



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

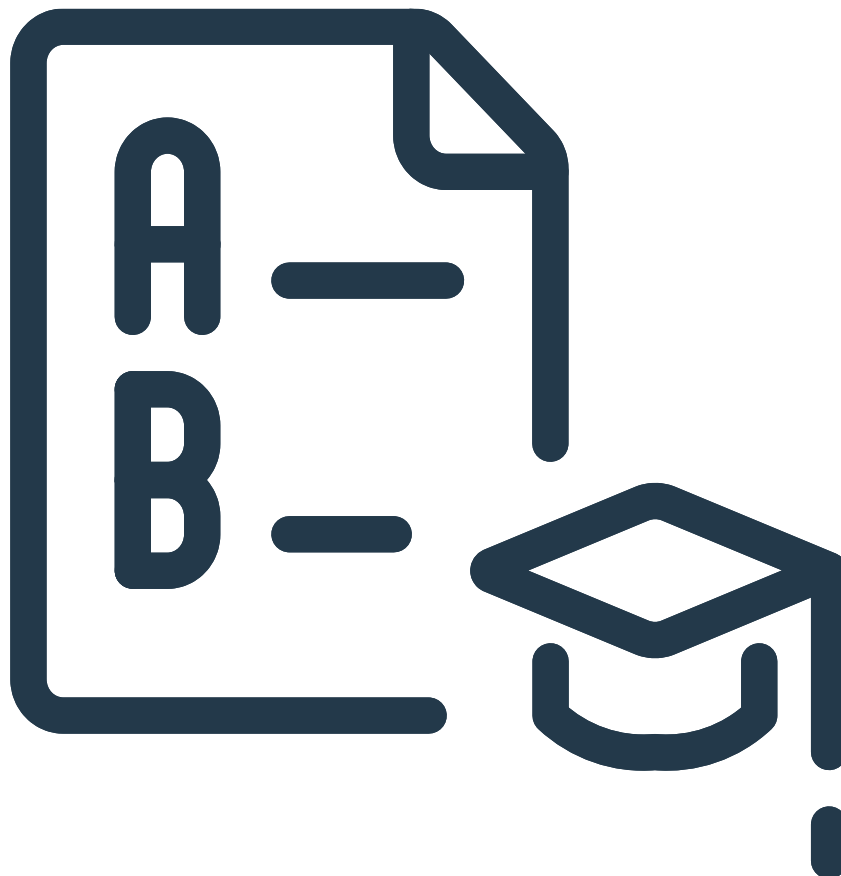
Swiss Agency for Development  
and Cooperation SDC

ied | e+i

inclusive economic development  
employment + income

# Working Aid on the use of results indicators in PSD and FSD programmes

Version February 2022





**Swiss Agency for Development  
and Cooperation SDC**

## Table of Contents

<b>1. Introduction</b>	<b>3</b>
1.1 SDC's general approach on results measurement	3
1.2 Objectives and target audience of the working aid	3
1.3 Relevance of results indicators	4
<b>2. Overview of relevant indicators for PSD and FSD programmes</b>	<b>5</b>
2.1 Aggregated (ARI) and thematic reference (TRI) indicators for PSD and FSD	6
2.2 Additional context-specific indicators for PSD and FSD programmes	8
2.3 Selection of additional ARI/TRIs that may be relevant for PSD programmes	9
2.4 Selection of additional ARI/TRIs that may be relevant for FSD programmes	10
<b>3. Selecting indicators, measuring, and reporting changes</b>	<b>10</b>
3.1 Selection of the indicators	10
3.2 Measuring change	15
3.3 Reporting indicators	15
<b>4. Annex</b>	<b>17</b>
4.1 Relevant IED ARIs and TRIs	17
4.2 Context-specific indicators	28



Swiss Agency for Development  
and Cooperation SDC

## 1. Introduction

### 1.1 SDC's general approach on results measurement

In 2020, the Swiss Agency for Development and Cooperation (SDC) Quality Assurance published the new **SDC Guidance on Results Indicators** as a normative document. It refers to the [Swiss Strategy 2021-24 for International Cooperation](#) (hereafter referred to as IC Strategy) and the 2030 Agenda for Sustainable Development.

To facilitate the uptake of the SDC Guidance on Results Indicators, the Inclusive Economic Development (IED) cluster has decided to elaborate easy-to-use supporting documents for the three thematic areas of Private Sector Development (PSD), Financial Sector Development (FSD) and Vocational Skills Development (VSD). The [working aid for VSD programmes](#) has been elaborated during 2020 and served as a reference for the present working aid that combines PSD and FSD. This working aid aims to provide information on good practice approaches to ensure credible measurement and reporting of results indicators for SDC's PSD and FSD programmes. More information and the already existing documents can be found on the [Shareweb \(Results Measurement in IED Programmes – ARI/TRI\)](#).

### 1.2 Objectives and target audience of the working aid

#### Objectives

Results measurement generally serves three main objectives: to support the steering of projects and programmes<sup>1</sup>; to promote learning across the SDC and its partners; and to ensure accountability towards internal and external stakeholders (see Figure 1).

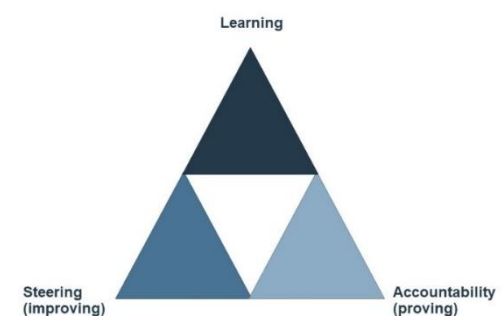


Figure 1: Objectives of results measurement

---

<sup>1</sup> For better readability, only "programmes" is used hereafter, referring to both projects and programmes



**Swiss Agency for Development  
and Cooperation SDC**

This working aid supports the selection of relevant indicators for programmes. It is not a detailed how-to guide that provides detailed information how to measure each indicator as this needs to be tailored to the context, nor does it replace or compete with existing tools for results measurement.

Guidance on how to measure indicators is provided in the [Standard for Results Measurement](#) of the Donor Committee for Enterprise Development (DCED) The DCED Standard is considered an appropriate framework for programmes to monitor and measure results thus improving intervention design, increasing sustainable impact and reporting results that are credible. The development of the DCED Standard has been supported by various donors including the SDC.

Kindly note that this is a living document. Your comments and suggestions for improvement are always welcome. Please send them to the IED Expert Team ([ied@eda.admin.ch](mailto:ied@eda.admin.ch)).

#### **Target audience**

This working aid primarily targets the following audience:

- **SDC IED members:** This is a broader group of SDC staff at headquarters and Swiss Cooperation Offices in partner countries, dealing with topics around PSD and FSD.
- **Implementing staff of SDC-financed PSD and FSD programmes:** It is a relevant document for implementers and project staff of SDC-funded PSD and FSD programmes as they are usually responsible for setting up an appropriate programme monitoring and results measurement system (MRM).

### **1.3 Relevance of results indicators**

Indicators are an integral part of the (results) management of any development programme. They are important to benchmark, monitor and improve operations. They provide the information for results measurement and are highly relevant for the successful implementation and reporting as well as better accountability of programmes. To measure intended change, it is required that programmes assess baseline values, define target values, and assess during and after implementation if and how indicator values have changed.

Appropriate indicators help to carry out financial or economic analysis during **the programme design phase**, ensuring that the project is set up in manner that it will



**Swiss Agency for Development  
and Cooperation SDC**

achieve maximum impact. During the **implementation phase**, indicators allow for progress to be assessed, and steering to be based on measured changes on the ground and initial lessons learned. Thirdly, **upon completion of the programme**, it also lays the foundation for evaluations, including ex-post impact evaluation to estimate financial or economic efficiency (see also SDC Guidance on results indicators).

It is important to note that this Working Aid refers to indicators that can be measured, aggregated and reported both **at programme level and at country strategy level** (in the results frameworks of country strategies). It does not provide guidance on additional indicators that may be required to measure, steer and report programme interventions and system strategies. More information on defining such indicators is available at the DCED: [Guidelines to the DCED Standard for Results Measurement: Defining indicators of change and other information needs](#).

## 2. Overview of relevant indicators for PSD and FSD programmes

The SDC guidance distinguishes between three types of cooperation results indicators, which are attributable to SDC supported interventions or for which the contribution is plausible: Aggregated Reference Indicators (ARIs), Thematic Reference Indicators (TRIs) and Context-specific Indicators (CSIs):



**Aggregated Reference Indicators (ARIs):** ARIs were introduced in 2016 to monitor the Dispatch and provide a link between the Dispatch and the results to be achieved by partner countries and SDC programmes. They are mandatory if a project, a Swiss cooperation or a global programme addresses the relevant sub-goal of the IC Strategy or the thematic area. ARIs allow to assess results mainly (but not exclusively) at the output level and attributable to SDC interventions (see also below). ARIs make it possible to provide information on selected successes across a wide range of situations and countries in which the SDC is active. The main purpose of the ARI is to communicate aggregated results at the corporate level, mainly for domestic accountability purposes.



**Thematic Reference Indicators (TRIs):** TRIs are outcome indicators proposed and prioritised by the thematic focal points in consultation with their networks. The SDC Directorate decided early 2020 to introduce TRIs as binding indicators, if a project,



**Swiss Agency for Development  
and Cooperation SDC**

a Swiss cooperation or global programme addresses the concerned sub-objective of the IC Strategy or the thematic area and if relevant. TRIs are linked to the main SDG targets to which they contribute to and show SDC's contribution to the 2030 Agenda. TRIs measure the changes at the outcome level to which the SDC contributes to, but which are not solely attributable to the SDC. Other factors, such as the work of the partner government and other development partners, also contribute to these changes. The TRIs include as far as possible SDG indicators which reinforces the SDC's harmonisation and alignment to the 2030 Agenda. The main purpose of TRIs is the steering of project and programme, thematic learning, as well as thematic and broader accountability.

The most up to date information, including the full list of ARIs and TRIs can be found in the [SDC Field Handbook](#). (FDFA internal access only).



**Context-Specific Indicators (CSIs):** CSIs are indicators that are defined by programme staff, in line with specific local requirements. The IED Expert Team has identified the most likely context driven indicators. These CSIs include, on the one hand, three indicators that have been identified based on international best practice, and on the other hand, selected ARIs and TRIs from other thematic areas that may be relevant for the PSD/FSD programme. It is not a mandatory or exclusive list. CSIs can be either at output or outcome level.

A good programme or country level results framework will combine the most appropriate mix of ARIs, TRIs and CSIs that respond to the specific steering, learning and accountability needs of a given (country) programme.

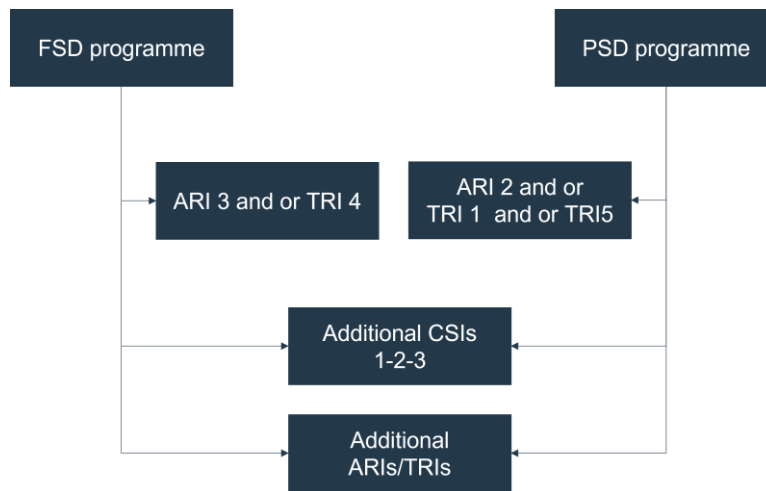
## **2.1 Aggregated (ARI) and thematic reference (TRI) indicators for PSD and FSD**

This section provides an overview of the ARIs and TRIs that may be applicable to PSD programmes and to FSD programmes. In annex 4 more information is provided on each of the indicators: the SDGs they contribute to, their definition, the measuring units, disaggregation dimensions, data sources, rationale, reporting messages and thematic responsibilities. For a complete overview of all the ARIs and TRIs, please consult the [SDC Guidance on Results Indicators](#).



**Swiss Agency for Development  
and Cooperation SDC**

The decision tree below helps to check which indicators are relevant for your programme:



**2.1.1 ARIs and TRIs for PSD programmes**

For PSD programs corresponding all to sub-objective 2 (Promoting innovative private sector initiatives to facilitate the creation of decent jobs) of the IC Strategy.

No.	Title and Indicator	SDG
IED ARI 2	<b>Employment:</b> Number of persons having new or better employment	8.5
IED TRI 1	<b>Net additional income:</b> Change in yearly net income	1.2, 10.1
IED TRI 5	<b>Women's Economic Empowerment:</b> Proportion of women with a positive perception on their influence on business and economic-related decision-making	5.5



**Swiss Agency for Development  
and Cooperation SDC**

**2.1.2 ARIs and TRIs for FSD programmes**

For FSD programs corresponding all to sub-objective 2 (Promoting innovative private sector initiatives to facilitate the creation of decent jobs) of the IC Strategy.

No.	Title and Indicator	SDG
IED ARI 3	<b>Access to and use of financial products and services:</b> Number of people having access to and making use of formal financial products and services	8.10
IED TRI 4	<b>Resilience through inclusive insurance:</b> Number of women and men who thanks to insurance consider that they can more easily recover from shocks and adverse events	8.10

**2.2 Additional context-specific indicators for PSD and FSD programmes**

CSIs are relevant for both PSD and FSD programmes that target system change and apply a MSD approach.

Title and Indicator	No.
<b>Number of system(ic) changes:</b> Number of system(ic) changes in the defined system(s) that the project targets	IED CSI 1
<b>Number of public and private partners:</b> Number of public and private partners that the project partners with to develop and implement project interventions	IED CSI 2
<b>Leveraging public and private investments:</b> The value of investments made by partners to develop and implement project interventions	IED CSI 3





Swiss Agency for Development  
and Cooperation SDC

## 2.3 Selection of additional ARI/TRIs that may be relevant for PSD programmes

These additional ARI/TRIs are relevant for PSD programmes that aim to contribute to other or additional sub-objectives.

Title and Indicator	No.	SDG
<b>Sub-objective 2: Promoting innovative private sector initiatives to facilitate the creation of decent jobs</b>		
<b>Private Sector in VSD:</b> Number of companies of professional organisations contributing to relevant vocational skills development	IED_TRI_2	4.4
<b>Incomes from Agricultural Production:</b> Number of smallholder farmers with increased incomes from agricultural production	AFS_ARI_1	2.3
<b>Access to safe and decent work opportunities:</b> Number of migrants and forcibly displaced people benefitting from services that enable them to access safe and decent work opportunities	MIG_ARI_1	8.8
<b>Improved livelihoods and employability:</b> Number of migrants and forcibly displaced people having new or better employment	MIG_ARI_2	8.5
<b>Sub-objective 3: Addressing climate change and its effects</b>		
<b>Beneficiaries from climate change adaptation measures:</b> Number of persons benefitting from concrete climate change adaptation measures	CCE_ARI_1	13.2
<b>Sub-objective 4: Ensuring the sustainable management of natural resources</b>		
<b>Agroecological farming practices:</b> Number of smallholder farmers applying agroecological farming practices	AFS_ARI_2	2.4
<b>Sub-objective 6: Preventing disasters and ensuring reconstruction and rehabilitation</b>		
<b>Prevalence of food insecurity:</b> Prevalence of food insecurity	AFS_TRI_1	2.1
<b>Beneficiaries of DRR measures:</b> Number of persons benefitting from nationally or locally implemented DRR measures	DRR_ARI_1	1.5



## 2.4 Selection of additional ARI/TRIs that may be relevant for FSD programmes

These additional ARI/TRIs are relevant for PSD programmes that aim to contribute to other or additional sub-objectives.

Title and Indicator	No.	SDG
<b>Sub-objective 2: Promoting innovative private sector initiatives to facilitate the creation of decent jobs</b>		
<b>Low-cost digital remittance services and financial products:</b> Number of migrants and forcibly displaced people accessing low-cost digital remittance services and financial products	MIG_TRI_2	10.C
<b>Out-of-pocket payment for health services and care:</b> Proportion of total current expenditure on health paid by households out-of-pocket	HLT_TRI_2	3.8

## 3. Selecting indicators, measuring, and reporting changes

This chapter provides guiding information on selection of indicators, measuring changes in indicators and reporting indicators. It makes references to already existing documents, in particular from the [DCED Standard for results measurement](#). These tools and tips are not only useful when implementing the DCED Standard (which is recommended) but are useful for results measurement in general.

### 3.1 Selection of the indicators

To ensure effective results measurement it is highly important to carefully select the right indicators that reflect the focus and expected results of the programme activities. As the SDC Guidance on results indicators stipulates, the use of ARIs and TRIs is only mandatory if a programme addresses the relevant sub-objective of the IC Strategy or the thematic area *and* if relevant. CSIs are complementary to the ARIs and TRIs and can be selected according to relevance. This means, not all indicators need to be equally important and relevant to the context and it is required to select the ARIs, TRIs and potentially CSIs that fit the programme and country strategy theory of change. For example, if a programme focus lies on private sector



**Swiss Agency for Development  
and Cooperation SDC**

development to increase food security, employment (IED ARI 2: Employment: Number of persons having new or better employment) may not be a relevant outcome indicator. But depending on the theory of change of the programme, the indicator may be at a different level. For example, if a programme focuses on strengthening market system actors to provide improved services and support to SMEs, which in turn leads to an increase of the performance of SMEs at outcome level, then "employment" or "net additional income" could be considered an impact level indicator (that are defined as ARI and TRI respectively in the SDC guidance documents).

The IED Expert Team strongly suggests that these indicators should be used at both levels: the programme level (logframes) and the country strategy level (results frameworks).

### **3.1.1 Indicator terminologies**

**Qualitative and quantitative indicators:** To capture different aspects of the results, both qualitative and quantitative indicators are required.

- **Quantitative** indicators are expressed as numbers, such as units, prices, proportions, rates of change and ratios. They capture how much has changed. This enables the comparison of the performance or achievements of two or more programmes or the comparison of the statuses of the same programme at different times.
- **Qualitative** indicators, on the contrary, do not strictly involve enumeration, which allows them to capture a much broader picture and nuances of a programme and describe the nature of changes more thoroughly. They capture how and why changes occurred. Purely qualitative indicators can also be quantified. For example, the number of people with additional income and decent job opportunities who express satisfaction with their situation. Satisfaction relates to quality, while the number of people satisfied is the quantification of the qualitative information.

The Aggregated Reference Indicators (ARIs), Thematic Reference Indicators (TRIs) and Context-Specific Indicators (CSIs) are by default of a quantitative nature to allow aggregation and reporting of results across programmes and countries. Qualitative indicators are very useful for programmes' reporting on system changes.



**Swiss Agency for Development  
and Cooperation SDC**

**Aggregation:** To combine the impact a programme has caused from various interventions; overlap must be considered when aggregating impact. When two different interventions reach the same target group there is a risk of overlap. Programmes need to correct for overlap instead of adding the impact of all interventions (when overlap is likely) to avoid double counting. For example, one programme intervention may support 300 businesses, while another supports 500 businesses. If these two interventions work in the same area, there may be an overlap, as some businesses may receive support from both interventions. In this case, it is not possible to simply add their respective results to show the total impact but must adjust for this double counting. Let's assume that 150 businesses receive support from both components, the total number of businesses supported is 650, not 800. It is the implementor's responsibility to deal with overlaps for their programme interventions. It is the SDC responsibility to deal with potential country level overlaps between programmes.

**Attribution:** As defined in the [Glossary of Key Terms](#) by the OECD DAC Network on Development Evaluation, attribution refers to “[t]he ascription of a causal link between observed (or expected to be observed) changes and a specific intervention. *Note: Attribution refers to that which is to be credited for the observed changes or results achieved. It represents the extent to which observed development effects can be attributed to a specific intervention or to the performance of one or more partner taking account of other interventions, (anticipated or unanticipated) confounding factors, or external shocks*”. In other words, attribution refers to the proportion of the total change that is due to a particular intervention or more simplified, the intervention *caused* the observed changes. In practice, attribution can only be measured if data can be compared with a credible counterfactual, i.e. the estimation of how the world would have evolved *without the intervention*. This requires that data is collected not only for programme outcomes, but also for observed changes of the same unit elsewhere.

**Contribution:** As defined in the [Glossary of Key Terms in Evaluation and Results Based Management](#) by SIDA, refers to “[t]he performance of one of the partners in a collaborative, joint intervention or the contribution to the results of such an intervention that can be attributed to the performance of one or several of the partners *individually*”. In other words, contribution is usually understood to mean that an



**Swiss Agency for Development  
and Cooperation SDC**

intervention was one of a number of influences that helped to bring about a change or a series of changes. It is important that the programme implementors provide transparency on whether and why indicators will be assessed establishing attribution or contribution.

**Direct / indirect beneficiaries:** 'Beneficiaries' typically refers to those who the programme is set up to benefit, such as producers or consumers living in poverty. Beneficiaries can be direct or indirect.

- **Direct beneficiaries** are individuals who benefit from the provision of new or improved goods or services by a provider resulting from a programme intervention. For example, farmers that use new seeds resulting from an intervention with a seed company.
- **Indirect beneficiaries:** are individuals that do not have direct contact with a provider that has been supported by the programme, but still benefit. For example, farmers that access goods or services from other actors in the system that the programme does not support but that react to programme partner's behaviour (e.g. providing new seeds), or neighbours who see the results of the improved technologies applied by direct beneficiaries and decide to apply the technology themselves.

**Employment, new and/or better:** Individuals counted can have new and/or better (self-)employment.

- **New employment** refers to individuals that access an existing or a newly created job or starting a self-employment in the formal or informal sector due to programme intervention. In other words, individuals that did not consider him/herself in employment before and finds work (employment or self-employment) due to programme intervention.
- **Better employment** refers to a labour situation where individuals either achieve a higher income, reduce vulnerabilities at work (e.g. safer and/or formal working conditions) or gain other benefits (such as social protection, prospects for personal development) compared to the initial (self-) employment situation

**Net additional income:** Change in average yearly net income as a result of the



**Swiss Agency for Development  
and Cooperation SDC**

programme intervention, measured as difference in earnings (wages/salary) for employed individuals, or difference in yearly gross profit (difference of additional direct sales minus additional direct costs) for self-employed, firms or households, depending on the definition of programmes' beneficiaries.

**Formal financial products and services:** Individuals counted that have newly gained access to formal financial products and services and use them. Financial products and services include savings, insurances, loans, leasings, payment and transfer services, remittances, offered by formal providers such as savings and credit cooperatives, microfinance institutions, banks, insurance companies, fintechs, insurtechs, mobile network operators.

**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), issued by savings and credit associations and cooperatives, microfinance institutions, banks, insurance companies, fintechs, insurtechs, mobile network operators, amongst others.

**Women's Economic Empowerment:** Women's economic empowerment (WEE) increases their access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information. WEE is defined by the following elements: (i) Economic advancement, i.e. increased income and return on labour; (ii) Access to opportunities and life chances such as skills training and job openings; (iii) Access to assets, services and support needed to advance economically; (iv) Economic decision-making capability and voice in different spheres, including household finances; and (v) Manageable workloads, taking into account unpaid care demands.

**System change:** A systemic change is a modification in the way a system functions and the resulting consequences. To assess whether a change is systemic, three elements need to be considered: First, systemic change should be sustainable, i.e. it should continue without constant input from the programme. Second, systemic change should be scalable, i.e. it should benefit an increasing number of people over time. Third, systemic change should be resilient, i.e. it should adapt and persist despite changing circumstances.



**Swiss Agency for Development  
and Cooperation SDC**

### 3.2 Measuring change

Once indicators are selected, programmes need to develop a monitoring and results measurement system (MRM) to measure their changes. The same applies to the country level portfolio of programmes. Such a MRM system should have **5 key characteristics**:

1. **Enabling flexibility:** Context is changing over time and a programme needs to maintain flexibility to design and adjust interventions throughout the implementation phase. The MRM system should accommodate this.
2. **Process oriented:** The MRM system should thus enable the programme to continuously monitor and measure results, and tailor these assessments to the sector strategy, intervention logic and the implementation stage. The MRM system specifies the process: how do we monitor and measure results?
3. **Results oriented:** The focus of the MRM system is on using results to feed into management. Collecting data helps to understand and improve programme performance and achieve more impact by using resources more effectively.
4. **Promotes learning:** The programme needs to create a culture of honest enquiry among staff to find out what works and what doesn't, and why. Staff members need to analyse the results and use that information to adjust or develop new interventions that lead to more impact.
5. **Integrated system:** MRM is a management function. It is a continuous function that cannot be outsourced and is best integrated within the programme management system. Implementation staff monitor and analyse changes, supported by MRM specialists who have the expertise to assure the quality of the process.

The DCED Standard provides guidance on how to develop and manage such an MRM system. There are [seven step-by-step implementation guidelines](#), guides that provide the rationale for each step, and include references to several key resources such as detailed how-to notes and case descriptions.

### 3.3 Reporting indicators

Reports that provide sufficient information on progress, achievements, and explanations on how, why and for whom changes are occurring should be produced regularly at country strategy level as well as programme level. Four elements are



**Swiss Agency for Development  
and Cooperation SDC**

crucial for reporting results:

- 1. Aggregation:** The selected high-level indicators (ARIs, TRIs and CSIs) should be aggregated and reported annually at country level, the frequency at programme level depends on the agreement between SDC and the implementing agency. It's important that transparent aggregation systems are developed and maintained that demonstrate how indicators have been aggregated.
- 2. Attribution/Contribution:** The programme should be transparent if and how the reported value of the ARIs, TRIs and CSIs have been assessed: are the reported values per indicator attributable to the programme's interventions or have the programme interventions contributed to the reported values for each of the selected indicators?
- 3. Disaggregation:** The report should present a relevant disaggregation of results, as defined by the selection and definition of the selected indicators, such as gender or poverty or other forms of inclusiveness (see also [the working aid on LNOB in e+i](#))
- 4. Qualitative indicators:** Qualitative information is essential in order to give the context of the report, explain how the programme and country portfolio have developed, and explain the quantitative results. This is especially important when reporting on sustainability, systemic change, capacity building, and other aspects that are hard to quantify.





## 4. Annex

The annex includes all relevant IED ARIs and TRIs presented in chapter 2.1.1 and chapter 2.1.2 as well as the Context Specific Indicators presented in chapter 2.2. The exhaustive list with all ARIs and TRIs can be found in the [SDC Guidance on Results Indicators](#).

### 4.1 Relevant IED ARIs and TRIs



Swiss Agency for Development  
and Cooperation SDC

4.1.1 IED ARI 2 Employment

Aggregated Reference Indicators (ARIs)	
<b>IED_ARI_2 Employment</b>	
<b>Number of persons having new or better employment</b>	
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	<b>SDG target 8.5:</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
Definition (description, specification, qualification)	<p>Persons counted can have either better employment or new employment.</p> <p><b>New employment</b> situations can be existing or created jobs:</p> <p>Employment in the informal or formal sector Self-employment, including in subsistence agriculture, in the informal or formal sector</p> <p>What counts is the individual: If he/she was not considering him/herself in employment before and finds work (employment or self-employment) because of the project intervention. <b>Better employment:</b> if incomes are significantly higher, if the vulnerability at work is reduced (e.g. through formalisation of employment) or if other benefits are given, compared to the initial employment situation of the beneficiaries, e.g. security in the workplace or social protection. It thus also includes on 'on-the-job' trainings for workers that are already employed and improved their employment situation.</p> <p>Also in the case of 'better employment', what counts is the individual: If his/her employment becomes better (employment or self-employment situation improves) because of the project intervention.</p> <p>Depending on the context and the intervention national minimum wage (or % of it for part-time employment) can serve as reference if 'better employment' refers to 'higher income'.</p> <p>Moreover, the ILO provides guidance and useful concepts referring to SDG 8 that – depending on the project / programme and its context – can be used to define better work, for example:</p> <p>'Productive employment' defined as employment yielding sufficient returns to labour to permit the worker and her/his dependents a level of consumption above the poverty line<sup>2</sup></p> <p>'Decent work' which involves opportunities for <i>work</i> that are productive and deliver a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in</p>

<sup>2</sup> Measuring Productive Employment: A 'How to' Note



**Swiss Agency for Development  
and Cooperation SDC**

	<p>the decisions that affect their lives and equality of opportunity and treatment for all women and men.</p> <p>In line with SDG 8 'better employment' may also be achieved by moving from a job in the informal to the formal economy.</p> <p>The indicator measures the outcomes of a large number of projects and intervention contributing towards decent employment (as defined by the ILO).</p> <p>The indicator allows an aggregation of results from different projects, especially from vocational skills development (VSD)<sup>3</sup> and private sector development (PSD) interventions, where employment outcomes are a common goal.</p>
Measuring unit	Number of persons
Disaggregation dimension (sex, age group, ethnicity or other identity criteria of LNOB)	<p>Gender</p> <p>One targeted left behind/vulnerable population group (youth, employment status, identity, ethnicity, disadvantage, region etc. to be prioritised according to the context)</p>
Data source	<p>At project level, implementing partners</p> <p>At country level, governmental counterparts (reports, statistics)</p>
Rationale	<p>The indicator measures the outcomes of a large number of Inclusive Economic Development projects and hence the contribution to gainful employment and/or towards decent employment (as defined by the ILO). The indicator allows an aggregation of results from vocational skills development (VSD) and private sector development (PSD) interventions.</p> <p><u>Theory of change</u></p> <p><b>If</b> persons have better or new employment, <b>then</b> people will have the means to afford better access to goods and services and ultimately get out of poverty, <b>because</b> gainful, safe and stable employment increases peoples' incomes, expenditure and welfare and leads to overall economic growth, which in turn fosters private and public sector supply of goods, infrastructures and services.</p>
Possible messages of aggregation and synthesis	Thanks to the contribution of the SDC, in 20XX, xx men and yy women were in better or new employment in zz countries.
Thematic responsibility	Focal Point E+I (as part of the Expert team Inclusive Economic Development; IED)

<sup>3</sup> For more information on the different types of VSD interventions please consult SDC's [VSD Typology](#).



Swiss Agency for Development  
and Cooperation SDC

#### 4.1.2 IED ARI 3 Access to and use of financial products and services

Aggregated Reference Indicators (ARIs)	
<b>IED_ARI_3 Access to and use of financial products and services</b>	
<b>Number of people having access to and making use of formal financial products and services</b>	
Contribution to objective of M21-24	<i>Sub-objective 2: Promoting innovative private sector initiatives to facilitate the creation of decent jobs</i>
Contribution to Agenda 2030	<u>SDG target 8.10</u> : Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial products and services for all.
Definition (description, specification, qualification)	<ul style="list-style-type: none"> <li>• Qualification to get counted: people who have newly gained access to formal financial products and services AND actually use them.</li> <li>• Formal financial products and services are provided by savings and credit cooperatives, microfinance institutions, banks, insurance companies, fintechs, insurtechs, mobile network operators, etc.</li> <li>• They include savings, insurances, loans, leasings, payment and transfer services, remittances, etc.</li> </ul>
Measuring unit	Number of persons
Disaggregation dimension (sex, age group, ethnicity or other identity criteria of LNOB)	<ul style="list-style-type: none"> <li>• Gender</li> <li>• One targeted left behind/vulnerable population group (to be prioritised according to the context)</li> </ul>
Data Source	At project level, implementing partners
Rationale	<p>The indicator measures the outreach of our projects and hence the contribution to financial inclusion.</p> <p><u>Theory of change</u></p> <p><b>If</b> people have access to formal financial products and services <b>then</b> they will have a better chance to get out of poverty <b>because</b> they are able to finance their livelihood, to invest in their private business, and can absorb shocks and protect their families and their assets thanks to their savings or through insurances.</p>
Possible messages of aggregation and synthesis	Thanks to the contribution of the SDC, in 20XX, xx men and yy women out of which zz more vulnerable population members have gained access to and make use of formal financial services in ww countries. This enables them to increase their resilience to adverse shocks and to build their private businesses, contributing to move their families out of poverty and create more jobs.
Thematic Responsibility	Focal Point E+I (as part of the Expert team Inclusive Economic Development; IED)



Swiss Agency for Development  
and Cooperation SDC

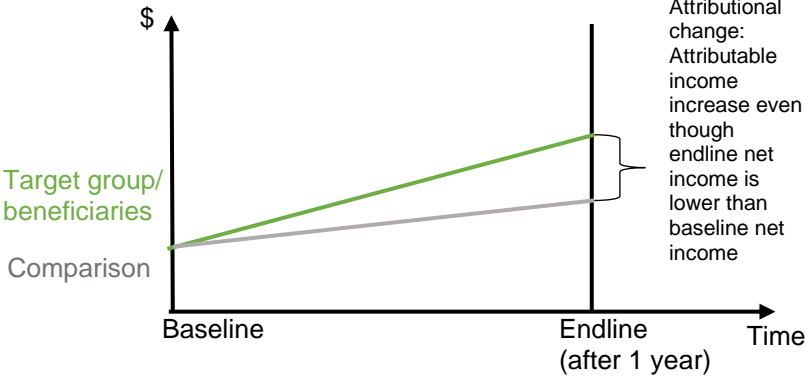
#### 4.1.3 IED TRI 1 Net additional income

Thematic Reference Indicators (TRIs)	
<b>IED TRI 1 net additional income</b>	
<b>Change in yearly net income</b>	
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 measured<sup>4</sup>:</p> <ul style="list-style-type: none"> <li>- at the level of individual employees: difference in yearly wage/salary (including bonuses, excluding benefits)</li> <li>- at the level of self-employed individuals: difference in yearly profit (difference of sales minus costs) <ul style="list-style-type: none"> <li>&gt; 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 ARI2.</li> </ul> </li> <li>- 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 &amp; 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 ARI FS1, which is complementary to this TRI.</li> </ul> <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</p>

<sup>4</sup> 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'



**Swiss Agency for Development  
and Cooperation SDC**

	<p>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>  <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>
<p>Measuring unit</p>	<p>Net income: Change in average yearly net income (salary/wage or profit) of individuals in USD, adjusted for inflation</p>
<p>Disaggregation dimension (sex, age group, ethnicity or other identity criteria of LNOB)</p>	<ul style="list-style-type: none"> <li>a) Change in average yearly net income (including change through avoided expenditures) for employed people in USD</li> <li>b) Change in average yearly net income (including change through avoided expenditures) for self-employed (except small-holders) people in USD</li> <li>c) Change in average yearly net income for small-holders in USD</li> <li>d) Change in average yearly net income for of other beneficiaries (not covered under a-c) in USD</li> </ul>
<p>Data source</p>	<p>At project level, implementing partners, ideally with audited DCED standard<sup>5</sup></p>
<p>Rationale</p>	<p>The indicator measures the outcomes of a large number of Inclusive Economic Development projects and hence their contribution to poverty</p>

<sup>5</sup> Please refer to the Donor Committee for Enterprise Development's [DCED standard](#)



**Swiss Agency for Development  
and Cooperation SDC**

	<p>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><b>If</b> the SDC target groups <b>have increased their annual net income</b> <b>then</b> they have the means to assets and services and ultimately get out of poverty, <b>because</b> 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> <p><b>If</b> people acquire new skills and increase their capabilities through vocational education and training <b>then</b> they will have a better chance to increase their income <b>because</b> 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><b>If</b> people have access to financial services and products, <b>then</b> 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, <b>because</b> 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)



Swiss Agency for Development  
and Cooperation SDC

#### 4.1.4 IED TRI 4 Resilience through inclusive insurance

Thematic Reference Indicator (TRI)	
<b>IED TRI 4 Resilience through inclusive insurance</b>	
<b>Number of women and men who thanks to insurance consider that they can more easily recover from shocks and adverse events</b>	
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 cooperatives, 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.<sup>6</sup></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"> <li>• Gender</li> <li>• One targeted left behind/vulnerable population group (to be prioritised according to the context)</li> </ul>
Data source	<p>At project level, implementing partners, through surveys</p> <p>Methodological support for survey can be found in the document in the footnote.</p>

<sup>6</sup> Working Paper 423 ODI, Measuring „subjective resilience“  
(<https://cdn.odi.org/media/documents/9753.pdf>)





**Swiss Agency for Development  
and Cooperation SDC**

<p>Rationale</p>	<p><u>Theory of change</u></p> <p><b>If</b> SDC's target groups have access to and increasingly use insurance products</p> <p><b>then</b> this will lead to improved resilience and ultimately prevent them from falling back into poverty,</p> <p><b>because</b> 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> <p>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.</p>
<p>Possible messages of aggregation and synthesis</p>	<p>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.</p>
<p>Thematic responsibility</p>	<p>Focal Point E+I (as part of the Expert team Inclusive Economic Development; IED)</p>



Swiss Agency for Development  
and Cooperation SDC

#### 4.1.5 IED TRI 5 Women's Economic Empowerment

Thematic Reference Indicators (TRIs)	
<b>IED_TRI_5 Women's Economic Empowerment</b>	
<b>Proportion of women with a positive perception on their influence on business and economic-related decision-making</b>	
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	<ul style="list-style-type: none"> <li>a) Number of women in LNOB target group with a positive perception of their influence on economic and business-related decision-making</li> <li>b) Number of women in non-LNOB target group with a positive perception of their influence on economic and business-related decision-making</li> <li>c) Total number of women having benefitted from a project intervention.</li> </ul>
Disaggregation dimension (sex, age group, ethnicity or other)	<ul style="list-style-type: none"> <li>• One targeted left behind/vulnerable population group (to be prioritised according to the context)</li> </ul>



**Swiss Agency for Development  
and Cooperation SDC**

identity criteria of LNOB)	
Data source	At project level, implementing partners, surveys.
Rationale	<p><u>Theory of change</u></p> <p><b>If</b> women have influence on business and economic-related decision-making,</p> <p><b>then</b> this will ultimately lead to more equal economic benefits and the economic empowerment of all women and girls,</p> <p><b>because</b> they can fully and effectively participate in economic life and 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	<p>Focal Point Employment +Income (as part of the Expert team Inclusive Economic Development; IED)</p> <p>Focal Point Gender Equality</p>



Swiss Agency for Development  
and Cooperation SDC

## 4.2 Context-specific indicators

### 4.2.1 IED CSI 1 Number of systemic changes

Context Specific Indicators (CSIs)	
<b>IED_CSI_1 Number of System Changes</b>	
<b>The number of system changes in the defined system(s) that the project targets</b>	
Definition (description, specification, qualification)	<p>The indicator measures the number of system changes per system that the project targets.</p> <p>The definition and qualification of a system change is defined and described in the project's description. The project's strategy outlines how the project aims to meaningfully contribute to the envisaged system changes. The definition of a system change includes scale (proportion of the system population), the likelihood of sustainability, the autonomy of change and the system resilience.</p> <p>System changes are often comprised of two elements. The first being a change in behavior of market system actors as a result of an innovation that is introduced in the system. An innovation can be a new product, a new service, or a new business practice related to procurement, production or sales. The second element is a change in rules and regulations that define how the private sector operates. System changes can be the result of one or of both elements.</p> <p>The number of system changes is the only indicator that can be aggregated and reported across systems, projects and countries. System change is however a very qualitative and context specific indicator that needs to be elaborated on at system level, describing system changes to which the project has contributed.</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	Total number of system changes, per system, per year and cumulative
Disaggregation dimension (sex, age group, ethnicity or other identity criteria of LNOB)	<ul style="list-style-type: none"> <li>• Number of innovations adopted by the system actors</li> <li>• Number of regulatory reforms that are relevant for the system</li> </ul>
Data source	At project level, implementing partners
Rationale	<p><u>Theory of change</u></p> <p><b>If the project introduces innovations and stimulates legal reforms that target</b></p>



**Swiss Agency for Development  
and Cooperation SDC**

	specific changes in the systems that the project targets, <b>then</b> this will ultimately lead to more effective, more inclusive and more resilient market systems <b>because</b> the underlying causes that affect the system's performance have been addressed.
Possible messages of aggregation and synthesis	Thanks to the contribution of the SDC, in 20XX, yy system changes were made that ultimately lead to more effective, more inclusive and more resilient systems.
Thematic responsibility	Focal Point Employment +Income (as part of the Expert team Inclusive Economic Development; IED)



Swiss Agency for Development  
and Cooperation SDC

#### 4.2.2 IED CSI 2 Number of Public and Private Partners

Context Specific Indicators (CSIs)	
<i>IED CSI 2 Number of Public and Private Partners</i>	
<i>The number of relevant partners that the project partners with to develop and implement project interventions</i>	
Definition (description, specification, qualification)	<p>The indicator measures the number of public and private project partners. This helps to assess the reach and spread of the project interventions.</p> <p>Partners can be from the public and from the private sector and are defined as those public or private sector actors with whom the project has signed a partnership agreement. Partnership agreements specify objectives, roles, responsibilities and investments.</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> <p>The number of partners is the only indicator that can be aggregated and reported across systems, projects and countries. The type of partners and partnerships is however a very qualitative and context specific indicator that needs to be elaborated on at system level.</p>
Measuring unit	Total number of partners, per year and cumulative
Disaggregation dimension (sex, age group, ethnicity or other identity criteria of LNOB)	<ul style="list-style-type: none"> <li>• Private sector: <ul style="list-style-type: none"> <li>○ Individual companies and consortia of companies</li> <li>○ Private Sector Organisations</li> </ul> </li> <li>• Public sector: <ul style="list-style-type: none"> <li>○ Government Organisations</li> </ul> </li> </ul>
Data source	At project level, implementing partners
Rationale	<p><u>Theory of change</u></p> <p><b>If</b> the project partners with a diverse range of public and private partners to address specific system changes,</p> <p><b>then</b> this will ultimately lead to more effective, more inclusive and more resilient market systems</p> <p><b>because</b> more public and private partners invested in addressing the specific system constraints and opportunities.</p>
Possible messages of aggregation and synthesis	Thanks to the contribution of the SDC, in 20XX, yy public and private sector actors invested to develop and implement system innovations that ultimately lead to more effective, more inclusive and more resilient systems.
Thematic responsibility	Focal Point Employment +Income (as part of the Expert team Inclusive Economic Development; IED)



Swiss Agency for Development  
and Cooperation SDC

#### 4.2.3 IED CSI 3 Leveraging Public and Private Investments

Context Specific Indicators (SCIs)	
<i>IED_CSI_3 Leveraging Public and Private Investments</i>	
<i>The value of investments made by partners to develop and implement project interventions</i>	
Definition (description, specification, qualification)	<p>The indicator measures the investments made by public and private (project) partners. It measures the proportion of investments made by the project partners in relation to the investments made by the project. This leverage ratio helps to assess commitment and capacity of the project partners, a proxy for system change and sustainability.</p> <p>Partners can be from the public and from the private sector and are defined as those public or private sector actors with whom the project has signed a partnership agreement. Partnership agreements specify objectives, roles, responsibilities and investments.</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	<p>d) Total investments by the partners in USD, per year and cumulative</p> <p>e) Total investments by the project in USD, per year and cumulative</p> <p>f) Leverage ratio: The total investments by the partners divided by the total investments by the project, per year and cumulative</p>
Disaggregation dimension (sex, age group, ethnicity or other identity criteria of LNOB)	<ul style="list-style-type: none"> <li>• Private sector: <ul style="list-style-type: none"> <li>○ Individual companies and consortia of companies</li> <li>○ Private Sector Organisations</li> </ul> </li> <li>• Public sector: <ul style="list-style-type: none"> <li>○ Government Organisations</li> </ul> </li> </ul>
Data source	At project level, implementing partners
Rationale	<p><u>Theory of change</u></p> <p><b>If</b> project partners co-invest in developing and implementing innovations, <b>then</b> this will ultimately lead to more effective, more inclusive and more resilient market systems</p> <p><b>because</b> partners are willing and able to co-invest into developing and implementing innovations that address system constraints and opportunities and that are (commercially) feasible.</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 and vocational skills development projects.</p>



**Swiss Agency for Development  
and Cooperation SDC**

Possible messages of aggregation and synthesis	Thanks to the contribution of the SDC, in 20XX, public and private sector actors invested yy USD to develop and implement system innovations that ultimately lead to more effective, more inclusive and more resilient systems.
Thematic responsibility	Focal Point Employment +Income (as part of the Expert team Inclusive Economic Development; IED)





Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

**Swiss Agency for Development  
and Cooperation SDC**

ied | e+i

inclusive economic development  
employment + income

## Document details

Date

February 2022

Authors: Annick Vollmar, Hans Posthumus

Revised by: Luca Etter, Rebecca Suhner

This document is also available at

<https://www.shareweb.ch/site/EI>