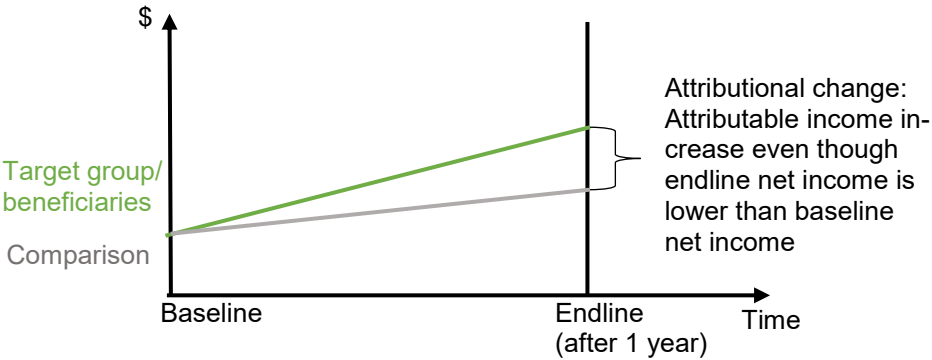


Thematic Reference Indicators (TRIs)	
<p>IED_TRI_1 net additional income</p> <p>Change in average yearly net income (salary/wage or profit) of individuals in reporting currency, adjusted for inflation</p>	
Contribution to sub-objective of M21-24	<i>Sub-objective 2: Promoting innovative private sector initiatives to facilitate the creation of decent jobs</i>
Contribution to 2030 Agenda: SDG target	<p><u>SDG target 1.2</u>: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions</p> <p><u>SDG target 10.1</u>: By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average</p>
Definition (description, specification, qualification)	<p>Net income: the income which, after deduction of all duties, taxes, is available to the individual. Thereby, the source of income that benefits from the project intervention should be considered. To measure change in net income, it is crucial to have a baseline, i.e. measuring the income of the target group before the intervention/project has started.</p> <p>Change in net income can be measured¹:</p> <ul style="list-style-type: none"> - at the level of individual employees: difference in yearly wage/salary (including bonuses, excluding benefits) - at the level of self-employed individuals: difference in yearly profit (difference of sales minus costs) Note: increased net income maybe a result of <i>new or better employment or access to vocational skills development</i> accounted for in IED_ARI_1 and IED_ARI_2. - at the level of individual smallholders: difference in yearly profit, i.e. the income from sales and avoided expenditures, e.g. thanks to own consumption of farm products and thus less expenditures of the household for food; minus the production costs, e.g. seeds and other inputs (such as fertilizer & pest management), labour, leasing fee, and other related cost (such as taxes). Note: <i>The number of smallholder farmers with increased incomes from agricultural production</i> is accounted for in AFS_ARI_1, which is complementary to this TRI. <p>Changes should be plausibly attributable to the project: Only changes that are attributable to the intervention are to be counted, i.e. total changes in net income minus changes in net income that would have occurred without the project. This can be done by using public data, but is best done by having a control group, also referred to as comparison or counterfactual, in order to find out if the increase income is an attributable result of the project interventions, or if incomes in the specific region/sector are increasing due to other (external) factors.</p>

¹ Please also refer to the Donor Committee for Enterprise Development's (DCED) '[Methodological Guidance for 5 Private Sector Development Indicators](#)', which includes an indicator on 'change in income'

	 <p>The changes should not only include people who have increased their incomes but also those who have not, meaning those with stagnating and with lower incomes.</p> <p>It is possible that a project has a positive effect even if net additional income decreases. For example: In an agricultural project, due to a drought, the income of a smallholder at endline may be lower than the income was at baseline. However other smallholders that did not benefit from the project earn even less. In other words the smallholder would have even less income without the project.</p> <p>To calculate the indicator the number of beneficiaries reached must be measured. And, ideally, the changes in net income of each beneficiary, in order to calculate the average. This data is important for Cost-Benefit and Effectiveness Analyses (CBA and CEA), too.</p>
Measuring unit	Net income: Change in average yearly net income (salary/wage or profit) of individuals in USD, adjusted for inflation
Disaggregation dimension (sex, age group, ethnicity or other identity criteria of LNOB)	<ul style="list-style-type: none"> a) Change in average yearly net income (including change through avoided expenditures) for employed people in USD b) Change in average yearly net income (including change through avoided expenditures) for self-employed (except small-holders) people in USD c) Change in average yearly net income for small-holders in USD d) Change in average yearly net income for other beneficiaries (not covered under a-c) in USD
Data source	At project level, implementing partners, ideally with audited DCED standard ²
Rationale	<p>The indicator measures the outcomes of a large number of Inclusive Economic Development projects and hence their contribution to poverty reduction. The indicator allows an aggregation of results in particular from private sector development (PSD), vocational skills development (VSD) and financial sector development (FSD) interventions.</p> <p><u>Theory of change</u></p> <p>Example for PSD:</p> <p>If the SDC target groups have increased their annual net income then they have the means to assets and services and ultimately get out of poverty,</p> <p>because they either have a better job, have improved business performance, have access to markets or are financially more resilient.</p> <p>Example for VSD:</p>

²Please refer to the Donor Committee for Enterprise Development's [DCED standard](#)

	<p>If people acquire new skills and increase their capabilities through vocational education and training</p> <p>then they will have a better chance to increase their income</p> <p>because they find work (employed or self-employed) or improve their productivity in the formal or informal part of the economy.</p> <p>Example for FSD:</p> <p>If people have access to financial services and products,</p> <p>then they can participate in the economy and have a better chance to increase their income and get out of poverty and/or are prevented from falling back into it,</p> <p>because they can invest into their productive activities (credit, leasing), support their families back home (remittances, payments), protect their families and productive assets from adverse events (insurance) and are better prepared in the case of emergencies (savings).</p>
Possible messages of aggregation and synthesis	Thanks to the contribution of the SDC, in 20XX, xx individuals have increased their annual net income by yy in zz countries.
Thematic responsibility	Focal Point E+I (as part of the Expert team Inclusive Economic Development; IED)

Thematic Reference Indicators (TRIs)	
IED_TRI_2 Private sector in vocational skills development	
Number of companies or professional organisations contributing to relevant vocational skills development	
Contribution to sub-objective of M21-24	<i>Sub-objective 2: Promoting innovative private sector initiatives to facilitate the creation of decent jobs</i>
Contribution to 2030 Agenda: SDG target	<u>SDG target 4.4</u> : By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
Definition (description, specification, qualification)	<p>Involvement of the private sector and thus working with companies in Vocational Skills Development (VSD) is key to ensure the relevance of skills development and training for the labour market.</p> <p>This is particularly – but not only – relevant if projects / programmes are inspired by the Swiss dual Vocational Education and Training System (dual VET) and are characterised by a strong collaboration with the private sector through individual companies and professional organisations. When it comes to dual VET, SDC's VSD projects / programmes adapt their relevant concepts to the context and conditions in the partner country¹.</p> <p>Companies or professional organisation that contribute to the relevance of vocational skills development can be local, international or Swiss. Companies are stakeholders in the governance of VET systems, co-financer and hosts of work-based learning and training processes. They are also clients of VET in the sense that they are employers of skilled workers. Thus, contributions can occur in terms of:</p> <ul style="list-style-type: none"> - Provision of space and material and/or - Human resources, e.g. trainers, through time and expertise and/or - Participation in VET governance and/or - Financial resources and/or <p>If a private company solely delivers a service, i.e. is implementing part of the project/programme without contributing as defined above, it does not count.²</p> <p>Relevant vocational skills development is defined as training that provides the competences, skills and attitudes required by the labour market and/or for further (vocational or general) training.</p> <p>Although this indicator is quantified through numbers, it is ultimately a qualitative reflection of how programs and interventions (projects or project components) are involving the private sector VSD. It is therefore important to list the actual companies with which programs and interventions actively collaborates but to avoid double counting. That is, if the private sector involved is an association, then the companies represented in that association do not count individually.</p> <p>Furthermore, it is essential that the indicator is supplemented by additional qualitative information, on how the company or companies and/or professional organisation(s) has/have contributed and on what level, e.g. course delivery, curricula development, influencing legislation, etc.. Within SDC's Result Data Management (RDM) System there is a specific comment box for that purpose.</p>
Measuring unit	Number of companies and/or professional organisations

¹ More information on dual VET in SDC's '[VSD typology add-on: dual vocational education and training](#)'

² More information in SDC's '[VSD typology add-on: roles and interests of the private sector](#)'

Disaggregation dimension (sex, age group, ethnicity or other identity criteria of LNOB)	<p>a) Number of companies</p> <p>b) Number of professional organisations (e.g. associations, chambers etc.)</p>
Data source	At project level, implementing partners
Rationale	<p>The indicator measures the involvement of the private sector in VSD and hence contributes to the relevance of vocational training for the labour market demand.</p> <p><u>Theory of change</u></p> <p>If companies contribute to vocational skills development systems through engaging in governance, financing and/or implementation, then the system is performing better and the integration of SDC's target group into the labour market is more likely, because the vocational skills development is relevant to the labour market's demand and hence companies have access to qualified workforce.</p>
Possible messages of aggregation and synthesis	Thanks to the contribution of the SDC, in 20XX, xx companies and yy professional organisations have contributed to the relevance of vocational skills development in yy countries.
Thematic responsibility	Focal Point E+I (as part of the Expert team Inclusive Economic Development; IED)

Thematic Reference Indicators (TRIs)	
IED_TRI_3 Vocational Education and Training system reform	
Number of contributions towards a more inclusive or more labour market relevant Vocational Education and Training (VET) system	
Contribution to sub-objective of M21-24	<i>Sub-objective 1: Strengthening framework conditions for market access and creating economic opportunities</i>
Contribution to 2030 Agenda: SDG target	<p>SDG target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p> <p>SDG target 4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university</p>
Definition (description, specification, qualification)	<p>In general and in the long run, VET systems serve both economic and social policy objectives. They are an integral part of national education systems, are linked to the labour market and have an impact on individuals in terms of employment and income and on companies in terms of quality and productivity. Programs and interventions (projects or project components), are often designed to contribute to stronger labour-market relevance (economic motivation) or better inclusiveness (social motivation) in VET reforms.</p> <p>More labour market relevant: Economic policy objectives respond to the existing labour market demand and build the quality, productivity, competitiveness and innovation capacity of the national economy, of industries, and of individual companies. VET reforms addressing these objectives fall into this category.</p> <p>More inclusive: Social policy objectives respond to more inclusive VET, e.g. the social demand of young school-leavers or the access and inclusion of any group with specific barriers hindering their participation in VET (criteria of LNOB¹). Or, current gender-biased inequalities, ensuring that men and women have equal access to new technologies, skills and opportunities within VET systems². VET reforms addressing these objectives fall into this category.</p> <p>Contributions for a more inclusive or a more labour market relevant VET-system are often achieved through or in combination with policy dialogue. They include the following areas of intervention:</p> <ul style="list-style-type: none"> - Legal and institutional frameworks and policies - National qualification framework - Financing of VET - Intergovernmental cooperation - Capacities of ministries, public administrations (at national/regional/local level; not at the level of the training providers) - Institutionalised cooperation between the public and the private sector, i.e. systemic and long-term involvement of private sector actors with respect to VET system governance, financing and/or delivery/implementation - Use of research in VET system - Quality management of VET - Occupational standards, curricula, manuals as well as the establishment of analytic and consultative processes to develop/improve those - Assessment and certification of vocational skills <p>The work on VET system level has more qualitative impacts and is difficult to capture in a quantitative number, which is the attempt of this indicator. Thus</p>

¹ SDC thematic working aid: [Leave no one behind in practice 'Employment and Income'](#)

² See SDC Factsheet: [Gender and Vocational Skills Development](#)

	<p>behind each number there needs to be a story capturing in qualitative assessment on how the contribution strengthened and or reformed the VET system. Within SDC's digitalised Result Data Management (RDM) System is the option to describe what each program or interventions count as such a contribution, i.e. to define what is meant by a contribution. This information must be included in the reporting and provided in the comment function of the RDM.</p> <p>The number of contributions are not to be confused with the project/programmes activities and/or output working on the TVET system level, but the outcome achieved towards contributing to reforming the VET system.</p>
Measuring unit	Number of contributions
Disaggregation dimension (sex, age group, ethnicity or other identity criteria of LNOB)	<p>a) Number of contributions towards a more labour market relevant VET system</p> <p>b) Number of contributions towards a more inclusive VET system</p>
Data source	<p>At project level, implementing partners</p> <p>At country level, governmental reports</p>
Rationale	<p><u>Theory of change</u></p> <p>If the VET system responds to the demand of society and the labour market, then SDC target groups more likely are integrated into the labour market, because the VSD system provides the enabling environment for the trainees to acquire relevant competencies, skills and attitudes, which lead to economic growth through increased quality and productivity at the workplace.</p>
Possible messages of aggregation and synthesis	In 20XX, the SDC supported zz countries through policy dialogue and xx contributions towards more inclusive or more labour market relevant Vocational Education and Training (VET) systems.
Thematic responsibility	Focal Point E+I (as part of the Expert team Inclusive Economic Development; IED)

Thematic Reference Indicator (TRI)	
IED_TRI_4 Resilience through inclusive insurance	
Number of people who thanks to insurance consider that they can more easily recover from shocks and adverse events	
Contribution to sub-objective of M21-24	<i>Sub-objective 2: Promoting innovative private sector initiatives to facilitate the creation of decent jobs</i>
Contribution to 2030 Agenda: SDG target	<u>SDG target 8.10</u> : Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all
Definition (description, specification, qualification)	<p>Qualification to get counted: people who have newly gained access to insurance and actually use them.</p> <p>Insurance refers to agriculture insurance, climate insurance, catastrophe insurance, health insurance, life insurance, funeral insurance, life-savings combined, bundled insurance products (for example insurance sold with agriculture inputs), etc.</p> <p>Issuers of insurance products cover: savings and credit associations and co-operatives, microfinance institutions, banks, insurance companies, fintechs, insurtechs, mobile network operators, etc.</p> <p>This indicator helps to measure the ‘subjective resilience’ by using peoples’ perceptions to quantify household resilience.¹</p> <p>Shocks and adverse events refer to events of natural or man-made origin, provoking for example yield losses, property losses or death of a productive animal in the case of farmers, health issues and related costs of a family member, business interruption etc.</p>
Measuring unit	Number of people who thanks to insurance consider that they can more easily recover from shocks and adverse events.
Disaggregation dimension (sex, age group, ethnicity or other identity criteria of LNOB)	<ul style="list-style-type: none"> a) Number of females in LNOB target group b) Number of females in non-LNOB target group c) Number of males in LNOB target group d) Number of males in non-LNOB target group
Data source	At project level, implementing partners, through surveys Methodological support for survey can be found in the document in the footnote.
Rationale	<p><u>Theory of change</u></p> <p>If SDC’s target groups have access to and increasingly use insurance products</p> <p>then this will lead to improved resilience and ultimately prevent them from falling back into poverty,</p> <p>because insurance will cover them in emergency situations, and they will avoid negative coping mechanisms such as selling their productive assets or getting overly indebted.</p>

¹ Working Paper 423 ODI, Measuring „subjective resilience” (<https://cdn.odi.org/media/documents/9753.pdf>)

	The indicator allows an aggregation of results from development projects, be it from inclusive economic development, agriculture safety nets, climate change, health or migration topics.
Possible messages of aggregation and synthesis	Thanks to the contribution of the SDC, in 20XX, xx men and yy women consider that due to insurance products they can easier recover from shocks and adverse events.
Thematic responsibility	Focal Point E+I (as part of the Expert team Inclusive Economic Development; IED)

Thematic Reference Indicators (TRIs)	
IED_TRI_5 Women's Economic Empowerment	
Proportion of women with a positive perception on their influence on business and economic-related decision-making	
Contribution to sub-objective of M21-24	<i>Sub-objective 2: Promoting innovative private sector initiatives to facilitate the creation of decent jobs</i>
Contribution to 2030 Agenda: SDG target	<u>SDG target 5.5</u> : Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
Definition (description, specification, qualification)	<p>The indicator measures the proportion of women (of the total number of women having benefitted from a project intervention) with a positive perception of their influence on decision-making.</p> <p>Women beneficiaries can be entrepreneurs owning micro or small and medium businesses or smallholder farmers, or employees (either in the function of managers or other staff).</p> <p>Examples of women's perception of their influence on business and economic-related decision-making in relation to male peers: A) in case of a family business between husband and wife: does she have a positive perception of her influence on decision-making compared to her husband? B) in case of female headed businesses, farming units: since she carries full responsibility for the business, her peers would be at the level of business member organisations or farmers cooperatives: does she have a positive perception of her influence on decision-making compared to her male peers? C) in case of female employees: do they have a positive perception of their influence on decision-making compared to their male peers at the same hierarchical level?</p> <p>Projects for example in the field of market systems development, value chain development, local economic development, (women's) financial inclusion, women's economic empowerment, SME strengthening, entrepreneurship strengthening, vocational skills development, etc.</p>
Measuring unit	Percentage
Disaggregation dimension (sex, age group, ethnicity or other identity criteria of LNOB)	<ul style="list-style-type: none"> a) Number of women in LNOB target group with a positive perception of their influence on economic and business-related decision-making b) Number of women in non-LNOB target group with a positive perception of their influence on economic and business-related decision-making c) Total number of women having benefitted from a project intervention
Data source	At project level, implementing partners, surveys.
Rationale	<p><u>Theory of change</u></p> <p>If women have influence on business and economic-related decision-making, then this will ultimately lead to more equal economic benefits and the economic empowerment of all women and girls,</p> <p>because they can fully and effectively participate in economic life and exercise their leadership</p> <p>The indicator allows an aggregation of results from market systems development (MSD) projects, local economic development (LED) projects, women's economic empowerment (WEE) projects, women's financial inclusion (WFI) projects, value chain projects, entrepreneurship strengthening projects, vocational skills development projects and many more that improve women's participation in economic decision-making.</p>

Possible messages of aggregation and synthesis	Thanks to the contribution of the SDC, in 20XX, yy women have a positive perception of their influence in decision-making.
Thematic responsibility	Focal Point Employment +Income (as part of the Expert team Inclusive Economic Development; IED) Focal Point Gender Equality