

4a Indicators and benchmarks

Short summary of characteristics

A **benchmark** is a reference point or standard against which progress or achievements may be assessed, for example:

- past achievements and trends,
- achievements of comparable organisations, such as development partners,
- achieving set targets, budgets, etc..

An **indicator** is a signal that reveals progress (or lack thereof) towards targets. Indicators are instruments that measure a status or changes. They may provide quantitative or qualitative data. They are commonly used to describe to what extent results achieved correspond to previous planning (quantity, quality and timeliness). They may show how well a system is working. If there is a problem, an indicator can help to determine what direction to take to address the issue. Indicators are as varied as the types of systems they monitor. However, there are certain characteristics that effective indicators have in common:

- Effective indicators are **relevant**; they provide information needed on a system,
- Effective indicators are **reliable**; the information that the indicator is providing can be trusted,
- Effective indicators are **easy to understand**; even by people who are not experts,
- Effective indicators are based on **accessible data**; information is available or can be gathered while there is still time to act.

Indicators can be useful as an approximation or substitute to approach complex conditions. For instance, it is hard to measure the 'quality of life in town' because there are many different things that make up quality of life and people may have different opinions on which conditions count most. A very simple substitute indicator is 'Number of people moving into the town compared to the number moving out'.

Stage that the tool is used

Indicators and benchmarks are used to assess the progress of projects, for evaluation. So at every stage of a project where evaluation takes place, indicators and benchmarks are normally used by some means or other.

Output from the tool

Indicators are quantifiable and provide more than a vague clue. The output and the quality of an indicator depend on the source of data which is available and on the exact definition of what should be indicated. Data for indicators can be found in local government agencies, state government agencies, academic institutions, large government databases, etc.. The best indicators are frequently those for which there is no data, while the indicators for which there is data are the least able to measure sustainability.

Experiences of use

It is very important that a final set of indicators cover all the issues that are important for a project. It therefore very much depends on the number and complexity of the issues how many indicators are needed, e.g. when indicators will be used by different departments within large organizations, 50 to 100 indicators might make sense. If the indicators are to be used to keep the public informed, a smaller number of 10 to 20 would be more sensible. Although indicators should be easy to understand, it is considered helpful to give a short explanation on the choice of indicators and what they are indicating when presenting them to the public.