**General Indicator Guidance**

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| **Table of Contents** | **Page** |
| [1. Definition](#Definition) | 2 |
| [2. Types of Indicators](#Types_of_Indicators) | 2 - 3 |
| [3. Levels of Indicators](#Level_of_Indicators) | 3 |
| [4. Standard vs. Custom](#Standard_vs_Custom) | 3 - 4 |
| [5. Who and When?](#Who_and_When) | 4 |
| [6. How Indicators Should be Developed (Process)](#How_Indicators_Process) | 5 |
| [7. How Indicators Should be Developed (Characteristics)](#How_Indicators_Characteristics) | 6 - 7 |

**1. Definition:**

**What:** Indicators are signposts of change—they are a way to track change and measure progress towards intended results in an intervention. Indicators can tell us to what extent a change happens but not why and how that change occurs. Indicators help guide inquiries into why and how change occurs, which contributes to more informed decisions and more relevant, efficient, effective, impactful and sustainable interventions.

An indicator measures one specific result contained within an objective statement.

**Why:** There are a number of reasons to use indicators in a project, including:

* Measuring results—without indicators, results (outputs/outcomes/impacts) are not easily measured.
* Analyzing indicator data over time when compared to targets helps understand progress towards achieving results through the life of the project.
* Analyzing indicator data helps make decisions about the ideal allocation of resources (budget and staff time) to best achieve the project’s outcomes.
* Analyzing indicator data helps to validate the project’s theory of change and identify any unintended outcomes.
* Analyzing indicator data can provide justification for adjustments to the project’s activities or theory of change by demonstrating how changes will help better contribute to the project’s goal.
* Collection, analysis and decision-making based on indicator data demonstrate accountability to donors and other stakeholders.

**2. Types of Indicators:**

Indicators can be either quantitative or qualitative. When possible, a combination of both types of indicators is best to capture the nature of change taking place within a project or intervention.

* **Quantitative** **indicators** are statistical measures—the data collected for a quantitative indicator has numerical value and meaning.

ex. Percent change in yield of primary agricultural crop

* **Qualitative** **indicators** reflect people’s judgments, opinions, perceptions and attitudes towards a given situation or subject. They can help to assess if a project is on track. Many important indicators are not quantifiable (e.g. the quality knowledge sharing within a cooperative). Qualitative indicators can be harder or more costly to measure because they require subjective evaluation. In order to make sure qualitative indicators are measurable, they must be clearly defined in terms of the change they are trying to understand, unit of analysis, location, and timeframe. While qualitative indicators can be represented with numeric values, they are not quantitative indicators. For example, a participant’s perception is qualitative, but you can quantify the number of positive or negative perceptions. You can then count the number of people with positive perceptions, but additional qualitative data collection and analysis is required to understand why or why not those individuals had positive perceptions. In this instance, the qualitative indicator is assigned numeric value that is meaningless without additional data collection and analysis.

ex. Change in opinion that women should be involved in household decisions regarding income

In addition to being quantitative or qualitative, indicators are also direct or indirect. In some instances, data will not be available for the indicator that is most appropriate to measure a result. In these cases, **proxy indicators** are used to indirectly measure progress towards an intended result. Proxy indicators make assumptions—which may or may not be true—about data, serving as an indirect measurement for unavailable data. Proxy indicators may be quantitative, qualitative or a mix of both in the form of an index. These indirect relationships represent an alternative way to measure a result, and they therefore need to be analyzed carefully to help understand the impact of the project and inform decision-making.

ex. Proxy measures of women’s empowerment traditionally focus on the possession of resources or the determinants of being empowered—e.g. education or asset ownership—rather than on measuring empowerment itself. In the *Women’s Empowerment in Agriculture Index*, direct indicators and indirect proxy indicators are used to measure empowerment. For example, women’s decision-making power over assets is used as a direct measure of empowerment, while the value of assets would be an example of an indirect measure of empowerment.[[1]](#footnote-1)

**3. Levels of Indicators:**

Just as different levels of results (Goal, Outcome, Output) in the results hierarchy describe different levels of change (short- vs. long-term change), indicators at different levels of the results hierarchy *measure* different types of changes. The table below helps outline the different levels of change. Note that each indicator should be clearly matched to only one result in the results framework.

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| **Table 1. Indicator Levels:** |
| **Results Level** | **Indicator Type** | **Primarily Tracks** | **Timeframe** |
| Goal | Impact Indicator | High-level long-term results | Long-term |
| Outcome | Outcome Indicator | Medium-term/intermediate results | Long-term |
| Output | Output Indicator | Project management items | Short-term |
| Activity | Process Indicator | Implementation progress | Short-term |

**4. Standard vs. Custom**

Indicators always measure progress towards an intended result using quantitative or qualitative data. These qualitative and quantitative measurements are either standardized indicators or customized indicators created specifically for a project.

**Standard Indicators:** Some indicators are standard across a sector. These are often quantitative indicators that count activities or measure change at the output-level and have an established calculation (e.g. gross margin, production, yield, etc.). Where applicable, standard indicators should be used according to established guidelines—especially when required by a project donor.

There are also standardized indices to measure certain types of data. An index is a group of indicators which are collected, scored and aggregated together based upon a clearly defined standard. This collective score serves as a stand-in for a desired result which cannot be measured directly through a single indicator. Because indicators should not be compound, indices can help to measure complex results.

**Custom Indicators:** Some indicators are context-specific (e.g. quality, access, improvement, perception, etc.). These indicators are often qualitative and tend to measure change at the outcome-level and must be defined to reflect the specific context of each project and the project’s information needs. Context-specific indicators are useful for decision-making and project adjustments. Note: When creating custom indicators, make sure to adhere to guidelines on how to develop good indicators.

**5. Who and When?**

**Who:** Who will use indicator data and how they use it are the most crucial considerations when developing or choosing indicators. If an indicator cannot be mapped to a specific donor requirement or has a specific use by a project stakeholder, then one should reconsider including that indicator.

**When:** Indicators are initially identified during the project proposal phase. Indicators are only introduced after the project’s logic has been validated through the creation of the solutions trees (results framework). At this stage, proposal staff must determine whether donor-required indicators realistically align with the project’s approach. If a required indicator does not match a result within the scope of the project, consider adding an additional result or assessing whether the proposal fits LWR’s capacity and strategy. For results without a donor-required indicator, proposal staff must develop their own. These indicators can be developed using the guidelines in Sections 6 and 7. Once a proposal is approved, the project team must operationalize the indicators by completing the M&E Matrix and developing any databases and/or report templates. The differences between initially selecting indicators for a proposal and operationalizing final indicator definitions are detailed below in Table 2.

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| **Table 2. Selecting vs. Operationalizing** |
| **Selecting Indicators** | **Operationalizing Indicator Definitions** |
| Takes place during proposal phase | Takes place after proposal has been approved by either the donor or LWR |
| Initial indicators intended for a project are developed | Initial indicators are clarified and finalized |
| Must meet donor requirements and adhere to donor guidelines and definitions | Must meet donor requirements and adhere to donor guidelines and definitions |
| Must know general definition of custom indicators to determine if they meet the criteria of being necessary and sufficient and can be collected with the available budget and time allocations | Indicators are fully operationalized using the M&E Matrix |
| Each indicator must have a direct link to a result | Each indicator must be reviewed to ensure that any changes or adjustments made to the indicators while operationalizing them does not impact their precision in measuring the associated result |
| Initial indicator targets are established and placed in brackets at the end of the indicator statement | Targets are finalized after indicators have been operationalized and baseline data has been collected |

**6. How Indicators Should Be Developed (Process):**

When developing an indicator, determine if the data that will be collected is “need to know” versus “nice to know.” Prioritizing data that is “need to know” will help ensure that all project data can be collected with the available resources (time, budget, staff capacity). It will help to reduce the number of indicators by excluding indicators that have no clear relevance for the project team or for donors.

When developing indicators, remember to consider the logistics and resources required to collect the data. Think through the level of effort and cost associated with collecting different data. Identify who will collect the data, who the data will be collected from (households, individuals, organizations, governments, secondary sources, etc.), how often it will be collected, how long the data collection process will take and when it will occur. The indicators chosen for inclusion in the project proposal must be linked with sufficient project budget to collect the data required by the indicator. Make sure to record the rationale for selecting each indicator. This information will be helpful when completing the M&E Matrix.

Developing indicators can benefit from a bottom-up participatory methodology, when possible. Using a participatory approach accounts for stakeholder understandings of change and local concerns and can have long-term M&E benefits. A participatory process can[[2]](#footnote-2):

* Result in more realistic, meaningful and achievable indicators than those set by top-down methods
* Highlight different information needs and ideas of change for stakeholders and community groups (men and women)
* Focus on how to measure and who decides, not just what to measure
* Gain information about how important different changes are to those affected
* Help increase community ownership of and involvement in projects

Some donors have specific guidelines for developing indicators. When such guidelines exist, projects should adhere to donor requirements. The following is a process for defining indicators suggested by USAID[[3]](#footnote-3):

1. Develop the participatory process for identifying indicators
2. Identify the set of minimal indicators that are necessary and sufficient
3. Clarify the result—what change is implied?
4. Identify specific targets for change
5. Identify possible indicators
6. Assess the best candidate indicators using USAID TIPS criteria (see Table 4)
7. Select the “best” indicators—reasonable cost, streamlined. Record the rationale for selection!
8. Adjust when necessary

**7. How Indicators Should Be Developed (Characteristics):**

High-quality indicators should be clearly written to include a specific target group and unit(s) of measurement and can also include timeframe and location where necessary, although these details are normally included as additional information in the M&E Matrix. When developing indicators, avoid adjectives and vague or unclear terms (e.g. sustainable, sufficient, adequate, etc.) that require additional definitions. These terms can complicate data collection because of varying interpretations.

Indicators should be written according to SMART Criteria (see Table 3). These criteria describe qualities of well-written indicators and help ensure effective data collection and project implementation.

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| **Table 3. SMART Criteria[[4]](#footnote-4):** |
| **Specific** | The indicator clearly and directly measures a specific result for the objective it is measuring. |
| **Measurable** | The indicator is unambiguously specified so that all parties agree on what it covers and there are practical ways to measure the indicator. |
| **Achievable** | The measurement of the indicator is feasible and realistic within the resources and capacity of the project/program, and the necessary data is available. |
| **Relevant** | The indicator provides appropriate information that is best suited to measure the intended result or change expressed in the objective. |
| **Time-bound** | The indicator specifies the specific timeframe at which it is to be measured. |

Table 4 describes USAID criteria for indicator definition. These qualities complement SMART Criteria and can help to ensure that indicators can be collected reasonably and are necessary and sufficient for a project. The USAID TIPS Indicator Selection Criteria Checklist to evaluate indicator selection can be found in the Indicator Checklists document.

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| **Table 4. USAID TIPS Indicator Criteria[[5]](#footnote-5):** |
| **Direct:**  | Clearly measure intended results at the right level of the objective |
| **Objective:**  | Unambiguous about what is being measured and what data is being collected |
| **Useful for Management:**  | Meaningful measure of change over time for decision-making |
| **Attributable:**  | Can be plausibly associated with project interventions |
| **Practical:** | Data can be collected on a timely basis and at a reasonable cost |
| **Adequate:**  | Sufficient in number and cost-effectiveness to measure stated results |
| **Disaggregated, as necessary:** | Understand how all relevant groups are affected differently |

As indicated in the USAID Criteria, indicators should be disaggregated where appropriate (e.g. by sex, age). Objective achievement has different implications for different groups within a project. Disaggregated indicators allow projects to track changes towards an intended result for all relevant groups. Disaggregation can also allow for decision-making which better responds to the needs of specific groups, resulting in more effective and appropriate projects.

Indicators should be non-directional so as not to influence data collection and analysis. Because indicators are a measure, not a target, they should be neither positive nor negative. The specific target for an indicator is set after assessment data has been collected and should be recorded in parentheses after the indicator.

**NOTE:** Once indicators have been developed, make sure to evaluate them using the checklists provided in the Indicator Checklists document.

1. <http://feedthefuture.gov/sites/default/files/resource/files/weai_brochure_2012.pdf> [↑](#footnote-ref-1)
2. Adapted from June Lennie et al, *Equal Access Participatory Monitoring and Evaluation toolkit Module 2: Setting objectives and indicators*, February 2011, pg. 1-2. <http://betterevaluation.org/sites/default/files/EA_PM%26E_toolkit_module_2_objectives%26indicators_for_publication.pdf> [↑](#footnote-ref-2)
3. Adapted from USAID, *Performance Monitoring and Evaluation TIPS 6: Selecting Performance Indicators*, 2010, pg. 8-10. <http://pdf.usaid.gov/pdf_docs/Pnadw106.pdf> [↑](#footnote-ref-3)
4. Adapted from IFRC, *Project/Programme Planning Guidance Manual*, 2010, pg. 27. <https://www.ifrc.org/Global/Publications/monitoring/PPP-Guidance-Manual-English.pdf> [↑](#footnote-ref-4)
5. Adapted from USAID, *Performance Monitoring and Evaluation TIPS 6: Selecting Performance Indicators*, 2010, pg. 8-10. <http://pdf.usaid.gov/pdf_docs/Pnadw106.pdf> [↑](#footnote-ref-5)