MODULE III
Selecting Indicators for Strategy, Programming, and Projects

PURPOSE: Input, output, outcome and impact indicators are central to measuring change in FCV settings. The selection of a given metric is determined by many factors, including the local context in which it is to be applied, its specificity, measurability, accuracy, reliability and time-sensitivity. Accompanying the *Toolkit's* modules is an online database of over 3,000 indicators that can inform strategic and operational programming. The online search engine allows for the selection of indicators according to New Deal goals and/or World Bank Global Practice areas.

A basic requirement of measuring results in FCV contexts is s**electing appropriate output, outcome, and impact indicators.** Such indicators should be reliable and robust as well as nationally owned where possible. Indicators should also be available, accessible, credible, and possible to disaggregate. But emerging practice also suggests that indicators need to be sought from a variety of sources, be used in combinations or baskets, and ideally be developed in partnership with beneficiary groups. To help World Bank teams develop appropriate indicators, this Module features a **searchable indicator database.** The menu is organized according to the Peace and State-building Goals defined in the *New Deal* Framework, but also co-tagged with World Bank Global Practice areas.

How Can Indicators Be Used to Support Both Strategy and Operational Design?

Practitioners are often required to work at both the strategic and operational levels in responding to FCV challenges. **Strategic activities** include, for example, the design of country strategies, poverty reduction strategies, and multi-donor trust funds. When it comes to indicators, strategic results frameworks tend to track progress against goals at the regional, country, and (sometimes) subnational levels with aggregated indicators to track progress across a range of sectors. Meanwhile, **operational activities** are more specifically program- or individual operation-based and linked to specific investments elaborated in project development objectives (PDOs). They are often populated with specific outcome indicators to track results and sometimes impacts. Depending on the context, strategic and operational activities and indicators can overlap (see Table 2).

Table 2. Possible Applications for the *Toolkit*	
Strategic level	
National and local planning processes to address sources of fragility, conflict, and violence	Indicators to measure overall progress on addressing sources of fragility, conflict, and violence; to establish measures to monitor FCV trends
Conflict and fragility assessment exercises—e.g., the g7+ fragility spectrum; the Bank's Fragility Assessment/Systematic Country Diagnostic; UN/bilateral conflict assessment frameworks	
International partner strategy and planning processes—e.g., Post-Conflict Needs Assessments, the Bank's Country Partnership Frameworks	
Strategic partnership approaches/**Multi-Donor Trust Funds'** results frameworks	
Operational level	
Line ministry and sector approaches to address sources of fragility, conflict, and violence	Indicators to measure the results of project-level interventions on identified and specific elements related to drivers of conflict, fragility, and violence
Project results frameworks that either measure contributions to mitigate drivers of fragility or are being implemented in an FCV environment	

How to Select Indicators for FCV Settings

The selection of indicators in FCV settings depends on the regional, national, and local context and should be informed by appropriate fragility analysis and conflict assessments and political economy analysis (see Module II). It is not advisable to arbitrarily select indicators that seem right. Nor is it appropriate to opt for indicators based exclusively on their availability, lest one unintentionally only "measures what one treasures." In some cases, high-level strategic indicators

may be appropriate (which may not be directly attributable to World Bank interventions) while in others more focused operational indicators are more relevant (which flow directly from World Bank projects).

The selection of appropriate indicators is critical in measuring the direction and overall performance of government and donor interventions in an FCV context. This applies as much to investments in specific projects intended to promote peace and stability or in relation to conventional development investments that must avoid exacerbating fragility, conflict, and violence. It is also important to distinguish between different types of indicators. Categories of indicators can be divided into outputs, outcomes, and impacts. While there is often a tendency to conflate these indicators, they are different. Specifically:

- **Outputs** refer to the products, capital goods, and services that result from an intervention.
- **Outcomes** are the likely or achieved short-term and medium-term effects of an intervention that can change behavior, relationships, activities, or actions.
- **Impacts** are the positive or negative long-term effects generated by a specific intervention either directly or indirectly.

What Are Some Key Factors to Consider in Selecting Indicators in an FCV Environment?

It is advisable to **ensure complementarity** between indicators intended to track progress in addressing drivers of conflict and fragility and metrics more focused on monitoring purely developmental objectives. For example, a health program may be focused on reducing under-five mortality in a particular district. However, this intervention may also be intended to improve the legitimacy of district or municipal authorities. As such, indicators can be designed to track Child Mortality Rates (CMR) (development sector), but also to detect changing levels of citizen confidence in public institutions (institutional legitimacy).

It is also possible to use **common indicators at both the strategic and operational levels**. For example, indicators of governance, security, and justice can be used to measure progress at the program and project level, but also to provide insights into improvements or declines at the national level. Using perception-based data and victimization surveys generated by a polling firm, for example, can show changes in peoples' attitudes toward the quality of justice services or levels of corruption (see Module V). Such indicators can be extremely useful to measure relevant programs at the granular scale, if data can be disaggregated for local levels, but can also demonstrate shifts at the national level.

It is recommended that World Bank country teams apply a **basket of indicators** to measure outputs, outcomes, and impacts. It is not advisable to rely on

single measures or metrics of performance. This is especially important when the underlying quality and availability of data is suspect. Rather, a combination of metrics, both quantitative and qualitative, is considered best practice, especially when considering impacts and peace writ large. While not necessarily recommended here, there are also cases where development agencies have combined indicators into a composite variable, providing an index of change over time.

Once indicators are selected, it is important to establish a **baseline** to monitor trends over time. In cases where the data source is from administrative or independent sources, this may already exist. In most FCV cases, however, such data will not be available. Moreover, their creation may be difficult owing to issues of security and access to key beneficiary populations. In these circumstances, a pragmatic approach is recommended, where proxy data can be used or where quick data collection tools can be applied. This requires a full and transparent treatment of the limitations of the data.

Where possible, indicators should be **disaggregated according to socio-demographic and identity variables** in FCV settings since exclusion and/or competition among identity group often are drivers. While potentially generating costs, indicators should be collected in such a way that they include information on gender and geographic location. But other factors are also potentially just as important, including data on ethnic groups, caste, and religion. The key characteristics for specific indicators will be determined by a fragility analysis.

Involving Clients and Beneficiaries in Indicator Development

In World Bank programming, clients and beneficiaries should take part in the selection and design of indicators. There are many good reasons for pursuing such an approach. For one, it builds in legitimacy from the start. It also ensures that local dynamics are accounted for. FCV-related goals are extremely complex—with aspirations of promoting state legitimacy, enhancing trust in public institutions, promoting social cohesion, and the like. Often proxy indicators will be required, and these may themselves be highly attuned to the local context. In other words, national and local stakeholders are instrumental in helping select the right indicators.

Involving a wide range of stakeholders in identifying indicators is also important for promoting local ownership and engagement. The process of designing indicators may also help in shaping the product that results by promoting local buy-in and incentivizing changes in practices. Some development agencies have explored participatory design processes that have revealed measures—or "active indicators" not easily visible to those on the outside. As such, the identification of strategic indicators can be built in to fragility assessments, while the determination of operational indicators can be integrated into the design processes.

Introducing the FCV Indicator Database

The searchable FCV Indicator Database includes over 3,000 indicators coded in several ways. Users can search for indicators using the three *filters* provided:

1. **Peace & State Building Goal** that codes indicators by the five PSGs that were developed through the International Dialogue on Peacebuilding and Statebuilding, including: legitimate politics; security; justice; economic foundations; and revenues and services.

2. **Global Practice** that codes indicators by the World Bank Group's thematic global practice (GP) areas. As a pilot database, the team continues to add relevant indicators across diverse GPs based on growing experience.

3. **Indicator type** that codes indicator either by 'operational-level' indicators that tend to measure progress at an operational/programmatic level or 'strategic-level' indicators that tend to measure national-level progress, performance and impact.

Users can also do a *key word search* using the search bar below or a combined filter and key word search to target their preferred indicators. After each filter or key word search, click *'apply'* to generate the indicator list.

'Starred' indicators will appear at the top of the search results—these are indicators that may be particularly relevant to measuring progress on peacebuilding and statebuilding. Further details by indicator (indicator type, source) can be viewed by clicking on the indicator title. Users can save search results by selecting their preferred indicators and clicking the *'save indicators'* button and export them to excel by clicking the *'view saved indicators'* button.

The FCV indicator database assembles indicators from diverse sources, including:

*   **World Bank:** more than 500 high-quality and rel¬evant indicators from a universe of 8,000 indicators applied in World Bank projects in FCV settings.

*   **g7+/New Deal:** indicators generated from fragility assessments in several g7+ countries as well as others developed by an International Dialogue indicators working group in 2012-13.

*   **International, regional, bilateral, NGO sources:** including Transparency International, Afrobarometer, Bertelsmann, CIRI Human Rights Data Project, CIVICUS, EITI, Global Integrity, IMF, OECD, Open Budget, United Nations, Measuring Progress in Conflict Environments (MPICE) project and many more.

The *pilot Database* will continue to be updated with new indicators based on partner inputs and growing experience.

FCV Database Limitations

The **FCV indicator database** is a live tool that will be continuously updated and improved based on the contributions of many partner organizations. While not exhaustive, the database is a unique contribution to the community working on FCV. It is the only unified indicator dataset available that offers vetted and tested metrics.

While all selected FCV indicators were subjected to a screening process, its limitations that must be acknowledged. For one, it is difficult to ensure indicators for all FCV aspects. Moreover, some indicators still may not be tailored exactly to the needs of the users. Indeed, the database should not substitute for good judgment, critical reflection, and local context. Rather, the database is a tool to stimulate an evidence-based debate within project teams and among World Bank partners.

Additional Resources

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