

Example of Guidelines on How to Define Indicators

MDF

There should be at least one indicator for each change (box) in the results chain. However, for the key changes, there should be more indicators, with a mixture of quantitative and qualitative, to fully explore the nature of changes at each key level. These indicators should help answer the following questions:

- Has the expected change actually happened?
- To what extent?
- What is the scale of change (how many people)?
- How and why are the changes taking place or not taking place?
- To what extent are the expected changes sustainable?

It is important to clearly define indicators. The indicators should be chosen carefully so that they are specific - as specific as possible, and measurable – have a way to measure it. In addition, the reference period for the measurement should also be specified, such as profits per month or profits per year. For example, “number of bags farmers produce” is not a good indicator. It is not specific enough and would not provide information that is easily comparable. For this example, a better indicator would be “volume farmers produce (kg) per hectare per annum”.

In some cases it may not be feasible to collect information on certain indicators, in which case a proxy has to be used. A proxy indicator is an alternative indicator that represents and replaces one which is too difficult to measure. However, in the measurement plan, the explanation should be given on why the proxy is being used, and why it was chosen.

Qualitative Indicators

Since quantitative indicators can only capture the extent of changes, (for example, 20% increases in yields) and the scale of changes (10,000 farmers receive the services), qualitative indicators should also be collected to understand why the changes are occurring and how sustainable or effective they are. Qualitative indicators and information is very useful to explore the detailed characteristics of the changes such as:

- Are target beneficiaries satisfied with the services received? Why?
- What are their opinions about the services received?
- What are reasons why they use or do not use particular services from MDF's interventions?
- How do they use the services?
- Why do they change or do not change their behaviour?
- How do they change it?
- Is the change at this step due to the previous steps in the result chain?

This kind of information is very useful for improving the implementation of the intervention activity, by helping the team to learn what worked and what didn't and why, and to identify improvements. For example, if MDF finds out through collecting quantitative data that farmers are not buying the

lime (through an indicator showing a low number of farmers buying lime); qualitative information can help determine the reasons why they are not buying it. These reasons could be because they are still not aware of the benefits of using lime. In this case, the intervention team has learned that the promotional strategy and activities may not be effective. So these activities need to be reviewed to find out why they are not effective in making farmers aware of the benefits of lime. Then necessary improvements can be made to the intervention activities that increase the awareness of the benefits of using lime, and increase the number of farmers buying lime.

Indicators for Sustainability

The other crucial aspect is sustainability of the changes. MDF has to assign appropriate indicators to gauge whether changes triggered are likely to be sustainable. For the beneficiaries, MDF would like to know whether the changes in behaviour or practices will continue after the project ends. Qualitative indicators will be useful in this respect. MDF can check the interest of beneficiaries in continuing the behaviour changes and the reasons behind continuing.

At the support market level, for commercial products or services to be sustained, both users and partners have to gain benefits from them and be satisfied with the transactions between user and service provider (partner). At the same time, partners should also have the necessary capacity to continue to provide the services after the project ends. At this level, a mixture of quantitative and qualitative indicators can be used to gauge the sustainability of service provision. Commonly used indicators are as follows:

- Satisfaction and opinions on the service received
- Profitability of the new service
- Interest of service provider in continuation of the service
- Reason for continuation of the service
- Capacity (human and financial resources and technical capacities) of service providers/partners to sustain the new service provision