

MEDA Decent Work Indicator Guide

This document is intended to provide guidance for MEDA staff, in particular the Impact and Knowledge Management (IKM) specialists and country directors, who are reporting on the annual strategic plan indicator of decent work.

Started in FY21, MEDA has been reporting on decent work, stemming from the strategic plan, [Towards an Equal World¹](#). This guide will remain a working document, meant to be read and implemented alongside of MEDA's [Project Profile Guidelines](#). It is the MIM team's responsibility to update this document on an ongoing basis if any indicator, definitions, or equation changes as we learn together.



Why Decent Work?

- Decent work is one of the key ingredients for poverty reduction
- Decent work has welfare impacts beyond income– education, health, living standards, etc.
- ¾ of workers in developing countries are in vulnerable employment.
- Most of those living in poverty are employed in the agriculture sector
- Key donors and DFIs are shifting their priorities towards decent work
- SDGs with which MEDA aligns are shifting language towards decent work

MEDA strives to create decent work for women, men, and youth, providing them with dignity, equality, and economic wellbeing. A MEDA client is an individual, business, or other organization directly benefiting (financial or technical assistance) from a MEDA intervention as part of a formal contract, including the following sub-categories:

- Individuals directly benefiting from a MEDA intervention, including smallholder farmers or entrepreneurs registered by MEDA, a KFP or lead firm or business receiving (matching) grant from MEDA.
- Small and medium sized enterprises (SMEs)

¹ The Strategic Plan Goal is to create/support decent work for 500,000 women (60%), men and youth (30%) by 2030.

- Key Facilitating Partners (KFPs)
- Other entities, such as alliances directly benefiting from a MEDA intervention (e.g. market alliance, cooperative of farmers, chamber of commerce, financial institutions that receive grants or technical support)

Decent Work Measurement

Measuring decent work is done with two categories of direct clients: 1) employees and; 2) small entrepreneurs (SE) or smallholder farmers. Decent work will be measured annually.

Wage Employment/Employees

This is the sum of total number of individuals (disaggregated by age and sex) who have new or sustained wage employment.

New wage employment refers to individual who were previously unemployed and transitioned into wage employment.

Sustained wage employment refers to employed individuals who have remained employed in their current work.

MEDA considers wage employment to be decent work if the work meets both of the following criteria:

- the employee has full time hours
- has a contract for at least 12 continuous months

INDICATOR	UNIT	DEFINITION	COMMENT
Number of new employees	# of employees Disaggregated by sex and age range	Net count: if an SME hired two new technicians to manage a machine but eliminates three other positions because of efficiencies, there are no new employees	Decent work is not cumulative year over year. It must be calculated and reported annually since work conditions can change yearly.
Number of employees with full time hours with a contract of at least 12 months	# of employees Disaggregated by sex and age range	Full time hours: 40-hour week (ILO), unless superseded by national policy Six continuous months: the employee must have a 12-month long contract Full time equivalent work: The calculation of full-time equivalent (FTE) is an employee's scheduled hours divided by the employer's hours for a full-time workweek. When an employer has a 40-hour workweek, employees who are scheduled to work 40 hours per week are 1.0 FTEs. Employees scheduled to work 20 hours per week are 0.5 FTEs. The FTE can be summed for an SME.	Measurement will likely be done via the SME. MEDA will work with the partner to ensure survey tools are appropriate and data quality maintained. Ensure that those new employees are not double counted in this category.

Setting Wage Employment Targets

MEDA works with micro, small and medium enterprises (MSMEs), primarily in agriculture sector, which have the capacity to provide wage employment opportunities. There is no rule of thumb or standard criteria that could be applied to setting wage employment targets across different sectors and geographies. Therefore, each project needs to review relevant data from public and private sector to set job targets. Consultations with potential partner companies could also help to determine project targets for job creation. Below are examples from some of our existing projects.

- In the FEGGE project in Tanzania, a decent work indicator target for participating SMEs is 10% increase in the number of full-time employees over the baseline.
- In the GROW II Project, consideration is given to a decent work indicator target of 4% compared to baseline.
- The Mastercard Foundation Africa Growth Fund (MFAGF) estimated that each year SMEs (i.e., high growth companies with 50-300 employees) will create 10 additional jobs each year (i.e., on average companies with 175 employees will create 8% jobs annually).

In the absence of any baseline data or relevant documents, we recommend setting 5% increase in number of employees (compared to baseline) and this target could be reviewed once we have baseline and annual data gathered through company surveys.

Self-Employment (small entrepreneurs or smallholder farmers)

MEDA considers small entrepreneurs to have decent work (DW) if the work meets at least one of the following criteria:

- a. the entrepreneur reported increased yield of $\geq 25\%$ compared to baseline yield level
- b. the entrepreneur reported increased revenue of $\geq 50\%$ compared to baseline revenue level
- c. the entrepreneur reported increased net income of $\geq 25\%$ compared to baseline net income level²³⁴

Because of measurement dynamics of multi-sector market systems development projects and striving for a lean data approach, each project shall decide on a minimum of one (ideally the most easily achievable) of the above three criteria for their design and context and pursue this definition. If a project chose to measure more than one criterion, the criteria with the highest number of SEs shall be the one reported.

The number of SEs with decent work is an estimate based on the random sampling of surveyed clients in a project, as per this calculation:

$$\# \text{ of SEs with DW} = \% \text{ of sampled SE clients with DW} * \text{total \# of SE clients in project at given time}$$

INDICATOR	UNIT	DEFINITION	COMMENT
Number of SEs with increased yield of $\geq 20\%$ compared to baseline yield level	# of SEs Disaggregated by sex and age range	Yield: the seasonal or annual volume of harvest of a crop, usually in metric tons per hectare, annualized. In the case of multi-sector projects, the primary crop will be considered for that client. Equations will be made by crop/sector, and a weighted average applied.	This indicator is most appropriate for agricultural production-focused projects.

² The revenue and income targets have been reduced after reviewing decent work numbers reported during the past two years.

³ Please make sure that increase in income/yield/revenue is only for value chain/crops that MEDA is targeting.

⁴ The targets are for the life of the project.

Number of SEs with increased revenue of ≥50% compared to baseline yield level	# of SEs Disaggregated by sex and age range	Revenue: the total sales revenue from the work activity or opportunity, annualized. In the case of multi-sector projects, the primary activity will be considered for that client. Equations will be made by crop/sector, and a weighted average applied.	Actual revenue levels will be measured in the country currency.
Number of SEs with increased net income of ≥25% compared to baseline net income level	# of SEs Disaggregated by sex and age range	Net income: the total revenue from the decent work activity or opportunity minus expenses from that activity, annualized. In the case of multi-sector projects, the primary activity will be considered for that client. Equations will be made by crop/sector, and a weighted average applied.	This indicator is most appropriate for projects with access to quality data and processes, i.e., in the case of SEs who record keeping, as both revenue and expenses need to be collected. Actual income levels will be measured in the country currency.

Setting Targets for Self-Employment

Setting targets for decent work can be done by considering industry standards and records for that value chain. The evidence captured by the respective government agencies (e.g., Ministries of Agriculture etc.) could help with providing achievable estimates to validate what our baselines obtain.

For new projects, the targets will be set at the design stage and will be part of the results measurement framework. For instance, the RIISA project in the Philippines has decent work indicator target: “70% smallholder farmers report increased income by 50%...”. The total number of decent work opportunities, therefore, will be 70% of the total number of farmers (5,400)—3,780. Annual targets will be set based on the number of clients to be reached during that particular year.

Annual Decent Work Target= Number of clients x Percent of clients who will experience decent work as per the PMF target

Most of our existing projects have decent work-related indicators, however, the result frameworks do not specify the extent of change in income, revenue or yield. An example is Nigeria WAY project which has relevant indicator target: 70% entrepreneurs (i.e., farmers) assisted report increase in income...’ The target does not specify increase in income by how much. In such cases, projects could review their indicator data from previous surveys and identify how much increase participating farmers have reported. Based on limited evidence, we have noticed that generally 50-60% farmers report more than 25% increase in income compared to baseline. Therefore, 60% of total farmers are likely to experience decent work.

Disaggregation

To understand social barriers that may limit decent work, MEDA breaks down decent work data by sex (female/male) and age range (youth/adult) categories.

Youth definitions will follow the national policy of the country of interest. In the absence of national policy, MEDA defines youth between 15-35 years. Thus, at time of registration with MEDA, if a client is ≤ 35 years, they shall be considered youth for the duration of their MEDA engagement. It is incumbent upon each project to ensure they work with the appropriate definition.

Notes

- Decent work must be incorporated into project design
- Each indicator is reported at a project level. Additionally, given that these indicators are all change indicators and need time for a MEDA intervention to take effect, the clients of each project will have to report data for at least two periods, or years. Therefore, more than just baseline data would need to have been reported.
- Each project will report a single number of decent work opportunities, not disaggregated by crop or sector.
- The final figure will be the sum across projects in CRM.
- French and Spanish translations of this guide to follow.

Social and Environmental Criteria

Social and environmental criteria are quite important in measuring decent work opportunities. As part of our project result measurement frameworks, we capture data related to project objectives as well as use Probability of Poverty Index (PPI) to determine project reach and socio-economic impacts. However, result measurement frameworks are just one way to gather data for MEDA interventions. We also engage in other data gathering activities, including learning and evaluation studies (e.g., mid-term and final evaluations) that will capture social and environmental considerations for decent work (if they are not already included in result frameworks). As relevant, the following aspects will be considered to measure social and environmental determinants of decent work opportunities.

- Improved housing conditions
- Increased education spending
- Improved food security
- Increased health spending
- Improved decision-making capacity for women over household and economic resources
- Improved market participation
- Improved reporting of gender-based violence instances
- Improvement in management of natural resources (e.g., management of fossil fuels and other energy sources, water, soil, forest, biodiversity, ecosystem conservation or restoration, green supply management)

We welcome your comments! Please be in touch with your MIM technical specialist for ideas and improvements.