

**DETERMINATION OF THE IMPACT OF MONITORING AND EVALUATION ON
BUSINESS DEVELOPMENT SERVICES IN PROVIDING EFFECTIVE SERVICES
TO SMEs: A CASE OF MWANZA CITY**

AGAPE T. MNZAVA

**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN
MONITORING AND EVALUATION OF THE OPEN UNIVERSITY OF
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CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by the Open University of Tanzania a dissertation titled; "Determination of the Impact of Monitoring And Evaluation on Business Development Services on Providing Effective Services to SMEs: A Case of Mwanza City" in partial fulfilment of requirement for the degree of Master degree of Arts in Monitoring and Evaluation of the Open University of Tanzania

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Dr. Hamidu Shungu

(Supervisor)

í í í í í í í í í í í í í í í

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DECLARATION

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Signature

í í í í í í í í í .í í í í

Date

DEDICATION

I dedicate this dissertation to my Darling Daughter Genesis-Gloria. Genesis it can be done, if you can dream it, you can do it.

ACKNOWLEDGEMENT

I will be selfish if I will not recognize several individuals who have encouraged me as I was pursuing my Master Degree. I will forever be appreciative of my daughter Genesis-Gloria who complained less despite missing mama from home most times and kept reminding me that I should graduate. My dear parents who have always see the potential in me and so encouraged me to go for my higher studies. Their prayers and moral support made me do the impossible. Together with them are my adorable siblings Andrew, Emmanuel and Faith. I adore you.

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ABSTRACT

SMEs are the engine of economic growth to many developing countries. Despite their importance and number their growth is slow and survival minimal. Because of this, governments, donors and private companies introduced business development services such as marketing, management consultancy, technical assistance, advisory services, business incubators and business link to help SMEs grow and survive like their counterparts. M&E is a systematic collection and an analysis of information and the processes to determine the extent to which goals and milestones are being met and analysed for any discrepancies. Result Based M&E act as a link between one completed projects to the other. And since Business Development Services takes the shape of a program or project, it can be monitored and evaluated and this research aimed at assessing whether there is a relation between use of M&E and effectiveness of BDS in providing their services to SMEs. The study involved 9 BDS providers and 25 SMEs from Mwanza City, the SMEs were selected using random sample method from the list of BDS clients. The data was collected through structured questioners, and interviews. The analysis was done by using SPSS and Microsoft Excel. The study found that M&E is very important in ensuring that BDS provides effective services to SMEs. However, challenges that are to be addressed includes lack of enough funds to carry out M&E activities, lack of accurate information from SMEs, lack of involvement of stakeholders, and language barriers. The government should change the SMEs policy of 2002 and make M&E mandatory. An institution that teaches M&E should approach BDS and help them understand the importance of having and using the M&E system and employing qualified M&E personnel.

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LIST OF ABBREVIATIONS

BDS	Business Development Service
CIPP	Context, Input, Process and Product
GDP	Gross Domestic Product
ICT	Information Communication Technology
IFAD	International Fund for Agricultural Development
M&E	Monitoring and Evaluation
MSME	Micro Small and Medium Enterprises
NGOs	Non-Government Organizations
PLCA	Project Life Cycle Approach
RBM	Result Based Management
SIDO	Small Industries Development Organization
SMEs	Small Medium Enterprises
SPSS	Statistical Package for Social Sciences
TOC	Theory of Change
TOR	Terms of Reference
UNDP	United Nations Development Program
URT	United Republic of Tanzania

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The global economy is driven by, among other factors, a blend of small, and medium enterprises (SME) making them the most powerful economic forces in the developing world, comprising of main employer and main contributor of the national gross domestic product (GDP) (World Bank, 2001). SMEs are defined differently in different economies making some generalisations and deductions vary from one country to another. In Tanzania, the enterprises categories are defined based on the number of employees and the capital investment in machinery (MoIT, 2012). The Tanzania's categorisation is depicted in the Table 1.

Table 1.1: Enterprises Categorisation in Tanzania

Business Category	Number of Employees	Capital Investment in Machinery (TZS)
Micro Enterprise	1 to 4	Up to 5 Million
Small Enterprise	5 to 49	Above 5 to 200 Million
Medium Enterprise	50 to 99	Above 200 Million to 800 Million
Large Enterprise	100+	Above 800 Million

Source: SME Policy, 2002

In Tanzania, 90% of companies registered are micro, small and medium enterprises. This target group has been identified as the catalyst for the economic growth of the country since it is a major source of income and employment (Moshia, 2004). Micro Enterprises in Tanzania are said to have a goods production characteristic and are known to provide about 85% of manufacturing employment of Tanzanians (Aryeetey, 2001). SMEs also contribute about 27% to Tanzania's GDP and account

for about 92% of businesses in Tanzania (National Baseline Survey MSME, 2012). SMEs therefore have a crucial role to play in the creation of employment and contribution to economic growth of countries.

The development of SMEs has long been regarded as crucial for the achievement of broader development objectives, including poverty alleviation, economic development and an increase in per capita income. There is a growing appreciation of the important role SMEs play in the economic development of a country. They are often described as efficient and prolific job creators, the seeds of big businesses and the fuel of national economic engines (UNCTAD, 2001). Even in the developed industrial economies, it is the SMEs sector rather than the medium and large enterprises (MLE) that are the largest employers of workers (Abor et al., 2010).

For their survival and growth, SMEs have a range of challenges whose nature are influenced by sector and stage of the enterprises development but is related to their ability to access new technology, designing products, enhancing productivity, marketing, improving administration, and communicating effectively (Neagu, 2016). The degree to which these needs are met will have a major influence on business success. In order to meet these needs, financial and non-financial services are a critical part of immediate environments that are conducive to the development and sustainability of these SMEs (SME policy, 2002). They provide relevant differentiated services to meet these needs on an informal or formal basis.

There are formal and informal private companies that are for profit and non-profit organisations that offer these services to SMEs. In the most entrepreneurial

situations, private sector companies and formal and informal networks are the most important players. SMEs will either die or remain small, unless they are supported (SED, 2000). The study has shown that nearly 95% of all SMEs if not helped will continue to employ fewer than ten people and about 75% will end up having no employees after they have run for a while (Young, 2013).

Traditionally, donors held that SMEs can survive and compete if they get the financial help, the view that has shifted after the financial intervention to have proved inadequate to address the growth and sustainability of SMES (Bear, Gibson and Hitchins, 2003). In particular there is now widespread acceptance that the results of many interventions in relation to outreach, sustainability and impact by financial support have been disappointing (Bear, et al, 2003). So many donors have now understood that SMEs need more than finance intervention, and have intervened in a variety of ways to support the provision of non-financial services to SMEs. The analysis of this experience has created a differentiated focus helping the SMEs through the business development services (BDS).

Business Development Services are defined as wide range of non-financial services critical to the entry, survival, productivity, competitiveness, and growth of micro and small enterprises (Olomi, 2009). These services are primarily aimed at, among other services, skills transfer, or business advice. A range of business support options have been developed and can be applied to develop small businesses. However, key benchmarks need to be applied in order for such support to be effective.

Business services consist of a range of professional services and support services. It is one of the areas in which development partners have been most active in their

support of developing the transition economies. This trend has to continue due to the important contributions BDS makes to building up human capital in Small and Medium Enterprises (SMEs) and to facilitating sound business decisions and good business practices (OECD, 2004). The BDS services include knowledge-intensive services that SMEs desperately require. They, for instance, help to increase the knowledge base of SME owners and managers about what factors motivate employees, so as to ensure employee satisfaction. Knowledge has long been argued to be one of the main sources of the competitive advantage of firms (Conner and Prahalad, 1996; Grant, 1996) that increases the chances of survival and growth.

BDS providers now know that if the SMEs are well trained and supported in market access, input supply, technology and product development, they can be key parts of thriving, globally competitive industries, creating the large numbers of jobs needed to reduce poverty. In the right business environment, SMEs can grow into large firms, changing the game locally, carving their niche globally (IFRC, 2011). BDS are designed to help the MSEs to cope with reduced demand in their traditional markets and develop products and services for new markets and new opportunities arising during the crisis. They provide creative professional services such as management consultancy, design activities, marketing services, architectural and engineering services; and information and communication technology (ICT). They also provide services such as labour recruitment and support amenities such as security services and industrial cleaning activities (Nora et al, 2012).

According to Tanburn, Trah and Hallberg, (2001), BDS are designed to serve individual businesses, as opposed to the larger business community. However there

is little evidence of the impact BDS has had on SMEs to cause them to grow and be able to achieve the intended objectives of BDS that is SMEs economic growth, employment generation and poverty alleviation (UNDP, 2004). In order to properly assess the BDS impact to the SME, periodical monitoring and evaluation are required. As the intervention is applied to SME functions and operations, there must be a way to assess how the improvements are achieved and gauged (Tanburn, Trah and Hallberg, 2001).

The process of evaluating the way the intervention is affecting the targeted operation from the beginning to the end is termed as monitoring and evaluation (M&E). Coupling BDS operation in SME and the M&E is important because they can assist entrepreneurs to run their business more effectively and, if appropriately applied, can act as an enhancer of access to finance and as an alternative form of collateral in circumstances where tangible collateral may be an impediment to meeting traditional security requirements (UNCTAD, 2001).

Monitoring is an activity that involves routine collection and analysis of information to track progress against set plans and check compliance to established standards; it is the continuous assessment of project implementation about design schedules on inputs, infrastructure, and services (IFRC, 2011). It can be viewed as a periodic observation of project's relevance, performance, efficiency, and impact both expected and unexpected about stated objectives (Shapiro, 2011).

According to most literature monitoring provide information to make decisions regarding project activities require diverse types of monitoring. Therefore, the

importance of Monitoring in global efforts toward achieving SME growth and sustainability cannot be understated (Tanburn, et al., 2001). As a process in helping the SMEs' operations, monitoring systematically collects data against specified indicators at each stage of the intervention cycle. Hence there is evidence-based reporting on intervention at every stage, relative to respective targets and outcomes (McVay, 2000). And it can be stated that monitoring is a detective tool, continuously generating information that enables both BDS providers and SME owners to make adjustments during the implementation phase of an intervention (McVay, 2000). So, it follows then, that for the tool to provide accurate, valid and consistent information usable to programme managers, it must be well-designed and functioning smoothly (Tanburne, et al., 2001).

Understanding of monitoring systems presupposes appreciation of conceptual building blocks. The terms monitoring and evaluation are distinct, yet complementary. Evaluation on the other hand is a systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results, it involves comparing the present situation with the past in order to find out the extent to which the laid down objectives have been achieved (IFRC, 2011).

Evaluation is periodic assessing whether the objectives have been reached and assess any intended and unintended impact of a project. The aim is to help project implementers to learn the best practices and use the lesson learned in the future projects. Evaluation is aimed at assessing the effectiveness and efficiency of the project and this ensures that there is effective allocation of resources (UNDP, 2002)

M&E, therefore, is a tool use by both BDS and SME managements to assess the implementation and impact of the BDS intervention to the SME operation to determine whether the objectives have been achieved and the expected outcome and impact can be observed, it is done in the components and the entire BDS operation (IFAD, 2002).

The information provided by the M&E System helps the organisation assess and guide its strategy, progress, effectiveness, and give information to the future programs (IFAD, 2002; Chaplowe, 2008). Therefore, M&E system provides a platform for organizations to be able to analyse itself, by providing and communicating data to all the stakeholders to be able to assess its progress. A project that is diligently Monitored and Evaluated for financial oversight and compliance with sound management and performance principles may very well achieve impacts. The emphasis on aid effectiveness and results-based development obliges practitioners empirically to demonstrate the impacts of their projects and programs (UNDP, 2014).

One of the areas that the BDS are helping is human capacity building. This consists of equipping individuals with the understanding, skills, and access to information, knowledge, and training that enables them to perform effectively (Henry, 2006). Capacity building and training have long been recognized as an important component of most research-for development activities. Business development services have the goal to increase sales of SMEs and reduce costs so that the business can grow and become more profitable. This growth and increased income lead to more profitability for SMEs owners, more jobs in the community and growth

for other SMEs in the same market (ILO, 2003).

1.2 Statement of Problem

Despite the benefits of having an effective monitoring and evaluation (M&E) system, most organisations in developing countries do not have mechanisms of tracking their performance, evaluation in most BDS is still weak and the attention given to M&E is not consistent throughout the project cycle (Acevedo, Rivera, Lima, & Hwang, 2010; Dobi, 2012). However in recent years there has been an increase in need for evidence of result for funds used, and indication of impact, the pressure has been mostly from donors (OECD, 2018; Acevedo, Rivera, Lima, & Hwang, 2010).

Studies have indicated that in Tanzania SMEs are performing poorly in many dimensions. The reasons advanced are SMEs constraints including access to finance, weak managerial and workforce skills, inability to exploit economies of scale in production, lack of proper information about market opportunities, new technologies and operation methods (Mbura & Bambaganya, 2015). In many cases they also suffer from cumbersome bureaucratic procedures for setting, operating and growing a business, and investment climate constraints that are burdensome to them than to their larger counterparts, as a result, many SMEs are incompetent in the market especially the export one due to high transaction costs, accounting to stagnation and high rate of business failures (World Bank, 2007; National Baseline Survey MSME, 2012).

Because of poor SME performance, business development services (BDS) come in as important assistance since they can support entrepreneurs to run their business

more effectively. They oftentimes act as an enhancer of access to finance and as an alternative form of collateral in circumstances where tangible collateral may be an impediment to meeting traditional security requirements (UNCTAD, 2001; Mbura, 2015). BDS help SMEs to access better technology, proper inputs, products market and aid in managing SMEs business more efficiently. In as much as BDS is important in the performance and growth of SMEs, less is known of their use of M&E as a tool in setting goals and targets, identifying the performance indicators, and making follow-ups of their intervention in the SMEs performance.

GAO (2012) reports that 39 out of 53 programmes did not conduct evaluation of their programs, while in the past ten years, they have conducted only one (1). NAO (2006) indicated that in the United Kingdom, the National Audit Office did not provide evaluation report of success of business support. Research in developing countries shows that, donors who have invested in BDS activities cannot demonstrate significant evidence of the impacts of their activities to SMEs, little or no focus is being given to the analysis of the impacts, and no evidences exist that proper M&E is applied in the intervention programmes (Pinto, 2015). If M&E is not included in the BDS activities then, there will be no redesigning and the improvement of the efforts to ensure that SMEs grows, and hence the BDS efforts may end up useless(IFRC, 2011). With no proper M&E, the replication of BDS success in SME will not be possible.

This paper therefore rigorously determined the impact of BDS use of M&E Systems in providing effective service to SMEs in Mwanza Tanzania.

1.3 Research Objectives

1.3.1 The Main Objectives of the Study

The main objective of the study was to determine the impact of Monitoring and Evaluation on Business Development Service in providing effective service to Small and Medium Enterprises.

1.3.2 Specific Objectives of the Study

- i. To learn the impact of using M&E on BDS in providing effective services to small and medium enterprises.
- ii. To determine the challenges associated with BDS use of M&E System.
- iii. To suggest effective ways to integrate M&E System in the delivery of Business Development Services.

1.4 Research Questions

The research has aimed to answer the following questions:

- i. What is the impact of using M&E on BDS in providing effective services to small and medium enterprises?
- ii. What are the challenges associated with BDS use of M&E System?
- iii. What are effective ways to integrate M&E System in the delivery of Business Development Services?

1.5 The Significance of the Study

A lot of interventions have been put in place to address issues in the SME sector but to no avail. This study therefore creates a platform for the government, donors and private owned BDS providers to assess whether they are achieving the aim of job

creation and increases in sales to SMEs with regards to the achievement of the goals of BDS provision that is, increasing employment and productivity. Also, as far as the main aim of the research is concerned which is to look at the impact of M&E in BDS on providing effective services to SMEs, the research has vital importance of showing the various components of M&E and BDS in solving problems of the sector and also facilitating growth. The research will also offer BDS the opportunity to learn some lessons and also improve upon the delivery of their services. Lastly, the findings, conclusions and recommendations will contribute to the existing limited body of knowledge for M&E and BDS and further research in the Tanzania.

1.6 Scope of the Study

The study focused on BDS found in Mwanza City because of limited time and funds. The study also only focused on the impact of M&E and did not look at how the M&E is being implemented in the BDS, the tools used and their effectiveness in conducting M&E

1.7 Organisation of the Study

The study comprises of five (5) chapters. The first chapter gives an introduction of the linkages between monitoring and evaluation in Business Development Services and SMEs which involves the various definitions of important issues, the objectives, research questions and justification for the study. The second chapter looks at the concepts of SMEs, Monitoring and Evaluation, Business Development Services. The study is looked at from both the global, national point of view. It is to give an understanding of the topic from a broader perspective.

The third chapter talks about the profile of the Mwanza Region. This involves the physical, demographic and economic characteristics. It gives the conditions in the region which favours the growth of these enterprises and factors which enhances the development of the Region. The research methodology has also been dealt with in detail. The chapter four talks about the data analysis and presentation and it is where the collected data has been analysed in relation to the existing situation on the ground. The chapter five describes the major findings, conclusion and recommendations. Recommendations have been given to the various issues discussed in the findings in relation to the objectives and the research questions.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Small and Medium Enterprises (SMEs) play a very important role in the economy in both developed and developing countries (SED,2002). They are said to be the engine of growth of economies and as such have received a lot of attention. Business Development Services (BDS) are the non- financial services provided to small enterprises to help them perform effectively with the aim of contributing to poverty alleviation, economic growth and employment generation and as a result plays a vital role in the development of the Micro enterprises (SME Policy, 2002).

This chapter describes BDS and how they make use of Monitoring and Evaluation (M&E) to the growth of SMEs. The first aspect focuses on the SME Policy in Tanzania, the theory of change and PLCA approach of BDS in providing effective service to SMEs. The second aspect describes BDSs and use of M&E from the perspective of different countries and committees, their characteristics, roles and constraints to the growth of SMEs and a conceptual framework of Business Development Services and M&E.

2.2 Definition of Key Concepts

2.2.1 Small Medium Enterprises

SMEs are defined differently in different economies making some generalisations and deductions vary from one country to another. In Tanzania they are entrepreneurial activities defined by the number of employees and capital investments. The specifications as hereunder in the Table 2.1.

Table 2.1: Tanzania's Enterprise Specification

Business Category	Number of Employees	Capital Investment in Machinery (TZS)
Micro Enterprise	1 to 4	Up to 5 Million
Small Enterprise	5 to 49	Above 5 to 200 Million
Medium Enterprise	50 to 99	Above 200 Million to 800 Million
Large Enterprise	100+	Above 800 Million

Source: SME Policy, 2002

2.2.2 Business Development Services

These are wide range of non-financial services critical to the entry, survival, productivity, competitiveness, and growth of micro and small enterprises that improve the performance of the enterprise, its access to markets, and its ability to compete (Olomi, 2009). These services are primarily aimed at, among other services, skills transfer, or business advice. A range of business support options have been developed and can be applied to develop small businesses. BDS are designed to serve individual businesses, as opposed to the larger business community (World Bank, 2001).

2.2.3 Impact

Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended (Intrac, 2015).

2.2.4 Monitoring and Evaluation (M&E) System

Monitoring is the process of regular and systematic collection, analysing and reporting information about a project's inputs, activities, outputs, outcomes and impacts (Chaplowe, 2008). Monitoring is therefore a way of improving efficiency and effectiveness of a project, by providing the management and stakeholders with

project progressive development and achievement of its objectives within the allocated funds (World Bank, 2011).

Evaluation is the assessment of what the project intended to achieve, assessing progress towards what was to be achieved and impact on targets, looking at the effectiveness of the project strategy, looking at the efficient use of resources, opportunity costs and sustainability of the project, and the implications for the various stakeholders (Hunter, 2009 and Shapiro, 2011). M&E System is is the set of planning, information gathering and synthesis, reflection and reporting processes, along with the necessary supporting conditions and capacities required for the outputs of M&E to make a valuable contribution to decision making and learning (IFAD, 2002).

2.3 Theoretical Literature Review

2.3.1 The Theory of Change

For the purpose of this research, the words intervention, program, project and initiative have been used synonymously. The origin of Theory of Change has its root in the evaluation field. The use of Theory of Change can be traced back in 1950s, in work such as Kirk Patrick's Four Levels of Learning Evaluation Model (Kubisch and Connel, 1998). The theory evolved to include CIPP (Context, Input, Process and Product and then later developed to the famous Logical Framework Model (Mayne, 2015). In her book Carol Weiss defined Theory of Change as, a theory of how and why an initiative works (Kubisch and Connell, 1998). She explained that the Theory of Change could explain the assumptions underlying the initiative hence better explain all the stages of the implementation and the connection between the

activities and the outcomes (Intrac, 2012).

The theory of change indicates how an intervention is going to achieve the expected results by indicating the pathway that the intervention will take to achieve its intended outcome. The theory is used in the field of Monitoring and Evaluation to help managers of the intervention track the progress of the intervention and assess the impact the intervention has on the beneficiaries (Mayne, 2015). Theory of change shows the link between activities, outcome and the impact of the intervention. The theory establishes its long term goal and the path of how the goal will be achieved (causal link) and how will the performance be measured by putting forward indicators to measures success (IFRC, 2011).

Theory of change replaced the project-output approach which had a narrow view of the project which only looked at the project as an output it produce (Kubisch and Connel, 1998). The project-output approach could not guarantee change as it focused more on the inputs and what they produced (tangible outputs) and change was not necessary (Mayne, 2015). The approach did not look at a project as a system that affects another and that the steps of implementation should be linked together to cause change. This means that the funds could not be accounted for to demonstrate relevance and effectiveness of the initiative/programs (Kerzner, 2009).

The Application of the TOC: Most authors have identified three (3) areas where theory of change can be used in the life of a project. These are planning of an intervention, managing the intervention, and assessing and scaling the intervention (IFRC, 2011). The TOC has been noted for been an important tool in the planning or

designing phase of a project. Since the TOC is goal oriented the identification of the goals to be achieved is very helpful in deciding what intervention should be implemented to achieve the identified goal (UNDP, 2009). This consists of the planning stage of an intervention.

Theory of change ensures that the intervention causes change in the lives of the beneficiaries of the economy. This requires the implementers of the intervention to involve the beneficiaries from the designing and planning stage. The process of creating the causal pathway requires involving the stakeholders so that they will be able to understand and agree with the program (IFAD, 2002). At the planning stage, the theory of change must address the gender, equity, and empowerment issues (Mayne and Johnson, 2015). An intervention cannot be effective under wrong assumptions and unfriendly conditions. The equity, gender and empowerment issues are very sensitive and should be addressed at the planning stage.

Managing the intervention is achieved when the TOR is used by project managers in designing the right monitoring system to track the implementation of the project. The monitoring system collects and utilizes data for the purpose of improving the project and ensure successful project. Knowing the goal that need to be achieved and plan for its achievement will help to decide the areas of the intervention that need monitoring, the indicators to be checked, the source of the data, the data from beneficiaries, and the underlining assumptions (IFRC, 2011).

Levinson et al (1999) explained the importance of monitoring as a tool for managing the impact in terms of the attributes of the inputs and services, the way they are

delivered, the level of acceptance to the target community, the intervention cost as well as the level at which the goals of the project are achieved. Good planning prepares managers to deal with unexpected encounters in the field, using the TOC ensures that the intervention is not only well planned but adoptable to changes in the field and learn from the activities that has being conducted and use the most effective way, without the TOC one can keep repeating the mistakes hence no desired goal (Smith, Macartney, Turrall, 2011).

2.3.2 Assessing the Intervention and Scaling

The TOC as a tool involves evaluation and so helps with planning the evaluation process, the questions that are going to be used to assess the implementation, methods that will be used to conduct the evaluation and the tools that will be used. It looks beyond the intervention and ensure that the future projects will benefit from the success of one project, the information from one intervention will help with the planning and designing of the future projects (WB, 2004). If properly applied, the TOC helps managers to accurately state the causality of impact. Having an impact pathway that is known, understood and followed from the onset of the intervention helps managers and donors to easily attribute the impact to the intervention hence make the right conclusion about the success of the intervention. (IFRC, 2011).

As the requirements, the successes of the TOC are to be reported to the donors (IFAD, 2004). They will also use the report to make decisions to scale up, down or discontinue the intervention all together. The report to stakeholders will help them to know and learn about and from the project. Internally for record keeping and its contribution to the body of knowledge will help to duplicate the intervention in

another area. Without a well indicated success plan one cannot have a success story to show for (Mayne, 2015).

2.3.3 Limitation of Theory of Change

According to Kubisch and Connel (1998) the limitations inherent in the TOC are:

1. It may be hard to have all stakeholders invest time and political capital in developing plausible, doable, and testable theories of change.
2. There is a challenge of developing and using multiple, and often sophisticated, measures of activities and outcomes
3. The linkages between activities and outcomes on a continuous basis may not be always established

The TOC has been used in the study because it describes the importance of results and emphasize on effectiveness of an intervention by using M&E system. The SME Policy (2002) indicates that BDS delivery in Tanzania is poor and the theory system approach is aimed at making sure that the goal of an intervention is reached.

2.4 Empirical Literature Review

2.4.1 Impact of M&E on BDS Effectiveness to SMEs

The study by Fredrick (2013) found that while it is important to develop the SMEs sector, it faces a number of constrains including stiff competition imposed by the importation of cheaper products, legal problems, access to finance just to mention some. According to Salum (2015), the provision of business education based of on management, corporate governance and accounting is very important to the growth of SMEs. This education is usually supplied by the BDS.

A study done by Mbura (2015) indicated that for BDS to be useful and successful, three conditions are to be met; the BDS should provide the service needed by the SMEs, they should be creative and innovative to provide solutions that encourage the growth and development of SMEs, and the government should play a role of facilitating business formalisation and access to finance and ensuring that the regulatory framework is fully functional and responsive to the needs of the SME.

2.4.2 Effective ways to Integrate M&E in BDS Activities

In the study done by Wanjiru (2013) it was shown that the effectiveness use of M&E system in NGOs has been affected by the tools and techniques that are used, and the role of management in the operation of M&E Systems. Mmasy (2018), however, observed that the performance of M&E systems in the NGOs is influenced by human capacity (by continuously strengthening the capacity of the staff on planning, design, execution (including monitoring and controlling) and evaluation technical skills especially in information systems for M&E), data quality, M&E and stakeholders participation (involve the stakeholders from the designing of the M&E System).

2.4.3 Challenges Associated with use of M&E

The Committee of Donor Agencies for SME Development (2001), indicated two problems of M&E in BDS, that although donors need to ensure accountability in the use of their funds and are often focused on the broader social and economic objectives of employment, enterprise competitiveness, and poverty alleviation, BDS providers and facilitators will not undertake evaluations that are not relevant to their operations. This often means that the cost of measuring the impact of BDS programs on market development or social/economic impact will not be borne by BDS but by

donors. Another practical problem in BDS performance measurement is the problem of attribution: were changes in performance caused by the intervention or by other factors? The committee indicated that dealing with such measurement can be difficult and costly (CDASED, 2001).

The study by Maimula, (2017) in Water projects in Mkuranga Tanzania found challenges associated with M&E included; lack of technical experience influence assessment on M&E, Political issues influence assessment on M&E, Inappropriate M&E approach, selection of tools and techniques influence M&E assessment, Less strength of monitoring team and Weak management in M&E. The respondents rated four highest mean, Less strength of Monitoring team was rated highest means 2.6 followed by Political issues influence assessment on M&E and Inappropriate M&E approach, selection of tools and techniques influence M&E assessment with mean of 2.4, lack of technical experience with 2.22 and weak management with a mean of 1.7.

Although SMEs are crucial to the economies of the world, they face a number of problems, financial and non-financial. Because of the limitations that SMEs have faced, the governments and private sectors have provide non-financial services, training, access to market, technology to help SMEs develop and grow. M&E System is very important in making sure that an intervention reaches the goal and have the desired impact to the beneficiaries (SMEs).

2.5 Research Gap

Renatus, 2015 conducted a research titled, "SMEs Growth Challenges in Mwanza City: Evidence from Food Industry", the researcher identified challenges that faces the

SMEs in Mwanza being financial and politico-legal factors followed by working premises, entrepreneurial factors, management, technological, marketing and infrastructural factors but the researcher did not discuss the role of Business Development Services and the role of M&E were not discussed.

Another research done in Temeke Municipal on The role of Small and Medium Enterprises (SMEs) in economic growth & poverty reduction indicated factors that hinders the development of SMEs to curb economic growth and poverty reduction as being corruption, in access to finances/capital constraint, government policy, poor working conditions, people factor/ lack of needed talents, lack of proper record keeping, lack of or improper professional advice and lack of trust in doing business. Inadequate education and training and lack of background and experience in the business were some of the mentioned factors (Frederick, 2013). The researcher assessed these factors but did not look at the importance of BDS to help SMEs overcome the challenges.

A research done at SIDO Morogoro, Assessment of the Effectiveness of Business Development Services on the Growth of Small and Medium- sized Enterprises in Morogoro identified that the BDSs namely; training and technology have shown a reasonable statistical significant contribution on the growth of SMEs (Samson, 2014). The study did not observe the element of M&E to assess the effectiveness of BDS. These and some of other studies have not covered studies on BDS use of M&E system in Mwanza, Tanzania. Therefore the research will contribute in the body of knowledge by assessing the impact of M&E system to BDS in order to provide effective services to SMEs in Mwanza.

2.6 Conceptual Framework

A conceptual illustrates the relationship between the variables that are in the study (Jabareen, 2009). The study's conceptual framework is illustrated in figure 1, and it indicates the various variables involved in the research, where M&E is independent variable and BDS as the dependent variable.

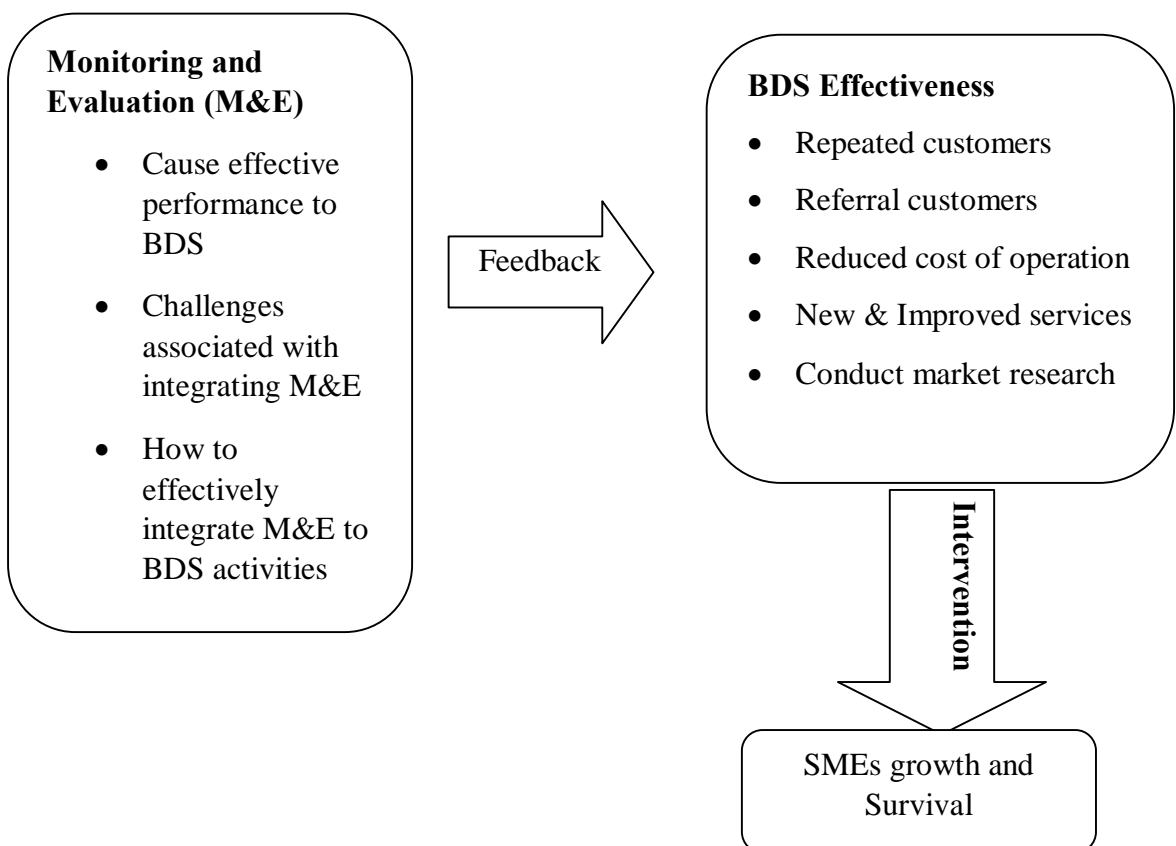


Figure 1.1: The Conceptual Framework (This Study)

BDSs are intervention to the SMEs to help them develop and grow. The BDS intervention helps SMEs be able to grow, be competitive, increase its income, employ more people and poverty alleviation in general (UNDP, 2004). For BDS to be sustainable and achieve the intended goal to SMEs then M&E tool that is properly utilised is of paramount importance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter deals with the methodology of the study, the study was conducted in the Mwanza City which includes two Mwanza Districts Ilemela and Nyamagana. According to Kothari, (2008) research methodology refers to a science of studying on how to do a scientific research. Methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically, in it we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them (Kothari, 2008).

3.2 Description of the Study Area

The study was conducted in Mwanza City area. It has total population of 476,646 according to 2002 census, total area 425 square kilometres. Within Mwanza City different economic and social activities are conducted including agriculture, trade and transportation. The study was conducted in this area since it is a suitable environment to carry out the research on the BDS use of M&E systems on provision of effective service to SME since there are many businesses concentrated in the City.

3.3 Research Design and Approach

Research design, refers to conceptual structure within which research is conducted and constitute the blueprint for the collection, measurement and analysis of data it is a plan of how a researcher will systematically collect and analyse data needed to answer research question (Kothari, 2008). The study adopted qualitative design

because it has many methodologies and techniques which helped the researcher to get a better grasp of a variety of management situations, thus the method was useful, since it enabled the researcher to unfold information about different aspects of M&E that results to effective provision of service by BDS to SMEs (Audet and Amboise, 2001). Data collection was done at one point in time and the research is done for academic purposes with time limits.

To attain the intended objective, the researcher used experience survey. This approach is appropriate for the study because the BDS and SMEs because the study is practical to their experience. Kothari (2008) says experience survey helps to obtain insights into relationships between variables and respondents can contribute new ideas in to the study.

3.4 Research Strategy

This study utilized both questionnaires and interviews thus gave the opportunity to get deeper insight and understanding to the study. Although the study is mainly qualitative, there are few elements of quantitative research. Saunders, Lewis and Thornhill, (2009) argued that qualitative and quantitative data collection techniques are used in order to balance shortcoming from each technique. The decision to use multiple instruments in collecting data ensures validity of data as one instrument complement the other (Saunders, Lewis & Thornhill, 2009).

3.5 Targeted Population

The target population under this study were the micro, small and medium enterprises owners and business development services providers staff/ owners in Mwanza City area.

3.6 Sample Size

Kothari, (2008) defines sample size as a small number of cases selected for the study purposes to represent the whole population. The sample size consisted two groups of BDS and SMEs. Sample size of BDS warden (10) staffs or BDS owners from 10 BDS firms. The selection of the ten (10) individuals was done purposely to ensure that the correspondent of reliable and competent character who could provide reliable information through interviews and questioners and could provide new ideas for the research problem (Kothari, 2008). The SMEs were selected using Simple Random Sampling and the sample size of thirty (30) SMEs from the client lists was selected from the respective BDS, each BDS randomly selected 3 of their clients to participate in the study.

3.7 Sampling Techniques

3.7.1 Simple Random Sampling

Simple random sampling is the type of sampling which provides equal chances to every member in the population to be included in the study. An equal chance means equal probability of selection (Kothari, 2008). Simple random sampling was used for generalizing data from respondents. The study used simple random sampling to select SMEs. This is because it has given even and equal chances of representative in the study, hence generalization of findings on the entire population.

3.7.2 Purposive Sampling

According to Cresswell and Clark, (2011) they stated that Purposeful sampling involves identifying and selecting individuals or groups of individuals that are especially knowledgeable about or experienced with a phenomenon of interest. The

study used purposive sampling when drawing from data from the management members or staff of the business development services who are expected to assist the researcher to obtain important information in providing solutions and new ideas to the problem under study.

3.8 Data Collection Procedures

Generally, there are two types of data which are primary and secondary data. Primary data consists of information gathered for some specific purposes which is collected through surveys and research. Secondary data consists of information that already exists somewhere having been collected for some purposes. In order to ensure that the study is valid and trusted the researcher used both primary and secondary data (Kothari, 2008).

3.8.1 Primary Data

These are information gathered directly from respondents (Saunders, et al., 2009). The data has been obtained through interview and questionnaire. Questionnaires have been distributed to respondents to assess Business Development Services use of Monitoring and Evaluation Systems on Small and Medium Enterprises Performance. Respondents were required to answer all the questions stated in questionnaires. The researcher conducted interviews to some managers of the business development services so as to ensure validity and reliability of information. The researcher directly disseminated questionnaires to the respondents.

3.8.2 Secondary Information

These are information obtained from other peoples' findings for example other researchers and literature on the topic of interest (Saunders, Lewis & Thornhill,

2009). Secondary was obtained from books, reports, journals and from the electronic or online books. This research has used electronic based sources to search secondary data like journals, articles, electronic books.

3.9 Data Collection Methods and Tools

This part of the research explains the particulars of instruments which were used to conduct this study.

3.9.1 Questionnaire

Questionnaires were used as instruments of the study. Questioners were administered to both BDS and SMEs.

3.9.2 Interviews

Saunders, Lewis & Thornhill, (2009) said that interviews are set of questions that are normally asked to the respondent and are subject to change depending on the comfort of the respondent. The researcher used face to face oral interview to triangulate the data collected using questionnaires

3.10 Data Processing, Analysis and Presentation

3.10.1 Data processing

Data processing was a preliminary step leading to an understanding of the collected data. This involved data editing to detect errors and omissions and make corrections, Coding which involved abbreviating the variables so that they could fit into the SPSS spread sheet columns and assigning numbers to various variables to facilitate the data entry (Saunders, Lewis & Thornhill, 2009). Qualitative data have been quantified and coded to simplify the analysis process.

3.10.2 Data Analysis

Data analysis refers to the computation of certain measures along with searching for patterns of relationship that exist among data groups (Kothari, 2008). Descriptive statistics has been used to describe and compare variables numerically (Saunders, Lewis & Thornhill, 2009) and data analysis of this research was done using Statistical Package for Social Studies (SPSS) program to compute percentages and obtain frequencies.

3.10.3 Data Presentation

The findings of the study are presented using tables and bar graphs and charts to visually enable easy understanding of the findings. The tables, graphs and charts were created by using SPSS software

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter presents analyses and discuss whether Monitoring and Evaluation has impact on BDS activities to SMEs. The presentation includes visual presentation such as tables and graphs and the analysis is done using SPSS Software. The chapter discusses the research questions of this study and analysed, presented and interpreted the findings as collected.

4.2 Respondent Rate

A total of 40 questioners were sent to business development service providers and small and medium enterprises. Of these 34, equivalent to 75%, were completely filled and returned. Although there is no agreed standard response rate, there is general consensus that at least half of the sample should have completed the survey instrument (Draugalis, 2008). Therefore this response rate is acceptable.

4.3 General Information of Respondents

The general information provides the social-demographic characteristics of the respondents which include level of education and working experience, nature of BDS and number of employees employed by the SMEs.

4.3.1 Level of Education

The study analysed the respondent's level of education, in this case SMEs in order to observe their level of literacy. The results from the finding indicated that most SMEs have low education level.

Table 4.1: Level of Education

Education Level	Frequency	Percentage
Secondary Education	16	64
College Education	4	16
Graduates	3	12
Post Graduates	2	8
Total	25	100

Source: Field Data, 2019

4.3.2 Working Experience

The work experience here indicates the years that a particular BDS has been doing its BDS activities to SMEs. The findings are as below

BDS Duration of operation;

Table 4.2: Duration of BDS Operation 1

Duration of BDS Work	Frequency	Percentage
<10 years	4	45
×10 years	3	33
20+ years	2	22
Total	9	100

Source: Field Data, 2019

4.3.3 Nature of BDS

Since BDS are either Donor/international Organization supported or Government supported and privately owned, the researcher wanted to know the nature of BDS respondents. The findings are as recorded.

Table 4.3: Nature of BDS

Nature of BDS	Frequency	Percentage
Donor/International	6	66
Government	1	12
Private	2	22
Total	9	100

Source: Field Data, 2019

The findings indicate that most BDS are donor funded and managed in collaboration with expats and local managers. And the one that is government entity has projects carried out in collaboration with international organization.

4.2.4. The Number of Employees in SMEs Business

The number of employees that the SMEs are able to employ indicates the achievements of SMEs and this indicates the impact that business development services have on SMEs. The Tanzania's SME policy (2000) categorizes SMEs by number of employees and the capital employed this makes number of employees an important indicator of success.

Table 4.4: Number of SMEs Employees

Number of employees	Frequency	Percentage
>1	23	92%
50+	1	4%

Source: Field Data, 2019

4.4 The Impacts of Monitoring and Evaluation in BDS Activities on SMEs

This objective wanted to analyse whether Monitoring and Evaluation have an Impact on BDS activities. To know this the researcher first needed to know whether BDS

providers have knowledge of what M&E is, whether BDS providers have the M&E System and if the M&E system is being used.

4.4.1 Knowledge, Presence and use of M&E System

4.4.1.1 Knowledge of M&E System

To determine if M&E has had an impact the researcher wanted to know whether the BDS has knowledge of what and M&E System. The researcher contacted ten (9) BDS and of these 78% responded that they knew what M&E System is.

4.4.1.2 Presence of M&E System in the Organization

The researcher wanted to know whether BDS have M&E system in their model of work. The BDS that participated in the study, five (6) are international organizations or organizations that partner with international organizations, and having the M&E System is a requirement when conducting their activities (Otieno, 2000). Two (2) are run by Tanzanians and One (1) is run by the government. Seventy (77.8%) of respondents said that they have the M&E system and the rest said they do not have a defined M&E System but they conduct monitoring only to ensure effectiveness of their activities

4.4.1.3 Use of M&E System

Table 4.5: Use of M&E Information

Use	Frequency	Percentage
Decision Making	7	77.8
Preparing Trainings and Designing of Customized services	4	44.5
Planning	6	66.7
Project Impact Assessment	6	66.7
Project Improvement	5	55.6

Source: Field Data, 2019

The researcher wanted to know how the information from M&E is used to improve BDS activities and decision making was the most important use. The use of the M&E information helps in making decisions to scale up, down or discontinue the intervention all together (IFAD, 2004). The BDS also identified that since their programs are time bound they help to make regular improvement to ensure that they provide desired results to the beneficiaries. Because the projects that are carried out by BDS are donor funded projects, donors requires that the impact of the project is known to justify the funds provided (Lahey, 2015). This information will help to show the causality of impact and ensure effectiveness (Gertler *et al.*, 2011). Planning was also mentioned to be one of the uses of the information obtained from M&E activities. The information from one intervention will help with the planning and designing of the future projects (World Bank, 2004).

4.4.2 Aspects of M&E that Cause Effectiveness of BDS Service Provision

After knowing whether the BDS have and know about M&E the researcher wanted to know how M&E increases effectiveness of BDS provisions. The following aspects were indicated to cause BDS effectiveness.

Table 4.6: Areas M&E that Cause BDS Effectiveness

Item	Aspects	Frequency	Percentage
1	Monitoring of services provided (During and After)	8	89%
2	Evaluation of Impact the BDS service have on SMEs	6	67%
3	Planning for service provision (present and future)	6	67%
4	Budgetary preparation and logistics	5	56%
5	Reviewing of BDS services and make improvements	7	78%

Source: Field Data, 2019

When asked to say which aspects of M&E that mostly influences BDS effectiveness, BDS mentioned monitoring of services provided ranked as the most considered aspect at 80%, this is mentioned even by the BDS that do not have an M&E System that is well established. BDS also identified reviewing of BDS service as the second important aspect, again this was mentioned by BDS that have an M&E system and those that do not. Evaluation of Impact and Planning for future services came third at 60% each while budgetary preparation came last at 50%.

4.4.3 Impact of M&E in Business Development Provision

The study analysed the impact that Monitoring & Evaluation has on BDS activities and the following was found.

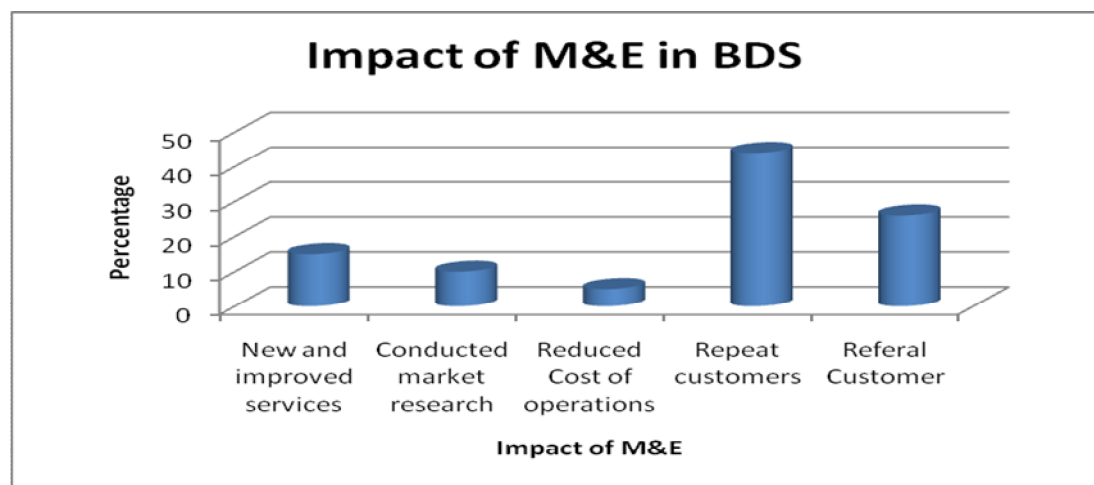


Figure 4.1: Impact of M&E in BDS

Source: Field Data, 2019

The BDS employees identified that there has been great impact of using M&E in the running of its operations. And the repeat of customers ranked high above the rest as the highest impact at 44%, this indicates customer satisfaction, this can be supported by a study done in Jordanian mobile phone companies (Alshurideh, et al., 2012). This is emphasized by Dvir (2005), who noted that one of the important dimensions

in project success includes customer satisfaction. This is followed by Customer referral at 26%. Al-Tmeemy (2011) noted that successful projects also contributes to company's success in long term in terms of gaining a competitive advantages; enhancing company's reputation; increasing the market share; and reaching specified revenue and profits.

M&E has had impact also on the quality of service provided at 15%, it has helped the BDS to conduct market research (15%) and it has reduced operation costs (10%) This also has been the case in Ghana where the study conducted in construction projects indicated that projects that have not been properly monitored and evaluated end up not being successfully completed, it continued to note that, it is evident that the project success criteria, which include the project scope performance, the health and safety performance, the environmental performance, the cost performance and the relationship with stakeholders, are impacted positively by M&E practices (Kissi et al, 2019). To know more about this the researcher asked SMEs what effect has the BDS had in their wellbeing and they noted the following;

Table 4.7: Impact of BDS on SMEs

Impact of BDS on SMEs	Percentage of Impact
Happy to be self employed	84%
Have stable source of income	60%
Have employed others	75%
Adds value to raw materials	68%
Business Growth and Innovation	78%

Source: Field Data, 2019

The SMEs were asked to rate the impact of BDS in their lives in order of importance and the state of happiness of being self-employed was rated 84% being the highest of the impacts. The SMEs also indicated that BDS helped their business to grow and has helped them to be innovative (78%), being able to employ people 75%, SMEs

have been able to add value to raw material 68% and have stable sources of income 60%.

4.5 Problems and Challenges Associated With BDSS' Use of M&E System

The researcher wanted to know if BDS faced any challenges or problems when using the M&E System. A number of challenges were identified from both the BDS and SMEs.

A. Challenges Identified by BDS employees;

4.5.1 Insufficient Budget for M&E Activities

Insufficient budget set for M&E activities, this is a challenge not only to BDS but many other institutions around the world, in Tanzania the office of the Prime Minister's office allocates 8% for M&E activities (PO-RALG, 2014). In a research done by Tengan&Aigbavboa (2016) in Ghana, indicated that limited resources and budgetary allocations were ranked number two (2) in the list barriers of effective M&E. In the United States of America President Obama created a fund to encourage programs to undertake evaluation (World Bank, 2010).

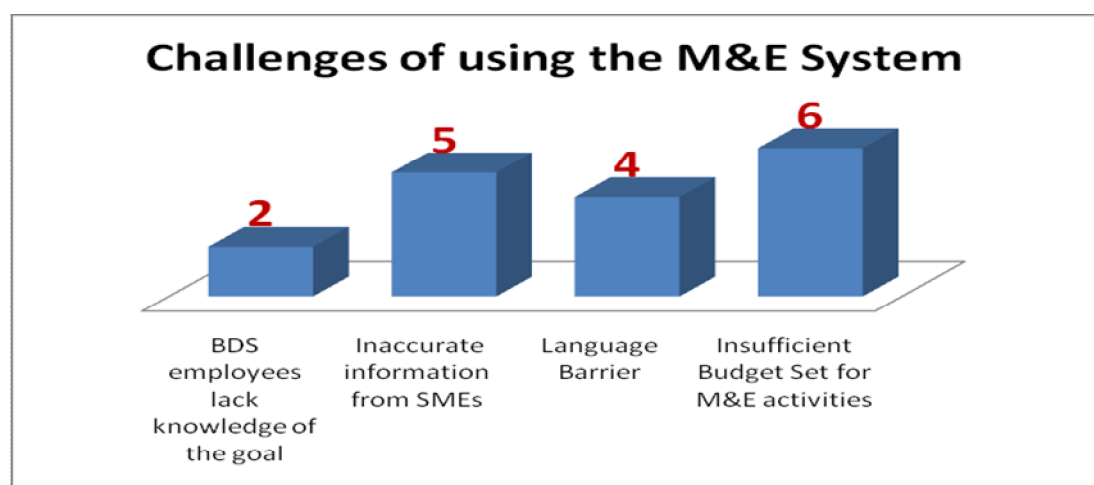


Figure 4.2: Challenges of M&E System

Source: Field Data, 2019

4.5.2 Inaccurate and Lack of Quality Data from SMEs

The other challenge is inaccurate information from SMEs. During the interview with BDS and SMEs lack of involvement of the stakeholders in the preparation of the M&E System was mentioned to cause SMEs to provide inaccurate information because, first they do not know the importance of why the information they provide, secondly the languages in the questioners is not known to the SMEs and when it is interpreted it lose its intended meaning and lastly because of lack of formal registration of SMEs place of business and their nomadic nature, M&E becomes ineffective because not all SMEs can be found after they receive the service. Involvement of all the stakeholders in M&E activities especially the beneficiaries has proven effective in delivering the service because involvement brings the sense of ownership of the program and this results in provision of accurate information (IFAD, 2002).

B. Challenges identified by SMEs

4.5.3. Lack of Involvement in the M&E System Planning

When the SMEs were asked about the challenges in provision of services by the BDS they identified that they are not involved in the choices of topics in training that they attend. They however indicated that although the trainings have been helpful, they believe they would be even more efficient if they were involved. When BDS were asked whether SMEs are paying for the training 60% of the BDS said that they were sponsored by international partner organizations and the rest 40% said they charge SMEs very little. The researcher then asked the SMEs if they were ready to pay for the training, they said, "will pay for what they like". This is evident to other projects where because of the involvement of beneficiaries in the day to day running

of the project activities, the project had surplus material unlike when only the project people were involved (IFAD, 2002). Other services that SMEs needed, they went and sought help from the BDS.

The lack of participatory M&E approach is a big concern to many projects in the developing countries as noted in a paper by Lema&Kapange (2006), the case of Farmersø organizations and agricultural innovation in Tanzania, ò M&E is supposed to be conducted in a bottom-up fashion, from village, ward and district up to national levels. However, as yet M&E is mostly conducted at national and district levels without much involvement by farmers and other key stakeholders. There is no emphasis on participatory M&Eö

Table 4.8: Challenges by SMEs

Challenge	Frequency	Percentage
Lack of involvement in topic choice	20	68.9%
Language	18	62.1%

Source: Field Data, 2019

4.5.4 Language Barrier

Language barrier was also mentioned as another challenge. This is because most of the BDS are sponsored by donor countries or a partnership with international organization. 64% of the SMEs in this study have at most Ordinary Level Certificate while the remaining 36% have diploma level to higher learning education. This means most SMEs cannot master well the English language that is mostly used and the technical jargons in the M&E tool. The study also has indicated that 6 out of 9 BDS contacted are donor funded/international organization and they have most experts working in the organisations.

In the study done by Businaro (2012) found that, 98,7% of the international humanitarian workers surveyed believe that language barriers do affect communication in a negative way, partially for 26% of the respondents; very much for 54,5%, and completely for 18,2%. This is an indicator that there is general awareness among humanitarian workers of the obstacle posed by language barriers in the communication process, and consequently in the delivery of aid. Language barrier contributes to provision of inaccurate information to the BDS.

4.6 How to Effectively Integrate M&E System in the Delivery of BDS

With this objective the researcher wanted to know what BDS employee recommends that would make M&E effective in delivering of its services to BDS.

4.6.1 Involvement of Stakeholders in M&E System Activities

This is the most mentioned recommendation by the BDS employees. The interviewees said that involvement of SMEs and other stakeholders will make their work easy and will make the information usable for the future of their activities. The BDS employees also indicated the need for them to be involved in the preparation of the M&E System instead of it being handed down to them. The involvement of the SMEs will also bring efficiency by providing the service that is timely needed and practical (World Bank, 2011). The study done by Ngwenya& Kaufmann (2017) in Tanzania indicated that PM&E helped the beneficiaries to acquire knowledge of how to effectively record and share information. Since accurate information and effective sharing of information is important to making the M&E system to work better and in return will ensure effective provision of BDS services to SMEs (Kusek & Rist, 2004).

This approach of involving stakeholder (Participatory method) in a project funded by the World Bank in Pakistan and the results were, "Dropouts of community-based organizations fell from 37% in Phase 1 to none in Phase 3. Costs have been reduced by up to 40% and works are often of better quality than those carried out through government contracting. If participation is to lead to sustained efforts and empowerment, then a common understanding and shared decision-making are needed. This implies seeing joint M&E as part of good governance" (IFAD, 2002).

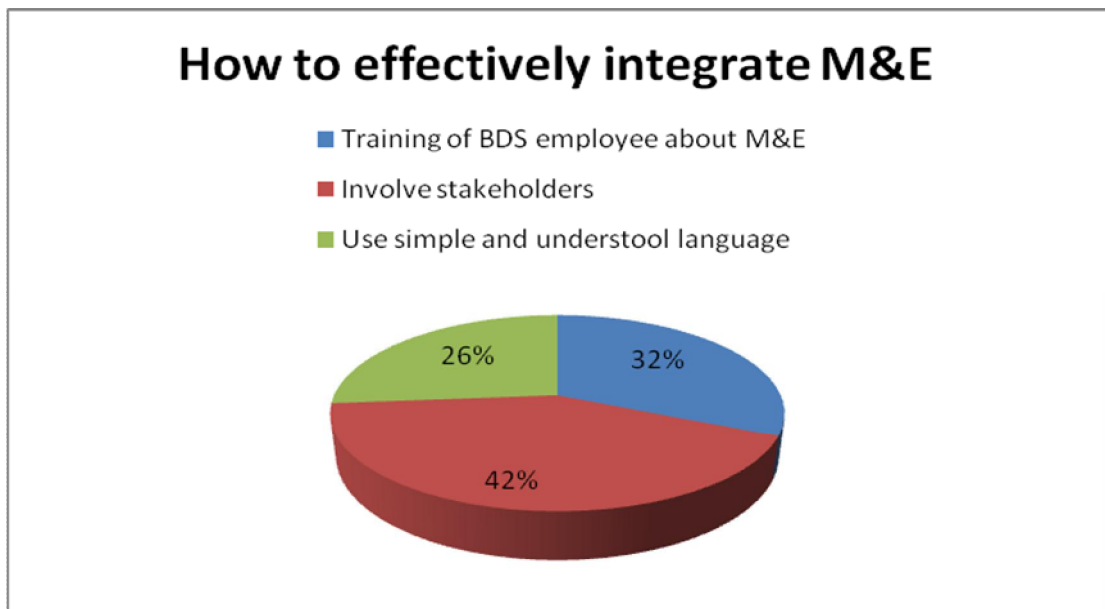


Figure 4.3: How to Integrate M&E effectively in BDS activities

Source: Field Data, 2019

4.6.2 Training of BDS Employee about M&E

The BDS employees recommended that they get training on the importance of the M&E activities together with other stakeholder. The BDS employees believed that this will help them understand the procedures well (Since some are away from the headquarters) and how the information will be used. This recommendation was also given by Tengan & Aigbavboa (2016) that, "stakeholders involved monitoring and

evaluation should undergo capacity building on strategies and new methods for effective monitoring and evaluation to guarantee projects successí ö

In a study done in Nairobi, it indicated that training on M&E System contributed to efficiency of the M&E System and this was supported by respondents with a mean of 1.554 and standard deviation of 0.821 and areas that M&E training was said to be relevant included: induction of local M&E experts (mean- 1.715 and standard deviation- 0.765), understanding the positions of the M&E system (mean- 1.624 and standard deviation- 0.820), and in the increase the quality of the M&E human resource (mean- 1.770 and standard deviation- 60 1.061) (Wanjiru, E, 2009). The training of M&E personnel is very important to ensure that the M&E system is effective (World Bank, 2011).

4.6.3 Use of Simple and Understood Language

Business Development Service providerø employees says that English is the main language in the tools used in M&E and SMEs in these BDS have low English literacy and this makes their work tough and result in inefficiency of M&E and as the result the BDS efficiency is lowered. The quality of information and data is reduced in the interpretation (Businaro, R 2012). To combat the problem of misinterpretation 80% of interviewees recommended that training on basic interpretation skills should be given to BDS employees undertaking M&E activities to help them conduct produce more accurate data collection. This is supported by Bischoff &Loutan (2008) that training in the art of interpreting improves the quality of communication and in turn this will result in efficient provision of services.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter will present the summary of the findings from the previous chapter, will draw the conclusion and present the recommendations to the Business Development Service providers, stakeholders and the government.

5.2 Summary

The study found that, BDS providers knew what M&E system is, 77% indicated that they had the system in their organizations and they use the M&E System. The study found that the M&E System have an impact on BDS activities. The study identified the way that M&E has being used to impact to BDS activities which includes, monitoring of service provision (before and after), reviewing of BDS services to make improvements, planning for service provision, evaluation of impacts and budgetary preparations.

The M&E approaches that has been used to impact the way BDS activities have been conducted that are identified by the study includes, decision making, project improvements, project impact assessment, preparation of activities and planning. The impact of M&E did not end with the BDS providers alone but it has also affected the SMEs who receive the services from the impacted BDS. The impact of M&E to BDS providers have been identified which includes, repeat customers who come for more services from BDS, referral customers from clients who have received services from the BDS, creation of new and improvement of services provided to SMEs. Monitoring and Evaluation has also cause BDS to conduct

market research and create service bundles that are in demand and lasts M&E has helped BDS reduce the cost of operations by concentrating the scarce resources the most needed tasks.

The secondary impact of M&E to BDS is to SMEs who have identified that after receiving the services from BDS, they have been able to be happily self-employed, grow and reinvent their businesses, employ people in their businesses, add value to raw materials and have stable sources of income to run their lives. Despite the fact that M&E has significant and positive impact on BDS, there are challenges that face BDS providers as they use the M&E System. The BDS identified challenges as insufficient budget set for M&E activities, inaccurate information from SMEs, language barriers and BDS employees lack knowledge about the goals of the organization.

The respondents gave recommendations on how to effectively integrate M&E System in the BDS operations these includes, involving stakeholder in the M&E system activities, instead of treating stakeholders as providers and receivers of information (IFAD, 2002). Training of BDS employees about M&E system was mention, this will help the employees and the management to have the same understanding and ensure success of BDS (Tengan, 2016) usage of language that is easily understood by SMEs to ensure their full participation.

5.3 Conclusion

The study wanted to assess whether M&E causes any impact to SMEs when used by the BDS and from the study, it is evident that M&E is a very important component to

BDS to ensure that they provide the right service to the right individuals. The M&E helps the BDS keep track of their performance and assess whether the training and consultations have had the desired impact. However having the M&E system alone is not enough if there is no right expertise, budget and participation of the stakeholders. BDS should have the know how to run the project and M&E system. It should also work with the other stakeholders, especially the employees and SMEs to ensure that they have the required experience and training to handle the M&E system (Sartorius, 2012). This should involve identifying all stakeholders at the early stages of the project and document their requirements, interests, level of involvement, expectations, influence and power, possible impact, and communication requirements.

The study also indicated that there are a number of challenges that are faced when using the M&E. The management should find ways to make the M&E system user friendly and making sure that it delivers the intended results. Unfortunately, although Monitoring & Evaluation is known to many project developers tend to be given little priority and as a result they are done simply for the sake of fulfilling the requirements of most funding agencies without the intention of using them as a mechanism of ensuring the success of the projects (Otieno, 2000).

5.4 Recommendation

In light of the study findings, the following recommendations are made in each perspective. To BDS;

- i. Involve all the stake holders when preparing the M&E System. It is important for the BDS management to involve all the stakeholders involved in the

process to ensure that M&E produces the intended results. This will ensure that the language used in the M&E tools is understood by all the parties involved. This includes the terms, they should be simple terms that can well understood. Lastly the tools should be objective and simple for SMEs to use

- ii. Train BDS employees on the importance of M&E System. Some of the respondents indicated that M&E is cumbersome. They see it as an assessment of whether they reached their annual objectives only. Training will help the staff to embrace the process and do it with ease and use the information gathered instead of doing for the responsibilities sake
- iii. Hire M&E experts. The local BDS that were involved in the study did not have an M&E expert to conduct the M&E activities and nor do they outsource the experts. They simply use questioners to ask SMEs if they are satisfied with the trainings and fill out forms when going to visit the SMEs. This should will also help in creating a proper M&E system instead of end of training assessment only
- iv. The BDS should form an association that will help acquire services such as M&E consultations at an affordable price.

To Stake holders;

- v. M&E education to BDS providers. Institutions like The Open University of Tanzania should have programs to train BDS on importance of having a proper M&E System especial BDS that do not have collaborations with international organization. The OUT can also start an M&E consultation unit for BDS that cannot afford to hire a full time M&E expert.

- vi. The SME policy of Tanzania of 2002 is too old and there is a need for another policy that will reflect the changes in technology and dynamics of doing business. This new policy should also give guidelines on BDS provisions to SMEs to ensure that there

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APPENDICES

Appendix I: Questioner for BDS

Section 1: Introduction

This questionnaire is meant to collect information on Assessment of Impact of Monitoring and Evaluation on Business Development Services in Providing Effective Services to SMEs: A Case of Mwanza City. The information collected through this questionnaire will be treated with confidentiality and used for academic purpose only. Kindly take a moment to answer all the questions as accurately as possible.

Section 2: Background information

BDS name: í

Area of operation: í .

Respondent position: í

Section 3: Impact of M&E in BDS Effectiveness

1. What area of BDS are you mostly specialised in? (*Tick all that applies*)

- i. Training
- ii. Marketing
- iii. Technology
- iv. ICT
- v. Management Consultancy
- vi. Other: Specify _____

2. For how long have you been dealing with business related field and particularly SMEs _____

3. Do you think that the effectiveness of BDS provisions has positive impact on the growth of SMEs hence enable to strengthen their competitive edge?

YES/NO.

4. If Yes, why do you think YOUR intervention is very crucial

5. a. Who identify the level and type of intervention for SMEs before your organisation provide such service such as; training, consultancy, information and alike? (Tick all that applies)

- i. SMEs owner/manager
- ii. BDS Management
- iii. Sponsor or donor i.e. Government, NGOs and other associations

- b. If the individual owner/manager or SMEs operators are involved to identify their needs before your intervention. How do they regard BDSs provisions in terms of the following issues?

- i. Cost of services/specific BDS (affordable or unaffordable)?
- ii. Significance of BDS to their growth (Highly significant, Fairly significant)
- iii. Quality of your services (they satisfy, not satisfy or they have no choice)

c. Do SMEs use the services (such as training) willingly or they have to be encouraged to attend? í

6. Where do you get finances and other resources required to support your BDS? í .

7. a. Do you think that if the business operators (SMEs) were involved in identifying their needs, the intervention will become effective? (YES/ NO).

b. Explain your answer in A. above.

í
í í

8. What approach do you use to ensure effective provisions of BDS before, during and after your interventions?

a. í

b. í

c. í

d. í

9. Do you know what an M&E System is? **Yes/No**

10. a. Do you have an M&E System in the organisation? **Yes/No**

b. If Yes, Did you have the system as part of your organisation procedure or you use it when Donors/Sponsors require it?

c. If NO, why?
.....
.....

11. a. Do you have an M&E Expert in the organisation? **Yes/No**

b. If NO who carries M&E activities?

12. *(If QN 10 is NO)* Do you think an M&E System will increase efficiency of your BDS delivery? **YES/NO**

13. How do you measure the effectiveness of your services?

í
í
í í í í í í í í í í í í í í í í í í í í

14. a. How do you receive feedbacks about the services you provide? **(Yes/No)**

b. How do use the feedback you receive?

.....
.....

15. Do you have clients (SMEs) who return for more services after the first time?

Yes/No

16. Do you get clients from referrals of SMEs that have received your services?

Yes/No

17. a. *(If QN 10 is YES)* What challenges do you face when using the M&E System?

.....
.....

b. What recommendation would you give to the management about use of the M&E System to increase your service provision effectiveness?

.....
.....
.....

Appendix II: Questioner for SMEs

Section 1: Introduction

This questionnaire is meant to collect information on Assessment of Impact of Monitoring and Evaluation on Business Development Services in Providing Effective Services to SMEs: A Case of Mwanza City. The information collected through this questionnaire will be treated with confidentiality and used for academic purpose only. Kindly take a moment to answer all the questions as accurately as possible.

Section 2: Questions

1. Number of workers at your workplace: Males Females ..

Total ..

2. Educational Qualification: (*Tick all that applies*):

i. Introduction Course []

ii. Diploma []

iii. Bachelor's Degree []

iv. Master's Degree []

3. Why did you choose this type of business?

4. a. I have people whom I consult about different issues regarding my business

(Yes/ No)

b. What specific issues do you make consultations about?

5. Do you keep any records? And what is your volume of sales if I may ask?
6. Do you know what BDS is? Which ones do you know?
7. Have you attend any training done by BDS? If No, why not?
8. Was the training effective?
9. Did you observe any changes in your business as the result of the training? If not why do you think not?
10. Did the BDS come to visit to see progress and receive feedback? **Yes/No**
11. Were you involved in suggesting the topics for the training? If not, do you think that will bring significant changes to your business? If YES, How?