



**Arab American University
Faculty of Graduate Studies**

**Monitoring and Evaluation Practices for Small
Business Sustainability in Palestine:
A Qualitative Research from Owners' Perspective**

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**This thesis was submitted in partial fulfillment of the
requirements for the Master`s degree in Strategic
planning and fundraising**

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Thesis Approval
Monitoring and Evaluation Practices for Small Business Sustainability
in Palestine:
A Qualitative Research from Owners' Perspective

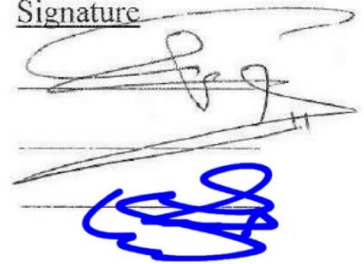
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The image shows three handwritten signatures corresponding to the committee members listed on the left. The first signature is in black ink and is written over a horizontal line. The second signature is also in black ink and is written over a horizontal line. The third signature is in blue ink and is written over a horizontal line.

Declaration

I, **Shorooq Koqid Shabillo**, do hereby declare that the contents of this dissertation are a result of my own study and findings, and to the best of my knowledge, they have never been presented for a similar or any other degree award in any other university.

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Dedication

To the soul of my father, to my resilient mother, and to my beloved family, whose unwavering belief in me has fueled my determination to succeed. To my great husband, whose love and support have been my constant motivation. This thesis is dedicated to you all as you have been my pillar of strength throughout this journey.

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Abstract

Small Business Sustainability is a serious concern in many developing countries, where small businesses, many of which are implemented at high costs, frequently have problems with sustainability. When it comes to Palestine, enhancing sustainability will be a great solution for assisting small businesses to be resilient within the uncertain political and socioeconomic context. This study aimed to clarify the link between Monitoring and Evaluation (M&E) practices and small businesses' sustainability (Social, Environmental, and Economic). The researcher employed a descriptive approach and qualitative research design. The thematic analysis technique was used to analyze the data obtained through Structured interviews with twenty-four (24) small business owners, who were selected using purposive snowball sampling. The results showed that adopting M&E practices is critical for small business sustainability. M&E improves social sustainability (better stakeholders' engagement, improved customers' trust and retention, improved employees' loyalty, improved knowledge exchange, and communication). M&E enhances Environmental sustainability (increased awareness towards more sustainable behaviors and practices, identifying environmental challenges, minimizing business negative impacts on the environment, ensuring business compliance, optimizing resources' consumption) as well as improves Economic sustainability (informed strategic decisions, ensuring business compliance, reduce the impact of political and economic uncertainty, enhancing business performance, enable risk management, easy access of market changes). The study provided a set of recommendations, including that small businesses should adopt knowledge-based M&E practices and enhance the role of respective authorities and governmental bodies, e.g., the Ministry of National Economy, to provide advisory and consulting platforms for

entrepreneurs. Besides, small businesses should partner with donors, industry associations, NGOs, or governmental agencies to share resources, expertise, and knowledge in implementing Monitoring and Evaluation (M&E) practices.

Keywords: Monitoring, Evaluation, Small Business, Social Sustainability, Environmental Sustainability, Economic Sustainability

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Chapter One:

Introduction

This introductory chapter starts with a background in Section 1.1. Section 1.2 presents the research problem, while Section 1.3 highlights the objective of the research. Section 1.4 presents the research questions. The significance of the research is presented in Section 1.5. The scope of the research, and organization of the research are presented in Sections 1.5, 1.6, respectively.

1.1. Background

Despite the fact that SMEs play a significant role in the Palestinian economy and their development, they account for around 95% of all enterprises in the country (PCBS,2018). There are still numerous obstacles that Palestinian SMEs must overcome to be sustained.

These factors include the Israeli practices, which had a severe influence on broad swaths of society and are to blame for the socioeconomic and political difficulties facing small business owners, managers, and entrepreneurs in Palestine. the underwhelming role the public sector plays, family ownership and culture, gender concerns, the inefficient utilization of productive capacity, subpar business management infrastructure, and a lack of finance availability (“West Bank and Gaza,” 2019)

The ability of small businesses to be sustained practically is to continue or increase a course of compensation at a specific level for a considerable amount of time when the project's inputs have ended.

"Monitoring and evaluation" (often called M&E) is a combination of data collection and analysis (monitoring) and assessing to what extent a program or intervention has, or has not, met its objectives (evaluation). Monitoring & Evaluation has been used to assess the performance of the project, program, and social initiatives. By identifying the characteristics that result in desirable results, they should also assist in guiding the design and combination of SME policies. M&E operations are crucial to a project's "sustainability" (OECD, 2017). The sustainability of collaborations is feasible through developing a long-term strategy that integrates economic, social, and environmental considerations. (Dinnie & Holstead, 2018).

According to OECD (2022), M&E are the cement that keeps the other sustainability variables and post-project process of management connected, ensuring their proper alignment and interlocking.

Despite reports showing that M&E is critical to projects' sustainability, regardless of project size, there are very few studies and research in this area. Furthermore, in the uncertain Palestinian context, no research has offered a clear explanation of the link between M&E practices and sustainable business. Small businesses will be the only subject of this study.

1.2 Research Problem

Business sustainability is a serious concern in many developing countries, where a significant number of projects, many of which are implemented at high costs, frequently have problems with sustainability. When it comes to Palestine, enhancing sustainability will be a great solution for assisting small businesses thrive and be resilient in the uncertain Palestinian context. Businesses that don't adopt sustainable practices may

experience a variety of problems, such as financial risks, ineffective processes, compliance challenges, and reputational harm. According to a study conducted by the World Economic Forum (2019), businesses that emphasize sustainability are more inclined to have comprehensive risk management processes in place, which may assist them in anticipating and mitigating possible disruptions. Small businesses in Palestine suffer from several challenges. The primary challenge though, is uncertainty, which has a negative impact on all business activities. Several variables contribute to uncertainty within the Palestinian context, such as the Israeli practices, the weakness of regulatory bodies, and political instability. "Uncertainty remains a key constraint on private sector development" in Palestine ("West Bank and Gaza," 2019). "Uncertainty is one of the most significant challenges facing Palestinian businesses, and it negatively impacts their investment decisions and ability to access finance" (MAS, 2018).

Much research has demonstrated the link between monitoring and evaluation practices and sustainability of the development projects or non-governmental organizations in different countries. However, no study conducted in Palestine has provided a clear explanation of the relationship between M&E practices and sustainable small businesses in the Palestinian context.

1.3 Objectives of the Research

This research will clarify the link between M&E practices (monitoring skills and training, feedback, M&E resources allocation, use of ICT) and sustainable small businesses (Social, Environmental, and Economic) within the uncertain socioeconomic and political Palestinian context. The fundamental purpose is to investigate the perceptions of owners of small businesses in Palestine toward the sustainability of their

projects through M&E practices. In addition, the research aims to identify the challenges they face that prevent the sustainability of these projects from their point of view.

1.3.1 Specific Objectives

- 1) To grasp owners' perception regarding the "application of M&E" in their small businesses.
- 2) To recognize how "monitoring skills and training" lead to small business sustainability in Palestine from the owners' viewpoint.
- 3) To illustrate how "M&E feedback" supports small business sustainability in Palestine from the owners' viewpoint.
- 4) To recognize how "M&E resource allocation" affects the sustainability of small businesses in Palestine from the owners' viewpoint.
- 5) To recognize how the "use of M&E ICT systems" benefits the sustainability of small businesses in Palestine from the owners' viewpoint.
- 6) To identify the "challenges" that prevent the sustainability of small businesses in Palestine from the owners' viewpoint.

1.4 Research Questions

Q1: What is the **perception** of the small business owners about the application of monitoring and evaluation at their small businesses?

Q2: How do **monitoring skills and training** lead to small business, Social, Environment, and Economic, Sustainability?

Q3: How does **M&E Feedback** support small business, Social, Environmental, and Economic, Sustainability?

Q4: How does **M&E resource allocation** improve the small business, Social, Environmental, and Economic, Sustainability?

Q5: How does the **use of ICT** benefit the small business, Social, Environmental, and Economic, Sustainability?

Q6: What are the **main challenges** that hinder small business's sustainability?

1.5 Research Significance

Theoretical significance

- This research contributes to the body of knowledge by filling the gap of the absence of literature on the importance and role of M&E practices in promoting small business sustainability.
- It enhances the theoretical understanding of sustainable business practices in a unique socio-economic context of Palestine.
- It provides the Palestinian library a cutting-edge study that would enable researchers to go deeper into the topics of monitoring and evaluation, and small businesses sustainability.

Practical Significance

- The research identifies best practices in monitoring and evaluation that particularly support small businesses owners and policymakers in enhancing businesses' sustainability. This will be a great solution for assisting small businesses thrive and be resilient in the uncertain Palestinian context.
- The research raises interest in M&E practices among regulatory and governmental bodies such as Ministry of health and Ministry of National Economy as a tool to promote sustainable practices and enhance the overall business environment.

1.6 Scope of the Research

This sub-section presents the research scope and focus, the key topics that constitute a research's theoretical basis. This research focuses on monitoring, evaluation, sustainability, and small projects from different sectors working in Palestine (more specifically, West Bank). The population of this research is composed of the owners of these projects. The period of study during which data was collected is between February 2023 and April 2023.

1.7 The Dissertation Structure

Five chapters make up the structure of this dissertation. The following section provides a brief explanation of each dissertation chapter's contents.

Chapter 1: Introduction

The study presents the problem statement, study objectives and questions, significance of the study, scope of the study, and organization of the study.

Chapter 2: Theoretical Framework and Literature Review

This chapter provides a thorough analysis of the research's core terms (monitoring, evaluation, M&E, relation to sustainability, and small company issues in Palestine). In addition, a review of the literature and an analysis of all the study variables reported by other researchers are included.

Chapter 3: Research Methodology

The qualitative approach used in this investigation is described in this chapter. It describes the data collection tool instrument design, the demographic, data gathering techniques, and data analysis methodologies.

Chapter 4: Results and Discussion

The research findings are presented and discussed in this chapter. Additionally, thematic codes are presented via figures and diagrams.

Chapter 5: Conclusions and Recommendations

This chapter focuses on the contributions of research to academic endeavors, respective decision-makers, and practitioners. Main conclusions, Recommendations, study limitations, and suggestions for further research are also included.

Chapter Two:

Theoretical Framework & Literature Review

The Resource-Based View (RBV), served as the theoretical foundation for this research. This section presents a detailed explanation respectively to the concepts of M&E, followed by differences between M&E; M&E benefits; the evolution of M&E; types of M&E; M&E practices; then the concept of sustainability; project sustainability; M&E, contextual Factors (Internal & External) and sustainability of projects; small business sustainability; an overview of SMEs in Palestine; Justification for M&E in small business, finally this chapter ends by relevant literature review (Section 2.2.).

2.1 Theoretical Review

According to the Resource – Based View (RBV), deliberate resource ownership provides an institution with a competitive and successful environment (Vincent, 2020). Land and other communal assets are not crucial resources in this setting since other projects may simply obtain them.

The sustainability of a project is clearly influenced by the many sorts of resources. From a limited viewpoint, M&E resources directly influence "sustainability". Be aware that intangible assets, also known as strategic assets, provide a project with a competitive edge over rival initiatives. This means that according to the RBV theory, strategic resources are specific to each project and determine the viability of the entire endeavor. As an illustration, technical processes, human capital, skills, tools, and standard techniques employed across project management professions are examples of tangible assets associated with M&E.

Furthermore, human resource ability, workplace cooperation, collaborations, and quality improvement leadership capability could be part of M&E assets determined impalpable in a programme. Additionally, the primary characteristics of strategic resources are exhibited by human capital competency, management capability, and collaboration resources, making them distinctive. The relationship between the distribution of strategic assets and "project sustainability" is supported by the RBV theory. The project's current assets, including financial support, physical assets, and human capital, are what determine how strategic resources are allocated.

The RBV is crucial in this study of the effects of sound M&E procedures on the sustainability of small projects. Based on this theory, M&E practices (monitoring skills and training, feedback, M&E resources allocation, use of ICT), might assist small businesses greatly and give them a competitive edge that would increase their sustainability (Social, Environmental, and Economic) and resilience in the uncertain political and socio-economic within the Palestinian context.

2.1.1. What is Monitoring?

Monitoring is defined according to OECD (2017) as "a continuing function that aims primarily to provide the management and main stakeholders of an ongoing intervention with early indications of progress, or lack thereof, in the achievement of results". It entails routine information gathering in order to assure accountability, facilitate quick decision-making, and serve as the foundation for review and learning (Rey et al., 2021). At every stage of an activity's implementation, management reviews and keeps watch to make sure that input deliveries, work schedules, desired outcomes, and other necessary actions are going as planned. It is an information processing system for managerial

decision-making. It is a management function that starts when a project is started and ends when it is finished, but it is a continuous process during the project's implementation (Eric, 2017). An Action Plan is a crucial prerequisite for monitoring, without which monitoring is impossible (Cyrus & Rosemary, 2018).

Monitoring techniques generally followed are refereeing to annual reports, monitoring staff performance, tour reports of field staff, reports from visitors, interviews, key informants and complaints and other participatory means involving beneficiaries and project staff discuss and assess the performance together in order to understand how they performed, what the problems are and what future hold for them (James & Naomi, 2021).

Following the start of the project and during the project of the intervention, "monitoring" is ongoing and periodic. In general, the data collected is "input- and output-focused" and used as a continuous technique to assess implementation efficiency. For instance, tracking monthly the number of places visited, trainings delivered, personnel trained, etc. is one way to provide training for staff and workers (Rao, 2017)..

What critical metrics might give us an idea of the level of implementation to project sustainability are therefore important considerations for the Project's "monitoring" (Rey et al., 2021), is an efficient method for gathering and analyzing data, effectively carry out the project so that it will last, based on the data acquired, there is a need to make any changes to our project(s).

A "monitoring" strategy typically concentrates on the procedures taking place while a program is being implemented (Rey et al., 2021). These may involve keeping track of the subsequent across specific time periods: when will the project be implemented, the

location or region of the project, what departments or teams provided actions, how often particular tasks occurred, the number of persons reached (benefited) from a project's initiatives, number of goods / services and processes supplied (or number of hours of a service), and expenditures of project execution. Monitoring is very important before, during and after the implementation of the project for its sustainability (Jahaf, 2021). Finally, establishing mechanisms to gather data pertaining to these indicators, as well as establishing efficiency, effectiveness, and impact indicators, are all part of monitoring. Gathering and recording the data; analysis of the data; putting the data to use in daily management. Any project or organization has a monitoring function.

2.1.2 What is Evaluation?

The term "evaluation" is described as a methodical, unbiased assessment of the planning, execution, and outcomes of a project, program, or policy, whether it is continuing or finished (PMI, 2021) , its purpose is to evaluate the objectives' applicability and fulfillment, as well as the development's effectiveness, efficiency, impact, and sustainability. Evaluation is outlined as “the systematic and objective assessment of an ongoing or completed operation, program or policy, its design, implementation, and outcomes” (Jahaf, 2021). “The aim of the evaluation process is to determine the relevance and fulfillment of objectives, including efficiency, effectiveness, impact, and sustainability, and it should provide information that is reliable and useful to enable the incorporation of lessons into management decision-making” (Bell& Marais, 2015).

"Evaluation" is the process of determining how well a project has accomplished its goals while taking into account its final effects or impact. "Evaluation" assists in

defining our objectives. It aids in understanding the factors that contribute to the program's success or failure. It aids in determining the program's advantages and disadvantages. The following four guiding concepts govern evaluation-related issues:

Utilization Focused - Influence and Consequence: Based on utility and actual use by intended users, an evaluation must be conducted. It will reduce inputs while maximizing outputs. Utilization-centered assessment has an impact on evaluation design and facilitation. Therefore, anticipated usage by intended users is the subject of utilization-focused evaluation (Gullickson, 2020). The effects and influences of appraisal, whether conscious or unconscious, must also be understood. Participatory stakeholder engagement can cause a change in the stakeholder's perspective and how they use the outcomes. The use of evaluations can lead to changes in people, interpersonal relationships, and society as a whole (Kissi et al., 2019).

Focus on Stakeholder's Engagement and Learning: Engaging the "appropriate stakeholders" in the "project evaluation" is important. By asking fundamental questions like "Who are the stakeholders, "What are the stakes", and "Who has these stakes" (Kissi et al., 2019), it is possible to determine the appropriate stakeholders involved in the project. What assessment responsibilities are required in balancing content and people processes, why encourage stakeholder engagement, (Cartland et al.,2008) how much participation and what is the function of self-evaluation, who to engage and what are the results of these decisions? How can I effectively involve stakeholders? When involving stakeholders, it's crucial to consider who, why, and any potential (Eric, 2017). By discussing and critically commenting on their own and others' actions, behaviors, experiences, views, and perceptions, stakeholders can learn from one another. Finding common ground and highlighting differences can be accomplished by engaging

stakeholders in discourse. Stakeholders become a platform for shared learning when they are active in the evaluation process, and their participation motivates them to take action throughout (Schmidt et al., 2018).

Situational Responsiveness: Adapting the evaluation design to the needs, limitations, and opportunities of the specific circumstance is known as situational responsiveness. There is no unique approach or methodology that can be used in all situations. The people involved and their circumstances will determine how a specific evaluation is designed. Situational responsiveness necessitates a constant awareness of the unforeseen. In 2000, Hummel burner proposed four factors to consider when constructing an evaluation: the theme or topic of the evaluation, the time, the social structure, and the place and location (Gullickson, 2020).

Multiple Evaluation and Evaluation Roles: During an evaluation, an evaluator must take on a variety of roles. In addition, different individuals play distinct responsibilities in evaluation. Co-worker, trainer, group facilitator, technician, politician, organizational analyst, internal colleague, external expert, methodologist, information broker, communicator, change agent, diplomat, issue solver, and consultant are just a few of the jobs that are being recruited (Biwott et al.2018). Typically, it examines outcomes to see whether there was a change between the start and end of an intervention (or at least between two specific time periods). It would be ideal if that change could be traced to the actions taken.

The matters that should be considered in evaluation are: the activities that make measurable changes (social, environmental, and economic changes) in the project target beneficiary group(s), the changes observed to be attributed to project activities, and factors that lead to project's success(or failure), measuring the observed changes in the

unstable business environment, replicating in other contexts, the achieve impacts in a cost-effective way, and readiness when unexpected results occurred, understanding how inputs, outputs, activities, etc. generate change (Theory of Change), designing an evaluation plan (i.e. research plan) before launching a project or intervention, using outcomes that are relevant to project beneficiaries (customers, society, etc).

Using data collection methods that fit the needs of beneficiaries and the skills of project employees. Incentivize beneficiaries to provide the project with data at key intervals, and finally (Jahaf,2021), ensure that the project has adequate data management and analysis tools (and people who know how to use them). In conclusion: M&E are typically viewed as one even though they are distinct, according to the reasoning in sections 2.1.1 and 2.1.2 above. Finding information and applying it to evaluate project effects is the process of monitoring, which aims to ascertain whether or not the stated goals have been achieved. Data from the monitoring system is utilized in assessment to analyze patterns in the project's impacts. Last but not least, evaluation entails: Considering what the initiative or organization hoped to accomplish and what difference it hoped to make. What kind of an influence did it want to have? Evaluating how well it was doing in achieving its impact goals. Examining the organization's or project's strategy. Was there a plan behind it? Was its execution of the plan successful? Did the plan succeed? Why not, if not? examining how it functioned. Was the usage of resources effective? What were the potential costs of the method of operation? How sustainable is the project or organization's operation? What effects might the organization's operations have on the different stakeholders? Impact, efficiency, effectiveness, coherence, sustainability, relevance are considering when conducting an evaluation.



Figure (1): The Six Evaluation Criteria- OECD DAC

Source: OECD.org

2.1.3 Difference between M&E

The notions 'M&E' refer to two different functions (Jahaf, 2021). A comparison of the two may be seen in Table (1). When it comes to "frequency", "purpose", "focus", "participants", and "reporting", there are significant discrepancies.

Table (1) : Comparison of M&E

	Monitoring	Evaluation
Frequency	Continuously for the duration of the project.	At a specific moment, such as the conclusion of a project, the halfway point, a "ex-post" evaluation, or a change in phase.
Fundamental Aim	Project direction and timely reporting of achievements.	Evaluate the performance and pass judgment; draw lessons from the past to enhance future programming.
Focus	Gathering and evaluation of factual data regarding the processes, outputs, and outcomes.	Examine the results, the effects, the quality of the design, the implementation of the project, and the setting.
Participants	Project staff, project end users	External evaluators, project staff, end users, donors and other stakeholders
Reporting to	Managers, project staff, primary stakeholders, funding agency	Managers, project staff, primary stakeholders, funding agency and policy- maker

Source: Technical Corporation Training (TCT, 2018. P.7): M&E Guidelines Technical Cooperation Projects. Retrieved from: https://www.iaea.org/sites/default/files/documents/tc/TCP_MandE_Manual.pdf

2.1.4 M&E Benefits

Projects are evaluated through the M&E process to understand their performance, if they can achieve their objectives, and how they may be improved and sustained (Jahaf, 2021).

When implemented well, M&E reaps rewards for stakeholders across the range of operations carried out by a firm. Generally speaking, it directs strategic choices made before, during, and after project implementation. (Biwott & Ngeywo, 2017; OECD, 2022) Benefits for different stakeholders, including:

Beneficiaries: Data collection and follow-up procedures may indicate that an organization genuinely cares about outcomes and strives to improve them. Data can be

used to enhance both the effectiveness and design of implementation (to improve outcomes for beneficiaries).

Employees: If there is a clear effort to not only review success but also use that assessment to get better at delivering effect, M&E can increase "buy-in" and "trust" in the organization's commitment to the purpose. Conducting evaluative assessments for personnel who are in direct touch with beneficiaries (i.e., "on the ground") can help increase trust between those employees and the beneficiary community.

Decision Makers: The continual data and analyses from M&E procedures significantly increase the data-driven nature of determining adjustments to strategic direction. Ideally, adaptation becomes more agile. Executives may create considerably more compelling arguments using relevant and complete data (both process- and impact-related). Strong M&E implementation can facilitate this flow because it fosters impact credibility and, of course, a more transparent understanding of how much impact can be produced per investment dollar. Money for impact flows to where the data is, and this flow can be opened up by good M&E implementation. Additionally, M&E can: Assist in determining problems and their root causes; offer potential solutions to problems; question assumptions and strategy; encourage reflection on the direction businesses are taking and how they are achieving their short- and long-term goals; provide information and insight; encourage action on the information and insight; and raise the likelihood that businesses will have a positive impact on development. These benefits also contribute significantly to the economic, social and environmental sustainability of the project.

2.1.5 Evolution of M&E

Over time, M&E's conceptualization and philosophical approach have changed (Vianney et al., 2020). This has mirrored the paradigm shifts in project management, with early 1950s M&E practice being dominated by a significant emphasis on resource management, matching the social scientific approach of the time (Rodgers & Williams, 2006). The focus on M&E of projects reflected the unrest around project management in the late 1950s, when it was first acknowledged as a separate discipline developing from the management discipline. Prior to M&E, a consensus-shaping evaluation process' secondary objective was to focus on lived experiences and give voice to as many stakeholders as possible (Reed & David, 2006).

Right now, it's critical to try to find an answer to the frequently posed question of whether M&E may be categorized as a field, an approach, or a discipline. Because of the highly unique way in which M&E has developed, Scriven (2010) chose to refer to the field as "trans-disciplinary," a phrase that has been more popular in recent years to describe M&E instead of the term's "discipline" or "field." What is M&E is a crucial conceptual issue, similar to how to categorize M&E.

According to the literature review, there is no one, agreed-upon definition of what M&E is, which may be related to the lack of agreement over its goal (Jahaf, 2021). Thus, the "what is?" question is influenced by the "purpose" question. The goal might be anything from encouraging responsibility, transparency, or organizational learning, and the approach will change based on the specific goal (Binnendijk, 1989). Additionally, there would be various combinations of the, which in turn would depend on the situation. M&E might occasionally be a hazy concept because of this. The diversity may be seen

in the approaches taken and the topics examined, including the M&E categories (Bruke, 2017)

2.1.6 Types of M&E

Studies examining various scholars' categories of M&E reveal surprising parallels. There are two types of M&E, Results-Based Monitoring and Evaluation (RBM&E) and Implementation-Based Monitoring (IBM), depending on the area of focus (Mbugua, 2015; Mastslizia, 2018). RBM&E is intended to provide feedback on the actual results and objectives of initiatives, According to Parks et al. (2012), RBM often incorporates systemic reporting on progress toward outcomes and is carried out in collaboration with strategic partners. RBM aids in determining whether results are being met or will be met as the project moves forward in this fashion (Mastslizia, 2018).

On the other hand, IBM&E focuses on inputs, project activities, and outcomes; it also encourages collaboration among stakeholders at all levels and ignites commitment to remedial action when necessary (Neubert; 2010). This further emphasizes the impact M&E has on project performance.

Thus, it can be said that, as far as area of attention is concerned, the present practice in project M&E revolves around RBM&E and IMB. In their book "M&E of Projects and Programs," Nyonje et al. (2012) make a distinction between kinds and modes of M&E and list three different types of evaluations: Ex-ante evaluation or needs assessment is - a project evaluation, followed by formative evaluation, which evaluates ongoing project activities, and summative evaluation, which determines whether a mature project has achieved its stated objectives. According to OECD (2002) , summative assessment is a

sort of project evaluation that gathers data on outcomes and the associated procedures, plans, and initiatives that contributed to them.

2.1.7 M&E practices

A project is a collection of activities that a person or institution undertakes from the formulation of the goal, scope, and work effort through execution and assessment (PMI, 2021). Additionally, M&E operations are crucial to a project's sustainability. Rao (2017) asserts that sustainability benchmarks and barometers for M&E are equally important for articulating and recording the ecological, financial, and social, economic environmental components as well as for determining how well strategies and policies are working toward the vision. The PMI defines monitoring as the “ongoing activity involved in acquiring and analyzing data that alerts management staff of the likelihood of accomplishing project goals”. Comparatively, evaluation is a knowledgeable assessment and judgment that considers the project's long-term effects on stakeholders and offers updates on choices and forthcoming developments. (PMI, 2021).

Because M&E are ongoing exercises/practices with specified objectives, personnel participating in establishing M&E plans take into account the crucial components, including financing criteria, communication methods, and time allocation, etc. (PMI, 2021). Additionally, M&E techniques are essential for successfully boosting sustainability because they call for qualified personnel, a transparent review process, technical know-how, and the use of new technology (Luban, 2021).

Thus, it is crucial to take into account diverse perspectives on what M&E entails and what it should accomplish from the discussion of the many types of M&E. Within this

spectrum, the opinions that stand out the most are those that perceive M&E as supporting a sole accountability function.

High degrees of scrutiny are anticipated in accountability-oriented M&E, and decisions are typically made in comparison to established defined criteria and norms for a variety of performance categories (Cheng et al., 2017). This would entail the proper administration of staff, money, and processes in accordance with laws and regulations. Any deviation from the rules will result in punishment (Naidoo, 2013). The management function, which, according to Cook (2006), "encompasses the entire management, operational systems, and culture of an institution," is considered as needing support from M&E in this situation.

The expectation is that when presented with evaluative information, organizations will become more transparent and self-reflective, but this is not always the case because operationalizing learning is challenging given the vast number of protocols and management culture that must be handled (PMI, 2021). Research has demonstrated that while it is implied that M&E should result in learning and reflection, this may not be the case because of how complex and non-causal organizations' information integration processes may be (Preskill, 2004).

Utilizing assessment in organizations is, however, not simple, and is influenced by a number of elements, including contextual (political), technical (methodological), and bureaucratic (psychological) issues, as noted by Knnerly & Neely (2003). Although these traits overlap, organisational learning is difficult until "all the elements are lined up." In evaluating this grouping's contribution to learning and reflection, Schwartz & Mayne (2005) observe that M&E is considered as one instrument that supports management by enhancing the quality of information made available for decision-

making. While NGOs have been the subject of most research, there is rising interest in how M&E may support the development of learning organizations in other companies (Hamer & Komenan, 2004). The idea is that M&E purpose is important since it may have a range of effects, which is what this study is concerned in. Bearing in mind that, depending on the situation, M&E may be used for learning, supporting a behavior or practice, or holding individuals accountable, as demonstrated in a series on the subject.

There appears to be little consensus on what constitutes "project performance" in this domain. (Jahaf, 2021). The entire quality of a project in terms of its impact, value to beneficiaries, effectiveness, efficiency, and sustainability was regarded in this study to be project performance. M&E is investigated to understand how it impacts project performance, which is understood to indicate the extent to which project goals are met. Acknowledging that M&E are not magical instruments that can be waved to make problems disappear, cure them, or magically bring about improvements without the project or organization putting in a lot of hard work is critical. They are not a solution in and of themselves, but they are useful tools. Various procedures are involved in project M&E, and when carried out properly, they can result in improvements and successful project delivery in the future.

M&E can be used to pinpoint issues, as well as their root causes and potential solutions. What tasks are included in M&E, then? The most crucial activity in performing monitoring and evaluation, according to UNDP (2015), is creating a plan for M&E that will serve as a roadmap for the remainder of the exercise. Monitoring and evaluation should be incorporated into the project planning process, and information gathering regarding project performance in respect to goals must start as soon as possible.

In order to provide a framework for accountability and to aid in making educated decisions at the program and policy levels, M&E methodologies guarantee that project outcomes may be measured at the effect, outcome, output, process, and input levels. M&E should be included at all stages of a project since it allows for continual review of the project's sustainability and efficiency.

In his study, Eric (2017) proved that M&E practices (i.e. Project planning, Feedback, resource allocation, and training) affect project sustainability. Moreover, according to the Results-Based Management (RBM) theory, a number of M&E practices affect project performance comprises staff monitoring skills, technical operations, systems of information (technology use), reporting, and gender, in along with management support (Jahaf, 2021). In this research, M&E skills of the employee and M&E training, feedback, resource allocation, and use of ICT are considered M&E practices that are expected to enhance the sustainability of small projects in Palestine.

Monitoring Skills of the Staff / Training: The key to creating a vibrant and sustainable project is to find ways to attract skilled employees as well as engage them in day-to-day project sustainability efforts. M&E processes cannot function well in the absence of knowledgeable employees who successfully carry out the M&E tasks for which they are accountable (Khuha, 2018). Consequently, highly trained M&E officials or consultants are needed to ensure effective M&E practice. Recognising the abilities of those involved in M&E, including bridging capacity gaps through structured capacity development, is the foundation of the M&E system. (Vyas-Doorgapersad & Zwane, 2018) Some of the critical M&E staff skills are: passion for M&E, passion to see positive social change; research skills; stakeholder engagement skills;

communication skills; creativity; negotiation; technology and software-related skills; training, and capacity-building skills (Jahaf,2021)

In terms of "training" the continual M&E development and training of project staff in order to gain skills on how to increase project sustainability abilities is referred to as "training."; providing the necessary support to strengthen M&E teamwork from Project management; allocating Project staff responsibilities and duties in accordance with their Project skills on M&E (Eric,2017) ; training the Project staff adequately to identify and handle M&E errors in the project; and assisting project staff in M&E training to appropriate levels (Bell & Marais,2015). In other words, project training has to do with an intervention to boost project success, major innovation, world-class customer satisfaction, and project cost-effectiveness. According to Jahaf (2021), M&E training include knowledge level, skills, and transfer of knowledge. Staff skills and M&E project training are very important to project sustainability (Jahaf, 2021). To impart business owners' development, motivation, and business management abilities to groups of businesspeople, M&E training consists of formal workshops and brief sessions.

M&E Feedback: Feedback is the information and discoveries exchanged with a concerned community, organization, or individuals about the project in order to modify its existing position in order to attain the long-term desired goals and make appropriate judgments. **M&E** Feedback includes decision making, coordination, and sharing of ideas according to (Eric, 2017). A study conducted by Ndedi (2017) on integrating geographic information systems (GIS) into the M&E of sustainable agricultural projects assures the significance of feedback in project sustainability. Because it provides a platform for "exhibiting transparency" to the people and organizations involved in a project, accountability, and accelerating institutional learning by documenting lessons

learned in the sustainability of programs, effective M&E feedback is crucial as a mirror. Also, the feedback includes transparency in decision-making on monitoring and evaluation feedback, well Project coordination, accountability enhancement to minimize project financial mismanagement, feedback from M&E to enhance project decision-making, sharing of idea management of project risks, and establishing clear channels to communicate M&E feedback. As per Eric (2017), the strategies and techniques learned are incorporated into other stages of project planning and execution and shared with other personnel and companies. He concluded in his study after a deep investigation, M&E feedback was connected to project sustainability and greater transparency and reliability.

M&E Resource Allocation: Because a project's resources are always in short supply and because a given resource can be used in a variety of ways, resource allocation becomes a problem. It is possible to estimate the number of resources required for each M&E phase based on experience and the unique characteristics of each M&E system. The practice of distributing limited resources among the many planned project M&E activities is known as resource allocation. Resource's allocation includes efficient resource allocation, adequate finance, human resource competency (Eric, 2017; Rao, 2017). The most successful M&E systems are those whose design and purpose are compatible with the project's competence to implement them. The resources that may be used for M&E are a component of this capacity (Cristina, 2012). According to UNAIDS (2008), they can be divided into three categories: (a) the financial ability to conduct M&E; (b) the human capacity to conduct M&E (people, skills, and knowledge); and (c) the physical capacity to conduct M&E (equipment, technology, and machineries).

Furthermore, resource allocation provides efficient M&E resource allocation in project operations, improved staff competency in M&E resource scheduling, assurance of M&E budget adequateness, a built-in procedure to control movement on M&E resource, a clear M&E resource preparation, and a rooted system in the projects to monitor resource allocation.

Following the definition and initiation phases, project planning begins. Practically, the plan's only goal is to provide money to each project component. Planning for resource allocation aids in risk management for upcoming project activities. Failure to allocate resources in the planning phase accurately impacts the project's ability to achieve its specific and general objectives (Rao, 2017). According to Kithinji & Kidombo (2017) M&E resource allocation is remarkably and constructively correlated with the sustainability of projects. A study "Monitoring and Evaluation of Private Sector Development: Lessons Learned from UNDP Projects" conducted by UNDP (2015) figured out that effective monitoring and evaluation practices assist business in identifying potential for innovation and growth, as well as in aligning their sustainability goals with their entire company strategy, businesses who utilize M&E to evaluate their sustainability performance are better able to identify areas where they may enhance efficiency, cut expenses, and boost profitability.

Use of ICT/ Information System: Depending on the complexity of the project, data collecting on project performance throughout monitoring and assessment leads to data building. If this massive volume of data is to be helpful for project management, decisions on how to make it useable or analyze it must be made. Since having a set of ordered data is a requirement for project analysis, the idea of an information system as an M&E activity arises from this (Kangara & Thiongo, 2021).

Moreover, the development of ICT has made numerous new instruments and approaches for monitoring and evaluation available during the past 20 years. New M&E approaches, tools, and procedures that are motivated by new technology have opened up new possibilities for performance, sustainability, and corporate growth. These developments in ICT, including SMS-based applications, open up new business prospects and make real-time M&E possible. Sometimes M&E can be accomplished with the use of these tools. For instance, a lot of companies that manage websites keep track of who visits them, when, and how frequently. An organization may be able to learn how its campaign messages are being received by analyzing "interactions" on social media, as another example (Zheng et al., 2016).

The M&E process can benefit greatly from the use of ICTs, more thorough, higher-quality, more comprehensive data collection, reduction in the time, labor, and financial resources needed for data collection, aggregation, and analysis. If data systems are made simpler, complexity will be reduced, which will boost production and efficiency. Kangara & Stephen (2021) stated that IT use in M&E activities impacts the performance and sustainability of Non-Governmental Organizations.

2.1.8 What is Sustainability?

Since the 1990s, due to the demand for an increase in performance indicators, sustainability became strategic which is defined as “the ability of an activity or project to continue to provide benefits throughout time and independently of the organization” (Schmidt, 2018). According to Gicovi & Sabina (2022) Sustainability refers to business growth, employment creation and community participation. As a result of the influence of such initiatives on the environment, society, and the economy, the concept of

sustainability has emerged in project management. (Martins et al., 2022). They are the pillars of sustainability. Sustainability is a cost-cutting strategy that includes the environment, society, and the economy.

According to Khatib et al. (2020), incorporation of economic, environmental, and social concerns is one of three important elements that must be implemented to accomplish good project management. ; the merging of both long- and short-term viewpoints; and income use rather than capital consumption (Anser et al., 2018; Martins et al., 2022). The integration of the economic, environmental, and social goals is referred to as the triple bottom line perspective or the three pillars of sustainability (Mauro & Marly, 2016).

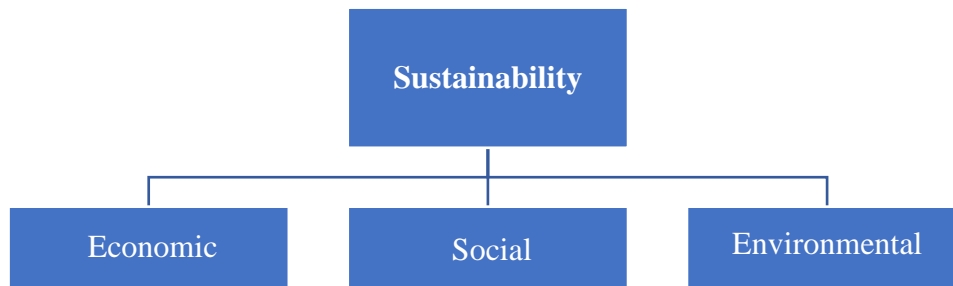


Figure (2): Pillars of Sustainability

Source: Okeniyi (2015)

Gachie (2019) argues that the pillar of economy is often seen as more essential than the other two pillars. The three pillars are linked. As a result, progress in one pillar benefits the other two pillars. (Okeniyi, 2015), for instance, social well-being and the wise use of environmental resources have positive economic effects. The economic pillar is particularly significant since it protects and sustains the project investors' capital, which promotes the need to maximize profit; reduce costs; increase revenue, profitability, and quality; and seek a return on investment (AlMaarri & Pennington, 2022). "Practices that support the long-term economic success of a company or nation" are referred to as "economic sustainability."

The goal of "economic sustainability" is to keep the capital unharmed and raise living standards. It refers, in the context of business, to the effective utilization of resources to sustain long-term firm profitability (Khatib et al., 2020). Maintaining high and stable levels of economic growth is one of the primary aims of sustainable development. Economic development cannot be abandoned. However, sustainable development extends beyond economic progress. Both the amount and the quality of growth are important (Meera & Ashly, 2022). This pillar also covers the go-on flow of net benefits, completion within the planned budget, and continued consistency of services after completion (Okeniyi, 2015).

The second dimension of project sustainability is the social aspect. A proactive approach to controlling and detecting how company consequences affect employees, people further up the value chain, customers, and local communities is called social sustainability (AlMaarri & Pennington, 2022). It aids in identifying the important stakeholders whose demands and expectations drive project success. Khatib et al. (2020) indicates that internal and external stakeholders, such as employees, trade unions, consumers, and suppliers, are significant organizational assets. However, many organizations fail to safeguard the well-being of their personnel, focusing instead on exploiting them, preventing long-term project management. In this sense, combining the social component as well as the economic side is equally significant because it results in profit maximization.

Social sustainability performance issues include human rights, fair labor practices, living conditions, health, safety, wellness, diversity, equity, work-life balance, empowerment, community engagement, philanthropy, volunteerism etc. In general, social sustainability focuses on improving social equality. Moreover, the social

dimension according to Bianchi et al. (2015) is addressed to ensure a stable equilibrium between stakeholders' contributions (e.g., employees, customers, providers, fund raisers, shareholders, State, environment) and the related expected rewards that the company provides them (e.g., work motivation and salaries, product/service quality, regular payments, dividends, taxes, etc.). In accordance with the United Nations Global Compact, social sustainability ought to constitute a critical component of every business since it affects how successfully a firm interacts with its stakeholders.

Lastly, the "environmental or ecological pillar" focuses on environmental conservation and maintenance as well as the context in which people operate. Specific projects have in the past caused environmental deterioration. Due to the interdependence of the three pillars, organizations must recognize that environmental protection is essential to achieving social well-being, economic progress, and sustainable development (Khatib et al., 2020). In practice, a successful and sustainable project should consider immediate environmental issues, for example, when a project working in an environment takes the element of environmental pollution and safety into consideration; it is a clear practice of "environmental sustainability (Dey et al., 2018) ". Environmental sustainability means using sustainable resources, preventing pollution, healthy work environment, encouraging employees' green behavior, producing environmentally friendly products, services, and processes, complying with environment conservation standards, waste treatment, and reducing the effects of climate change.

Furthermore, sustainability necessitates the combination of both immediate and distant objectives; the key point here is that the economic component prioritizes those that are long-term. (Khatib et al., 2020). In contrast, social influences and environmental degradation may not happen in the short term but in the long term (Kivila et al., 2017).

Last but not least, "sustainability" refers to using revenue rather than capital. "Sustainability" underlines that the financial foundation of the company should stand, primarily for "social and environmental reasons." As a result, the corporation shouldn't take out renewable resources faster than they are replenished. In a similar vein, the company shouldn't overwork its staff or pay them less than what they are worth. However, keeping project economic, social, and environmental sustainability requires effective M&E practices. An environmentally friendly business can be a profitable one and lead to small business sustainability by decreasing negative activities that impact the environment.

2.1.9 What is Project Sustainability?

Project sustainability," according to Mauro & Marly (2017) is the "ability to support the provision of its objectives both at communal and institutional levels without adverse implications even after eliminating tools like capital resources, deliverables, initiation, and execution." They go on to state that "the likelihood that the project will survive after the performance" is what they mean by "project sustainability." By acquiring a robust plan that integrates the economic, social, and physical components, cooperative enterprises can be sustained (Dinnie & Holstead, 2018).

Duncan et al. (2017) stated that "sustainability" consisted of three partially covered mutually dependent goals: living in an "economically sustainable" manner; sustainably committing to the environmental conditions; containing the standards of living over time; and living in a manner that is stable in social status both now and in the future. The existence of small business demonstrates that business practices are ethical, sustainable, humane, and profitable.

According to Aarseth et al. (2017), this means that the projects will "constantly persist" in offering services long after they are completion for current and future generations. According to a study by Okeniyi (2015), "a sustainable project is one that is finished within the management schedule and the anticipated budget, benefits its stakeholders, and consistently produces services and results". As per Duncan et al. (2017) and Kivila et al. (2017) projects that compete on the global market must create, carry out, and report successful "project sustainability" efforts. They are disappointed that a project is regarded sustainable if it can meet short-term economic, social, and environmental objectives without jeopardizing long-term viability. As per Stefano et al. (2019), the concept of a sustainable project is an endeavor to manage socio-economic and environmental implications productively.

2.1.10 M&E, Contextual Factors (Internal & External) and Sustainability of Projects

An open system governs how projects work. A condition known as an "open system" is one in which "project operations" are in constant communication with both "internal and external environments" (PMI, 2021). Goals, culture, resources, technologies, physical assets, and leadership are only a few examples of the "internal factors" of a project (Gicovi & Sabina, 2022). The "external factors" include stakeholders, politics, economics, governmental policies, as well as the international arenas (Gicovi & Sabina, 2022).

However, the stability of the project is affected by how dynamic both the external and external environments are (Filippov et al., 2012), whereas the "external factors" make the "internal factors" less predictable and straightforward to manage and more volatile

and complex. To stabilize and steer the project to completion, flexible and adaptable techniques are therefore required Mauro & Marly (2017) stated that both internal and external factors predict the sustainability of the project. Also, Chow et al. (2021) confirmed that contextual factors (internal and external) influence (economic, social, and environmental) sustainability. As per Gicovi & Sabina (2022) contextual factors comprise “internal factors (goals and objectives, leadership, resources), and external factors (donor requirements, client needs, and economic factors)”. In this research, internal and external factors are considered as challenges to small projects' sustainability in Palestine.

2.1.11 Small Business Sustainability

Most research, for example Florêncio et al. (2023) makes the assumption that companies seek sustainability through meticulously thought out and implemented strategies. Works on major, global firms that have been successful in creating control systems to implement sustainability plans support this widely held belief (Crutzen et al., 2017). However, strategy research has shown that strategy making truly occurs along a continuum from planned to emergent, from intentional to adaptive, and these insights do not support this finding (Neugebauer et al., 2016).

Moreover, Florêncio et al. (2023) most studies make the underlying assumption that because sustainability goals are normative, they call for central coordination, meticulous planning, and hierarchical decision-making rather than embracing the multifaceted, process-oriented, and emergent nature of sustainability (the Sustainable Development Goals). The emphasis on planning and centralization does not fit small businesses (Frolova et al., 2023), even though this might be advantageous, at least for large

corporations that follow a formal decision-making model to formulate and implement sustainability goals.

According to the number of employees, small business are a substantial contributor to economic activity and environmental pollution in the majority of countries around the world. In Canada, for instance, small enterprises (1-99 people) make up over 98% of private-sector companies, employ more than 68% of the labor force, and produce more than 41% of the nation's GDP (ISED, 2020). Smaller businesses lag in such efforts, despite the fact that the vast majority of large, international corporations have created M&E mechanisms to efficiently implement sustainability initiatives (Crutzen et al., 2017). According to research on the delayed adoption of sustainability initiatives in small business, there aren't enough strategic approaches and resources available for creating and carrying out sustainability goals (Shelleman & Shields, 2015).

Sustainability goals must be clearly specified to inform implementation from the standpoint of planned strategy making, suggesting a crucial role for senior management—particularly in large corporations—to drive and control processes to advance sustainable practices (Engert & Baumgartner, 2016). However, these observations may only have a limited impact on small organizations because they rarely document their intended objectives and focus more on ongoing operations (Klewitz & Hansen, 2014).

For each development sector to have any real value, sustainability needs to be operationally defined. Small business sustainability is becoming more popular with brands that care about the environment. More consumers than ever are prepared to spend money on non-toxic, environmentally friendly goods in order to safeguard their children and the planet's future.

SMEs must be geared towards systematic M&E evaluation that will provide information on whether their plans and objectives are achievable by monitoring their daily practices and small planning, and thereby evaluating whether their medium-term plans and long-term plans have been achieved (Matsiliza , 2018). Nadim & Lussier (2010) stated that to be sustainable, small business needs the local community and vice versa, to this end, small businesses have to engage in local community relations and sustainability as a strategic initiative for long-term success. Also, according to OECD (2018), SMEs need M&E to obtain desired outcomes and fulfill a sustainable performance.

According to the discussion above, the researcher believes that "successful M&E practices" are simply initiatives a firm develops to attain objectives that foster "economic, "societal," and "environmental" sustainability. Taking these "sustainability" measures is in the best interests of the environment, the business owner, and the customer. Because small businesses have an impact on communities and resources. However, the following factors currently impede the growth and "sustainability" of the "small business" sector: difficulty in locating customers for products; instability of the regulatory framework governing small business; high taxation of small and medium-sized business owners; high administrative barriers; and lack of available borrowed capital for small and medium-sized enterprises.

2.1.12 SMEs in Palestine – An Overview

Both developed and developing nations are paying more attention to the importance and contribution of SMEs as key engines of growth. These businesses are frequently referred to as the "backbone" of the economy since they are important engines of

technical advancement, the creation of new jobs, and a breeding ground for entrepreneurship.

However, there is no single definition of SMEs, as the pertinent literature demonstrates. As a result of the diversity of the environments in which they operate (where they may be distinguished by country, location, economic sector, or status), definitions may vary depending on the goal of a conversation or research (Atyani & Al Haj Ali, 2009). According to Mosallem (2016) and Matsiliza (2018), small enterprises are projects that have 6 -16 workers and the capital investment in fixed assets less than \$ 15,000, the medium is a project , which employs 15 – 20 workers and invests from \$15,000 to \$25,000 in fixed assets. SMEs make up the majority of businesses in the "Palestinian Territory," which makes them the foundation of the local economy (Qashou & Saleh, 2018). Less than 50 individuals are employed by over 95% of businesses. SMEs continue to be the vast majority of Palestinians' primary source of income and employment, playing a significant role in the socioeconomic development of their country (Middle East Investment Institute (MEII) , 2021).

Based on the Establishments Census conducted by the Palestinian Central Bureau of Statistics PCBS (2018); MSMEs constitute 98.9% of total private institutions (139,178 out of 140,745 companies). In addition, the census showed that MSMEs are concentrated in the wholesale and Retail Trade sector which constitutes 52% of the MSMEs in Palestine and employs 45% of the total MSMEs' employees, followed by the Services sector comprising 32% of the total MSMEs and employing 31% of the total MSMEs' employees, while the industry came in third place.

SMEs make up the vast majority of Palestinian businesses and are essential to the Palestinian economy. They are crucial to efforts to boost economic success because they

represent a major source of employment, draw investments, and attract spending (“West Bank and Gaza,” 2019) 99% of businesses in the occupied Palestinian Territory are SMEs with fewer than 20 employees (“West Bank and Gaza,” 2019)

In sum, despite the fact that SMEs play a significant role in the Palestinian economy and their development is essential for future economic progress, there are still numerous obstacles that Palestinian SMEs must overcome in order to experience true expansion. These factors include the underwhelming role the public sector plays, family ownership and culture, gender concerns, the inefficient utilization of productive capacity, subpar business management infrastructure, and a lack of finance availability (“West Bank and Gaza,” 2019). In addition to the aforementioned difficulties, the "occupation" is the primary contributor.

2.1.13 Justification for M&E in Small Business

In this decade of the Fourth Industrial Revolution, the business analysis performed on behalf of SMEs in accounting and auditing is insufficient to evaluate their performance and determine their business emphasis. Any form of small business must be monitored and evaluated in order to identify the flaws and restrictions in how their business strategies are being carried out. Some business owners have experienced limitations as a result of their failure to maintain financial sustainability.

The Israeli’s practices, which had a severe influence on broad swaths of society, are to blame for the socioeconomic and political difficulties facing small business owners, managers, and entrepreneurs in Palestine. The distribution of resources, degrees of inequality, poverty, and unemployment among the population all reflect the long-term effects of these trials. Vulnerable groups, such as those with limited money, struggle to

grow their local communities because they are unable to obtain decent positions or stable financial sustainability in SMEs.

Small business evaluations should concentrate on enhancing compliance with administrative processes, taxation, and governmental laws and regulations. But SMEs M&E can provide more than just that. The M&E method can help SMEs prevent inaccurate capacity gauging of their success and sustained performance. Additionally, monitoring will equip them to gather the necessary data and resources for auditing purposes and control outcomes by contrasting them with their goals and plans. Entrepreneurs need to constantly evaluate their job on a personal level in order to create and take critical decisions that are better. Their reviews' informational comments can point out places for development and advance their learning and knowledge. Entrepreneurs have a close connection to their local communities; by honing their abilities and skills, they may affect how knowledge is shared with their customers and larger communities, as well as increase their capacity for responsiveness and public accountability. Small business evaluations can be expensive, particularly when more financing is required because of the huge number of organizations supporting M&E and its infrastructure. Diverse funding, objectives, and organizational structures are therefore essential for a successful evaluation. By sharing the information obtained during monitoring and evaluation, small business can also benefit from better relationships and interaction with their stakeholders.

Information can help people make better resource management decisions. Additionally, business owners can use information feedback to remedy their mistakes and adhere to legal requirements and governmental regulations. Small business can enhance their brand image by taking into account all of the aforementioned requirements, which will

ultimately lead to a favorable perception of them among clients and stakeholders, particularly program beneficiaries. In conclusion, the researcher concluded based on the literature review that effective M&E practices/types lead to economic, social, and environmental sustainability.

2. 2 Literature Review

The publications of earlier studies and research on the issue of monitoring and evaluation practices for sustainability are listed in this area of the current research.

A study "Capacity Building in Participatory Monitoring and Evaluation on Sustainability of Food Security Irrigation Projects" by Rogito et al. (2020) on how M&E capacities affect the sustainability of irrigation projects, sustainable impacts were associated with the capacity to plan, organize and use M&E findings. This should be done by exposing farmers to exchange visits to learn from others' successes, project officers must be held accountable for money utilisation, and project parameters must be revised to increase sustainability.

A study by Kithinji (2019) on the Role of M&E in Effectiveness of Non-Governmental Projects in Kenya. Named "Evaluation Capacity Building and Improvement of Monitoring and Evaluation practice among Non- Governmental Organizations in Central Eastern Counties of Kenya" led to the conclusion that M&E boosts project effectiveness. The study stated that due to its important role in supplying data required for planning, decision-making, and policy development, evaluation in the management of projects is a costly yet critical procedure that necessitates meticulous implementation. M&E processes need to be examined for quality, and projects and programs have made significant efforts to increase the ability of M&E stakeholders. The

research advises organizations to engage in evaluation capacity building initiatives, particularly those that strengthen M&E professional growth and M&E assistance programmes were chosen because they were considered to have a greater impact on improved M&E practice.

Jahaf (2021) Undertook Mixed Approached Research to Investigate the Impact of M&E Practices on the Performance of Projects for Development in Yemen, as well as their relationship to gender. It determines the extent wherein M&E practices (monitoring skills, technical activities, information systems, reports, and gender) affect the performance of the development projects. It also investigates the mediation impact of leadership backing for M&E on the performance of development actions, with a focus on gender. According to the study's findings, workers with monitoring skills in the Social Fund for Development who practise M&E technical operations, Producing M&E reports on time, obtaining management support, and incorporating gender in their operations will all have a substantial impact on the execution of development initiatives. Furthermore, the data revealed that managerial support has a mediating influence between M&E and the execution of development programmes.

A theoretical Study "The Application of Result-Based Monitoring and Evaluation to Improve Performance in Small Business" conducted by Matsiliza (2018) reviewing literature justifies the necessity to monitor and evaluate a small business with the intention of improving its performance. The major motivation for a small firm's M&E stems from a need to align the business segments of a small business with its strategic goals, by reviewing if the objectives and strategies have been met and the expected outcomes have been obtained. The findings showed that the majority of small enterprises around the world face comparable obstacles that prevent them from meeting

their objectives due to financial and resource constraints; government policies aimed at improving the performance of entrepreneurs have not yielded results that can be directly linked to the growth and development of SMMEs; and monitoring and evaluation systems have failed. The study also found out that Result Based M&E has a big role in enhancing the overall performance of SMEs. As well the information arising from M&E improve their knowledge sharing and networking. Furthermore, the study insisted on the importance of disaggregation of relevant indicators in the context of the establishment of M&E system.

A study Conducted by Hodali (2018) “Enhancing Monitoring, Evaluation, Accountability and Learning (MEAL) at the Palestinian NGOs: PARC as case study” with the purpose to examine the MEAL approach and its implementation within local non-governmental organizations that works in development sector. The study revealed that Palestinian NGOs have general understanding about MEAL approach and its importance. Specifically, PARC institution adopted this approach in all its funded projects, this had a good effect on staff performance and the results of the institution’s projects.

International Journal about “Change Process: a key Enabler for Building Resilient SMEs.” For Ates, A., & Bititci, U. (2011). Seeks to show that the capacity of change management processes to build resilience in SMEs is essential. In-person, semi-structured interviews with 232 senior managers from 37 manufacturing SMEs across Europe were conducted for this study using a multiple case study technique. This article serves as an example of how SMEs can improve their sustainability and resilience by (1) being able to embrace organizational and people parameters as well as operational aspects of change management and (2) settling focus on long-term planning and

external communication to promote change actively. With the goal of assisting in the growth of more resilient SMEs, this article creates a link between the theoretical starting point, the findings of empirical research, and the practical use of the findings.

Gupta et al. (2018) Study “Adoption of ICT in a Government Organization in a Developing Country”, examines and evaluates the current literature on Enterprise Resource Planning (ERP) installation in an effort to pinpoint the crucial success elements for an ERP deployment that would boost a company's performance in Egypt. One of the study's main findings was MIS systems have the capacity to transform businesses and may be used to reduce business risks by employing both internal and external knowledge. through increasing output, cutting costs, and creating a foundation for growth. It placed emphasis on the need of making the proper choice, following best practices, managing appropriately, and clearly understanding the objectives of MIS systems. Furthermore, the study came to the conclusion that the usage of ICT is positively impacted by performance and effort expectations, social context, and conducive environments.

A study by Schmidt et al. (2018) “Evaluation of Sustainability Practices in Small and Medium-Sized Manufacturing Enterprises in Southern Brazil” analyzes the performance of SME manufacturing, in order to identify the main practices of sustainability, including values and transparency, internal audience, environment, supplier relationships, customer and/or consumer relationships, and community ties. A qualitative study using case studies was applied to 16 small and medium-sized SMEs from the metal-mechanic sector in south of Brazil. The firms were categorized according to their reality for corporate social responsibility. Five of these organizations, according to the investigation, received a score indicating that they had already

internalized the related principles. However, given the results, it is feasible to draw the conclusion that more has to be done to improve the steps that need to be taken in terms of corporate social responsibility since no business has established itself as an industry (CSR) leader.

Bush (2016) in his Study “Strategies Affecting the Sustainability of Small Businesses” Provided the best strategies used by small business owners in Georgia to develop and maintain their business for a viable and long-lasting. This multiple case study, which was based on systems theory, sought to investigate the methods employed by small business owners to create and sustain enduring, profitable enterprises. Semi structured interviews with 6 retail shop owners in Georgia were performed using a multiple case study methodology, allowing for in-depth discussions with each participant. The thematic analysis of the interview data revealed three key themes: evaluating capital, offering excellent customer service, and picking a desirable site.

A Study to Assess the Impact of M&E Capacity Building on Food Crop Projects Sustainability Performed by the Academic Research International (2016) “Influence of M&E Capacity Building on Sustainability of Agricultural Food Crop Projects in Kenya” Figured Out That The More Monitoring And Evaluation, Members Of food crop programmes and authorities' capability will be built, and sustainability will be improved. The research also advised that government workers be taught on new data gathering technologies and methodologies. Surveys, interviews and observations were used to collect the study data from the extension officers, country officers and the 503 farmers. The data is analyzed by using descriptive and inferential statistics.

2.2.1 Comments on Previous Studies:

According to the researcher, there is a knowledge gap due to the scarcity of literature on the importance and role of M&E practices to promote small businesses sustainability within the Palestinian context that suffers from high uncertainty relating to political and economic instability. Some of the studies have addressed the significance of M&E practices for business performance which could be considered as part of business economic sustainability. While other studies examine M&E practices for the sustainability of development projects and NGOs in other countries rather than in Palestine. This study will investigate the perceptions of owners toward the sustainability of their small businesses through M&E practices within the Palestinian context.

The reviewed literature assured the positive role of M&E practices in improving the sustainability of development projects and in enhancing the performance of small businesses. They recommended investing more in building the capacity of monitoring and evaluation for workers to improve the M&E results quality, using MIS systems to reduce business risks. In addition, seeking management support as it has a mediating influence between M&E and the execution of development programs. Furthermore, some studies insisted on the importance of disaggregation of relevant indicators in the context of the establishment of M&E system to improve small business performance.

Prior research employed the descriptive analysis method for explaining the topics under examination, presenting findings, and providing recommendations. Researchers used a variety of research designs; some used a qualitative approach with semi-structured interviews or case studies. On the other hand, some researchers combined quantitative and qualitative methods.

2.2.2 What Sets This Study Distinct from Previous Research

After conducting a thorough review of the existing literature, the researcher identified several distinguishing features that set this study apart:

1. This study is the first - to the best of the researcher's knowledge- to specifically focus on identifying the link between M&E practices (monitoring skills and training, feedback, M&E resources allocation, use of ICT) and sustainable small businesses (Social, Environmental, and Economic).
2. This study is unique in its targeted focus on the perception of the Palestinian small business owners within the uncertain socioeconomic and political Palestinian context.
3. This study employed a qualitative research design, utilizing structured interviews and thematic analysis as a modern data analysis approach. This facilitated an in-depth exploration of small businesses owners' perspectives and experiences, yielding valuable and rich insights for the study.

Chapter Three:

Research Methodology

Introduction

This chapter explains the qualitative methodology used to accomplish the research objectives in the right order. The research design, data collection techniques, research population, research sample, research tool, data analysis, validity, and ethical considerations are all discussed here. This chapter provides an outline of the research methods followed in this study. It explains how the study's questions were addressed and the tool the researcher used to get the data. This study implemented a qualitative research design.

3.1. Research Methodology

3.1.1 Research Design

A qualitative research design, including structured interview techniques was used to conduct this study. Barker et al. (2020) suggests “that exploratory questions, suitable as the base for qualitative inquiry, are typically used when: (a) there is little known in a particular research area; (b) existing research is confusing, contradictory, or not moving forward; or (c) the topic is highly complex. As to the aim of exploratory questions.”

Qualitative research provides a comprehensive and in-depth understanding of participants in their natural contexts and frequently in unstructured, nonnumeric data (Mason, 2002). The interview questions were separated into two sections:

- The first section focuses on the respondents' and business profile.

- The second section answers the following six main research questions: Q1) What is your perception about application of monitoring and evaluation at your small business? Q2) How do monitoring skills and training lead to small business sustainability (social, environmental, and economic)? Q3) How Feedback supports small business sustainability (social, environmental, and economic)? Q4) How "M&E resources allocation" improves small business sustainability (social, environmental, and economic)? Q5) How the "use of ICT" benefits small business sustainability (social, environmental, and economic)? Q6) What are the main challenges that hinder the small business's sustainability?

3.1.2 Data Collection

In light of the different geographical locations, the interview process was conducted using various forms over the course of 30 to 45 minutes each. Zoom and MS-teams online platform, telephone calls and face to face interviews were used by the researcher to conduct Structured Interviews. Twenty-four (24) small business owners were selected and interviewed according to specific criteria mentioned below focusing on their perspectives regarding monitoring and evaluation practices for small business sustainability. Interviews conducted during the period from February 2023 to April 2023.

3.1.2.1 Respondents and Business Profile

The following is an explanation of each of the demographic variables:

- Distribution of Sample According to Small Business Owner Gender:** According to figure (), %54.2 of the sample were Male while %45.8 were female. This selection

was intended by the researcher to collect more inclusive information and perspectives from both male and female small business owners.



Figure 3: Distribution of the Sample According to Small business Owner Gender

b) **Distribution of Sample According to Small Business Age:** According to figure (), %71 of the selected small businesses was functioning from 6-10 years, while %29 was functioning from more than 10 years. Although this selection was intended by the researcher, there were no huge differences in results between the two categories. Nevertheless, the sustainability of a business can be considered after it has been operating successfully for a significant period of time. While there is no specific number of years that universally defines sustainability, many experts and organizations consider a business to be sustainable after it has been operating for at least five years. According to the Global Reporting Initiative (GRI), a widely recognized framework for sustainability reporting, a business should demonstrate its commitment to sustainability by providing information on how it manages and mitigates its social, environmental, and economic impact over a specific period, typically five years.

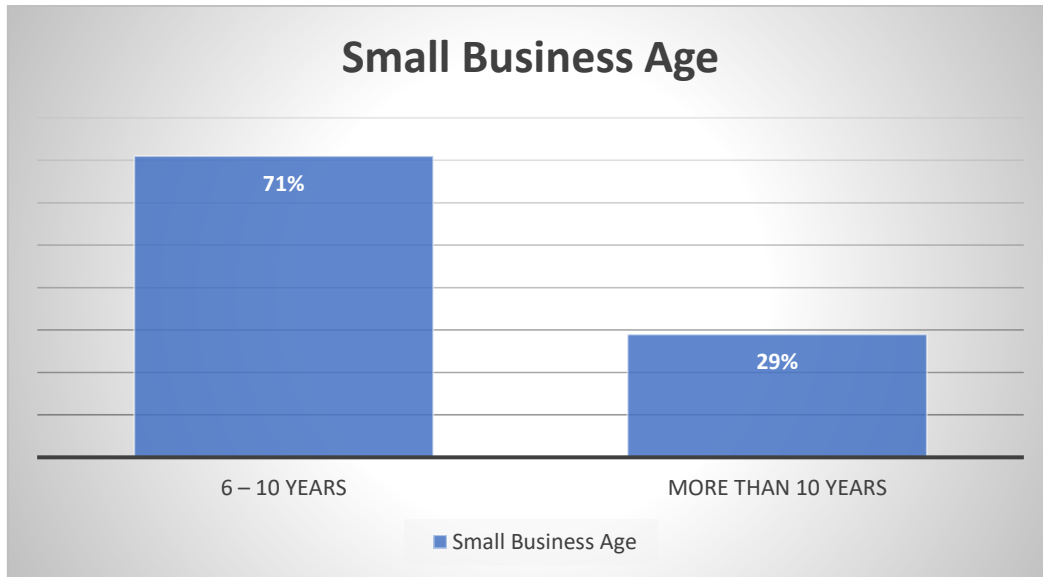


Figure 4: Distribution of the Sample According to Small Business Age

- c) **Distribution of Sample According to Small Business Sector:** According to figure (), %29 of the selected small businesses operated in services, 33% in the trade sector, while %38 in manufacturing. These three sectors were selected based on Palestinian Central Bureau of Statistics (2018); that MSMEs are concentrated in the Trade, Services, and industry sector respectively. Figure 1: Distribution of the sample according to Small Business sector.

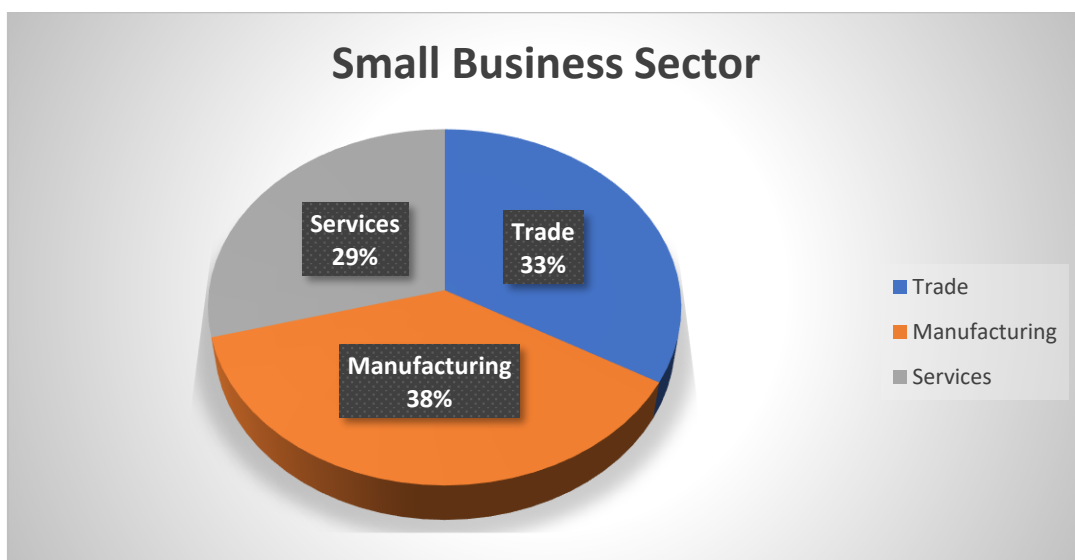


Figure 5: Distribution of Sample According to Small Business Sector

d) **Distribution of Sample According to Small Business Location:** According to figure (), %37.5 of the selected small businesses located in Hebron governorate, 25.0% in Nablus governorate, while %20.8 in Ramallah and Al-Bireh, and %16.7 in Jenin governorate. Hebron, Nablus, Ramallah & Al-Bireh and Jenin governorates were mainly selected as they account – in addition to Gaza- for 58% of all small business firms (PCBS,2018). Besides, the selection of these business owners in the mentioned governorates was influenced by the adoption of snowball sampling, which entails locating and enlisting individuals via recommendations from study participants.

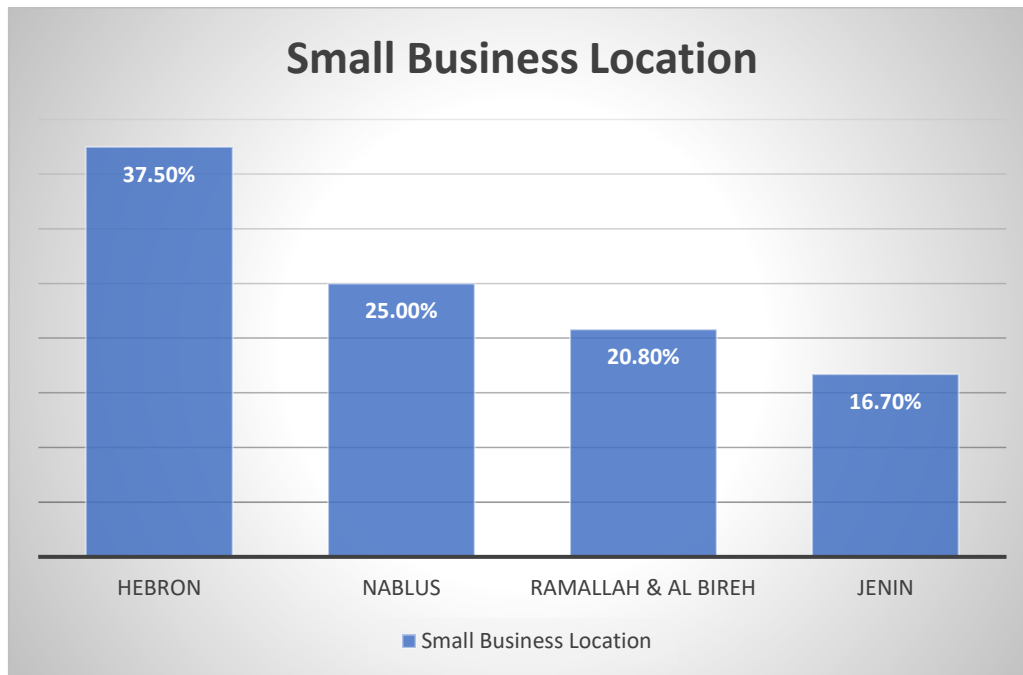


Figure 6: Distribution of the Sample According to Small Business Location

3.1.3 Study Population

The targeted population is the Small Businesses in Palestine. MSMEs constitute 98.9% of total private institutions (139,178 out of 140,745 companies) (PCBS,2018).

Purposive snowball sampling technique was used to identify the specific respondents who are the small businesses' owners.

3.1.4 Study Sample

Purposive snowball sampling was used for selecting small business owners. Which enabled the researcher to choose participants who possess the desired characteristics and experiences relevant to the research questions. It also enabled the researcher to select participants based on predetermined criteria that improved the quality of the data obtained, maximized variation, and established trust with participants. Purposive sampling allows researchers to select participants who represent a wide range of experiences, perspectives, and backgrounds, which can help to maximize variation and diversity in the sample (Palinkas et al., 2015).

Based on the concept of informational redundancy, which postulates that more participants might not significantly offer new data or insights to the study, the researcher judged that twenty-four (24) small business owners were sufficient for the study. If researchers notice recurring themes and patterns in the interviews, they might decide to stop gathering data in this situation (Guest, Bunce, & Johnson, 2006).

The sustainability of a business can be considered after it has been operating successfully for a significant period of time. While there is no specific number of years that universally defines sustainability, many experts and organizations consider a business to be sustainable after it has been operating for at least five years. According to the Global Reporting Initiative (GRI), a widely recognized framework for sustainability reporting, a business should demonstrate its commitment to sustainability by providing information on how it manages and mitigates its social, environmental, and economic

impact over a specific period, typically five years. Hence, the researcher targeted small businesses that have been in operation for at least five years.

The selection of interview was predicated upon their ability to furnish sufficient information and respond to the interview questions. The following criteria were considered when selecting study sample:

1. Small business (5-9 employees)¹, with registered capital from (5,001 to 50,000 USD)
2. Small business age (more than 5 years).
3. Gender diversity among small business owners (Males and Females)
4. Business owners implement M&E practices or at least aware of basic M&E practices and sustainability concept.
5. Diverse geographic locations (Jenin, Nablus, Ramallah & Al-Bireh, and Hebron)
6. Diverse economic sectors (trade, manufacturing, and services)

Respondents were not subjected to any form of coercion to participate in the study. They were provided with comprehensive details regarding the study's objectives, the researcher's identity, as well as the AAUP University.

3.1.5 Study Tool

The Structured Interview used as a tool for collecting data from the small business owners. Structured interview enables researcher to ask standard questions among different participants, which facilitate data comparison and analysis. According to Marshall & Rossman (2014) “Structured interviews use pre-determined questions and response options, which can reduce interviewer bias and increase the reliability of data”.

¹ According to the Palestinian Ministry of National Economy study (Ibrahim, 2016)

Replies can be swiftly coded and quantified, structured interviews result in data that is simple to analyze (Patton, 2002).

Exploratory and open-ended research subjects generally lead to the employment of qualitative data collection and analytic approaches. In order to give participants, the space to answer in their own way and to promote rich and thorough data regarding their perception, open ended questions are the best to be used (Kvale, 1996). The open-ended questions allow respondents to define the focus and themes of the interview (Rubin & Rubin, 2011).

The study tool (structured interview questionnaire) consists of two sections:

1. Section A: Respondents and Business Profile which includes four questions.
2. Section B: The M&E Practices which include six main questions.

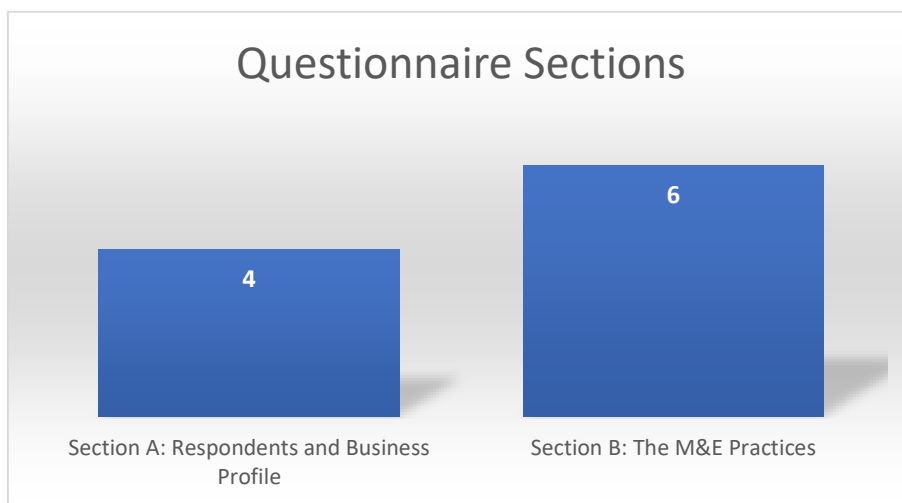


Figure 7: The Question Sections

3.1.6 Data Analysis

Qualitative data was collected from 24 small business owners using structured interviews. The collected qualitative data was analyzed using the “Thematic Analysis” approach. Thematic analysis is an accessible and flexible qualitative data analysis

methodology; that organizes the qualitative data set into identified pattern of meanings themes (Clarke and Braun, 2014). This analysis method aimed to identify the overarching themes in each respondent's answers.

Researcher performed all Thematic coding analysis manually and validated the results with respondents to reduce subjectivity.

3.1.7 Validity

Three pilots of the structured interview questionnaire were conducted, with feedback and remarks taken into account to improve the setting and the questions of the data collection tool.

Besides, respondent validation technique was used. After conducting interviews with the business' owners, the researcher supplied each interviewee with responses in order to double-check and ensure that the data appropriately represented owner perspectives about the questions given during the interview.

Ethical recruiting: the researcher selected owners who are authentically representative of the research target group which is critical in qualitative research in order to yield reliable results. Additionally, the researcher used data triangulation technique by employing another two researchers for the data collection in order to avoid subjectivity and bias, as well as collecting data from different locations and different business sectors.

3.1.8 The Ethical Considerations

Confidentiality is crucial to successful research. The researcher guaranteed the protection of the information and opinions expressed during the interview. Prior to the

interview, verbal consents were obtained from each owner of small business who participated in the study. It was explicitly stated that their participation was voluntary. They were informed of the time and effort required for the interview, as well as their right to withdraw at any time. Participants were promised they were guaranteed to would not suffer any psychological damage as a result of the procedure. Moreover, they were informed that they would not be required to reveal any private data such as their name or identification number. The information gathered was saved in a confidential database for scientific research reasons only.

Chapter Four:

Results and Discussion

Introduction

This chapter shall present the research questions that will serve as the foundation for discussions and justifications of the findings for the "Monitoring and Evaluation Practices for Small Business Sustainability in Palestine" Study. The data was collected using Structured interviews and open-ended questions. The thematic analysis approach was employed to analyze the data obtained from twenty-four (24) small business owners from four governorates in the West Bank, namely Nablus, Jenin, Ramallah & Al-Bireh, and Hebron. It is worth noting that the selected small businesses operate in different three economic sectors: Trade, Services, and Manufacturing.

4.1 Results and Discussion

4.1.1 Question1: What is Your Perception About Application of Monitoring and Evaluation at Your Small Business?

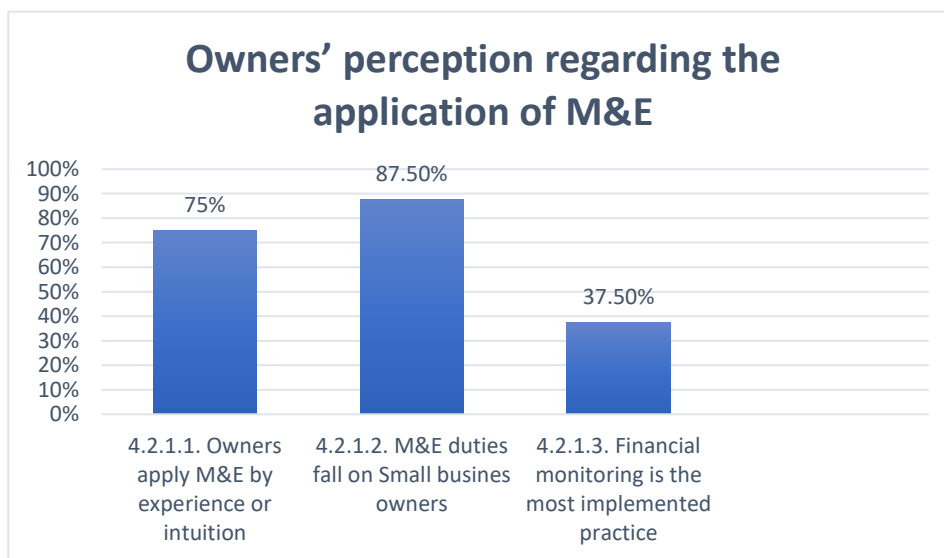


Figure 8: Thematic Coding Q1, Owners' Perception regarding the Application of M&E

Theme 4.1.1.1: SM Owners Apply M&E by Experience or Intuition

As a result of the thematic analysis, 6 (25%) of interviewed small businesses' owners mentioned that they are implementing M&E based on knowledge acquired from educational background (e.g., Business Administration, Management Information Systems and Engineering). Or from participating in specialized training (e.g., Project Management). They believe this provided them with the required knowledge and skills necessary to implement monitoring and evaluation professionally within their businesses that operate in different fields (trade, industrial and services). While the other 18 (75%) of small businesses mentioned that they are implementing monitoring and evaluation by experience or intuition.

(BO17) owner of an Auto-parts store in Hebron, mentioned "I'm implementing M&E by experience and intuition, and I can't assign a specific M&E person due to the limited resources".

Theme 4.1.1.2: M&E Duties Fall on SM Owners.

Regarding responsibility of M&E within the business, as emerged from the conducted interviews, 21 (87.5%) of targeted small businesses' owners, mentioned that the monitoring and evaluation practices are carried out by them, and the employees are provided with the necessary instructions. While only in 3-business (12.5%), there is an assigned specific person responsible for M&E.

(BO06) is owner of a restaurant in Jenin, he is responsible for the M&E practices in his SM, he mentioned that "his background in Business administration supports him to implement M&E practices in professional way. He provides advice for the business employees in M&E practices."

Theme 4.1.1.3: Financial Monitoring is the Most Implemented Practice.

15 (62.5%) small business owners believe that financial monitoring is the most important M&E practice, some of them have external consultant/s to perform financial monitoring and management. The most frequent Monitoring technique applied by owners of small businesses is data collection about the market as well as monitoring on financial concerns, such as information about commodity pricing, the customer desires, and the monthly expenses and revenue of the business.

(BO05) is a car repair workshop in Ramallah, mentioned that financial monitoring is the most implemented M&E practice within his business, he contracted external expert to support him in implementing it.

4.1.2 Question2: How Monitoring Skills and Training Lead to Small Business Sustainability?



Figure 9: Thematic Coding Q2, How Monitoring Skills and Training Lead to Small Business Sustainability.

Monitoring Skills and Training for Small Business Social Sustainability

Theme 4.1.2.1. Better Stakeholders' Engagement

According to 62.5% of the business owners, M&E monitoring skills encourage transfer and exchange of information between business stakeholders. As well, M&E training for managers enables them to apply data-evidence decisions which serve as a solid ground for sharing and learning with stakeholders, that leads to improve their trust.

(BO05) is an owner of car repair workshop in Ramallah & al-Bireh said: "M&E training allows continuous services improvement, and improve sharing experiences and learning between stakeholders, that enhance business social sustainability".



Figure 10: Monitoring Skills and Training for Small Business Social Sustainability.

Theme 4.1.2.2: Improve Customers' Trust and Retention.

In addition, Monitoring skills of business employees improve trust with its customers and their retention as mentioned by 17 business owners (70.8%).

(BO01) is a Nurse Owner in Nablus, she mentioned that M&E skills lead to business social sustainability through providing best services to customers and maintain trust and good relations with them.

Monitoring skills and training for small business environmental sustainability

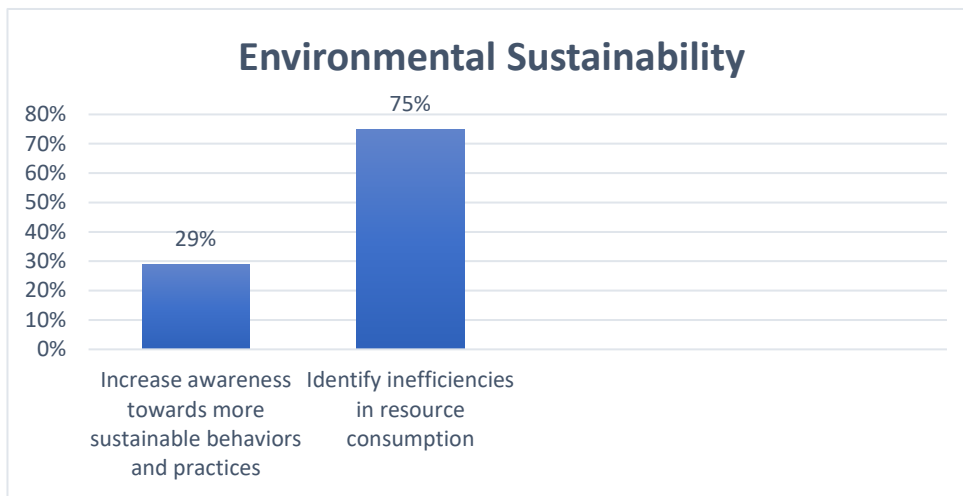


Figure 11: Monitoring Skills and Training for Small Business Environmental Sustainability

4.1.2.3 Theme: Increase awareness towards more sustainable behaviors and practices
29% of small business owners noted that monitoring skills of employees provide them with required knowledge and best practices on the positive impact of sustainable behaviors and practices which increase their awareness toward them.

Theme 4.1.2.4: Identify inefficiencies in resources' consumption.

According to interviews analysis, 75% of SM owners mentioned that M&E training enables SM employees to identify inefficiencies in resources consumption such as water and energy and take correction actions that lead to improve business environmental as well as economic sustainability.

(BO04) an owner of Trade Business in Nablus finds out possessing monitoring and evaluation skills enable business to identify areas for improvement to achieve environmental sustainability: "Using monitoring and evaluation skills support monitoring business's environmental impact, companies can identify areas in which they

are underperforming, such as monitoring the use of hazardous materials, reducing their use, and recycling them.

Monitoring Skills and Training for Small Business Economic Sustainability

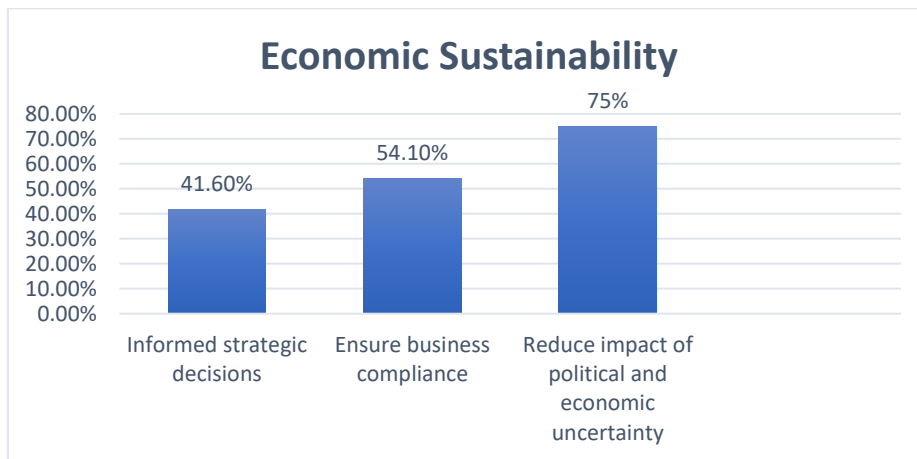


Figure 12: Monitoring skills and training for small business economic sustainability

Theme 4.1.2.5: Informed Strategic Decisions

Based on 41.6% of small business owners, M&E monitoring skills enable better quality data and informed strategic decision that support economic sustainability.

Theme 4.1.2.6: Ensure Business Compliance.

According to 54.1% of SM businesses owners, possessing M&E skills ensure business compliance with health and safety standards, avoiding the additional expenses associated with breaches.

Theme 4.1.2.7: Reduce Impact of Political and Economic Uncertainty

75% of business owners mentioned that M&E skills improve small business ability to identify risks and uncertainty factors especially within the political and economic instability within the Palestinian context and develop mitigation measures to avoid or minimize their effects.

(BO08) Owner of a coffee shop in Hebron noted that M&E skills enable business to identify inefficiencies in operations which improve business efficiency. Also possessing monitoring and evaluation skills lead to ensure compliance and avoid fines and legal issues that can be costly and harmful to the business, these practices improve small business economic sustainability.

4.1.3 Question3: How M&E Feedback Supports Small Business Sustainability?

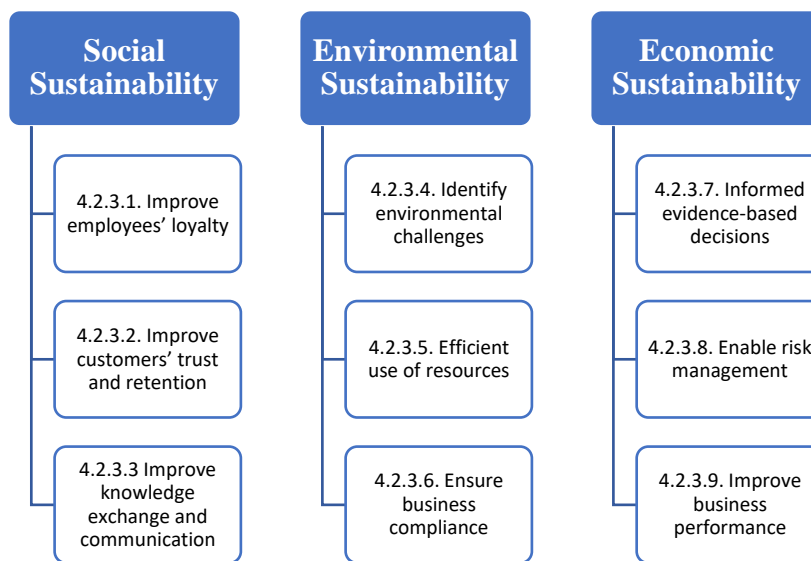


Figure 13: Question3: How M&E Feedback supports small business sustainability

- **M&E Feedback for Small Business Social Sustainability**

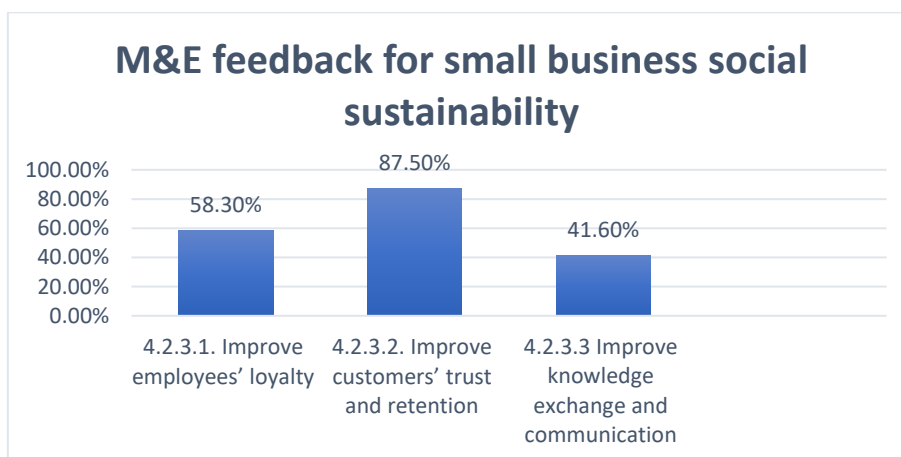


Figure 14: M&E Feedback for Small Business Social Sustainability.

Theme 4.1.3.1: Improve Employees' Loyalty

Feedback from employee's performance evaluation helps business to identify areas for improvement to enhance their technical and personal capacities and provide incentives for best achievers which positively impact employees' loyalty.

Theme 4.1.3.2: Improve Customers' Trust and Retention.

According to business owners' responses, feedback from customers improves business services and products to meet their expectations and satisfaction, which improves their trust and retention.

Theme 4.1.3.3: Improve Knowledge Exchange and Communication.

Continuous monitoring feedback supports agile working and achieves better communication with customers. In addition, feedback allows better exchange of experience and lessons learned between stakeholders and improve their knowledge.

(BO22) is a business owner for IT software company, mentioned that "It is crucial to continually seek customer feedback, this results in less rework, less time and effort wasted, and more satisfied customers".

- **M&E Feedback for Small Business Environmental Sustainability**

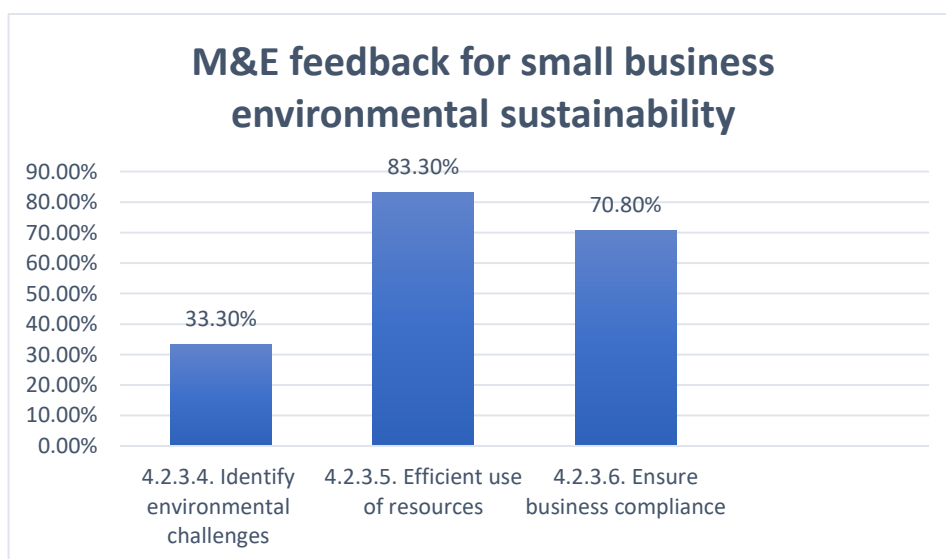


Figure 15: M&E Feedback for Small Business Environmental Sustainability

Theme 4.1.3.4: Identify Environmental Challenges.

According to 33.3% of small business owners, feedback supports business to assess the effectiveness of its efforts and make informed decisions about future actions towards environmental sustainability. It provides evidence-based decisions for better environmental practices and supports identifying environmental challenges and provide solutions to solve them.

(BO13) Owner of small business for Pottery Manufacturing, illustrated that Monitoring Feedback encouraged me in refining the manufacture of pottery techniques. I used a new pottery kiln that significantly lowers carbon emissions, which lessens the negative impact of my business on the environment.

Theme 4.1.3.5: Efficient Use of Resources

83.3% of small business owners believed that feedback from monitoring resources consumption allows business to optimize the use of resources such as energy and water, that enable considering actions to reduce carbon emissions, and reduce waste.

Theme 4.1.3.6: Ensure Business Compliance.

70.8% of interviewed business owners noted that feedback ensures small business compliance to health and safety measures. Which provide a better environment and healthy workplace and avoids any fines or additional costs.

(BO09) is a business owner for engineering office, she mentioned “feedback from monitoring and evaluation practices ensure business compliance with health and safety standards, this helps improve environmental sustainability.”

- **M&E Feedback for Small Business Economic Sustainability**

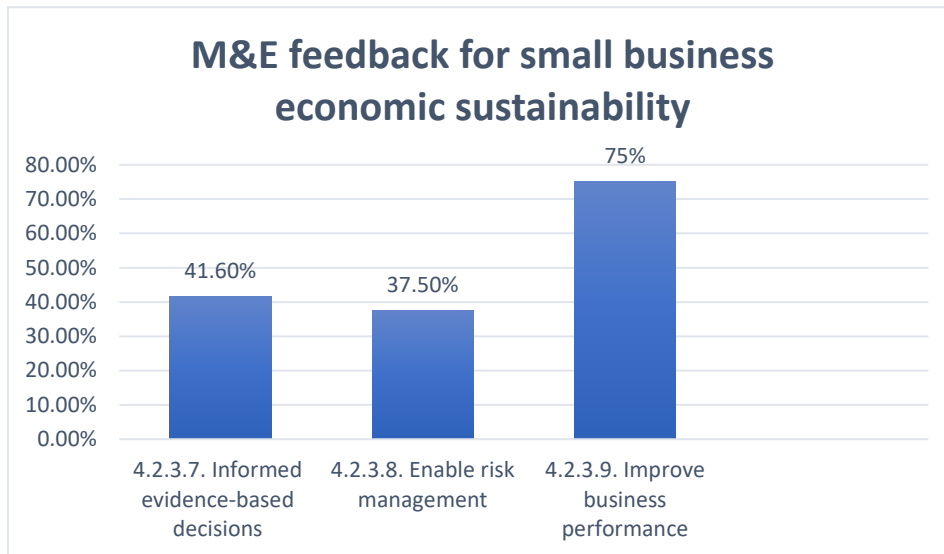


Figure 16: M&E Feedback for Small Business Economic Sustainability

Theme 4.1.3.7: Informed Evidence-Based Decisions

As emerged from qualitative data analysis, 41.6% of small businesses' owners believe that feedback improves evidence-based decisions, lessons learned and best practices, which support business to identify emerging market trends and prioritize investments. That protects business against losses brought on by poor choices and repetitive mistakes.

“In my opinion, feedback from monitoring and evaluation processes provides me with better evidence-based data that improves my decision-making process such as identify emerging market trends or opportunities. Enables business to direct or adapt strategies to take advantage of new opportunities or trends. This enhances business competitiveness and maintain business position in the market”. Owner of engineering office (BO09).

Theme 4.1.3.8: Enable Risk Management.

37.5% of small businesses' owners noted that feedback from the conducted risks assessments of small businesses' supply chain helps to reduce risks impact and identify probabilities and mitigation actions against them, which supports small business economic sustainability.

Theme 4.1.3.9: Improve Business Performance.

According to 75% of interviewed small businesses' owners, feedback enables identifying emerging market trends and prioritize investments which increase business performance. As well as it supports reducing risk additional costs, enable better economic decisions support small business to improve its performance, avoid additional costs, decrease expenses, and increase revenues.

4.2.4 Question4: How M&E Resources Allocation Improves Small Business Sustainability?

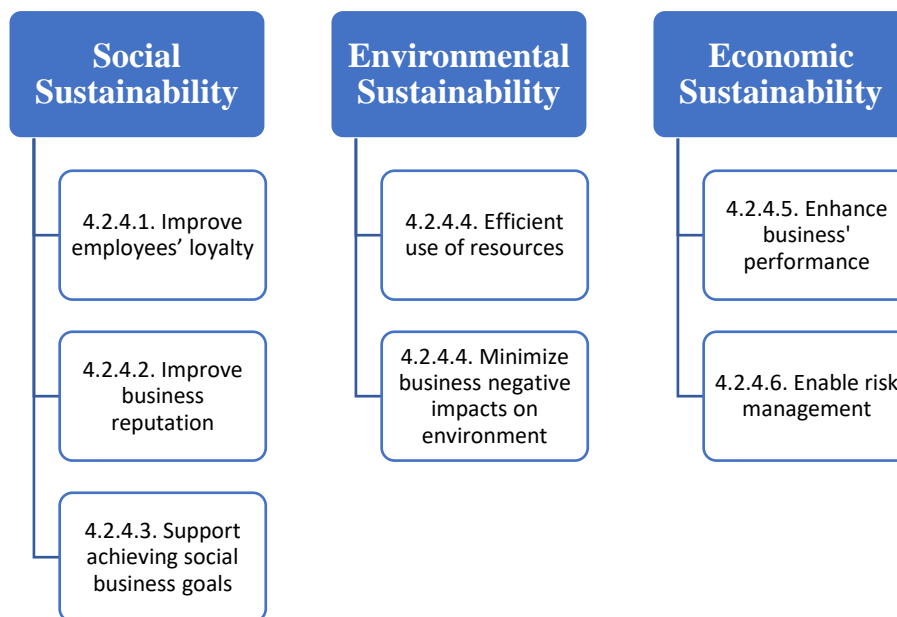


Figure 17: How M&E Resources Allocation Improves Small Business Sustainability

- **M&E resources allocation for small business Social Sustainability**



Figure 18: M&E Resources Allocation for Small Business Social Sustainability

Theme 4.1.4.1: Improve Employees' Loyalty.

As emerged from the thematic coding analysis, 66.6% of small business owners believe that M&E resources allocation helps small businesses in promoting social inclusion and diversity within their operations. Allocation of M&E resources, such as providing specialized training for employees, will improve their capacity to implement professional M&E practices as well as it will support raising internal morale and employees' loyalty.

(BO16) an Antiques and home accessories business owner mentioned that M&E resources enable better and fair evaluation for employee's performance and identify opportunities for capacity building and incentives for employees, that resulted in employee's loyalty.

Theme 4.1.4.2: Improve Business Reputation.

According to 62.5% of small business owners, M&E resources allocation enable business to identify areas that need improvement with stakeholders, which improve business visibility to the community and enhance its reputation.

(BO02) is an owner for a Medical Center in Jenin, noted that allocating M&E resources avoids the center from unexpected losses or falling into medical errors, that damage the center's reputation. Also, it improves the quality of provided services to the community and enhances business visibility.

Theme 4.1.3.3: Support for Achieving Social Business Goals.

According to 41.6% of business owners, M&E resources allocation allows small businesses to assess the social impact of their operations, initiatives, and practices. By monitoring and evaluating the outcomes and effects of their activities, businesses can determine whether they are achieving their social sustainability goals or not and enable them to define better measures. This also helps in identifying areas of success, and improvement or adjustment to better align with social sustainability objectives.

- **M&E Resources Allocation for Small Business Environmental Sustainability**

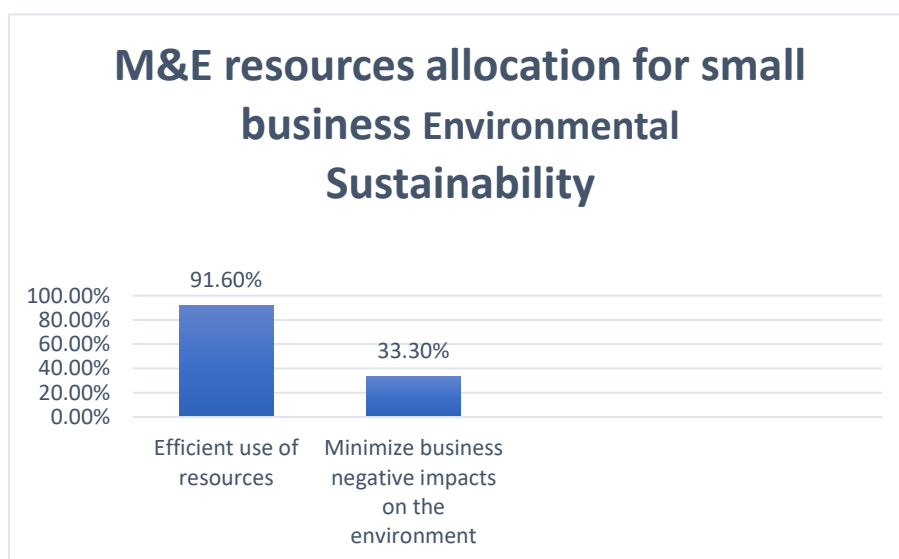


Figure 19: M&E Resources Allocation for Small Business Environmental Sustainability

Theme 4.1.4.4: Efficient Use of Resources

Most of the small business owners 91.6% mentioned that M&E resources allocation enables small businesses to monitor and evaluate their resource consumption patterns. By tracking resource usage, such as energy, water, and raw materials, businesses can identify opportunities for conservation and efficiency improvements.

(BO24) Owner of Sport academy in Ramallah, mentioned that M&E resources allocation supports business to optimize energy consumption, such as investing in renewable energy sources, and implementing energy-saving technologies

Theme 4.1.4.5: Minimize Negative Impacts on Environment.

According to 33.3% of small business owners, M&E resources allocation empowers small businesses to assess their environmental impact, comply with regulations, conserve resources, manage waste, improve energy efficiency, promote supply chain sustainability, and strive for continuous improvement. By adopting an M&E approach, small businesses can contribute to a more sustainable environment and demonstrate their commitment to environmental sustainability to stakeholders and customers.

(BO15) Owner of cellphones small business noted that M&E resources allocation supports business to evaluate the impact of its activities on the environment and take mitigations actions that minimize its negative impacts and enhance its environmental sustainability.

- **M&E Resources Allocation for Small Business Economic Sustainability**

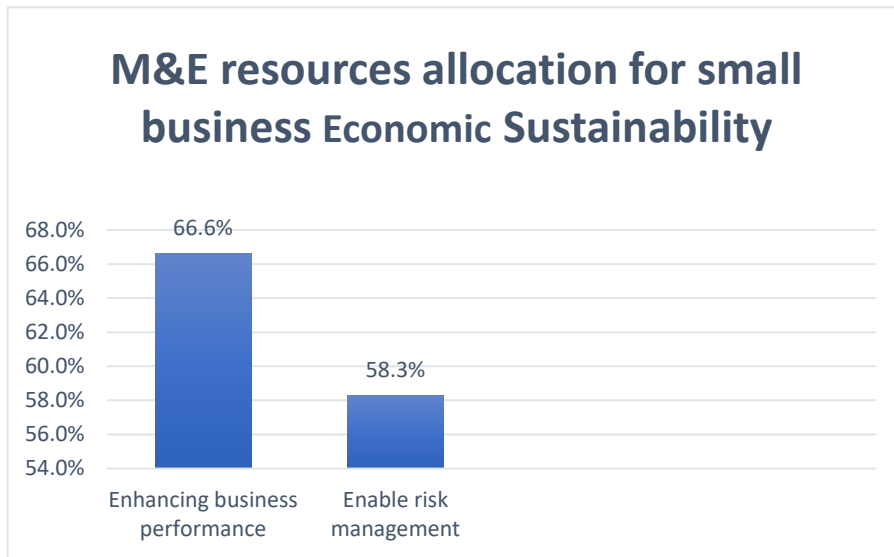


Figure 20: M&E Resources Allocation for Small Business Economic Sustainability

Theme 4.1.4.6: Enhance Small Business Performance.

66.6% of small business owners noted that allocating resources for M&E support business to identify key performance indicators and efficiency metrics can be used to determine the extent to which goals achieved and performance is improved over the long term. Collecting and analyzing data helps to better understand business customers and market. Conducting periodic continuous monitoring of the business helps in avoiding losses which will lead to increased revenues.

(Bo22) owner of IT software company in Nablus, mentioned that “I’m allocating resources for M&E because its importance to my business, M&E resources’ allocation enables small businesses to measure performance, control costs, gain market insights, evaluate investments, manage finances, optimize processes, and make strategic decisions.”

(BO10) Owner of financial services small business in Nablus, illustrated that allocating resources to implement M&E processes for business is essential to ensure the correct appointment of experienced and competent financial personnel. It ensures the delivery of the best quality and avoids any financial losses, that lead to high performance and economic sustainable business.

Theme 4.1.4.7: Enable Risk Management.

According to 58.3% of small business owners, dedicating resources to M&E, in term of human and physical resources enable professional implementation of M&E that will improve the decision-making process, better understanding of results, enhance business ability to identify risks and allocate mitigation measure to eliminate impact of high uncertainty with the Palestinian context. These factors will enhance small business' economic sustainability.

4.1.5 Question5: How Does the Use of Information and Communication Technology (ICT) Benefits Small Business Sustainability?

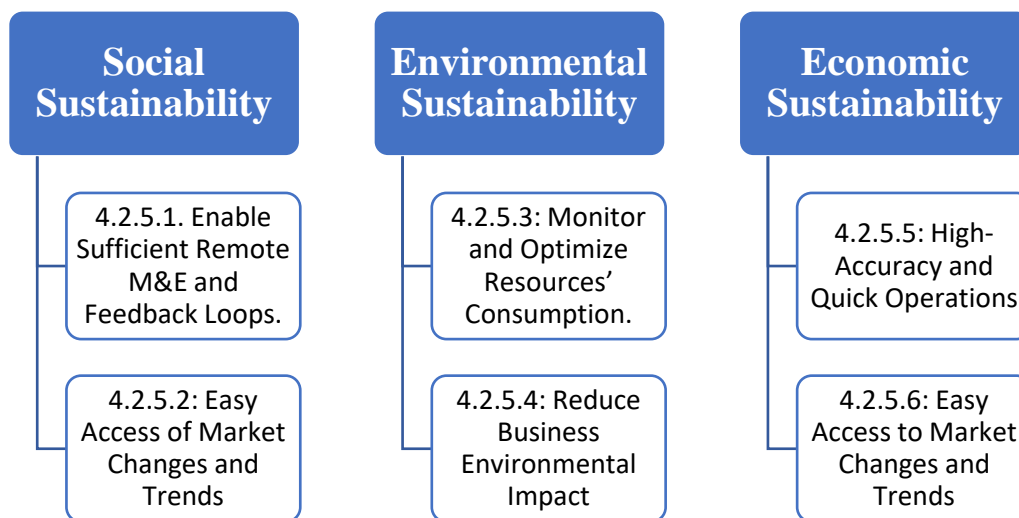


Figure 21: Question6, How Does the Use of Information and Communication Technology (ICT) Benefits Small Business Sustainability?

- **Use of ICT in M&E for Small business Social Sustainability**

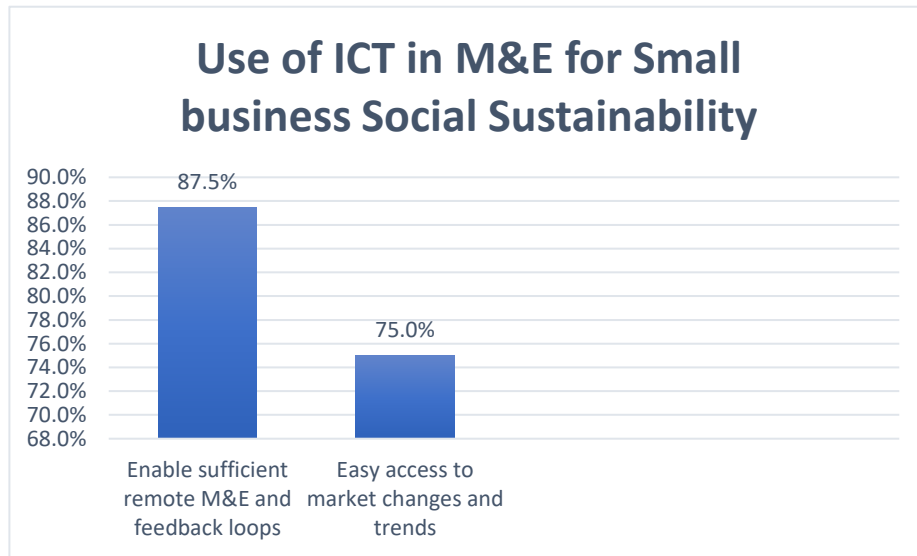


Figure 22: Use of ICT in M&E for Small Business Social Sustainability

Theme 4.1.5.1: Enable Sufficient Remote M&E and Feedback Loops.

Thematic analysis of the interview results showed that 78.5% of small business owners mentioned that M&E ICT facilitate remote communication and the process of seeking feedback from stakeholders, using simple digital platforms such as WhatsApp or Facebook enables you to ask for customers' opinion regarding a product and they can reach you for any inquiries with minimum cost and time required.

(BO02) is a medical center owner in Jenin illustrated that "ICT facilitates the maintaining of effective and efficient channels of communication, the collection of feedback from customers, reduced response times, improved teamwork amongst members, suppliers".

Theme 4.1.5.2: Easy Access of Market Changes and Trends

According to 75% of businesses' owners' responses, ICT provides small businesses with access to vast amounts of information and knowledge that keeps them informed and posted regarding market changes. Through the internet, online platforms, and

digital resources, small businesses can collect data and insights on community tastes and preferences and adopt its services or products to meet them.

- **Use of ICT in M&E for Small business Environmental Sustainability**

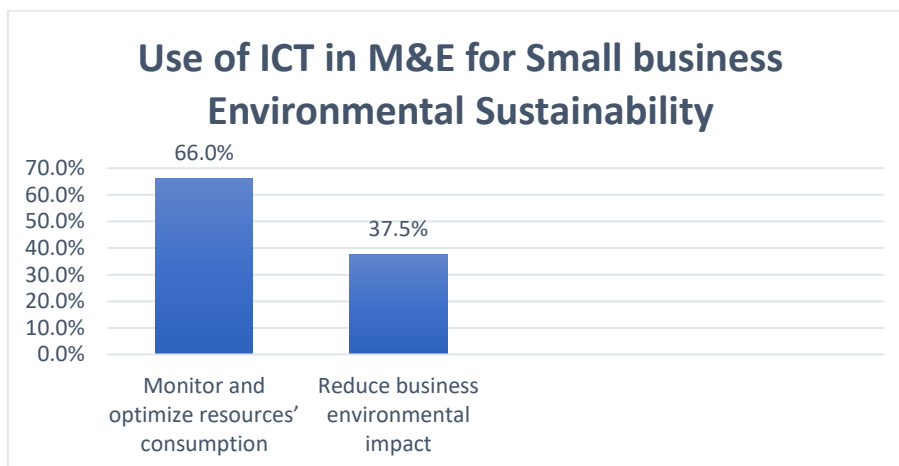


Figure 23: Use of ICT in M&E for Small Business Environmental Sustainability

Theme 4.1.5.3: Monitor and Optimize Resources' Consumption.

According to 66% of small business owners M&E ICT such as management systems, smart devices, remote monitoring, and automation tools can help optimize energy consumption within business premises, leading and lower energy costs.

(BO22) Owner of IT software small business pointed out that “ICT supports tracking and analyzing data to optimize the use of business resources and reduce waste, it also could enable business to monitor carbon emissions, monitor resource consumption, and improve business operational efficiency.”

Theme 4.1.5.4: Reduce Business Environmental Impact

According to 37.5% Small business owners, M&E ICT allows small businesses to adopt energy-efficient practices and technologies. For example, cloud computing enables businesses to host their data and applications on shared servers, reducing the need for

energy-intensive on-site infrastructure. Small business can reduce their environmental impact, conserve resources, and contribute to a more sustainable future.

- **Use of ICT in M&E for Small Business Economic Sustainability**

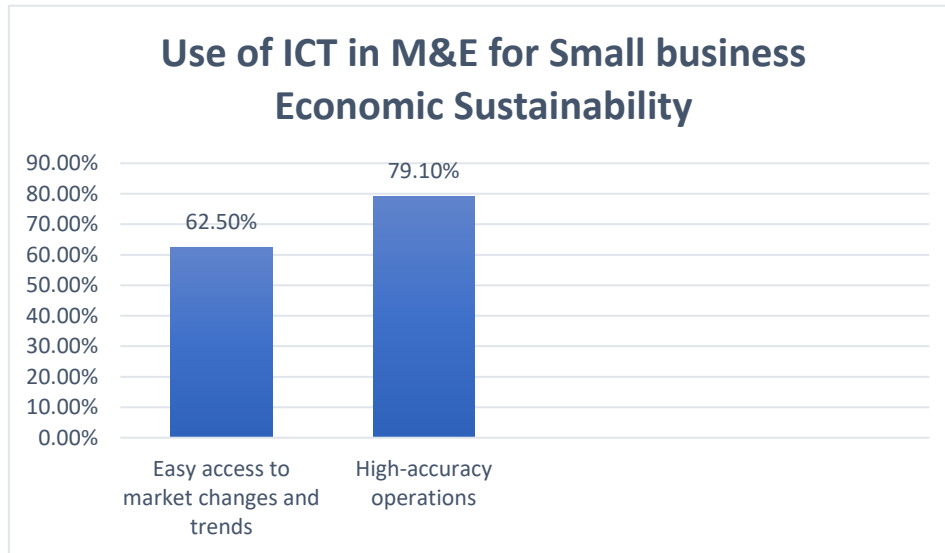


Figure 24: Use of ICT in M&E for Small Business Economic Sustainability

Theme 4.1.5.5: High-Accuracy and Quick Operations

According to businesses' owners, use of M&E ICT promotes higher quality results. It reduces the time required for data collection and provides high accuracy operations and results, which will save costs of potential human errors and avoid insufficient data provision. Also, M&E ICT such as inventory systems improves stock control and supply chain management. While financial systems enhance and facilitate the financial management, saves financial resources, and eliminate complexity. Monitoring and evaluation information and communication technology plays a crucial role in the economic sustainability of small businesses, in which ICT systems enhance quality and efficiency.

(BO14) Owner of an online clothing store, stated that “M&E ICT provides business with access to data and analytics that can help in making more sustainable decisions, Monitoring systems provide better financial and resources planning. The use of monitoring inventory and financial systems reduce errors, save time and effort, and provide high-accuracy operations to increase productivity and efficiency”.

Theme 4.1.5.6: Easy Access to Market Changes and Trends

M&E ICT enables sufficient remote M&E and feedback loops, through digital format, business can easily seek feedback from customers, within effective time and without any additional cost. It promotes quick and comprehensive access to local or global market trends that result in enhancing business economic sustainability.

(BO01) owner of Nursery in Nablus, stated that “In Palestine, Social media platforms like Facebook, Tik Tok, and YouTube are used by small business owners to monitor the market trends and consumers preferences that provide quick, easy and cheap monitoring.”

4.2.6 Question6: What are the Main Challenges that Hinder Small Business's Sustainability?

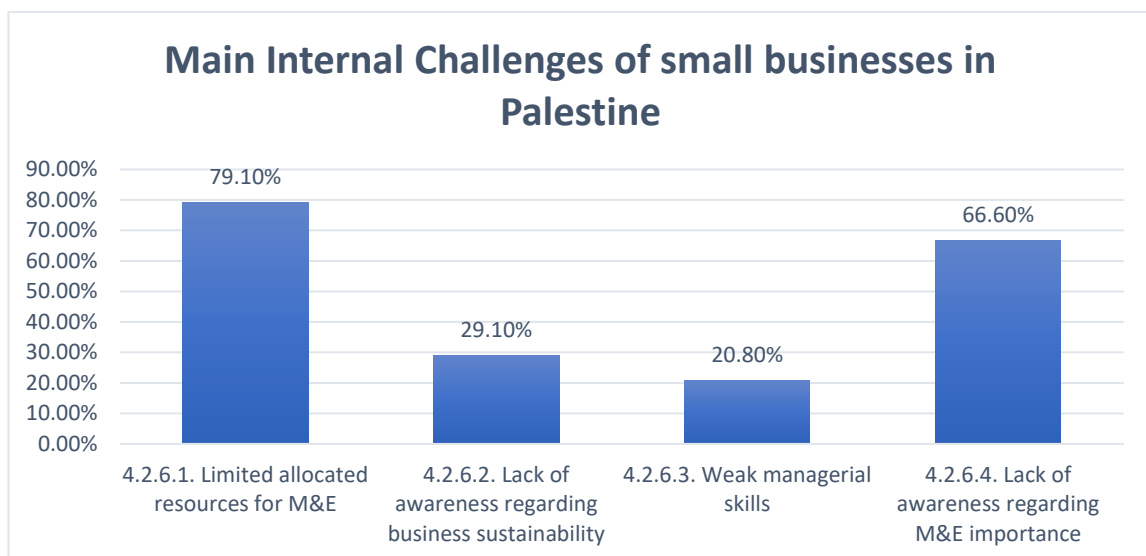


Figure 25: Main Internal Challenges of Small Business in Palestine

The results of the thematic analysis of the interviews with have revealed that 79.1% of small business owners stressed that allocation of resources for monitoring and evaluation (M&E) poses a significant challenge for small businesses, particularly due to their limited resources. Small businesses in Palestine suffer from the lack of financial resources, which hinders their ability to employ qualified employees and purchase equipment and technologies necessary to develop and grow their business.

One business owner (BO04) who runs a flower shop and is responsible for M&E in her business noted that she must bear a significant burden of M&E responsibilities as she cannot afford the cost of assigning a specific M&E officer.

Theme 4.1.6.2 Lack of Awareness Regarding Business Sustainability

29.1% of interviewed small business owners, stated that the lack of knowledge about sustainability and its advantages for businesses, is considered a hindering factor for seeking business sustainability. (BO10) noted that many businesses' owners believe that sustainability measures are an additional layer that will require a considerable amount of effort and financial resources without any added value to their businesses.

Theme 4.1.6.3 Weak Managerial Skills

According to 20.8% of small business owners, many owners face challenges in managing operations, personnel, and human resources. The absence of technical and professional M&E skills inside the business is a significant issue in developing efficient monitoring and evaluation processes and activities.

Theme 4.1.6.4 Lack of Awareness Regarding M&E Importance

Furthermore, it was mentioned by 66.7% of respondents that in general business owners believe that monitoring and evaluation are a luxury that exists just to appease a sponsor and that M&E distracts from the normal business operations.

- **External Challenges**

Data thematic analysis findings instituted five main themes on the external challenges that hinder small businesses sustainingly in Palestine according to respondents:

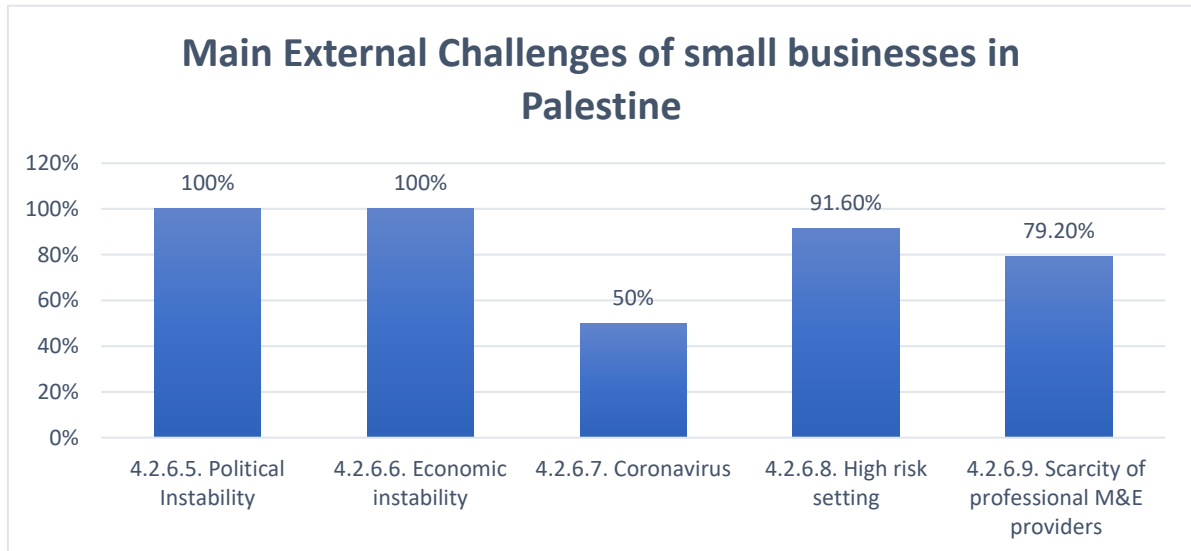


Figure 26: Main External Challenges of Small Business in Palestine

Theme 4.1.6.5: Political Instability

100% of small business owners stated that political instability is one of the main external challenges. This is due to trade restrictions, which limits growth potential. Also, the continuous closure of crossings and checkpoints affects which effect export and import processes as well as the delivery of products in a local level.

(B019) is an owner of small business for food processing, she noted that the constant closure of crossings and checkpoints restricts the customers to those in the town. Also, this has a negative impact on the volume of orders, the delivery of orders. Sometimes, the closure even caused food to deteriorate, which resulted in enormous losses for the business.

According to respondents, Israeli practices entail restrictions on freedom of movement, trade, and access to foreign resources and markets. The Palestinian economy in general

is also exposed to the destruction of infrastructure and economic resources because of the occupation and blockade which restrict expansion opportunities and outreach to local or regional customers.

Theme 4.1.6.6: Economic Instability

According to the emerging themes, 100% of respondents noted that economic instability also one of most factors that impedes the sustainability of small businesses in Palestine. Economic instability resulted in demand fluctuation, and reluctance to invest.

Theme 4.1.6.7: Coronavirus

“Coronavirus” in addition to the internal and external difficulties that small businesses in Palestine are confronting, the Corona epidemic has made things a lot worse! Many small businesses are still in the post-corona recovery stage due to the financial shocks they experienced at that time.

Theme 4.1.6.8: High Risk Setting

91.6% of small business owners stated that the situation of uncertainty and high risk in the Palestinian setting had an impact on several businesses with unforeseen events. That created numerous issues for them, including economic strain, layoffs, and a shortage of cash. This discourages small-business owners from making investments on new equipment, products, or staff, which may hinder their potential to develop and thrive.

Theme 4.1.6.9: Scarcity of Professional M&E Providers

79.2% of respondents noted, that there is a scarcity of specialized training courses in monitoring and evaluation in Palestine. Even if such courses are available, the cost is often prohibitively high.

Chapter Five:

Conclusions and Recommendations

Introduction

In this last chapter, the main conclusions will be elucidated. Valuable recommendations and insights for academic endeavors, decision makers and practitioners will be provided. It will acknowledge the limitations of the research and discuss how they may have impacted the results. Lastly, it will explain how the findings can be advantageous in subsequent research endeavors in the field.

5.1 Conclusions

1. The study's findings demonstrated that owners of small businesses have more experience and perspectives on monitoring and less about evaluation. Most evaluation practices implemented were the financial audit and employee performance evaluation. The researcher explanation for this, that evaluation calls for strong technical proficiency, in-depth knowledge, as well as it needs high-quality data obtained through monitoring.
2. According to study findings, M&E practices: Monitoring skills and training, M&E feedback, and M&E resources allocation, are very interrelated when examine their impact on the sustainability of small businesses. Many repetitive themes emerged when examining each M&E practice role for a sustainable small business. This agreed with (PMI, 2021) both M&E play a complementary role in boosting sustainable impacts from the projects.

3. As resulted from study findings, most small businesses aimed to achieve economic sustainability, ignoring the importance of social and environmental spheres. This strategy could produce short-term profits, but it will have unfavorable effects including social unrest and environmental damage, which in turn might have negative impact on the long-term economic sustainability of businesses.
4. The study illustrated that monitoring and evaluation practices are carried out by business owners who apply M&E by experience. Most of them didn't have the required M&E knowledge or the educational background. Without offering professional technical training in M&E, business can't fill the capacity gap in M&E for its employees. This conclusion is consistent with the study of Matsiliza (2018), which indicated that most small businesses in the world face similar constraints that inhibit them from achieving their targets due to financial and resource shortages.
5. Although most owners of small businesses lack the required M&E knowledge or the educational background, all targeted small businesses have been operating for more than 5 years. This is attributable to their experience-based monitoring abilities, mainly communication and bargaining skills, communication and negotiation, market data collection, financial monitoring, and resources consumptions monitoring, that enabled them to monitor their businesses in a passable way. However, there is still much to do to perform competent M&E that promote business sustainability.
6. **M&E practices (Monitoring Skills and Training, M&E Feedback, and M&E Resources Allocation) Achieve Small Business Social Sustainability.** The M&E practices (Monitoring skills and training, M&E feedback, and M&E resources) support business to understand not just who's involved but also how and what they

bring to the table. By implementing M&E practices small businesses will be able to identify these needs early on, seek to understand them, and work toward satisfying them. M&E practices improve business operations to meet stakeholders' expectations. Being armed with knowledge and feedback from customers will ultimately help fostering business's process's reliability, credibility, and transparency, which lead to enhance business products and services towards achieve customers' trust and retention. Putting M&E into practice will guarantee that business activities are responsive to community needs. It assists small businesses to perform evidence-based decisions to be used by owners to ensure that their small businesses are contributing to social sustainability. **Allocating Resources for Monitoring and Evaluation** of business's policies and procedures, such as human rights, e.g., fair labor standards, work-life balance, diversity, will Increase internal spirit and commitment among employees. It will promote recognizing and praising employees for their dedication and accomplishments which leads to improve employees' business loyalty and increase small business transparency and responsibility, which enhances reputation among stakeholders and demonstrates business commitment toward social sustainability. **M&E Skills and Training** improves business awareness regarding the importance of M&E and supports identifying KPIs. Mapping stakeholders across a business' area of interest is essential. It aids in identifying the important stakeholders whose demands and expectations drive project success. **M&E Feedback** provides channels that enable regular and two lines of communication between employees and employer. Employers can provide feedback regarding employee performance, capacity gaps and identify areas for improvements. While employees can share insightful

opinions and raise issues. M&E feedback could also foster knowledge exchange and employees' experiences and impart it to others. Small businesses can advance learning and promote social sustainability within the industry by compiling and disseminating best practices. This conclusion agrees with (Schmidt et al., 2018).

7. **M&E Practices (Monitoring skills and training, M&E feedback, and M&E resources allocation) achieve small business environmental sustainability.**

Implementing M&E practices (Monitoring skills and training, M&E feedback, and M&E resources allocation) improve small businesses awareness and knowledge towards more sustainable behaviors and practices, they will be able to identify inefficiencies in resources consumption and optimize it, identify the environmental objectives they want to reach. Also, they support small businesses to monitor progress toward achieving its environmentally sustainable objectives. Small business will be accountable for its decisions, committed to its environmental sustainability. As explanations, **skilled business employees in M&E** enable providing evidence-based information and promotes informed strategic decisions. Also, with skilled M&E staff, business will be able to pinpoint improvements' areas, take actions to address its shortcomings and strengths, and make changes to enhance business environmental sustainability. **Allocating resources for M&E** provides information regarding inefficiencies in the use of resources, such as water and energy. With this information, the business will be able to decide how best to deploy its resources and assess which areas work effectively and which want improvement. **M&E feedback** ensures businesses' compliance with health and safety standards, enables small businesses to optimize their supply chain and reduce their carbon footprint. It raises public awareness of environmentally friendly actions and practices and promotes

business's employee's green behavior. It improves the quality of evidence-based decisions. By leveraging feedback and monitoring environmental sustainability indicators, businesses can become more aware of their environmental impact.

8. **M&E practices (Monitoring skills and training, M&E feedback, and M&E resource allocation) achieve small business economic sustainability.**

Implementing M&E practices (Monitoring skills and training, M&E feedback, and M&E resources allocation) supports informed evidence-based decisions through lessons learned and best practices, this will eliminate or avoid the negative effects of risks and uncertainty and minimize associated costs, as well as promote resilient business practices. Particularly in the Palestinian setting, where levels of risk and uncertainty are considerable. Carrying out M&E practices enables business meeting customers' expectations and minimizing response time to their enquiries, it also promotes efficient use of resources which will reduce costs, improve small business sales, and increase revenues. **Skilled and trained business employees in M&E** enable providing evidence-based information and promotes informed strategic decisions. M&E skilled business employees can assure adherence to the relevant business regulations and laws, protecting small business from fines and legal issues that can be costly and harmful to business. **M&E Feedback** enhances employee's productivity which promote their loyalty, this reduces their turnover and the associated costs, boosts employees' productivity and efficiency, and enhances business services and products. This conclusion is consisted with study of Jahaf (2021). **While M&E resources allocation** enable business to perform professionalism in M&E implementation, that support business to recognize developing market trends and opportunities and to re-assess business plans and

priorities to grab market opportunities or trends. This will provide businesses with a competitive advantage and maintain its market position. Furthermore, it will enable business to prioritize investment areas and enhance business Return on Investment (ROI). As well as optimizing spending strategies and increase business revenues. Furthermore, according to the study findings, allocating M&E resources for risk management is essential to protect small business from the high uncertainty relating to the political and economic instabilities within the Palestinian context. That causes serious harm and losses to small businesses or even business bankruptcy. Small business can contract short-term expert/s for risk monitoring and evaluation. Especially for small businesses that have limited resources at their disposal. The conclusion accords with Kayaga's (2015) findings.

9. Use of Information and communication technology (ICT) benefits small business social sustainability. M&E information and communication technology platforms including social media, support M&E feedback loops with customers which enable remote, timely and easy communication channels. Also, it provides businesses with easy market access and keeps them informed about the trends and changes that have resulted in enhancing small business's services and products to fulfill customers tastes and preferences.
10. Use of Information and communication technology (ICT) promotes small business environmental sustainability: use of management information systems enables small business to monitor resources' consumption and optimize their supply chain. Consequently, this will reduce their carbon footprint. Through using monitoring and management information systems, such as inventory management and financial

management, businesses can minimize inventory levels and reduce waste. Thus, minimizing business negative environmental impact.

11. Use of ICT improves small business economic sustainability: management information systems provide high business operations accuracy, such as financial systems, that improve business financial management, stock and supply chain management and other operations. It provides better strategic decisions as well as real-time data and quick action. By using online solutions, and mobile apps, small businesses can deliver superior services and better meet customer needs. Furthermore, the findings illustrated that small businesses who monitor websites or Facebook campaigns maintain eyes on who, when, and how frequently users access them. Analyzing "interactions" on social media supports business understand how its campaign messages are being received. It promotes monitoring market trends and changes as well the effective communication with customers and suppliers. These effects will enhance small business performance and profitability and lead to business economic sustainability. This conclusion supports the findings of the study of Sardi et al., (2020) and the findings of the Gupta et al. (2018) study.
12. Limited allocated resources for M&E is one of main internal challenges that hinder the small business's sustainability. This is due to the limited resources for the small business in general which has a great negative impact on the allocation resources for monitoring and evaluation of small business. Small businesses in Palestine can't assign specific physical resources such as time and money to improve M&E skills or practices. As well as they can't assign external experts or hire an M&E officer for the same reason. As well as the lack of M&E providers in Palestine and the high costs of such courses if they are available. Meaning most small businesses don't have

documented M&E framework, key performance indicators (KPIs) for measurement and no action plans. This put the small business sustainability in jeopardy. In addition, the limited resources could be the reason behind bearing small business owner the large burden of M&E responsibilities as well as the responsibility to provide M&E instructions to their employees.

13. Weak managerial skills are also an internal challenge that hinders the small business's sustainability. According to research main results, small businesses' owners face challenges managing operations, personnel, and human resources. This is because small businesses owners lack knowledge and experience in areas such as strategic planning, marketing, and operations management. Poor project management can cause several issues for small businesses, such as bad business's financial health, dissatisfaction among staff members, inefficient resource allocation, and ineffective sales and marketing strategies. On the other hand, building business owners' capacity in monitoring and evaluation will improve their management capabilities, and vice versa.

14. Another challenge impeding the sustainability of small businesses is a lack of awareness of the importance of M&E. The lack of knowledge regarding monitoring, evaluation, and the implications that can be generated by applying them to enterprises, is the proper analysis of this. Especially when small business owners perceive it as an unnecessary or time-consuming measure. Particularly if small business focused on day-to-day operations and immediate financial concerns. "A lot of social entrepreneurs, some governments, and even some funders believe that monitoring and evaluation is a luxury that only exists to pacify a funder" (EvalCommunity, 2023b)

15. According to research findings the fourth internal challenge that hinders the small business's sustainability is lack of awareness regarding business sustainability. Lack of awareness about businesses sustainability hinders its adoption. Assuring that all parties have a shared vision for the long-term value of the business is very essential to attain a sustainable business at to identify objectives and KPIs towards achieving it.
16. Political and Economic Instability are considered the largest external obstacles that hinder small businesses sustainability in Palestine, according to 100% of small businesses owners. It entails the Israeli practices, restrictions on freedom of movement inside the country and abroad, disruptions and delays in business operation and other many practices. This resulted in many challenges that reinforce the state of uncertainty and hinder business sustainability. Economic system in Palestine is fragile and highly dependent on the Israeli economy. The local governmental financial crisis brought additional challenges, especially as small businesses rely on local customers. Including variations in demand and cautious consumers who were less likely to spend. This cause owners to be hesitant to invest in new equipment, inventory, or employees, limiting their ability to grow and expand Additionally. The instable economic situation has left workers uncertain about the stability and long-term prospects of their jobs which can further impact small business sustainability. The political and economic instability significantly boosts the "High risk" scenario in events. Unanticipated events might result in unforeseen costs for a business, which may lead to financial difficulties or even bankruptcy. This align with (MAS, 2018) study: "Uncertainty is one of the most

significant challenges facing Palestinian businesses, and it negatively impacts their investment decisions and ability to access finance."

17. Another external challenge that hinder the small business's sustainability is the weak social responsibility role of training institution providers, governmental bodies and, the private sector to provide specialized M&E trainings and advisory for entrepreneurial businesses. As well as the lack of specialized M&E training, even if such courses are available, the cost is often prohibitively high, making them unaffordable for small businesses. In addition, the insufficient role of the governmental bodies to provide technical M&E training or advisory for entrepreneurial and small business owners.

5.1 Recommendations

In light of the research results and conclusions, and in order for this study to serve its purpose, the following recommendations must be considered by decision-makers, small business owners, and practitioners:

1. Build a positive organizational culture that supports adoption of competent monitoring and evaluation practices and recognizes its critical role in achieving small businesses sustainability. This will strengthen small businesses' ability to withstand adversity in the volatile political and economic environment of Palestine.
2. Perform regular financial evaluations to make sure the business is financially secure and to pinpoint opportunities for improvement. Small businesses should carry out regular financial audits which include an examination of cash flow, costs, and revenue.

3. Raise awareness on the importance of social and environmental spheres of businesses and strive to balance financial profitability with social responsibility and environmental stewardship. This strategy will support small business sustainability.
4. Provide affordable and professional technical training courses in business management and Monitoring and Evaluation. This will promote better-quality monitoring and evaluation practices for small businesses and achieve sustainability.
5. Emphasis on staff training in Monitoring and Evaluation to increase productivity and build a skilled workforce. This may entail frequent coaching and mentoring sessions.
6. Enhance the role of respective authorities and governmental bodies such as Ministry of Health and Ministry of National Economy to provide capacity building, advisory and consulting platforms for small business owners and entrepreneurs.
7. Strengthen the role of the competent regulatory authorities such as Ministry of Health, and Ministry of National Economy in monitoring small businesses in Palestine. This will promote business social, environmental, and economic sustainability.
8. In order to resolve the challenge of the limited allocated resources for M&E, small businesses in Palestine can benefit from partnerships with donors, industry associations, NGOs, or governmental agencies. Collaborating with these entities will support sharing resources, expertise, and knowledge in implementing M&E practices.
9. Consider utilizing technology and Management Information Systems (MIS) to improve M&E implementation and enhance efficiency and effectiveness. Using customer relationship management (CRM) tools, inventory management systems, and accounting software are a few examples.

10. Establish a robust Monitoring and Evaluation system which enables small businesses to monitor their progress and ensure they are on track to achieve their sustainable goal. This includes setting up SMART (specific, measurable, achievable, relevant, and time-bound) Key Performance Indicators (KPIs) such as Revenue growth, client retention, staff satisfaction, and profitability.
11. Encourage a participatory M&E process. Engage stakeholders such as employees, customers, suppliers, and community members in the M&E. Seek their input and feedback to gain a comprehensive understanding of the business's sustainability.
12. Encourage a culture of continuous learning and improvement based on M&E findings. Regularly review and analyze data to identify areas for enhancement and adjust strategies accordingly. Encourage innovation and adaptability to respond to changing market dynamics and sustainability challenges.

5.2 Study Limitations

- As stated in chapter two, the literature on M&E importance and its link to small business sustainability (Social, Environment and Economic) is nonexistent, neither in the region as a whole nor in the context of Palestine. Some studies tackled the importance of M&E practices for business performance. Other studies examined M&E practices for sustainability of development projects or non-governmental organizations.
- Since qualitative studies are not based on random samples and statistical controls, the majority of researchers do not advise making generalizations from qualitative studies. (Niaz, 2007)

- Lack of respondents' assistance, particularly in rural areas where individuals were either unavailable or don't have experience or perspectives to enrich study during data collection.
- The scattered geographical distribution of small businesses. As well as the interview methodology consumed a lot of resources including money and time.

5.4 Suggestions for Further Research

Monitoring and Evaluation Practices for Small Business Sustainability in Palestine “A Qualitative Research from Owners’ Perspective” study, provides rich and valuable information from the small business owners perspectives regarding M&E practices for Small Business Sustainability (Social, Environmental and Economic). In the Palestinian context, this study is the first of its kind. However, many academics advise against drawing conclusions about a whole from qualitative study. In order to facilitate the standardisation of results, future researchers can benefit from the themes and findings of this study by creating a robust questionnaire for a quantitative study.

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Appendices

APPENDIX I: Interview questionnaire for the owners of small businesses

Monitoring and Evaluation Practices for Small Business Sustainability in Palestine: A Qualitative Research from Owners' Perspective

Dear Small Business Owner,

Greetings, the study "Monitoring and Evaluation Practices for Small Business Sustainability in Palestine" aims to explore the perspective of small businesses' owners in Palestine towards the sustainability of small businesses through monitoring and evaluation practices.

Additionally, this master thesis tries to pinpoint the challenges encountered and prohibited small business sustainability. It complements the requirements of the Strategic Planning and Fundraising Programme at Arab American University, Palestine. Participation in the interview is optional and you can withdraw at any time you feel uncomfortable.

Please be aware that any information gleaned from the interview will only be used for research purposes, therefore your name or any other personal information will be treated in strictest confidence.

You are respectfully asked to answer the questions truthfully, objectively, and in accordance with your experiences and perspective as an owner of a small business. Are you willing to participate?

I really appreciate your cooperation in advance.

Researcher, Shorooq Shabillo

Section A: Respondents and Business Profile

Small business Owner gender: Male Female

Since when is your small business operating?

6 - 10 years more than 10 years

Which of these sectors does your small business operate in?

Wholesale and Retail Trade Manufacturing Services

What governorate is your small business located in?

Jenin Nablus Ramallah & Al-Bireh Hebron

Section B: The M&E Practices

Q1: What is **your perception** about the application of monitoring and evaluation at your small business?

Q2: In your opinion, how **Monitoring skills and training** lead to small business:

Social sustainability**

Environmental sustainability**

Economic sustainability**

Q3: In your opinion, how **M&E Feedback** supports small business:

3.1 Social sustainability.

3.2 Environmental sustainability

3.3 Economic sustainability

Q4: In your opinion, how **M&E resources allocation** improves the small business:

4.1 Social sustainability.

4.2 Environmental sustainability

4.3 Economic sustainability

Q5: In your opinion, how the **use of ICT** benefits the small business:

5.1 Social sustainability

5.2 Environmental sustainability

5.3 Economic sustainability

Q6: In your opinion, what are the **main challenges** that hinder the small business's sustainability?

6.1 Internal challenges

6.2 External challenges

Thank You!

APPENDIX 2: Thematic Analysis Results – Themes’ Tables

Table (1): Theme coding Q1 Owners’ perception regarding the application of M&E

Theme	Th.No.	Responses	Percentage
SM owners apply M&E by experience or intuition	4.2.1.1	18	75%
M&E duties fall on SM owners	4.2.1.2	21	87.5%
Financial monitoring is the most implemented practice	4.2.1.3	9	37.5%

Table (2): Theme coding Q2 Monitoring skills and training

Theme	Th.No.	Responses	Percentage	
Social Sustainability	Better stakeholders’ engagement	4.2.2.1	15	62.5%
	Improve customers’ trust and retention	4.2.2.2	17	70.8%
Environmental Sustainability	Increase awareness towards more sustainable behaviors and practices	4.2.2.3	7	29%
	Identify inefficiencies in resources consumption	4.2.2.4	18	75%
Economic Sustainability	Informed strategic decisions	4.2.2.5	10	41.6%
	Ensure business compliance	4.2.2.6	13	54.1%
	Reduce impact of political and economic uncertainty	4.2.2.7	18	75%

Table (3): Q3 M&E Feedback

Theme		Th.No.	Responses	Percentage
Social Sustainability	Improve employees' loyalty	4.2.3.1	14	58.3%
	Improve customers' trust and retention	4.2.3.2	21	87.5%
	Improve knowledge exchange and communication	4.2.3.3	10	41.6%
Environmental Sustainability	Identify environmental challenges	4.2.3.4	8	33.3%
	Efficient use of resources	4.2.3.5	20	83.3%
	Ensure business compliance	4.2.3.6	17	70.8%
Economic Sustainability	Informed evidence-based decisions	4.2.3.7	10	41.6%
	Enable risk management	4.2.3.8	9	37.5%
	Improve business performance	4.2.3.9	18	75%

Table (4): Q4 M&E resources allocation

Theme		Th.No.	Responses	Percentage
Social Sustainability	Improve employees' loyalty	4.2.4.1	16	66.6%
	Improve business reputation	4.2.4.2	15	62.5%
	Support achieving social business goals	4.2.4.3	10	41.6%
Environmental Sustainability	Efficient use of resources	4.2.4.4	22	91.6%
	Minimize business negative impacts on environment	4.2.4.5	8	33.3%

Economic Sustainability	Enhancing business' performance	4.2.4.6	16	66.6%
	Enable risk management	4.2.4.8	14	58.3%

Table (5): Q5 Use of M&E ICT

Theme		Th.No.	Repetition	Percentage
Social Sustainability	Enable sufficient remote M&E and feedback loops	4.2.5.1	21	87.5%
	Easy access of market changes and trends	4.2.5.2	18	75%
Environmental Sustainability	Monitor and optimize resources' consumption	4.2.5.3	16	66%
	Reduce business environmental impact	4.2.5.4	9	37.5%
Economic Sustainability	Easy access of market changes and trends	4.2.5.5	15	62.5%
	High-accuracy operations	4.2.5.6	19	79.1%

Table (6), Q6 Main challenges of small businesses in Palestine

Theme		Th.No	Responses	Percentage
6.1 Internal Challenges	Limited allocated resources for M&E	4.2.6.1	19	79.1%
	Lack of awareness regarding business sustainability	4.2.6.2	7	29.1%
	Weak managerial skills	4.2.6.3	5	20.8%
	Lack of awareness regarding M&E importance	4.2.6.4	16	66.6%
6.2 External Challenges	Political Instability	4.2.6.5	24	100%
	Economic instability	4.2.6.6	24	100%

	Coronavirus	4.2.6.7	12	50%
	High risk	4.2.6.8	22	91.6%
	Scarcity of professional M&E providers	4.2.6.9	19	79.2%

ملخص

تُورق استدامة المشاريع الصغيرة العديد من البلدان النامية، حيث وفي كثير من الأحيان، تواجه هذه المشاريع والتي يتم انشاء الكثير منها بتكاليف عالية، مشاكل فيما يتعلق باستدامتها. أما في فلسطين، فإن تعزيز استدامة المشاريع الصغيرة سيقدم حلاً رائعاً لدعم قدرتها على الصمود في ظل السياق السياسي والاجتماعي والاقتصادي غير المستقر. هدفت هذه الدراسة إلى توضيح العلاقة بين ممارسات المتابعة والتقييم (M&E) واستدامة المشاريع الصغيرة الاجتماعية والبيئية والاقتصادية. استخدمت الباحثة المنهج الوصفي وطريقة البحث النوعي. تم استخدام تقنية التحليل الموضوعي لتحليل البيانات التي تم الحصول عليها من خلال المقابلات المنظمة مع أربعة وعشرين (24) من أصحاب وصاحبات المشاريع الصغيرة، الذين تم اختيارهم باستخدام العينات القصدية (كرة الثلج). أظهرت النتائج أن اعتماد ممارسات المتابعة والتقييم أمر بالغ الأهمية لاستدامة المشاريع الصغيرة. حيث تعمل المتابعة والتقييم على تحسين الاستدامة الاجتماعية للمشاريع الصغيرة (عن طريق مشاركة أفضل لأصحاب المصلحة، وتحسين ثقة العملاء والاحتفاظ بهم، وتحسين ولاء الموظفين، وتحسين تبادل المعرفة، والتواصل). كما تعزز ممارسات المتابعة والتقييم من الاستدامة البيئية (عن طريق زيادة الوعي تجاه سلوكيات وممارسات أكثر استدامة، وتحديد التحديات البيئية، وتقليل الآثار السلبية للشركات على البيئة، وضمان امتثال الأعمال، وتحسين استهلاك الموارد) بالإضافة إلى أنها تؤدي إلى تحسين الاستدامة الاقتصادية (قرارات استراتيجية مستنيرة، وضمان امتثال الأعمال، الحد من تأثير عدم اليقين السياسي والاقتصادي، وتعزيز أداء الأعمال، وتمكين إدارة المخاطر، وسهولة الوصول إلى معلومات التغيرات السوقية). وقدمت الدراسة مجموعة من التوصيات، من بينها أن المشاريع الصغيرة يجب أن تتبنى ممارسات المتابعة والتقييم القائمة على المعرفة والعلم وليس على الخبرة والممارسة اليومية فقط. وتعزيز دور السلطات والهيئات الحكومية ذات العلاقة لتوفير منصات استشارية لرواد الأعمال في المتابعة والتقييم، على سبيل المثال، وزارة الاقتصاد الوطني، علاوة على ذلك، يجب على المشاريع الصغيرة أن تتعاون مع الجهات المانحة، والاتحادات الصناعية، والمنظمات غير الحكومية، والمؤسسات الحكومية لتبادل الموارد والخبرات والمعرفة في تنفيذ ممارسات المتابعة والتقييم من أجل تحقيق أفضل النتائج.