DESIGN & MANAGEMENT OF  
MICRO ENTREPRENEURSHIP PROGRAMMES  
TOOLKIT GUIDELINES  

September 2022
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Design & management of micro-entrepreneurship programmes Toolkit guidelines

1. Purpose of these Toolkit Guidelines

These guidelines aim to help livelihoods practitioners in programming micro-entrepreneurship (ME) interventions, providing them with sequential guidance and tools throughout the different stages of the process. The guidelines are structured according to the different phases of an ME programme: assessment and analysis, design, implementation, and monitoring and evaluation. Each stage starts with a brief introduction followed by some tips and a proposal of tools.

The structure of the guidelines is based on the assumption that the process starts by identifying ME opportunities; however, in practice, the ME support component is often part of a more comprehensive programme already underway, so teams may join the roadmap at different stages.

The guidelines are intended to be used in both urban and rural contexts and to be adaptable to individual and group micro-entrepreneurships. Although they are envisaged to be used in diverse contexts, all the tools included are only a model template to be adapted to the context and the type of ME programme being supported.

How to move around the Toolkit Guidelines?

01 At any time, you can go directly to any phase or return to the overview by clicking on the icons in the heading of each page.

02 You can access the tools by clicking on the name of each tool.

03 You can also download the complete Toolkit by clicking the icon below (13.6 MB).

04 The tools are intended to be used in different contexts and types of micro-entrepreneurships, but there are no one-size-fits-all tools, and teams should adapt them to their particular circumstances.
2. Introduction

ME programmes in IFRC

ME support programmes support income generation activities implemented with a comprehensive, bottom-up approach, in which beneficiaries participate in the identification and design of their micro-entrepreneurship, considering their specific needs and capabilities. ME support programmes may offer training, start-up support and technical assistance, usually incorporating a combination of several or all of these components.

Therefore, support for ME is an intervention that directly strengthens the different capitals outlined in the Sustainable Livelihoods Framework (SLF). ME support programmes strengthen human capital (enhancing skills and competencies of beneficiaries through training), physical capital (providing assets or start-up grants) and financial capital; and when complemented with the creation of market connections, saving groups, or actions to reduce the impact of climate change on livelihoods or to promote access to land for certain groups, it also contributes to strengthening social capital and natural capital.

Specifically for the development of ME programmes, the Livelihoods Centre proposes a training path for National Society staff and volunteers involved in ME support programmes that can be found here.

Definition and common characteristics of MEs

For the purpose of these guidelines, ME refers to a small-scale economic activity. This includes income-generating activities (IGAs) and small-scale micro-enterprises, according to the classification used by the ICRC (Table 1); however, the division is very thin and varies according to the context. MEs targeted by RC/RC programmes are usually informal – not officially registered - businesses as a type of self-employment. They are often operated at or near the home and use one’s own labour, and/or the labour of family members to access local markets.

<table>
<thead>
<tr>
<th>Type</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small enterprise</td>
<td>Liquid and fixed assets ranging in value from several thousand to hundreds of thousands of USD. 10+ employees. Formal licence and business operations.</td>
</tr>
<tr>
<td>Micro-enterprise</td>
<td>Liquid and fixed assets ranging in value from several hundred to several thousand USD. 1 to 10 employees. Sometimes lacking a formal licence, but often with a fixed location and hours.</td>
</tr>
<tr>
<td>Income generation activity</td>
<td>Little or no fixed assets, total assets of USD 30–1,000. Work may be part-time or sporadic, perhaps done from the person’s home. Self-employment, with several ways of earning income.</td>
</tr>
<tr>
<td>Subsistence producer</td>
<td>Similar to income generation but with a lack of experience of, or access to, a cash economy. Geared mainly to self-consumption and barter.</td>
</tr>
</tbody>
</table>

1. DFID’s Sustainable Livelihoods Framework (Bennetts 2010: 9, adapted from Carney 1998).
The following **characteristics** are shared among the MEs that RC/RC programmes usually support. They are common characteristics before the intervention takes place.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary source of income</td>
<td>For many people, MEs are a form of self-employment and the primary source of a family's income, not just an extra income.</td>
</tr>
<tr>
<td>Unpredictable economic environment and seasonal fluctuation of income</td>
<td>Uneven income distribution over the year is often linked to high seasonal fluctuations in revenue and expenditure. Production is often dependent on climatic conditions, especially in rural areas.³</td>
</tr>
<tr>
<td>Informal</td>
<td>Often MEs are not officially registered and do not pay taxes, etc. This lowers the set-up costs but makes them more vulnerable to shocks. For example, the government may compensate registered businesses after a disaster, and MEs may be excluded from such support.</td>
</tr>
<tr>
<td>Risk-averse</td>
<td>MEs tend to be highly conservative. For example, they do not take advantage (or assume the risk) of opportunities to sell more. They will produce a limited amount of a product per day, regardless of whether it is market day. The primary goal is to sell all products made.</td>
</tr>
<tr>
<td>Little and short-term horizon</td>
<td>They can be established with little planning and can appear and disappear overnight.</td>
</tr>
<tr>
<td>Limited fixed assets</td>
<td>The start-up costs are often low. They might need basic assets such as furniture, cooking pots, fridges, livestock or seeds, etc.</td>
</tr>
<tr>
<td>Little reinvestment</td>
<td>Often the owners of MEs are not growth-oriented and invest only the minimum in the business.</td>
</tr>
<tr>
<td>Traditional skills</td>
<td>Microentrepreneurs often acquire competencies by self-learning through practice.</td>
</tr>
<tr>
<td>Traditional technology</td>
<td>MEs typically use simple or traditional technology.</td>
</tr>
<tr>
<td>Family labour</td>
<td>If the ME owner requires additional labour, it is usually that of a family member rather than a paid employee.</td>
</tr>
<tr>
<td>Mixed with the household economy</td>
<td>ME owners tend not to separate their business from their household budget. If they or a family member needs money for food or medicine, they get it directly from the profits of the ME.</td>
</tr>
<tr>
<td>Illiterate or semiliterate</td>
<td>ME owners may not be able to read or write.</td>
</tr>
<tr>
<td>Negligible product diversification or value addition</td>
<td>ME owners tend to sell the same products as many others in the market.</td>
</tr>
<tr>
<td>Limited bookkeeping</td>
<td>Most ME owners do not keep written records. They do “hand-to-pocket accounting”. They may not know how to determine whether their ME is profitable.</td>
</tr>
<tr>
<td>No access to credit or insurance</td>
<td>Many ME owners do not have access to formal income-smoothing mechanisms such as credit and/or insurance. This is often attributed to a lack of formal institutions providing such services, especially in remote areas, and many institutions do not consider wealth-constrained households to be creditworthy.⁴</td>
</tr>
</tbody>
</table>


⁴. Source: Adapted from Microeconomic Initiatives: Handbook.
ME Programmes SWOT Analysis

Strengths
- Respect for the beneficiary's dignity.
- Strong ownership and sustainability.
- Appropriate for vulnerable households, requiring motivation and basic skills.
- Provide a solution for urban and peri-urban settings.
- Adaptable to different livelihood activities.
- Feasible in recovery and development phases.

Weaknesses
- Finance and human resources intensive.
- Requires technical capacities of the team for the implementation and/or a strong connection with government technical units or external organisations.
- Beneficiaries have less responsibility and ownership than when receiving microcredits.
- Require entrepreneurial spirit and basic management skills.
- More challenging to deploy and implement than standard assistance programmes.
- Limited scale.

Opportunities
- Act as a stepping stone for microcredit.
- Integration with programmes of other units.
- Can be an exit strategy for emergency and recovery programmes.
- Cost-effective approach compared to other livelihoods activities.

Threats
- MEs are being used as a response when people have different needs or priorities.
- Unrealistic expectations of staff without ME experience.
- Threat to the RC/RC image if not offering alternative responses for vulnerable households excluded due to lack of skills or motivation.
- Low interest/support from NS management boards as ME support requires more technical skills than distributions.
3. Phases and stages of ME support programmes

Overview

P1 Assessment & Analysis
S1. Scope of the assessment
S2. Opportunity assessment
S3. Information analysis

P2 Design
S1. Targeting
S2. Programme design

P3 Implementation
S1. Inception phase
S2. Selection of beneficiaries
S3. Training of beneficiaries
S4. Development of a business plan
S5. Business plan review & approval
S6. Provision of grants

P4 Monitoring & Evaluation
S1. Design M&E plan
S2. Entry and exit forms
S3. Monitoring

P5 Complementary activities
S1. Market linkages & networking activities
S2. Contingency planning

Assessment & Analysis
In this phase, the guidelines move stage by stage throughout the process of identifying ME opportunities in a given context. It introduces the user to the relevant tools included in the Toolkit to plan for the assessment, gather and review secondary information, adapt tools for primary data collection and prepare for the fieldwork. Users will also find tools for systematising the information collected and for analysing the information to help in the decision-making process.

Design
Based on the previous analysis, the user will be guided to design the intervention, including the feasibility study of this type of programme. This starts with targeting beneficiaries to ensure that assistance reaches those who need it in an appropriate way and quantity, providing guidance and tools to establish the targeting approach, indicators and mechanisms. During the design phase, teams will also be guided and equipped with tools to assist them in developing the operational plan of action.

Implementation
In this phase, the user will receive guidance on setting up internal resources and capacities during the inception phase, and from there proceed to the selection of the beneficiaries, training them to develop their business idea and business plan, as well as in basic aspects of business management and reinforcing or upgrading technical competencies. This stage includes guidance and tools to coach beneficiaries in business plan development, after which viable microenterprises will receive a start-up grant, which may be in cash or in-kind.

Monitoring & Evaluation
In this phase, the guidelines provide tools and guidance to monitor progress against objectives and indicators, as well as follow-up and coaching of MEs to support them in solving the problems related to business management that may arise. Although monitoring and evaluation is found near the end of the guidelines, it is a process that begins with the design of the intervention itself and accompanies the different phases in a transversal manner.

Complementary activities
When implementing MEs, it is essential to consider the relationship with the market, both with customers and the competition. Market linkages and networking activities will be considered in this stage. The guidelines also offer guidance and tools to support microentrepreneurs on their journey to resilience, including contingency planning. ME owners are often unaware of the risks to their business activities and do not have access to information that may help them prepare for potential risks. The main factors that hinder contingency planning in MEs are lack of awareness, information and tools or technology to prepare the contingency plans.

Mainstreaming CEA and PGI
ME support programmes must consider “Community Engagement and Accountability” (CEA) throughout the programme cycle. The most appropriate communication tools will need to be used to listen to people's needs, feedback and complaints, ensuring their participation in the programme. This section also explains the “Protection, Gender and Inclusion” (PGI) approach, which should be considered in the ME programme cycle.
Assessment & analysis

This first phase presents stage by stage the process of assessing and analysing micro-entrepreneurship opportunities in the target area. It is important to note that this stage can be carried out at different points in the programme cycle: at the beginning for the definition and design of the intervention (as presented in these guidelines), or once the programme has started (inception phase) to help guide the beneficiaries in selecting business opportunities.

This phase is divided into three stages. In stage 1, the objectives and scope of the assessment are defined. Stage 2 explains how to conduct an ME opportunity assessment. In stage 3, the information collected in the assessment is analysed to guide programming.

S1. Defining the objective and scope of the assessment

BRIEF DESCRIPTION

Before conducting an ME opportunity assessment, it is necessary to define the objectives, the expected results, and the scope of the assessment (type of assessment).

When defining the objectives and expected results of the assessment, and thus the scope of the ME opportunity assessment, the organisation should consider:

- The target area, particularly whether you want to work in a rural, urban or peri-urban context.
- The timing of the assessment (whether it is meant for the design of a new programme or within a programme already being implemented).
- The programme's approach (e.g. whether the selection of ME activities is decided by the programme or by the beneficiaries, programme duration, capacity building, etc.).
- The cost/benefit of the assessment activity in relation to the scope of the ME programme (number of beneficiaries to be supported, ME cost per beneficiary, duration, etc.).

In rural contexts, the ME opportunity assessment will have a strong component linked to the existing primary activities in the target area and, therefore, to the existing opportunities in the value chains/market systems. The success of an ME is very much dependent on the existing supply and demand of products and services and the available resources. In an urban context, on the other hand, opportunities are linked to processing, crafts and service sectors. The success of an ME in this context is strongly dependent on the added value they offer (compared to the competition) and, therefore, on the definition of the products/services and the efficiency of the processes. The scope or type of assessment in an urban context may be less in-depth and mainly oriented towards identifying success factors or the target groups’ capacities and barriers (migrants, young people, people with disabilities, etc.).
Example: ME opportunity assessment

**Objective:**
The objective of the ME assessment is to design a mid to long-term (2-3 years) ME programme to support young migrants (men and women) with socio-economic inclusion activities.

- **Context:** urban and peri-urban area.
- **Geographical scope:** main city areas of the country (5 cities).

**Expected results:**
The expected results of this assessment are:

- Obtaining a list of the main ME activities carried out by young people (men and women). Identification of the most successful ME activities and their success factors.
- Assessing the capabilities/experience, preferences and obstacles faced by young migrants to start and develop an income-generating activity.
- Defining the complementary activities that could be implemented within the ME programme to overcome barriers the target group faces (social, legal, etc.).
- Listing the existing resources and services (training centres, etc.) that facilitate/enable the creation of ME.
- Defining the average cost of setting up an ME per beneficiary (training, coaching, seed capital or start-up kit, etc.).

**How to decide the scope of the assessment?**

**Assessment scope:**
The organisation will conduct a “light” economic opportunity assessment. Since it is an urban context, the list of viable ME could be extensive, so it is preferable to collect qualitative information (interviews and FGD) to identify success factors and start-up costs.

The assessment will focus on other aspects such as the resources available, the capacities and barriers of the target groups, or the actors working on the socio-economic inclusion for migrants.

The ME assessment methodology will emphasise secondary information review and primary information gathering based on key informant interviews (KII) and focus group discussions (FGD).

When defining the scope of the assessment, it is important to consider the **geographical scope** to assess the ME opportunities. In vast geographical areas (regional level - several countries) or in areas where there is a high presence of actors working in micro-entrepreneurship, it is recommended that the assessment focuses on the **secondary information review** as one of the main sources, and it is from this analysis that the level of depth for primary data collection is defined.

**The moment the assessment is carried out** influences its objectives and scope. Suppose the assessment is carried out to design a new programme. In that case, it is necessary to consider aspects that will condition the programme definition, such as the implementation costs of potential MEs.

The **programme approach** also determines the type of assessment. If the programme provides a closed list of viable MEs for beneficiaries to choose from, a more in-depth microenterprise opportunity assessment will be required. Conversely, suppose the programme includes a wide variety for selecting MEs according to the interests/decision of the beneficiaries. In that case, the assessment could be “lighter”, focusing on success factors rather than on obtaining a short list of viable MEs.

Finally, the **cost/benefit of the activity** needs to be considered, so it is not recommended to carry out in-depth (and costly) evaluations for programmes that support a small number of beneficiaries or if its contribution (in time and cost) is limited. In these cases, carrying out a “lighter” assessment (mainly including FGD and KII) and more individualised monitoring of the micro-enterprises during the implementation phase is better.
The micro-entrepreneurship opportunity assessment could have different purposes

At the programming level:
- Select feasible MEs (short list or long list, depending on the approach).
- Identify ME requirements and success factors.
- Calculate the ME support costs per beneficiary (training costs, seed capital or start-up kit).
- Identify the available resources and services (ME enablers).

At the beneficiaries' level:
- Inform about ME opportunities and barriers.
- Inform about ME expenses and revenues.
- Inform about the qualifications/skills needed to develop each ME.
- Inform about rules & regulations.

TIPS

Define the objective, expected results and scope of the assessment together with the team. Ask yourself and your team why you are doing an assessment, what you need from it, and what are the expected outcomes?

Be as specific as possible when defining the objective and expected results, as this will also help you to limit the type of assessment to be conducted. For example, if you are looking for ME opportunities, narrow down what you are looking for: MEs that work quickly (fast start-up time), MEs with high revenues, MEs that are durable over time, etc.

Define what type of assessment you need (scope of the assessment) based on the criteria mentioned above (type of context, the number of beneficiaries to be supported, the timing of the assessment, etc.) while considering the cost/benefit of this activity in relation to the programme as a whole.

In many cases, especially in disaster contexts or places where there are many humanitarian actors, a joint study could be carried out if other organisations are interested.

S2. ME opportunity assessment

BRIEF DESCRIPTION

The second stage focuses on the information-gathering process of the micro-entrepreneurship opportunity assessment.

The ME opportunity assessment is a market assessment aiming to find out what the local market opportunities are, how these opportunities match with the interests of the communities and target groups and assess what resources and services are available in the target area to facilitate the ME implementation.

The ME opportunity assessment must be carried out considering three interactive dimensions or axis:

- **Market (demand & supply):** market opportunities and market gaps for the product or service to be produced/sold by the MEs.
- **Beneficiary profile:** interests, skills and experience of the target group and the barriers they face in starting and running an ME.
- **Availability of resources and services,** both required and available: resources (natural, physical, etc.), services (financial, technical, etc.), infrastructures, etc., that enable and/or support the creation of an ME. Understanding the rules & regulations governing the markets, their norms and practices is also key.
The steps to carry out the assessment are:

a) Defining the key questions and identifying the sources of information

b) Secondary information review

c) Preparing the fieldwork

d) Primary information gathering

BRIEF DESCRIPTION

Based on the objectives and expected results of the ME opportunity assessment as defined in the previous stage (S1), the process of collecting secondary and primary information aims to answer the “key questions” that we need to respond to in the assessment. In this regard, we need first to identify and define these key questions and identify the sources that can provide us with the answers. This will guide the use of the data collection tools at this stage (S2) and the subsequent analysis process (S3).

Table 2 shows an example of key questions (not exhaustive) organised according to the three axes (market opportunities, beneficiary profile, available resources & services) and the main sources of information that could be consulted.

<table>
<thead>
<tr>
<th>Axis</th>
<th>Questions</th>
<th>Sources/informants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market (demand &amp; supply)</td>
<td>• Which products or services are the most highly demanded? • The demand for which products or services is not satisfied by the existing supply (market gaps)? What are the reasons for this? Why is the market not meeting the demand for these goods or services? • Where does the population obtain these goods or services? • What are the target area’s main sectors (primary, secondary or tertiary)? • Which ones have the greatest potential (now and in the near future)? • Who are the actors (wholesalers, distributors, factories, etc.) in these potential sectors?</td>
<td>Secondary information • National/regional economic development plans • Reports, market assessments, evaluations, etc., conducted in the area by other organisations, agencies, local governments, etc. • Market system maps (market flows) • Livelihoods zones. HEA/HES reports</td>
</tr>
</tbody>
</table>

Key informants

• Chambers of Commerce
• Ministries of Planning, Industry, Commerce, etc.
• Technical/extension services (sectoral)
• Local authorities (area of assessment)
• Vocational training centres
• Microfinance institutions for entrepreneurship
• Other organisations working on economic development initiatives (UN, international or national NGOs, etc.)
• Companies, business, business associations
• Traders, trade unions
• Consumers
Table 2
<table>
<thead>
<tr>
<th>Axis</th>
<th>Questions</th>
<th>Sources/informants</th>
</tr>
</thead>
</table>
| **Beneficiary profile** | • What are the main interests of the target population?  
• What are their skills and competencies?  
• What are their current income-generating activities?  
• What is their experience?  
• What barriers do they face, what is their situation, and what are their needs? |  
| **Availability of resources and services** | • What resources and services are available in the target area?  
• What is the infrastructure/services/utilities condition in the target area?  
• What resources and services are available to the target population (credit, training, etc.)?  
• What are the governmental (or other stakeholders’) plans to facilitate access to resources/services in the target area?  
• In rural contexts, what is the level of access to land/productive inputs for the target group(s)?  
• Reflect on which resources the programme will provide, for how long, geographical scope, number of beneficiaries |  

**Secondary information**  
- Employment reports (employment rates by sector of the target group(s))  
- Baselines or reports (from own organisation)  
- Reports from other organisations working with the target group(s) (in employability or another sector)  

**Key informants**  
- The target group(s)  
- Target groups’ associations  
- Ministry of Social Affairs  
- Departments of Women Affairs, Migration, Youth, etc. (addressed to the target group(s))  
- Institutions and other organisations working with the target group(s) (international or national NGOs, etc.)  
- Local authorities (area of assessment)  
- Vocational training centres  
- Microfinance institutions for entrepreneurship  

**Secondary information**  
- National/regional economic development plans  
- National/regional plans aimed at the target population  
- Resource plans foreseen by the programme (design)  

**Key informants**  
- Ministry of Economy, Industry, Commerce, Employment, Social Affairs, etc.  
- Departments of Women Affairs, Migration, Youth, etc. (addressed to target group)  
- Local authorities (area of assessment)  
- Vocational training centres  
- Microfinance institutions for entrepreneurship  
- Local authorities (area of assessment)  
- Other organisations working on economic development initiatives (UN, international or national NGOs, etc.)  
- Target group(s) and target groups’ associations  

**TIPS**  
- Define the key questions and sources/informants according to the context, objectives and conditions.  
- For rural contexts, it is essential to identify the main value chains/market systems based on the potential sectors (mostly primary) and the opportunities within these value chains.  
- Regarding the target group(s), in addition to questions about experience or preferences, make sure you assess issues like legal status, access to land and/or other resources, etc., as these conditions may influence the assessment and eliminate possibilities for the target group(s).
b) Secondary information review

**BRIEF DESCRIPTION**

As in any other assessment, you must begin with a desk review of available secondary information; this means collecting and analysing the information that already exists concerning MEs in the area of intervention, usually in the form of written reports, documents or data from other organisations, local governments and social institutions (see table above). This exercise enables you to gain an overall picture of the situation and identify information gaps (information that is missing or outdated) before collecting primary information.

Once you identify the gaps, you can determine from whom/what source you can obtain the missing information and adjust the primary data collection tools accordingly.

**TIPS**

- Analyse all available secondary information thoroughly before starting the primary data collection.
- Systematise the process of analysing secondary information by collecting the main data/information and classifying it according to the type of information it provides in relation to the three axes (or the key question it answers - see the previous section).

**TOOLS**

- **P1.S2.b.T1 Secondary information & Stakeholders map**
  
  This document includes a list of key actors and resources, a checklist of context information to be considered at the general/regional and local levels, a list of reliable online sources, etc.

- **P1.S2.b.T2 Potential sectors and market flows**
  
  This tool offers a simple model to elaborate a summary of what has been found as potential sectors for developing MEs after analysing secondary information.

c) Preparing the fieldwork

**BRIEF DESCRIPTION**

In this step, the assessment team will carry out all preparatory actions before collecting primary data.

For this purpose and with the help of the programme team (mainly the field team) or with the help of local branches in the target area, the following will be identified:

- Communities/localities or neighbourhoods/cities in the target area (population, distance), markets (frequency, type, accessibility) or commercial areas, and key actors present in the assessment area.
- Other relevant data identified in the secondary information review phase will be added to this information.

With this information and based on the previously defined assessment scope (S1), a fieldwork plan will be developed for each assessment area. The work plan agenda needs to include the localities and the key markets/commercial zones to be visited, the key actors and the informants to be interviewed or surveyed.

Within the preparatory phase, the assessment team will work on developing or adapting the primary information collection tools.

The team involved in the assessment should be clear about the objectives, the methodology, the use of the tools, and the software. Therefore, if the team has not been involved from the beginning in designing the tools, you can include a training session at the beginning of the field visit.
**TOOLS**

**P1.S2.c.T1 Preparation for the field visit**

The tool describes the main elements to be included in the work plan and recommendations/tips for its drafting.

**d) Primary information gathering**

During this phase, first-hand and up-to-date information will be collected to complete the picture. Key informant interviews, direct observation of markets, focus groups, and surveys will be conducted according to the work plan. The tools provided here are examples that should be customised to the specific context and objectives of the ME opportunity assessment.

Adapt the questions as best suit the context, the local markets, products, type of enterprises, local practices, and of course, the linguistic expressions.

In Table 3 below, you can find a list of the **different tools** that can be used for each type of **key informant**.

<table>
<thead>
<tr>
<th>Table 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Informant / Source</strong></td>
</tr>
<tr>
<td><strong>Survey</strong></td>
</tr>
<tr>
<td>Target group(s) General population / consumers Traders / small business / handicraft / workshops</td>
</tr>
<tr>
<td><strong>Focus group</strong></td>
</tr>
<tr>
<td>Target group(s) General population / consumers Workers / traders / artisan, etc.</td>
</tr>
<tr>
<td><strong>Semi-structured interview</strong></td>
</tr>
<tr>
<td>Key informants (institutions, other organisations, associations, representatives of the target group, companies, local authorities, etc.)</td>
</tr>
<tr>
<td><strong>Direct observation</strong></td>
</tr>
<tr>
<td>Local market(s) Central markets Transport hubs Business district(s) Commercial areas</td>
</tr>
</tbody>
</table>
TIPS

 Decide the type of tool to be used, depending on the informant.

 For surveys, calculate the sample needed for the data to be extrapolated/valid for the analysis. Use a sample size calculator (see a suggestion in the references below).

 As far as possible, it is advisable to conduct surveys electronically to avoid a manual data entry process, using applications such as KOBO, ODK or Google Forms.

 It is recommended to use direct observation tools at the beginning of the primary data collection to adjust the other activities (interviews, surveys) if necessary.

 Try to limit the questions to those relevant to the study's purposes and avoid the “temptation" of including a large number of questions that, although they may be interesting, will not contribute anything to the study.

 Make sure you list all resources needed, including human resources (and the skill required), as well as material (data collection devices and software, stationary, travel and allowances, means of transport, etc.) and that you budget for it.

 Make necessary arrangements, appointments, requests for permits, vehicles, accommodation, etc.

 Test the tools and revise them, if necessary, before starting the visits.

 Include wrap-up sessions (debriefing) at the end of each day (or at the beginning of the next day) to share the main lessons learned from the day's activities, changes in planning or review of the tools.

REFERENCES

- Sample Size Calculator by Raosoft, Inc.
- KoBoToolbox | Data Collection Tools for Challenging Environments is a free software to design surveys and collect data electronically online and offline on phones, tablets or any browser
- Tool 5: Guidance on running a focus group - International Federation of Red Cross and Red Crescent Societies (ifrc.org)
- Focus group discussion | EVCA (ifrovca.org)
S3. Information analysis

**BRIEF DESCRIPTION**

This last stage consists of analysing the information collected (primary and secondary) in the ME opportunity assessment to reach the expected results defined at the beginning of the process (list of ME opportunities for young people, list of barriers, etc.). It is important to keep these objectives in mind during the analysis process to focus on “what” we want to obtain and avoid getting lost in the information obtained.

Registering qualitative information in an organised and systematic way is key to subsequent analysis. The more structured it is, the more robust it will be to support the analysis of opportunities. In this sense, the recording and later analysis of qualitative information can follow the structure of the “key questions” defined at the beginning of the process (S2a) to ensure focus on the expected results.

As for the quantitative information (surveys), the analysis would follow the same process as for the qualitative information, with the focus on complementing this information to allow extrapolation/generalisation of the results and validating the trends obtained from the qualitative analysis (in terms of ME opportunities, target group preferences, barriers, etc.).

Once the information has been systematically registered and analysed, prepare reports and share the findings with team members and relevant partners (e.g. a workshop can be organised).

**TIPS**

- Include the transcription (compilation and, depending on the context, translation) of the information gathered in the work plan.
- Develop a model of joint analysis of the information obtained (see proposed tool: P1.S2.s3.T1) based on the expected results.
- Triangulation of information is key, so cross-check information obtained from different sources and with various tools.
- Always keep in mind (during the analysis process) the objectives and expected results. Avoid wasting time analysing information that is not relevant to the study.

**TOOLS**

- **P1.S3.T1 Qualitative data entry - analysis**
  This tool is intended to aid in recording systematically the qualitative information obtained through KII and FGD tools, to facilitate the analysis process. The tool is structured in a way that is consistent with the three axes of the study: market (demand and supply), beneficiaries’ profile and availability of resources and services. It follows the “key questions” proposed in step S2a for data collection.
  - Sheet 1 is used to record the information gathered from key informants through KII
  - Sheet 2 is used to record the information obtained from the FGD

- **P1.S3.T2 ME Opportunity assessment**
  This tool is based on the list of micro-entrepreneurship opportunities identified during the assessment. It allows them to be evaluated and graded numerically through the definition of selection criteria (the tool proposes criteria such as supply/demand, target group’s interest, etc.).

  Detailed instructions are included in the tool.
Design

Based on the results obtained during the assessment of ME opportunities, we should be ready to design
the intervention. This will be framed by the availability of resources, needs and preferences of the target
population, donor requirements, the experience of the NS, and other preconditions.

Before starting the design of the ME programme, a feasibility study must be conducted.

Feasibility of a micro-entrepreneurship programme

To assess the feasibility of an ME programme during the design phase, key criteria should be considered. The
following checklist will help you decide whether an ME programme is a feasible option:

- Functioning markets. Markets must be functional and available to the target population.
- Target population must be able to cover their basic needs during the ME programme cycle until their ME
  becomes profitable. If not, they will likely use the support to cover their needs instead of injecting funds into
  the ME.
- Alignment with government policies. Support to MEs for the target population should be in accordance with
  national government policies.
- Beneficiaries' preferences. ME should be part of the target population's economic activities of interest and
  motivation.
- People must have a certain level of stability to undertake the business. It won't be easy to implement ME
  programmes with people on the move.
- Programme duration. ME programmes should last long enough to support the re-establishment or creation
  of MEs and their accompaniment/coaching.

The following criteria should also be considered and addressed in the programme design as needed:

- In line with traditional (community) dynamics. ME should be socially acceptable for the target population
  (e.g. in some countries, women do not run businesses individually, although they do so collectively).
- The NS and its partner's capacity to implement ME programmes.

Micro-entrepreneurship programmes are relevant in the early recovery, recovery and development phases.

5. In some projects when time is limited, the assessment of ME opportunities is only done based on secondary information and it is not
   necessary to follow all assessment steps suggested in Phase 1.
S1. Targeting

**BRIEF DESCRIPTION**

Targeting is a process of setting up criteria for identifying and selecting individuals or groups for assistance based on their needs and vulnerability. In the case of ME support programmes, in addition to considering vulnerability criteria, we should also consider motivation to undertake the foreseen activity, skills and knowledge of the person as required to perform the proposed activity and their understanding of the market, which we have already analysed as one of the three axes in the assessment phase (beneficiary assessment).

Although it may be the case that programme constraints and contextual circumstances already predetermine beneficiary profiles in the approved proposal, in order to adopt an approach that is accountable, coherent and ‘good enough’, balancing the need for rapid response with the wish to minimise errors, the targeting process should consider the following steps:

**TARGETING APPROACHES**

Different approaches can be used for targeting vulnerable populations: geographical approach, blanket approach, socioeconomic based approach, etc. (see tool P2.S1.T1). There is no single ‘best’ approach for vulnerability targeting criteria; all have pros and cons according to the context. Numerous criteria and a mix of targeting approaches will likely be used to capture a multidimensional understanding of vulnerability.

Concerning the **vulnerability criteria**, you should add **specific criteria** for ME support that allow you to capture potential beneficiaries’ suitability, motivations, skills and competencies. When targeting entrepreneurs, you also need to consider whether or not the beneficiaries have previous experience, if we are targeting individuals or group entrepreneurship, etc.

**SELECTION CRITERIA**

Selection criteria may focus on households or individuals and must be well defined and measurable. All relevant stakeholders must be involved in defining the criteria. The following aspects should be considered:

- **Vulnerability**: such as lack of income sources, loss of productive assets, households with all its adult members unemployed, etc.
- **Motivation**: motivation of the beneficiary to undertake the foreseen activity based on a personal interview.
- **Skills and knowledge**: the person’s existing skills (language, etc.) as required to perform the proposed activity and their knowledge of the market, for example, prior years of experience in the sector, computer literacy, literacy and basic calculation skills, etc.
- **Experience**: beneficiary’s experience working on the proposed activity.
- **Preconditions**: the existence of basic conditions and resources to ensure the programme’s success (e.g. market assessment, allocated budget, the energy source for power tools, space required, legalisation of the business, homologation of degrees/certificates).

In the document [S1. Targeting in urban and rural contexts - Guidelines and Tools - Livelihoods Centre](#) you can find a set of suggested vulnerability criteria for each targeting approach.
In addition, when defining criteria, there may be:

1. Exclusion criteria and/or inclusion criteria which determine eligibility.
2. Prioritisation criteria, which may be weighted.

**TARGETING MECHANISMS**

This is the process by which we identify households and individuals that fit the selected targeting criteria based on selected targeting approaches (see tool P2.S1.T1). Different targeting mechanisms can be used: administrative, community-based, accumulation of criteria, etc.

**TIPS**

- Set clear targeting objectives.
- Use mixed targeting methods.
- Be pragmatic.
- Initial investment is required depending on the mechanism selected and criteria (e.g. training to the staff and relevant stakeholders, field trips for data collection, etc.).
- Involve communities, agencies and authorities throughout the whole targeting process.
- Create a space for public complaints and feedback.
- Standardised criteria and keeping them simple can help reduce confusion.
- It is an imperfect process; there could be errors. It is essential to be clear about the inclusion and exclusion criteria and mitigation measures (such as publishing a preliminary list of beneficiaries).

**TOOLS**

- **P2.S1.T1 Summary of targeting approaches, criteria and mechanisms**

  In this tool, you can find the different approaches and mechanisms for targeting vulnerable populations.

- **P2.S1.T2 Targeting template**

  A template is attached as a tool to assist in the process of setting beneficiary selection criteria.

**REFERENCES**

- Find detailed guidance for targeting in urban and rural contexts (including tips, a list of targeting approaches, tips for selecting indicators, main stakeholders in urban contexts, adaptation to Covid-19 response, etc.) in [Targeting in urban and rural contexts - Guidelines and Tools - Livelihoods Centre](https://livelihoodscentre.org).

**S2. Programme design**

**BRIEF DESCRIPTION**

The operational Plan of Action (PoA) helps the implementing team to identify what we want to achieve for the targeted population and how. It sets priorities and provides a roadmap to keep the team on track with the expected results. The PoA defines the operation’s overall strategy, specific objectives and field structure. As in any other programme, the PoA should include a summary, situation analysis, a log frame, risk matrix, HR plan, budget and detailed work plan.

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6. Targeting mechanisms to select beneficiaries are discussed in “P3. Implementation section - S1: Selection of beneficiaries”.
Numerous sources explain how to apply the logical framework approach. In particular, the Livelihoods Centre has developed a toolkit to guide this process oriented to Livelihoods programmes, accessible here.

These guidelines provide a tool with specific livelihoods indicators, tips on those expenditure items that should not be missing in the budgets of ME programmes, and tips to consider when elaborating the work plan.

ME programmes have different variables that should be considered in the design of the PoA:

- ME developed by an individual or a group
- Recovery of the ME or start up a new ME
- Formal and informal legal status
- Rural and urban/peri-urban settings
- Primary, secondary and tertiary sector
- Size of the cash grant
- Time for implementation
- Complementary activities (market linkages, savings groups, ME contingency plan)

ME programmes are often more resource intensive and take more time to set up than standard livelihoods relief interventions (e.g. asset replacement of items such as seeds, fishing nets and agricultural tools).

In some programmes, the option is given to participate as an individual or as a group. The common determinants for successful group programmes are as follows:

- Voluntary: The group should be formed voluntarily, and all members should have equal rights and obligations.
- Participation: All group members participate actively in the programme.
- Living nearby: People who live near each other are more likely to have similar problems and needs.
- Trust: All group members should adhere to and respect a set of rules and trust each other.
- Small number of members: Experience shows that small groups (less than five) are more operable and efficient.

Extra training in conflict resolution and partnership is recommended.

**TIPS**

- **Piloting the programme:** Make sure that the size of the pilot programme allows you to devote sufficient time to following each assisted household very closely to draw meaningful conclusions. Do not be afraid to test different approaches and to make mistakes. After piloting, the programme may grow significantly in size.

- **The most common mistake when planning a programme is to set unrealistic targets in terms of the number of beneficiaries and to request insufficient human resources.**

- **The number of beneficiaries and resources required to launch a programme will depend on whether the programme sets out to support existing micro-entrepreneurs who are recovering from a shock or whether it is seeking to support vulnerable households that wish to start new income-generating activities.**

- **Both the quantity and the quality of human resources are crucial to a programme’s success. Visits to beneficiaries should be at least once a month until the MEs are fully operational.**

- **Bear in mind that part of the monitoring can be outsourced to community leaders or external resources and is time-consuming. It also requires data management skills.**

- **It is essential to evaluate the risks that could rise during the implementation and select some mitigation measures among all stakeholders for a common agreement.**
Determining the size and the conditions of the grant

One of the challenges in designing an ME programme is gauging the appropriate size of the grant. The average amount required to launch a microenterprise varies significantly from one context to another and the type of business or activity we support. Consequently, there is a need to remain aware of the variety of activities or businesses that may be supported.

Therefore, the programme design should avoid considering the minimum amount needed to start a “standard” microenterprise and, instead, seek to determine the minimum amount needed to allow most beneficiaries to start the microenterprise of their choice.

In some contexts, it may be worth considering providing grants of varying amounts for different purposes.

TOOLS

P2.S2.T1 The operational Plan of Action (PoA)

The operational Plan of Action sets priorities and provides a roadmap to keep the team on track with the expected results.

P2.S2.T2 Set of Indicators for Livelihoods support

List of Livelihoods Key Programming Indicators (at outcome level), which provides a standardised way to measure and analyse the outcomes of providing livelihood support. The tool includes a guide and an Excel document in which the indicators are grouped by category, along with a description, suggested sources and instructions for measuring each indicator. The indicators are flexible and can be customised to suit ME activities. For instance, indicator KOI-3-1 which measures increases in productivity, in the case of ME support, it could be adapted to: “Number of supported MEs that improve their production by XX”

P2.S2.T3 Tips on budget items in ME support

This tool outlines the key items to consider when developing a budget for an ME programme. Often logistical costs are forgotten, such as monitoring of MEs. The tool also includes the main headings that should be included in the budget.

P2.S2.T4 Work plan

The tool is a model work plan in Excel that can be adjusted to your programme activities.

P2.S2.T5 Risk matrix and mitigation measures

This tool lists common risks that should be considered during the implementation of ME programmes and the mitigation measures that could be put in place to avoid them.

REFERENCES

• IFRC guidelines for livelihoods programming
• Toolbox - Livelihoods Centre
• LRC. Livelihoods. From Objectives to Indicators (livelihoodscentre.org)
P3 Implementation

S1. Inception phase

BRIEF DESCRIPTION

At this phase, the aim is to assess the context and refine programme design with stakeholders to be more evidence-based and better tailored to the local context. Before starting implementation, an inception phase should take place to establish mechanisms for internal and external coordination with relevant partners and communicate with potential beneficiaries. Before launching the programme, procurement and administrative procedures should be well planned to ensure efficient implementation. The following activities might be carried out during this inception phase:

Possible activities during the Inception Phase of ME programmes:

- **Building relationships with local partners and/or service providers:** Key informants are usually both political and technical staff. The purpose of consulting them is twofold: First, to get their advice on programme design, and second, to get them on board by informing them about and involving them in the programme from the outset. ME programmes should identify appropriate partners, establish agreements with them and define potential ways of working. Local partners have a better understanding of community dynamics, and they may increase the sustainability of the MEs as they could continue supporting the target population once the programme has finished. External organisations and/or public institutions often develop part of the planned activities, such as technical training, cash delivery, or even monitoring. During the set-up of the programme, the corresponding agreements should be made. The capacity building of partners should also be considered.

- Workshops to disseminate the programme, objectives and outputs to local authorities and relevant stakeholders: Coordination must take place at different levels, both internally and externally. Internally, there must be coordination between different staff and departments, and between the headquarters and the affected or targeted branches. Externally, there should be coordination with local and regional government institutions and other actors. This workshop will be informative and should be led by local or regional NS representatives and technical staff. It is recommended to create a programme steering committee in the NS to conduct regular meetings to inform about the programme's progress. Ensuring NS participation in related task forces or working groups at the local and regional levels is essential. Identify appropriate ways to ensure that external actors are up to date on the ME programme and, if appropriate, select a representative to attend cluster coordination meetings.

- In many contexts, a programme committee, a representative body of the community where the programme will be implemented, is created at this stage. Participation is voluntary, prioritising equal participation of women and men, and it is usually composed of community leaders and/or persons elected by the community. The main function is to act as a social partner, having fluid communication with the programme team and local population. Generally, it has an essential role in the selection, follow-up and accountability of beneficiaries.
**ME opportunity assessment**: This assessment could be done during the design of the ME programme and/or during this inception phase. Many changes may occur from the design until you start implementing the programme. Therefore, a deeper understanding of the contextual realities, markets and opportunities help the team to develop an accurate work plan grounded in those findings.

**Selecting final targeted sites of the intervention** and assessing local government capacity and commitment to engage in the programme.

**Capacity building for staff and volunteers**: Building the capacity of staff and volunteers is critical. ME training is needed for the programme's staff and volunteers, but also for staff from the logistics, finance and communication departments to understand the programme's needs, constraints and processes and the roles of each department. An ME training package has been developed by LRC. It is important that ME training and capacity building is budgeted when the programme is designed. For example, if staff receive an initial ToT training related to business skills, they might be able to replicate it for the beneficiaries; alternatively, a specialised company can be contracted.

**Administration, financial and logistics coordination and supervision mechanisms**. The teams from those departments should be fully involved from the outset so that they can start thinking of how to apply their respective procedures to best support the programme.

**Develop and implement a communications strategy and awareness materials**: The programme must be launched in the most appropriate way depending on the context, ranging from a community assembly to an online publicity campaign. Awareness materials, including posters, leaflets and other media, can be developed during the preparedness phase and adapted to specific responses. Communication material should be shared directly with the affected population to improve the effectiveness and accountability of the response. This is a key step for a successful ME intervention. The target population should understand the process and agree on the following steps. For more information go to Community Engagement and Accountability.

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### TOOLS

**P3.S1.T1 Training path for staff**
List of available online training for technical programme staff.

**P3.S1.T2 Livelihoods Field Officer Job Description Template**
A model ToR for recruiting a Livelihoods Officer, which should be adapted to the programme.

**P3.S1.T3 MoU between Programme Committee and NS**
A model MoU is included for adaptation. It includes the roles and responsibilities of the programme committee and NS.

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### S2. Selection of beneficiaries

**BRIEF DESCRIPTION**

In the targeting stage (design phase) we established the approaches, criteria and mechanisms for the selection of beneficiaries. In this implementation phase, we have to make the actual selection. There is no single ‘best’ mechanism, and it is likely that several mechanisms will need to be used simultaneously.

One of the mechanisms that it is always used for ME programmes targeting is the geographical, prioritising assistance to particular areas based on which is hardest hit by the crisis/disaster or/and more vulnerable, or/and on access and availability of resources. Geographical targeting is commonly combined with other approaches. The steps involved in beneficiary selection should be adapted in line with the targeting criteria and mechanisms. Find below three examples of common steps for selection in ME programmes.7

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7. In some cases, targeting process is not done as beneficiaries are already selected in the project. For example: beneficiaries of other activities (people who received PSS support will be beneficiaries of the ME activities).
Example 1: Community-based/administrative targeting mechanism

Eligible beneficiaries are identified with the community’s support and, in some cases, representatives of local authorities.

1. Establish a local programme committee (community representatives who will facilitate the process and the collection and verification of information about vulnerability criteria together with the programme team).

2. Agreement on the selection criteria after consultation with different stakeholders, including government and community representatives.

3. Disseminating the selection criteria and the whole activity. Feedback mechanism in place.

4. Community representatives and/or local authorities provide a preliminary list of people who match the agreed selection criteria.

5. Verification of the list by the volunteers: 100% of the selected HH should be verified (or a sample if it is justified), and 10-20% of the households that are not selected. In some cases, volunteers could take the initiative of including HH that are not on the list if justified. (Check P3.S2.T1 Household assessment form or P3.S2.T4 Verification form).

6. Final review and selection by the local programme committee and NS staff.

7. Publication of the provisional list. 8

8. Feedback and Complaint period and adjustments considering exclusion or inclusion errors.

9. Publication of the final list.

Example 2: Scorecard targeting mechanism

Beneficiaries are identified and selected based on a list of vulnerability criteria. The criteria are scored so each potential beneficiary’s vulnerability can be quantified. The households with the highest score, and therefore, the most vulnerable in line with the selection criteria, will then be selected. The criteria and scores will be developed in consultation with different stakeholders, including government and community representatives. Here are some of the main steps to be followed:

1. Establish a local programme committee (community representatives who will facilitate collecting and verifying the information concerning vulnerability criteria together with the programme team).

2. Agreement on the criteria after consultation with different stakeholders, including government and community representatives.


4. Data collection (in digital format, if possible) on the agreed criteria from the population of the area. Data will be gathered by data collectors (NS volunteers) jointly with the programme committee.

5. Elaboration of the lists with the scoring and verification. Manage exclusion and inclusion errors.

6. Final review and selection according to the established threshold score.

7. Publication of the provisional list.

8. Feedback and complaint period and adjustments considering exclusion or inclusion errors.

9. Publication of the final list.

Once the beneficiaries have been selected through this mechanism, other criteria could be added to consider their motivation, skills and experience. Surveys or interviews could be conducted to shortlist the final candidates for the ME programme.

8. In some contexts, publication of the lists will not be appropriate due to security regulations or other reason.
Example 3: Self-targeting mechanism

<table>
<thead>
<tr>
<th>Step</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Establish beneficiary eligibility and weighting criteria (if possible, in accordance with local authorities and beneficiaries), e.g. vulnerability, motivation, skills and experience, suitability, etc.</td>
</tr>
<tr>
<td>2.</td>
<td>Develop the terms and conditions for submitting proposals and a suitable application form, considering language, modality, literacy levels etc.</td>
</tr>
<tr>
<td>3.</td>
<td>Launch a call for applications.</td>
</tr>
<tr>
<td>4.</td>
<td>Socialisation &amp; dissemination of the terms and conditions for submitting proposals. It must be made clear to all potential beneficiaries that a selection process will take place and that applicants who do not meet the criteria will not be included in the programme.</td>
</tr>
<tr>
<td>5.</td>
<td>Submission of applications by the potential beneficiaries (Check P3.S2.T5 Model of application form for MEs support).</td>
</tr>
<tr>
<td>6.</td>
<td>Preliminary verification of the HHs who have submitted the application forms (Check P3.S2.T4 Verification form).</td>
</tr>
<tr>
<td>7.</td>
<td>Preselection &amp; verification: Checking eligibility criteria and rating of proposals based on weighting criteria and household verification of the preselected beneficiaries. A review committee then meets to analyse the cases presented by the field team or officers who filled in the assessment forms to decide on the selection of businesses.</td>
</tr>
<tr>
<td>8.</td>
<td>Publication of the provisional list.</td>
</tr>
<tr>
<td>9.</td>
<td>Feedback and complaint period and adjustments considering exclusion or inclusion errors.</td>
</tr>
<tr>
<td>10.</td>
<td>Publication of the final list and communication to participants.</td>
</tr>
</tbody>
</table>

After the selection of beneficiaries, a baseline survey should be conducted to collect initial information for comparing during monitoring and to understand their profiles, identifying technical gaps, literacy and educational level, previous experience, soft-skills enhancement needs, etc. Check P4.S2.T1. Entry form.

**TIPS**

- When making the selection, make sure to establish clear, objective and easily verifiable and measurable criteria, both when the selection is made by the team or through a call for applications (self-selection).
- For longer-term programmes, consider how often the selection will be made.
- It is key that beneficiaries have a number/code that must be unique, non-transferable and immutable throughout the programme’s life for registration, follow-up and monitoring purposes.
- Both the eligibility criteria and the weighting or prioritisation criteria must be reflected in the application forms or household assessment form.
- Brief a local focal person (e.g. the Red Cross or Red Crescent branch secretary) thoroughly on the ME process. The focal person is usually the one who distributes the application forms. Successful dissemination through appropriate communication channels can make a difference in avoiding potential future problems.
- Inform and involve institutions and community leaders in order to have a clear and appropriate beneficiary selection system for the area.
- Develop a CEA system with staff and volunteers to answer doubts, questions or complaints.
- Budget for this process, both staff time for conducting visits to beneficiaries, and dissemination costs in the case of self-selection.
TOOLS

Example 1: Community-based mechanism

P3.S2.T1 Household assessment form

Example 2: Scorecards mechanism

P3.S2.T2 Scorecard templates: registration sheet and vulnerability criteria list with scores

Example 3: Self-targeting mechanism

P3.S2.T3 Call for applications and conditions for ME support

P3.S2.T4 Verification form

P3.S2.T5 Application form for MEs support

REFERENCES

- Find detailed guidance for targeting in urban and rural contexts in Targeting in urban and rural contexts - Guidelines and Tools - Livelihoods Centre
- Targeting Entrepreneurs
- Data sheet LRC “Selection of recipients according to their degree of vulnerability

S3. Training of beneficiaries

a. Business skills training for beneficiaries

BRIEF DESCRIPTION

There are two key determinants to develop a successful ME: the first is the business plan and the second is the appropriate management of the business. Business skills training can support beneficiaries to plan and run their businesses. The decision of whether to outsource the training or keep it in-house, will depend on many factors, including the number of beneficiaries, the profiles of the NS teams (if they have the skills or if they have been trained), the availability of specialised training institutions in the area, etc. The duration and depth of these trainings will depend on the profile of the beneficiaries and the type of ME to be supported, amongst other factors. In general, it is recommended to implement courses of basic notions and subsequent coaching or accompaniment by the programme team rather than long training sessions with complex content. In any case, the team needs to be clear about the minimum content that should be included:

- Define the business idea.
- Determine the strengths and weaknesses, the opportunities and risks presented by their business idea.
- Learn about the importance of marketing and develop a simple marketing plan.
- Learn how to conduct a market assessment to gather the information required to plan and implement their business idea.
- Estimate the income, costs and profit of their business idea.
- Determine the capital they need to start the business.
- Learn how to keep simple records.
- Integrate all the information acquired into a simple business plan.

9. Occasionally, training support may not be relevant or required (e.g., when the level of business management skills of the beneficiaries is high. The target population’s technical and business management capacities need to be considered during the assessment and design phases”.

10. Business Skills: Training Course for Beneficiaries of Microeconomic Initiatives | International Committee of the Red Cross (icrc.org)
The tools include some guidelines for facilitators that can be adapted to different contexts if you decide to facilitate the training internally. You will also find the link to free online training catalogues where you will find a wide variety of free courses addressed to entrepreneurs, from how to develop a business idea to e-commerce courses, etc. The limitation of these online courses is that they require participants to have basic computer skills, an internet connection and a device.

**TIPS**

- Define the ToR for the training and share it with all relevant stakeholders for review and approval.
- Consider the most suitable time for the beneficiaries to attend the training (daily activities at home, childcare, crop calendar, access to the training site, security conditions, etc.).
- Consider security issues and traditions depending on the local context to define the location for the training.
- Keep in mind that local or public institutions often deliver this type of training.
- Assess the educational level of the target population before designing the training to adjust the session to them. Give special attention to illiterate participants who might need extra support (literacy and soft skills training), or the training must be adapted with simple drawings or visual presentations. Cluster beneficiaries for training according to their capacities so that the contents and methodology can be adapted accordingly.
- Consider providing support with childcare to allow women’s participation.
- Try to avoid a high number of participants in one room. Limit to 20-25 participants.
- Include theoretical sessions combined with practical exercises by participants.
- Invest enough time in explaining how to develop their business plans.
- If a group will implement the ME, consider including basic notions concerning human resources, distribution of tasks according to the different profiles and conflict resolution.
**TOOLS**

**Outsourced**

- P3.S3.a.T1 Model ToR for training on business skills _business planning_
- P3.S3.a.T2 Model Consultancy Agreement

**In house**

- P3.S3.a.T5 List Facilitator guides
- P3.S3.a.T6 Business Model Canvas

**REFERENCES**

- Microeconomic initiatives handbook ICRC, [here](#)

**b. Technical skills training for beneficiaries**

**BRIEF DESCRIPTION**

In many cases, before or during programme implementation, gaps in technical skills will be identified that affect a beneficiary's ability to implement the activity proposed in their business plan. When there are many similar needs, extra training could be provided. This training could be additional training for better business management (such as e-commerce, marketing, customer care, bookkeeping, etc.) or sector-specific (livestock, techniques against climate change, canned food, value chain, etc.). If there are only one or a few people with a particular training need, they could be referred to other organisations for more specialist training.

During the assessment or in the implementation phase, the best training options should be identified, considering the type of training courses offered by technical institutions, duration, certification provided, training fees, suitability for target group(s) and conditions for accessing the courses (previous qualifications needed, payment method, etc.).

**TIPS**

- Usually, specialist technicians in public institutions can assist beneficiaries and provide related courses. It is advised to prioritise these institutions to ensure the programme's sustainability.

- In some cases, a specialist could be hired, such as an agronomist or business specialist, to conduct training with intensive follow-up as an external consultant or local staff of the NS.

- On some occasions, the NS may provide its own technical training (such training should preferably be officially certified).

- Training should be as practical as possible as people don't usually have much time to spend in training as they need to work for their daily living.

- When contracting an external organisation, include follow-up of participants to ensure that skills have been acquired.

- In some cases, machinery or equipment suppliers may offer technical training for the related activity.

- Short skills-based modular courses for technical training or upgrading skills (less than one month) should be considered better than long-term generalist courses (between more than one month to 1 or 2 years).
If possible, consider including internship periods during the technical training. It should be included in the ToR so that service providers are in charge of providing them, or, depending on the context, establishing agreements with private workshops/restaurants/hotels to carry out these internships.

In some countries there are many unregulated training providers that lack accreditation. Where possible, it’s recommended to search for providers that offer courses with standardised curricula that enable some form of official certification.

**TOOLS**

- **P3.S3.b.T1** Model ToR for technical training
- **P3.S3.b.T2** Model Training Agreement

**REFERENCES**

- The International Trade Centre (ITC) offers a variety of free training to support small and medium-sized enterprises (SMEs). [ITC SME Trade Academy - online courses and programmes for trade entrepreneurs (intracen.org)](http://intracen.org).
- Google offers a series of free online training & tools to develop micro business and self-employment initiatives at your own place, [Learn Digital Skills with Free Training - Google Digital Garage](https://developers.google.com/dg).

**S4. Development of a business plan**

**BRIEF DESCRIPTION**

A business plan is a written document that describes the business objectives and how its goals will be achieved. A business plan should describe the business, from operations to marketing and finance, as explained during the training on business skills. Once trained, beneficiaries will have to design their business plans, for which the support of the programme teams (volunteers or staff) is strongly suggested. A business plan can be a simple one-page document with essential information on budget, forecast of expenses and income, resources and essential activities, or a more comprehensive plan that contains an entire marketing, operations, human resources and financial strategy.

In the tools, you will find a simplified business plan format adapted to the type of micro-enterprises that are supported within the framework of ME programmes. The guidelines also provide other tools to help the beneficiary work on his or her business idea and complete the business plan accordingly.

As a minimum, a business plan should contain information concerning:

- **Business idea:** Type of product or service to be offered. Reflect on the added value and how it differs from the competition.
- **Start-up budget.**
- **Economic plan:** Estimating the potential income, expenses and profit (business cycle – weekly, monthly, annually), investment and depreciation costs, fixed costs, variable costs, prices, sales forecasts, etc.
- **Key resources:** Human resources, goods, machinery, physical space, etc.
- **Key partnerships to be established:** authorities, providers, clients, etc.
- **Basic operational plan of the business.**
- **Basic marketing plan:** Main customer segment, competitors, communication channels, client relationships and marketing.
- **Strengths and weaknesses and the opportunities and risks of their business idea.**
**TIPS**

- The information required in the business plan should be adapted to the beneficiaries’ capacities and context.
- The estimated economic calculation of the profit (including income and cost per cycle) must be carefully explained and reviewed by programme staff and relevant stakeholders (technicians from the government’s technical departments).
- If possible, holding a personalised session with each ME owner to prepare the business plan is strongly recommended.
- Obtaining the expected purchase and sale prices by the members of the ME - especially in the case of collective MEs - may be a challenge for different reasons: reluctance to comment on such information in public, lack of knowledge about it, etc. Parallel actions are recommended to obtain these prices: market studies, etc.
- It is recommended to include forecasts about the economic profitability for at least the first three years of activity. When possible, it is recommended to include several scenarios (no more than three): optimistic, realistic/most likely, pessimistic.

**TOOLS**

- P3.S4.T1a Business plan format
- P3.S4.T1b Business plan format (simplified)
- P3.S4.T2 Economic plan formats
  Excel file, complementary to the previous tool
- P3.S4.T3 Canvas business model
- P3.S4.T4 Simple initial business environment assessment form
- P3.S4.T5 Typical questions when planning a business

**REFERENCES**

- Start your business. Business Plan Toolkit, ILO, [here](#)
- Training tool for preparing a business plan for cooperatives, Start. COOP by ILO, [here](#)
- Microeconomic initiatives handbook ICRC, [here](#)

**S5. Business plan review & approval**

**BRIEF DESCRIPTION**

At this stage, beneficiaries have been selected, received training, and have developed their business plans. In this stage, the programme team will have to review the business plans exhaustively and suggest improvements, if necessary, to approve them. Relevant stakeholders (for example, government technicians) should be involved. In some cases, all selected beneficiaries who attended the business skill training and developed a business plan will continue and receive a grant. In other ME programmes, additional selection will be done at this stage, based on the business plans according to defined criteria. Some suggestions for selection criteria for business plans (in the case it was necessary) are the following:

- Profitability and return on investment cost.
- Quality of the submitted business plan.
- Alignment with the market demand.
• Cost of proposed business (budget).
• Growth potential.
• Viability and sustainability.
• Time and financial commitment.
• Positive/negative impacts on their communities: environmental impacts, social impacts, and other impacts on persons which could be negatively impacted by the intervention, such as competing MEs and/or traditional producers, etc.

Other criteria related to the entrepreneur should be considered (in case it is necessary to select some from the total of participants):

• Interest & motivation.
• Participation in the training.
• Vulnerability and urgent needs of the beneficiary.
• Consideration of gender perspective/inclusion.

TIPS

It is essential to verify certain information contained in the business plans, especially if they have not been developed jointly with the beneficiaries, such as expected purchase and sale prices, transport costs, existing demand, etc.

It may be necessary for the programme team to carry out actions in parallel to inform the aforementioned verifications, such as market studies that may be time-consuming and may require an important involvement of the volunteers, including their training.

It is recommended that hypothetical scenarios are included in business plans, considering the possible reinvestment of the profits of the first year -or first years- for aspects such as the purchase of machinery or electrical appliances, purchase of a means of transport to avoid costs or to change the business approach (for example door-to-door sales), purchase of a physical space for the business (to avoid rental costs), etc.

Before approving a business plan, it is important to confirm that the business has all the necessary requirements to be carried out, such as access to land, valid legal permits for the ME, necessary resources available in the country, etc. Confirm that there are no governmental contraindications for the development of the business.

TOOLS

P3.S5.T1 Table of criteria for Business Plan approval
P3.S5.T2 MoU with beneficiaries' template
P3.S5.T3 Agreement beneficiary for business recovery
P3.S5.T4 Assessing your Entrepreneurs Characteristics

REFERENCES

• Microeconomic initiatives handbook ICRC, [here](#)

S6. Provision of grants

The provision of financial support is normally complementary to business training in order to start, recover or consolidate micro-entrepreneurships. After submitting a business plan that is considered viable and once it is approved, beneficiaries could receive economic support in the form of cash or in-kind grants to start implementing activities.
Usually, cash is the preferred modality, but in-kind can be used when cash is not feasible. The support is distributed in instalments, where the subsequent instalment is conditioned to the fulfilment of a series of requirements normally related to the adjustment of the expenses mentioned in the business plan. However, conditions such as the schooling of minors, vaccination, etc. can also be established according to the programme’s goals. The grant can be distributed to an individual or to a household.

One of the key points to define is the amount to be transferred. It is also necessary to decide whether to give the same amount to all beneficiaries or different amounts based on some criteria.

**Calculation of the amount of the grants**

One of the challenges in designing an ME programme is determining the appropriate size of the grant. Providing an insufficient grant amount may significantly hinder the programme’s effectiveness, while being overly generous may adversely impact its efficiency. The programme will often be constrained by other factors that are not necessarily directly related to the start-up cost of the economic activity in question, such as the organisation’s policy, donor restrictions, programme requirements, etc.

The average amount required to launch an ME varies significantly from one context to another or from one type of activity to another. Once you have identified ME opportunities, you need to estimate the minimum start-up cost. The formulas to calculate the minimum amount to be granted can be as varied as the programmes: it is possible to estimate an amount per type of business, or to set a ceiling per beneficiary to promote joint ventures to start up MEs involving higher start-ups costs, etc. But no formula is a panacea since the choice of the ME may be biased to those that enable receiving a higher amount in the first case, or lead to saturating the market with businesses that can be started with the ceiling amount to be granted, or promote forced joint ventures just to access larger amounts, for example. Also, we will be unable to have a more accurate figure for the start-up costs until the business plans are developed in the implementation phase.

**TIPS**

- Other microentrepreneurs or beneficiaries who may have already launched an ME are one of the most important sources of information to help you in the estimates.
- Microfinance institutions, vocational training institutions, local authorities and other organisations implementing ME programmes in the area can help you calculate the minimum grants.
- It is advisable that the contribution per ME could be variable and linked to the business plan.

**TIPS**

- When calculating the amount, it is important to consider: programme’s objectives; number of instalments; local price level; other possible sources of resources (self-employment, other actors, etc.).
- The calculation of the grant is key to the success of an ME. Allocating too small an amount will not meet the programme’s objectives; conversely, providing too large an amount will also have negative consequences such as wasted resources and inclusion errors.
- While a handful of similar MEs may be started with a grant, this may lead to a saturation of those activities on the market. It may also compromise the bottom-up approach by compelling beneficiaries to choose an activity they may not be genuinely interested in. Therefore, considering the minimum amount needed to start a “standard” microenterprise should be avoided. We should rather seek to determine the minimum amount needed to allow most beneficiaries to start the microenterprise of their choosing.11
- Delivering the same amount to all the MEs may make it easier to manage. Still, it is strongly recommended to adjust the amounts to the needs of each ME based on criteria such as the number of people involved in the ME or the income of the families concerned. If it is not possible to make a personalised adjustment with an amount for each ME -ideal circumstance- at least some standard cases could be defined.

Common mistakes: downward estimating the costs; delays in delivering the cash that can cause to miss certain seasonal activities; not foreseeing changes in prices or mechanisms to deal with them; not analysing the price level in each area of intervention.

REFERENCES

• Good Practice Review 11: Cash Transfer Programming in Emergencies, here
• Cash Hub. British Red Cross, here

a. Cash-based grants

BRIEF DESCRIPTION

Providing cash grants will be prioritised whenever possible, as it has proven to be an effective, efficient and transparent way of supporting microentrepreneurs; however, the context, the capacity of the organisation and partners' needs can influence this decision.

Questions like availability of the needed items/goods in the local markets, the existence of reliable money transfer providers and their costs, legal restrictions, security issues, etc., can also determine the feasibility of resourcing to cash or in-kind grants. You also need to assess the modalities' advantages and disadvantages and the associated risks. The Cash in Emergencies Toolkit of the RC/RC Movements offers a set of tools to guide you in every step. Below we have extracted some of the tools that could be very useful for MEs programme support.

Cash transfers are generally of a conditional/restricted nature, with a cash amount being transferred to beneficiaries following an agreement on how the cash has to be used.

Example of ME programme where the selected modality for start-up grant support is conditional and provided in two instalments:

First instalment: conditioned on:

1. Attending business plan preparation workshop and submitting a business plan.
2. Attending technical training.
3. Signature of individual contract (MoU) between beneficiary and NS.

Second instalment: conditioned on the correct expenditure of the first instalment (e.g. preparation of cattle shed, plastic tunnel) and restricted to the purchase of different necessary items to develop the livelihood activity in the agreement.

In many cases, for various reasons (inflation, security, quality or even choice of the beneficiary or NS preference), it is decided to support the delivery of goods (or start-up) with vouchers. You can refer to the Cash in Emergencies Toolkit of the RC/RC Movement to develop this modality.

TIPS

- The transfer value must be enough to establish an ME. If not enough, beneficiaries must complement the amount with their savings.
- Check beneficiary preferences to decide the modality of cash.
- Check required goods in local markets, the existence of reliable money transfer providers and their costs, legal restrictions, security issues, etc.
Select the cash transfer mechanism: Direct transfer to the bank accounts of the beneficiaries; direct cheque delivery to the beneficiaries, ATMs and smart card; mobile banking or payment through mobile phones; intermediary agency; direct cash distribution (“cash in envelopes”). It will depend on the financial service providers available in the intervention area.

Be careful when splitting the instalment, the delivery must be sufficient to cover the condition(s) to receive the second instalment.

**TOOLS below have been extracted from the Cash in Emergencies Toolkit**

1. **M3_1_2_1 cash feasibility checklist.** To check cash feasibility and select the response modalities and mechanisms that best meet the objectives established for the emergency response.
2. **M3_1_3_2 Advantages and Disadvantages of response modalities.** Advantages and disadvantages of response modalities (information for team members about the different modalities).
3. **Risk matrix.** Risks should be considered throughout the response analysis process. Risk analysis can help determine the feasibility of cash options and provide valuable information for the comparative analysis of different options. Risk analysis can be enriched by the participation of a diverse group of stakeholders (including members of the assessment team, volunteers, staff members from the programme, logistics and finance units).
4. **M3_1_6_1 Decision-making matrix template.** A decision-making tool provides guidance on identifying which response modalities and mechanisms best meet the objectives established for your intervention.
5. **Beneficiary communication and accountability**
   - **M4_2_4_1 BCA information checklist (to be completed by the team).** Beneficiary communication and accountability
   - **M4_2_4_2 Beneficiary comms flyer template (to be adapted to the programme)**
   - **M4_2_4_4 RCRCM CVA FAQs (relevant document with a summary of main questions asked related to transfer modalities)**
6. **Financial Service Provider**
   - **M4_3_1_3 E-transfer requirements checklist**
   - **M4_3_1_4 Assessing mobile money template**

**REFERENCES**

- Cash in Emergencies Toolkit
- The Cash and Learning Partnership (CaLP)
- Check training in Section P3.S3 Capacity building volunteers & staff

**b. In-kind support**

**BRIEF DESCRIPTION**

In the event there is no availability of the needed items/goods in the local markets, or there are legal restrictions to provide grants under the CVA modality, the start-up support could be done in-kind by the NS. In this case, procurement of items must be planned (considering transportation and storage costs). Establishing a ‘procurement committee’ involving relevant stakeholders (Government officers, NS staff, technicians, etc.) is recommended. A longer timeframe may be needed to provide in-kind support as various regulations should be followed since managing the purchasing, storage and delivery process could be challenging for the NS and the implementation teams.

**TIPS**

- Before deciding on the assistance mechanism, check beneficiary preferences.
- As far as possible, purchase goods in the local market. If not, study the impact of the increase in foreign goods and have a plan to mitigate this impact.
Include the logistics and distribution costs of the goods, as well as plan the distributions with the beneficiaries and transport agents.

Consider the procurement process in your work plan, which in many cases is very long, and whether they are adapted to the needs of the beneficiaries’ MEs.

As far as possible, it is important to carry out a prior study of the impacts on inflation in order to define this type of modality. In cases where there are low-resource contexts and high inflation scenarios, beneficiaries tend to prefer delivery in kind.

REFERENCES

- Promoting sustainable entrepreneurship through business incubators, accelerators and innovation hubs, click here
- Cash Toolkit Set up & implementation (Vouchers’ box), click here

Danish Red Cross/Nepal
Monitoring & Evaluation of ME programmes

ME support programme monitoring has to be done from a double perspective:

• Like in any other programme, through monitoring, we aim to follow up on the achievement of the objectives and indicators outlined in the logframe and to provide the management with accurate, evidence-based reporting that informs decision-making to guide and improve programme performance.

• In ME support programmes, through monitoring, we aim not only to gather data but also to continue coaching and supporting micro-entrepreneurs to strengthen their businesses.

• The ME’s monitoring should:
  • Verify that inputs are being used as agreed.
  • Verify that the MEs are performing according to the business plans.
  • Evaluate beneficiary satisfaction/commitment.
  • Identify and help solve problems (e.g. materials, training).
  • Motivate micro-entrepreneurs (coaching). Obtain lessons learned.

The M&E process should be considered not only as a collection of data but as a key tool to take actions and decisions during the implementation of ME programmes. Therefore, the following steps should be included during an M&E process:

1. Gathering data from monitoring forms and data cleaning in excel sheets.
2. Analysis of data.
3. Use of Excel pivot tables and/or dashboards to analyse, extract information and understand the situation.
4. Apply corrective actions (previously agreed in the risk matrix) to solve the problems detected after the analysis.
5. Evaluation.

S1. Design the M&E plan

**BRIEF DESCRIPTION**

The M&E Plan will define what exactly needs to be monitored and evaluated in the programme, how it will be done, and when and by whom. It is a tool designed to ensure that the key information to assess and monitor the programme’s progress is collected in the right way and at the right time.

As already mentioned, it is key that each beneficiary has a project ID number/code that must be unique, non-transferable and immutable from the time of selection and throughout the life of the programme to allow effective M&E.

12. It is recommended to use mobile data collection apps to conduct the surveys in the field and export the data (KoboToolbox, ODK).
As part of the implementation of ME support activities, the teams need to develop this plan which describes exhaustively the monitoring of the implementation of MEs. As said before, the M&E plan will start during the design phase -in the targeting stage- and will last until the end of the programme. The M&E plan makes it possible to understand the performance of the MEs as well as the impact on the beneficiaries’ situation according to the programme indicators (e.g. self-reliance, increased economic resilience, etc.).

The plan shall set the steps, the team responsible for each task, the tools that will be used and the frequency of the data collection.

**TIPS**

- Monitoring is a time-consuming but essential task; therefore, it must be budgeted in the design phase. Make a useful monitoring plan that allows analysing data easily during the course of the programme.

- Staff and volunteers in charge of monitoring should have the capacity to follow up business plans to ensure effective coaching.

- The programme can involve community members to monitor programmes in addition to the programme monitoring team.

- Organise weekly, bi-weekly or monthly meetings of the team and volunteers to know the status of beneficiaries and their businesses. To ensure good monitoring, it is essential that the volunteers are involved and trained at the beginning of the action, if possible, including those from the target communities.

- Field staff/volunteers should try to reach beneficiaries by telephone in case the beneficiary households are not accessible.

- The frequency of monitoring visits will vary significantly depending on the stage of the micro-entrepreneurship. The visits will be frequent at the start-up and can be spaced out as the ME progresses and consolidates.

**TOOLS**

- P4.S1.T1 Monitoring and Evaluation plan

**REFERENCES**

- IFRC programme monitoring and evaluation (M&E) guide, [click here](#)

**S2. Entry and exit forms**

**BRIEF DESCRIPTION**

A baseline study (sometimes just called “baseline”) is an analysis describing the initial conditions of the population in the areas (as per set indicators) before the programme starts. In ME programmes, once the targeted beneficiaries have been selected, an individual survey (entry form) of each beneficiary is collected to allow comparison of their situation during programme implementation (monitoring) and/or at the end of the programme (exit form) to help measure progress toward achieving objectives and performance of the supported MEs.

While surveys usually collect quantitative information, this is not always possible or appropriate, so qualitative methods such FGD or KII, or a combination of different methods can also be used.
**TIPS**

Regardless of the method(s) used to collect initial information, what is crucial is that the same methods and indicators are used when conducting the final survey so that progress can be consistently and reliably measured at different points in time to allow comparison.

In addition to the indicators defined in the programme’s logical framework, other specific indicators that could be considered key to monitoring the evolution of the MEs and aspects of the context that may affect it can be included.

**TOOLS**

**P4.S2.T1 Entry form**

Survey to collect initial information of the selected ME programme’s beneficiaries.

*Note: In the case of having conducted a household assessment visit in a previous stage, you will have already collected the baseline information of each beneficiary.*

**P4.S2.T2 Exit form**

Survey to collect information of the selected beneficiaries at the end of the ME programme.

**S3. Monitoring**

**BRIEF DESCRIPTION**

Monitoring is the systematic collection and analysis of information to track progress against set plans and check compliance with established standards. It helps identify trends and patterns, adapt strategies and inform decisions for programme management.\(^\text{13}\)

The frequency of monitoring depends on the type of programme, the profile of the entrepreneur, the human resources available (programme team) and the timeframe of the programme. ME monitoring includes an entry & exit survey (as mentioned in the previous stage), monitoring grant distribution (in-kind or cash) and quarterly monitoring during the whole programme cycle.

**TIPS**

It is essential that the programme team and/or the NS monitor the MEs, particularly in the first months of implementation; that is why it must be considered from the design and throughout implementation. Carrying out activities in the final part of the implementation period should be avoided (often, grants are delivered at the end of the intervention without enough time for proper monitoring). In general, though it will depend on each context and type of ME, it is recommended that the MEs are monitored for at least six months and ideally for one year.

The monitoring process can help the MEs to adapt their businesses from what was planned, introducing updates based on the evolution of the situation: changes in prices, business profits different than expected, changes in the supply chain, etc.

Reporting teams should regularly elaborate a narrative report on the progress of the ME programmes in the areas under their responsibility. Reports should cover at least the following topics:

- Number of applications received.
- Number of selected businesses.

\(^{13}\) [IFRC-ME-Guide-8-2011.pdf](https://example.com)
Number of people trained.
Number of MEs supported.
Type of business supported.
Status of the businesses supported: fully running, partially running, stopped, not yet started.
Number of MEs that follow their business plan.
Challenges & ways forward.
Progress of programme implementation compared with that envisaged in the work plan (monitoring indicators).

TOOLS

P4.S3.T1 In-kind follow-up form
P4.S3.T2 Cash follow-up form
P4.S3.T3 Quarterly monitoring form
P4.S3.T4 Bookkeeping templates

Tool to facilitate the beneficiaries to perform cash flow as well as to keep track of credits and loans.

REFERENCES

- IFRC programme monitoring and evaluation (M&E) guide, click here
- Microeconomic initiatives handbook ICRC, here
Complementary activities

S1. Market linkages & networking activities

BRIEF DESCRIPTION

In addition to defining the business, developing business plans and providing start-up grants, for the implementation of the MEs, it is essential to consider the relationship with the market, including customers, the competition and other types of companies, and institutions, both authorities and other organisations.

With regard to the relationship with customers, MEs must pay close attention to aspects such as offering services and carrying out actions that can contribute to customer loyalty, communication with customers through appropriate channels, or the establishment of stable purchase or sale agreements with specific suppliers and/or clients, among others. It is essential to take care of aspects such as keeping the business clean, making discounts, including services such as delivery, offering different services such as free mobile charging points for clients, giving visibility of the ME’s link with the community and the benefits for the local economy, etc.

Likewise, building relationships with other local micro-entrepreneurs is strongly recommended, both with the same business types and with others. This relationship, regardless of healthy competition, could be very positive.

Furthermore, participation in events such as fairs or other events can be very positive, both for the knowledge of other MEs and for building relationships with other actors in the value chain, such as producers, suppliers, transporters or companies that could become customers.

In this regard, an interesting initiative are business incubators. A business incubator is an organisation that helps start-up companies and individual entrepreneurs to develop their businesses by providing a full-scale range of services from facilitating training on management or office space, to venture capital financing.

TIPS

☐ NS can support beneficiaries who started a ME to promote their products facilitating contacts with relevant stakeholders (restaurants, universities, supermarkets, etc.).

☐ It is essential to maintain appropriate communication channels with the other actors, such as transporters, suppliers and, particularly, customers - whether they are companies or individuals. We must be particularly open to the use of new communication technologies, such as those that involve mobile phones, like instant messaging, mobile money, etc., in cases where potential customers use them.

REFERENCES

- Promoting sustainable entrepreneurship through business incubators, accelerators and innovation hubs, here
- Check REDpreneur, an initiative of Austrian Red Cross with Red Cross societies and social entrepreneurs to develop impactful and sustainable ventures that seek to improve the access to and the quality of health and social services, here

TOOLS

P5.S1.T1 Tips for fair to promote MEs
S2. Contingency planning

**BRIEF DESCRIPTION**

Beneficiaries involved in MEs are often unaware of the risks to their business activities and do not have access to information that can help them prepare to address potential risks. The main factors that hinder contingency planning in MEs are lack of awareness, information & tools or technology to prepare the plans and lack of human resources to devote to planning. The MEs in developing countries face additional constraints that make planning even more challenging: they often operate in the informal sector, lack material resources to implement the contingency plans, and lack business literacy.

The Business Preparedness Initiative (BPI) developed by the Global Disaster Preparedness Center adapted to MEs aims to protect and promote resilient MEs by providing actionable guidance through tools that MEs can utilise to learn how crises might impact their business and community, and to help ME owners and managers to develop crisis preparedness plans. BPI tools are the Atlas: Ready for Business, a free mobile app that guides users on a journey towards business resilience, adapted to MEs by the LRC,14 and Workshop in a Box, a ready-to-use PPT and participant notebook that provides the resources required to run Business Continuity and Resilience Workshops with a simple adaptation to the context. These tools are designed to be most effective when used together as part of a complete programme; however, they can be used separately.

To support MEs in the development of a contingency plan, there are several activities to undertake:

- Awareness of the need to plan for contingencies.
- Developing a business continuity plan.
- Implementing the business continuity plan.

In the Tools, you can find an explanation and tips to be considered to develop each stage.

**TIPS**

- Contingency plans can be very sophisticated or very simple. Depending on the context, the Atlas tool may be used. In some cases, simple awareness sessions are enough, such as for isolated populations in rural areas, with little access to technology and with simple business models.
- Each NS will have to adapt the tool to the most common disasters that may affect the beneficiary populations and to the profile of the entrepreneurship.
- It is recommended to economically support the businesses to help them implement the measures set out in their contingency plan (e.g. purchase of fire extinguishers, masks, safety box, pen drive or motorcycle helmet).

**TOOLS**

- P5.S2.T1 Awareness of the need to plan for contingencies
- P5.S2.T1a ATLAS Video (Piloting Atlas in Ecuador, only available in Spanish)
- P5.S2.T1b ATLAS video (Tips for business continuity, only available in Spanish)

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14. At the time of writing this guide, the version for MEs, simpler and shorter than the standard one, is only available in its pilot version in Spanish for Peru, Ecuador and El Salvador, although it is recommended to check it for your country as it was in the process of being scaled up.
P5.S2.T1c Tips to protect your business

P5. S2.T2 Developing a business continuity plan

P5.S2.T2a Workshop in a Box

P5.S2. T3 Implementing the business continuity plan

REFERENCES

- Visit GDPC Business Preparedness Initiative Toolkit - PrepareCenter
  You can find access to the “Atlas: Ready For Business” Mobile Application.
4. Mainstreaming PGI and CEA

a. Community Engagement and Accountability (CEA)

**BRIEF DESCRIPTION**

“Putting communities at the heart of what we do.”

Ensuring that an ME programme is designed and implemented according to procedures that maximise accountability to its beneficiaries is crucial. The goal of community engagement and accountability (CEA) is to provide timely, relevant and potentially life-saving information to communities, to ensure that communities are meaningfully engaged throughout the programme cycle and that their feedback and concerns are listened to and used to design and adapt the programme. When identifying, designing and implementing ME support programmes, the livelihoods team must know how best to engage the community members. The most appropriate communication tools will need to be used to listen to people’s needs, feedback and complaints, and ensure their participation. This helps to build more resilient communities.

The IFRC CEA Guide and toolkit provide key information and can be found at the Community Engagement Hub, [here](#).

**TIPS**

- It is essential to implement a complaint and feedback mechanism. Among other issues, the mechanism should include the possibility of assessing the quality and timing of the activities; having specific systems for dealing with especially sensitive issues such as fraud or sexual abuse; and there must be multiple channels to ensure safety and usability. The programme should dedicate sufficient resources to the mechanism and ensure that all the feedback and complaints received are addressed appropriately.

- Information about the ME programme must be communicated using languages, formats and media accessible and understood by beneficiaries and affected communities, including vulnerable and marginalised groups.

- Beneficiaries and community members must be consulted and informed of all aspects of the implementation of the ME programme, including, among others: selection criteria and processes, programme objectives and activities, and specific information about the development of the programme, such as an explanation of the calculations of the amounts to transfer or the modalities to be used, etc.

**REFERENCES**

- ICRC Microeconomic Initiatives Handbook, [here](#)
- Community Engagement Hub, [here](#)

b. Protection, Gender and Inclusion (PGI)

**BRIEF DESCRIPTION**

When identifying, designing and implementing ME support programmes, the livelihoods team must ensure that all people are reached effectively and in a non-discriminatory and equitable manner. Our work must ensure dignity, access, participation and safety for all people affected by disasters and crises.

A person’s sex, gender identity, age, physical ability, race, nationality, religion and many other factors can influence how they are vulnerable to and affected by disasters, conflicts and crises. They can also affect how they respond and recover, which can therefore influence the ME programme’s success.

ME activities must be designed based on gender, age and diversity analysis, responding to how gender influences access to economic resources, capacities, risks and vulnerabilities. ME support programmes should target the specific needs of women and men of all ages and have to be equally accessible to all. See IFRC [Gender and diversity in food security and livelihoods programming. Guidance note - Livelihoods Centre](#).
Protection, Gender and Inclusion (PGI) describes the IFRC’s approach and way of addressing the causes, risks and consequences of violence, discrimination and exclusion in an integrated manner. Guidance with a set of minimum standards for PGI can be found in protection, gender and inclusion in emergencies: toolkit - International Federation of Red Cross and Red Crescent Societies. This resource provides practical guidance on how to mainstream dignity, access, participation and safety based on a consideration of gender, age, disability and other diversity factors. This includes limiting people’s exposure to the risks of violence and abuse and ensuring that programmes “do no harm”.

PGI is a priority within the framework of the Movement, and within ME programmes. There are two key approaches to integrating PGI: PGI mainstreaming in all sectors and specialised (standalone) activities that aim to protect and include people, such as child protection, sexual and gender-based violence (SGBV) prevention, among others.

**TIPS**

- It is essential to consider gender, age and diversity throughout the programme design to ensure accuracy, ownership and sustainability: collect data disaggregated by gender, age and diversity; seek male/female balance in teams and committees; consult and involve women, girls, boys, men, the elderly, persons living with disabilities, PLHIV and LGBTI+; analyse constraints and/or barriers.

- Concerning sex- and age-disaggregated data on the affected population, it is important to gather data on the number of pregnant women, polygamous families, people with disabilities, etc., among others.

- It is important to have information on aspects such as the amount of time that women and men (and girls and boys) spend in unpaid work (e.g. fetching water, cooking, collecting firewood, childcare, washing clothes) and, therefore, how much time they can devote to income-generation activities.

- Conduct meetings with women and men separately to determine their specific needs, capacities and challenges in ME support activities.

- Ensure that all the implemented activities target the specific needs of women and men of all ages and are equally accessible to all. Pay particular attention to vulnerable groups such as persons with disabilities, older people, etc.

- Concerning the grants –cash or in-kind- to be provided to support MEs, it is essential to consider aspects such as women’s and men’s different roles in relation to control over, decision-making about, and access to cash or how money is divided, controlled and used within households, including polygamous households if applicable. Ensure that distribution mechanisms take gender considerations into account – for example if using mobile phone technology to facilitate distribution, ensure that women and men have equal access to that technology. Ensure that distribution points consider location, time and safety issues, and possible cultural restrictions to ensure ease of access and minimise overburdening beneficiaries.

- Consider taking specific measures related to addressing gender-based violence, such as ensuring that there are accessible and confidential ways to report violence.

- Psychosocial impact should be considered. Particular consideration when dealing with IDPs or returnees is the extent to which the programme has been a channel for social reintegration, increased self-esteem, etc.

**REFERENCES**

- IFRC Protection, gender and inclusion in emergencies: toolkit, [here](#)
- IFRC Gender and diversity in food security and livelihoods programming. Guidance note, [here](#)
- LRC Child labour in the context of Covid-19 in Livelihoods and the Food Security sector, [here](#)
Annex 1. ME Toolkit Summary

**P1 Assessment & Analysis**

S1. Scope of the assessment
S2. Opportunity assessment
   - Secondary information review
     - P1.S2.b.T1 Secondary information & Stakeholders map
     - P1.S2.b.T2 Potential sectors and market flows
     - P1.S2.c.T1 Preparation for the field visit
     - Data gathering / Surveys
       - P1.S2.d.T1.i Target group survey
       - P1.S2.d.T1.ii Consumers survey
     - Semi-structured interviews
       - P1.S2.d.T2 Semi-structured interviews (local authorities, local businesses, training institutions)
     - Focus Group Discussions (FGD)
       - P1.S2.d.T3 Focus Group Discussion
     - Direct observation
       - P1.S2.d.T4.i Direct Observation templates (urban)
       - P1.S2.d.T4.ii Direct Observation templates (rural)
S3. Information analysis
   - P1.S3.T1 Qualitative data entry - analysis
   - P1.S3.T2 ME Opportunity assessment

**P2 Design**

S1. Targeting
   - P2.S1.T1 Summary of targeting approaches, criteria and mechanisms
   - P2.S1.T2 Targeting template
S2. Programme design
   - P2.S2.T1 Operational Plan of Action
   - P2.S2.T2 Set of indicators for Livelihoods support
   - P2.S2.T3 Tips on budget items in MEs support
   - P2.S2.T4 Work plan
   - P2.S3.T5 Risk matrix and mitigation measures

**P3 Implementation**

S1. Inception phase
   - P3.S1.T1 Training path for staff
   - P3.S1.T2 Livelihoods Field Officer Job Description Template
   - P3.S1.T3 MoU between Project committee and NS
S2. Selection of beneficiaries
   - P3.S2.T1 Household assessment form
   - P3.S2.T2 Scorecard templates
   - P3.S2.T3 Call for applications and conditions for MEs support
   - P3.S2.T4 Verification form
   - P3.S2.T5 Application form for MEs support
S3. Training of beneficiaries
   a. Business skills training for beneficiaries
      - P3.S3.a.T1 Model ToR for training on business skills
      - P3.S3.a.T2 Model Consultancy Agreement
      - P3.S3.a.T5 List Facilitator guides
      - P3.S3.a.T6 Business Model Canvas
   b. Technical training for beneficiaries
      - P3.S3.b.T1 Model ToR for technical training
      - P3.S3.b.T2 Model Training Agreement
S4. Development of a business plan
   - P3.S4.a.T1a Business plan format
   - P3.S4.a.T1b Business plan format simplified
   - P3.S4.T2 Economic Business plan format
   - P3.S4.T3 Canvas business model
   - P3.S4.T4 Checklist for an initial market assessment
   - P3.S4.T5 Typical questions when planning a business
S5. Business plan review & approval
   - P3.S5.T1 Table of criteria for BP approval
   - P3.S5.T2 MoU with beneficiaries template
   - P3.S5.T3 Agreement beneficiary for business recovery
   - P3.S5.T4 Assessing your Entrepreneurs Characteristics
S6. Provision of grants

**P4 Monitoring & Evaluation**

S1. Design M&E plan
   - P4.S1.T1 Monitoring plan
S2. Entry and exit forms
   - P4.S2.T1 Entry form
   - P4.S2.T2 Exit form
S3. Monitoring
   - P4.S3.T1 In-kind follow-up form
   - P4.S3.T2 Cash follow-up form
   - P4.S3.T3 Quarterly monitoring form
   - P4.S3.T4 Bookkeeping templates

**P5 Complementary activities**

S1. Market linkages & networking activities
   - P5.S1.T1 Tips for fair to promote MEs
S2. Contingency planning
   - P5.S2.T1 Awareness of the need to plan for contingencies
     - P5.S2.T1a. ATLAS Video (Piloting Atlas in Ecuador, only available in Spanish)
     - P5.S2.T1b ATLAS video (Tips for business continuity, only available in Spanish)

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