P3.S5.T1 Table of criteria for approval

# Introduction

The beneficiaries already selected in the previous phase, after receiving training and guidance, will have developed their business plans, after which the project team will review them thoroughly and suggest improvements, if necessary, in order to approve them and proceed to support them. Relevant stakeholders (for example, Government technicians) should be involved.

Some suggestions for selection criteria for Business Plans 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)

• Potential for growth

• Viability and sustainability

• Time and financial commitment

• Positive/negative impacts on their communities: environmental impacts, social impacts, and other impacts on persons who could be negatively impacted by the intervention such as competing MEs and/or traditional producers, etc.

Other criteria concerning the entrepreneur should be considered during the business approval:

• Interest & motivation

• Participation in the training

• Vulnerability and urgent needs of the beneficiary

• Consideration of gender perspective/integration.

# Example of Table of criteria for approval

This table aims to help the team to assess and analyze all the business plans –once the training and guidance have been provided- of the program in a structured way. This can be useful for planning as well as for communicating decisions in a transparent manner to other parties, specifically the beneficiaries, but also donors.

The example of the tool below offers a simple scoring system (1 to 5, knowing that 5 = strongly agree) for each criterion related to the business plan. The results are then aggregated to obtain a score for each business plan. The options with the highest scores MAY be the best fit, in case the resources are limited. This version also allows the criteria to be weighted according to the importance given to them (the scale of 1 to 3 used for this example can be adapted according to needs). The criteria presented are by way of example of standard criteria, and can be replaced by other analysis criteria if necessary.

| **ME Code** | **Business name** | **Individual or collective** | **Number of beneficiaries involved** | **Criterion 1[[1]](#footnote-1): Quality of the submitted business plan** | | **Criterion 2: Cost of proposed business (budget)** | | **Criterion 3: Viability and sustainability** | | **Criterion 4: Positive/negative impacts on their communities** | | **Criterion 5: Consideration of gender perspective/integration** | | **TOTAL** | **Approval: Y or N** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Weighting (1 to 3)** | **Value (1 to 5)** | **Weighting (1 to 3)** | **Value (1 to 5)** | **Weighting (1 to 3)** | **Value (1 to 5)** | **Weighting (1 to 3)** | **Value (1 to 5)** | **Weighting (1 to 3)** | **Value (1 to 5)** |
| *ME-1* | *Fish for you* | *Collective* | *2* | *3* | *5* | *2* | *3* | *3* | *4* | *2* | *5* | *1* | *1* | ***44*** | ***Yes*** |
| *ME-2* | *Good Bread* | *Individual* | *1* | *5* | *5* | *3* | *4* | *1* | ***43*** | ***Yes*** |
| *ME-3* | *So fast Transports* | *Collective* | *4* | *1* | *1* | *3* | *5* | *3* | ***27*** | ***No*** |
| *ME-4* | *Cheap shop* | *Collective* | *6* | *3* | *1* | *3* | *3* | *4* | ***30*** | ***No*** |
| *ME-5* | *Strong houses cement* | *Collective* | *4* |  |  |  |  |  | ***…*** | ***…*** |
| *…* | *…* | *…* | *…* |  |  |  |  |  | ***…*** | ***…*** |

The total is calculated as follows: (weighting criterion 1 x Value criterion 1) + (weighting criterion 2 x Value criterion 2) + ... + (weighting criterion 5 x Value criterion 5) = TOTAL.

1. Number and type of criteria to be chosen by the project team - counting as far as possible with the beneficiaries and local authorities, among others -, considering aspects such as: adequacy of the criteria, feasibility, management of obtaining the information, available information, etc. [↑](#footnote-ref-1)