical tasks

##### Task 6.1

#### Set objectives and define a results chain

See [Module 2](#).

##### Task 6.2

#### Collect micro-level baseline data

M&E methodologies must be designed, depending on whether productive use promotion efforts aim to transform existing businesses with electricity or to promote start-ups of productive use businesses. In the first case, monitoring can take the form of surveys among a defined sample of businesses, while in the latter case the quantity and types of new businesses must be monitored as well. In order to allow for robust evaluation of programme impacts, baseline data should also be collected among suitable control groups. The data and information collected at this stage will also be useful during the design and implementation of productive use interventions.<sup>12</sup>

12) For example, under the GIZ PDDC programme in Benin, a productive use baseline study in the programme area has helped to generate a set of business plan schemes for various types of businesses that were used later to support MSMEs in productive use uptake.



Baseline studies at micro level (i.e. at the community or company level) can cover the following elements:

- 1) Assessment of **socioeconomic indicators** (e.g. income, employment, consumption of certain goods, school enrolment, etc.; mainly quantitative) through baseline studies conducted among the target population prior to at the immediate start of interventions.
- 2) MSMEs and **business activity appraisals**, including qualitative and quantitative methods, to assess numbers and types of existing businesses as well as business opportunities. In some cases such data may already have been generated as part of the feasibility study for the electrification project in order to inform decision-makers about the type of electricity infrastructure to be built.

#### Task 6.3

##### Monitoring the institutions involved

Monitoring should also take place among institutions involved in productive use interventions in order to **assess capacity development results** of relevant services. Such monitoring may comprise the following elements:

- ▶ regular stocktaking of existing institutions and actors (private and public) that provide services relevant to productive uses, e.g. business counselling services
- ▶ qualitative analysis (such as expert interviews, focus groups, and participatory observation) of staff at technical and vocational training institutes, government agencies, public utility authorities, MFIs and NGOs involved in services relevant to productive use,

etc., to appraise the level of relevant awareness and know-how

- ▶ surveys among representative samples of (potential) clients of these institutions to assess the quality and outreach of their services.

#### Task 6.4

##### Monitor at the macro level

If programmes comprise activities aimed at the macro level, i.e. at policy-making and the **regulatory framework** relevant to productive use of electricity, monitoring scopes at this level may cover the following:

- ▶ inclusion of productive use objectives in development policies and strategies at national, regional and sectoral level
- ▶ reform of the regulatory framework as relevant to the evolution of productive electricity use;
- ▶ institutional capacities relevant to productive use among government ministries and national rural energy agencies
- ▶ changes in planning and implementation processes for policies and regulatory requirements relevant to productive electricity use (MSME promotion policies, related regulations, MSME registration & statistics, budgets, etc.).



#### Task 6.5

##### Assess impacts

There is still surprisingly little sound evidence on whether, to what degree, and under what circumstances electrification can boost economic growth through productive use of electricity, and what role complementary services designed to promote productive use play in this context. It can therefore be extremely valuable for future programmes to complement productive use intervention with **robust electrification impact assessment**. This would allow to study whether changes in enterprise performance can be attributed to productive use promotion and not to other factors.

The GIZ-ESMAP initiative *PRODUSE* was launched in 2006 to explore the nexus between rural electrification and productive use has produced and tested a sophisticated methodology for robust impact assessment of productive use efforts following rural electrification (*see tools and instruments for Module 6*).

#### Task 6.6

##### Feed M&E results and lessons learned into further planning processes within and beyond productive use programmes

Last but not least, it must be ensured that the lessons and good practice experiences emerging from M&E efforts are **communicated effectively** to decision makers involved in the planning and design of similar projects, follow-up productive use efforts in the programme area, and other energy and productive use programmes.

Productive use programme experience and concrete productive use business opportunities that have picked up successfully can also be presented directly to communities and local-level development actors (including NGOs and local government authorities) with similar socioeconomic structures with an eye to sparking further promotion of productive electricity use. Effective instruments of communication to this end include small leaflets with standard business plans or productive use tools & equipment catalogues.

### Outcomes of Module 6

- ▶ Results on the effectiveness of productive use promotion measures implemented
- ▶ evidence of outcomes to justify allocation of resources for productive use promotion
- ▶ strengthened M&E capacities among monitoring and evaluation partners
- ▶ lessons learned and good practice experience to be fed into future productive use programme planning

## TOOLS AND INSTRUMENTS

### Readily usable Tools or Instruments

#### **GIZ (2008) Results-based Monitoring. Guidelines for Technical Cooperation.** Eschborn.

The guidelines describe the general concept of results-based monitoring, and summarize the tasks to be performed, from project design to the use of monitoring results.

#### **RWI (2011): Impact Evaluation of Productive Use – An Implementation Guideline for Electrification Projects.**

Ruhr Economic Paper No. 279.

This hands-on guide for designing evaluations of the impacts of productive electricity usage was developed by RWI in the framework of the GIZ/ESMAP study *Productive Use of Electricity (PRODUSE) – VOLUME I – Measuring Impacts of Electrification on Small and Micro Businesses in Sub-Saharan Africa*. Complementary to the existing literature on evaluation methods, this guide familiarizes project managers with the concrete steps that have to be undertaken to plan and implement an evaluation. The guide comprises three modules based on enterprise surveys and on anecdotal case studies. For each module, the implementation is described on a step-by-step basis including conceptual issues as well as logistics and methodological questions.

<http://www.rwi-essen.de/publikationen/ruhr-economic-papers/396/>

#### **IFC Advisory Services / GIZ / DFID (2008), The Monitoring and Evaluation Handbook For Business Environment Reform.**

A handbook for **Business Enabling Environment (BEE)** practitioners offering guidance on **Monitoring and Evaluation (M&E)** and within this the task of **Impact Assessment (IA)**.