



---

## **DRAFT MONITORING FRAMEWORK FOR THE MSME SECTOR IN ZIMBABWE**

**THE MINISTRY OF WOMEN AFFAIRS, COMMUNITY, SMALL AND MEDIUM  
ENTERPRISES DEVELOPMENT (MWACSMED)**

Prepared by:  
Master Mushonga, PhD  
M&E and Development Finance Expert  
Tel: +263(0)242723231 / +263 772 713 657  
Email: [mastermushongaandassociates@gmail.com](mailto:mastermushongaandassociates@gmail.com)

**June 2022**

---

**COMMISSIONED BY**

**UNITED NATIONS DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS  
(UNDESA)**

## 1. INTRODUCTION ON THE SELECTION OF KPIS

In selecting key performance indicators (KPIs) to monitor performance and measure the contribution to the economic development, it must be borne in mind that "not everything that can be measured counts, and not everything that counts can be measured". The ministry's data collection from different agencies should not place an undue burden on them. It should represent data that a typical agency may collect in the normal course of business to appreciate its performance for better decision-making.

The selection of KPIs for the Results Monitoring Framework (RMF) usually should satisfy four (4) conditions:

- a) The indicator should reasonably demonstrate that a specific development outcome is being achieved.
- b) The data required can generally be collected easily and is likely to be accurate.
- c) The data required from the other agencies should be collected in the normal way of carrying out its duties.
- d) As far as possible, indicators should be harmonized/the same with those used by other government ministries, departments, and agencies (MDAs).

Above all, indicators should be gender-sensitive to measure gender-related changes over time. In addition, indicators are tied to results by focusing on one or more characteristics of the broader goal, using SMART criteria. The attributes of SMART indicators are as follows:

- **Specific.** Indicators should convey clear, precise information that is easy to communicate and understand.
- **Measurable.** The values of indicators should be easy to determine objectively and with scientific accuracy.
- **Achievable.** Indicators and their measurement units must reflect achievable goals during the relevant timespan.
- **Relevant.** Indicators should be directly applicable to the goals and context of the level being measured and be useful for management or analytical purposes.
- **Time-bound.** Indicators should enable progress to be tracked at the desired frequency for a set period of time.

In some cases, demonstrating that a development outcome is being achieved may require quantitative and qualitative data (as not everything that counts can be measured). Qualitative data collection, such as questionnaires and case studies, may be needed to enhance the development story told by the quantitative data.

For this RMF KPIs were selected through stakeholder consultations based on their understanding of role and importance of MSMEs to the Zimbabwe economy. Secondly, their appreciation of National MSME Policy (2020-2024), NDS1, SDGs, and 2022-2026 United Nations Sustainable Development Cooperation Framework (UNSDCF) also inform and guide the selection of suitable indicators.

### 1.1. Selection of KPIs

**Output** indicators are the simplest to measure as they directly reflect the MSME sector's activities. They are typically used as operational performance indicators (OPIs) by organizations and are usually reported monthly, quarterly, or annual. The cumulative benefits of outputs are expected to yield five development **outcomes**. The importance of achieving results increases with progress up the results chain from outputs to impact. However, control, attribution, and accountability decrease as the effect of specific operations becomes less direct and the effects of externalities increase. Given the limitation of direct attribution at the impact level, MSME sector's interventions are expected to contribute to the achievement of economic, social and environmental **impacts** to the economy. The selected KPIs are presented in the Results Monitoring Framework.

## 2. DATA COLLECTION AND SOURCES

KPIs for the RMF must be underpinned by strong processes and management information systems that provide accurate and timely data. There will be no RMF without performance data being collected frequently from relevant stakeholder/agencies.

## 3. THE RESULTS MEASUREMENT FRAMEWORK (RMF) FOR CEDA

The RMF is a convenient summary representation of what an organization is expected to achieve at progressive levels of its results chain and how such achievement can be measured at output, outcome and impact levels. RMF is like a microscopic lens that zooms in on a specific pathway within the ToC. Putting it simply, the ToC gives the 'big picture' and summarizes work at a strategic level, while a Logframe/RMF illustrate an implementation level understanding of the change process.

Log frames were originally developed as a management tool to improve the planning, execution, and evaluation of projects. They are now more widely used to underpin an organization's monitoring and evaluation requirements to measure development results. To this end, they have been expanded beyond the original format to summarize what should be measured and how, by whom, and how often. This modified logical framework is now referred to as a RMF.

The Results Measurement Framework and Monitoring for CEDA:

- Identifies the specific outputs and expected development outcomes, as expected by the Theory of Change for the MSME sector;
- Identifies specific indicators to monitor and measure performance at all levels of the results chain, corresponding to outputs, outcomes, and impact; these indicators must be measured and monitored to track MSME's positive effects on the economy;
- Shows the reporting frequency, source, and methodology for collecting data to measure results.

RMFs are not intended to be static and should be adjusted as necessary as activities and strategic objectives are added or modified. It is important to use a consistent definition of the measurement units to ensure comparability over time. Table 1 below details the RMF for the MSME sector based on selected KPIs at impact, outcome and output levels.

**Table 1: The Results Monitoring Framework for the MSME Sector in Zimbabwe**

Performance Indicator	Definition/ Description	Calculation Methodology	Unit of Measure	Data source/ verification	Baseline Yr 2021	Targets (Years)			Data collection methodology	Reporting Frequency	Responsible Agency/Unit
						2022	2023	2024			
<b>Impact: Expected high-level results to which sector is contributing</b>											
MSMEs contribution to total GDP (%)	The level of GDP contribution by MSMEs to the country's total GDP	As calculated by ZimStat	%	ZimStat and Ministry of Finance					On-line research/ document review	Annually	ZimStat
Tax revenue contribution	Total annual payments to government by MSMEs i.e. corporate, payroll taxes, sales taxes, /VAT, licenses & royalties)	Same as definition	ZWL	Quarterly reports from ZIMRA					Revenue performance reports by ZIMRA	Quarterly	ZIMRA
Contribution to exports	Exports being generated by MSMEs over total national exports	Same as definition	%	Global Findex database, FinScope Surveys					On-line research/ document review	Annually	RBZ, ZIMRA, and ZimStat
Access to export markets (Value)	Export value being generated by MSME sector	Same as definition	US\$,	Statistics Botswana, World Bank Database					On-line research/ document review	Annually	
Employment creation by the MSME sector	Number of people directly employed as fulltime and part-time employees	Same as definition	#	Ministry of Labour surveys					On-line research/ document review	Annually	Ministry of Labour, labour surveys
Number of MSMEs exporting	Number of MSME firms selling their products to foreign markets	Same as definition	#	Reports from ZimTrade, RBZ and ZIMRA					Secondary sources review	Annually	ZimTrade, RBZ, ZIMRA
MSME products quality certified	Number of MSME products quality certified	Same as definition	#	SAZ database					Secondary sources review	Annually	SAZ

Performance Indicator	Definition/ Description	Calculation Methodology	Unit of Measure	Data source/ verification	Baseline Yr 2021	Targets (Years)				Data collection methodology	Reporting Frequency	Responsible Agency/Unit
						2022	2023	2024				
<b>Outcome: Expected intermediate result attributable to the utilization of outputs</b>												
Rate of MSMEs formalization (%)	Number of MSMEs formally registered with relevant authorities	Same as definition	#, %	Database of operating license & permits						Data base for licensed MSMEs operators	Bi-annually	Local authorities
Access to finance for MSMEs	Value and number of MSMEs with financial institutions credit facilities	Same as definition	ZWL, #, %	Quarterly reports from RBZ on loans and deposits						Secondary sources review	Quarterly	RBZ
Number of by-laws lobbied for review	Number of by-laws reviewed	Same as definition	#	ZCSME reports						Secondary sources review	Bi-annually	ZCSME, Veritas
MSMEs survival rate	Number of MSME businesses in operation for 5 years or more /total number of MSME older than 5 years	Same as definition	%	Database of operating license & permits						Secondary data base review	Annually	Local authorities and ZCSME
The average number of days to obtain an operating license	The average number of days to expected to obtain an operating license	Same as definition	Days	Local authority records and MSME confirmations						Secondary records review and MSME survey	Annually	Local authorities and ZCSME
Revenue from MSME to local authority coffers	Revenue generated from MSME to local authority coffers	Same as definition	# and %	Local authority records						Secondary sources review	Quarterly	Local authorities
Uptake of the 25% public procurement quota by MSMEs	Number of MSME being awarded public procurement government tenders	Same as definition	#, ZWL, %	PRAZ records						Secondary sources review	Bi-annually	PRAZ, Ministry of Local Government, Public Works and National Housing Bills

Performance Indicator	Definition/ Description	Calculation Methodology	Unit of Measure	Data source/ verification	Baseline Yr 2021	Targets (Years)				Data collection methodology	Reporting Frequency	Responsible Agency/Unit
						2022	2023	2024				
Level of women and vulnerable groups' participation as MSMEs	Number of women and vulnerable groups' participation as MSMEs	Same as definition	#, %	Local authority database and MSME association						Secondary sources review	Annually	Local authorities and MSME associations
By-laws & licensing procedures streamlined	Number of by-laws & licensing procedures streamlined	Same as definition	#	Local authority records and MSME confirmations						Secondary sources review	Bi-annually	Local authorities and the Local chapter of ZCSMEs
Social protection schemes for MSMEs to bounce back from crisis	Value of social protection schemes for MSMEs to bounce back from crisis	Same as definition	US\$ or ZWL	Relevant MDAs records						Secondary sources review	Annually	MWACSMED, local authorities, development agencies
MSMEs obtained product quality certifications	Number of MSMEs obtained product quality certifications	Same as definition	#	SAZ records						Secondary sources review	Bi-annually	Standards Association of Zimbabwe (SAZ)
<b>Outputs: Tangible deliverables or beneficiaries served directly attributable to the completion of activities</b>												
Number of operating MSMEs	Number of operating MSMEs per district, province and nationally	Same as definition	#	ZCSME and other affiliate associations databases						Secondary sources review	Quarterly	ZCSME and other affiliate associations
Access to designated workspace for MSMEs	No. of MSMEs with access to designated workspace for MSMEs	Same as definition	#	Review of secondary sources						Secondary sources from local authorities	Quarterly	Local authorities
Training programmes	No. of training programmes administered for MSMEs	Same as definition	#	MWACSMED records						Attendance registers	Quarterly	MWACSMED and other

Performance Indicator	Definition/ Description	Calculation Methodology	Unit of Measure	Data source/ verification	Baseline Yr 2021	Targets (Years)				Data collection methodology	Reporting Frequency	Responsible Agency/Unit
						2022	2023	2024				
administered for MSMEs												training organizations
MSMEs with operating licenses and those on the waiting list	No. MSMEs with operating licenses and those on the waiting list	Total number of those having access to operating space and those on the waiting list	#	Local authorities' databases						Secondary sources review	Quarterly	Local authorities
The number of operating workspaces stands available from the council	The number of operating workspaces stands available from the council	Same as definition	#	Local authorities' databases						Secondary sources review	Quarterly	Local authorities
MSMEs operating from designated workspace	Number of MSMEs operating from designated workspace	Same as definition	#	Local authorities' databases						Secondary sources review	Quarterly	Local authorities
Women and disabled having operating licenses	Number and % of women and disabled having operating licenses	Same as definition	#, %	Local authorities' databases						Secondary sources review	Quarterly	Local authorities
MSMEs with local authority operating licenses	Number of MSMEs with local authority operating licenses	Same as definition	#	Local authorities' databases						Secondary sources review	Quarterly	Local authorities

