

<p>STANDARD SECTOR INDICATOR CODE: AG-033 FTF (FTF Code: EG.3.2-21)</p>	<p>Non-Farm Agricultural Profitability: Number of firms (excluding farms) or civil society organizations (CSOs) engaged in agricultural and food security-related manufacturing and services that have increased profits or become financially self-sufficient with Peace Corps assistance. (AG-033 FTF)</p>	
<p>AGRICULTURE SECTOR</p>	<p>Sector Schematic Alignment <i>Note: This indicator belongs to the “Markets” Project Area and “Business Development Services” Project Activities/Training Package (PA/TP) within the AG Sector but is borrowed by the following Project Activities/Training Packages within the ENV Sector.</i></p> <p><u>AG Sector (“Home” of the SSI)</u> PA/TP: Business Development Services</p> <p><u>ENV Sector</u> PA/TP: Business Development Services</p>	
<p>Type: Outcome</p>	<p>Unit of Measure: Firms (excludes farms)</p>	<p>Disaggregation: Type of entity: Firm, CSO</p>

Definitions:

To measure sustainable private sector investment, this indicator examines the profitability of applicable firms and financial self-sufficiency of civil society organization (CSOs) as a marker of viability. A CSO is financially self-sufficient when the CSO’s annual income is more than annual operating expenses and annual amortization and depreciation of permanent assets.

Count firms or CSOs who are receiving Peace Corps assistance that is intended to increase profitability or viability and have increased profitability (firms) or become self-sufficient (CSOs). A firm should be counted if it operated more profitably in the reporting year than it did the previous reporting year. A CSO should be counted if it was financially self-sufficient in the reporting year and it had **not** been financially self-sufficient in the previous reporting year.

Although profitability or self-sufficiency measured during the period the Peace Corps is providing assistance does not demonstrate whether a business or a CSO will remain sustainable after the Peace Corps assistance ends, it is an indication of its capacity to function effectively.

Examples of civil society organizations (CSO) include but are not limited to: agricultural cooperatives, community associations, women’s groups, community-based farmer groups, etc.

Financially self-sufficient CSO or firm—occurs when the CSO or firm’s annual income is more than the annual operating expenses, including capital depreciation and amortization of permanent assets

Examples of food security-related manufacturing and services include but are not limited to: provision of equipment or services that are used to improve land preparation, crop or livestock management techniques, harvesting processes, post-harvest storage and preservation techniques, processes that add value to agricultural outputs including product transformation, etc.

Peace Corps assistance/training may include but is not limited to: financial aid, workshops, demonstrations, lessons, service delivery, or activities conducted by Peace Corps. These activities typically are conducted to provide participants with knowledge and/or skills, technical assistance, learning opportunities, services or expand coverage for services, etc.

Rationale: A main goal of local capacity building is to leave behind viable businesses and service providers to contribute to the economic growth of the agriculture and food-security sector. Profitability of firms and self-sufficiency of civil society organizations is one way to demonstrate the viability and sustainability of the firms and CSOs in which Peace Corps invests.

Measurement Notes:

- 1. Sample Tools and/or Possible Methods (for Peace Corps staff use):** Volunteers should use data collection tools to measure progress against project indicators. A data collection tool to measure this indicator could be based on one of the following methods—secondary data record of financial records, survey, or interview—though there may be other data collection methods that are appropriate as well. For more information on the suggested methods, please see **Appendix I in the MRE Toolkit**. Also be sure to check the intranet page as sample tools are regularly uploaded for post use. Once a tool has been developed, post staff should have a few Volunteers and their partners pilot it, and then distribute and train Volunteers on its use.
- 2. General Data Collection for Volunteer Activities:** All Volunteer activities should be conducted with the intention of achieving outcomes – knowledge change (short-term), skills demonstration (intermediate-term), and behavioral changes (intermediate to long term) as defined by the progression of indicators within the objectives of a project framework. The progression of measurement for all Volunteer activities should begin with baseline data being conducted prior to the implementation of an activity (or set of activities), followed by documenting any outputs of the activities and then later at the appropriate time, measurements of specific outcomes (see “Frequency of Measurement”).
- 3. Activity-Level Baseline Data Collection:** Activity-level baseline data should be collected by Volunteers/partners before or at the start of their activities with a firm or group of firms. It provides a basis for planning and/or assessing subsequent progress or impact with these same people. Volunteers should take a baseline measurement regarding the outcome(s) defined in this indicator early in their work focused on increasing profitability of firms and CSOs. The information for the baseline measurement will be the same or very similar to the information that will be collected in the follow-on measurement (see “Frequency of Measurement”) after the Volunteer has conducted his/her activities and it is usually collected using the same data collection tool to allow for easy management of the data over time.

Because Volunteers are expected to implement relevant and focused activities that will promote specific changes within a target population (see the “unit of measure” above), taking a baseline measurement helps Volunteers to develop a more realistic snapshot of where firms within the target population are in their process of change instead of assuming that they are starting at “0” (i.e. not operating profitable before working with the Volunteer/partner). It also sets up Volunteers to be able to see in concrete terms what influence their work is having on the firms they work with during their service. Please note that obtaining financial information on the profitability of a firm can be difficult, so Volunteers should take their time and make sure they are well integrated into the community before attempting to report against this indicator.

- 4. Frequency of Measurement:** For reporting accurately on this outcome indicator, Volunteers must take a minimum of two measurements with firms of the target population reached with their activities. After taking the baseline measurement (described above), Volunteers should take at least one follow-on measurement with the

same firm(s), typically after completing one or more activities focused on achieving the outcome in this indicator and once they have determined that the timing is appropriate to expect that the outcome has been achieved. Please note that successful documentation of an improved profitability may not be immediately apparent following the completion of activities and may need to be planned for at a later time. Once Volunteers have measured that at least one firm has achieved the indicator, they should report on it in their next VRF.

Volunteers may determine to take more than one baseline and one follow-on measurement with the same firm (or group of firms) for the following valid reasons:

- a. Volunteers may want to measure whether or not any additional firms initially reached with activities have now achieved the outcome in the indicator, particularly for any activities that are on-going in nature (no clear end date);
- b. Volunteers may want to enhance their own learning and the implementation of their activities by using the data collected as an effective monitoring tool and feedback mechanism for the need to improve or increase their activities;
- c. A Peace Corps project in a particular country may choose to increase the frequency of measurement of the indicator and Volunteers assigned to that project will be required to follow in-country guidance.

In all cases, any additional data collection above the minimum expectation should be based on the time, resources, accessibility to the target population, and the value to be gained versus the burden of collecting the data. Following any additional measurements taken, Volunteers should report on any new firms achieving the outcome in their next VRF.

5. **Definition of Change:** The minimum change to report against this indicator is a firm operating more profitability (at or above cost) as compared to what was measured initially at baseline. In the case of this indicator, if the firm the Volunteer/partner works with already operating at cost before beginning to work with the Volunteer/partner, then the Volunteer would not be able to count it for this activity because the Volunteer's work did not actually lead to the desired change. However, if as a result of working with the Volunteer/partner, the firm begins to realize a profit from its activities, which would count because the Volunteer's work influenced the firms' ability to operate more profitable.
6. **General Reporting in the VRF:** The "number achieved" (or numerator) that Volunteers will report against for this indicator in their VRFs is the number of firms who began operating more profitability (at or above cost), after working with the Volunteer/partner. The "total number" (or denominator) that Volunteers will report on for this indicator in their VRFs is the total number of firms who participated in the activities designed to meet this indicator.
7. **Reporting on Disaggregated Data in the VRF:** This indicator is disaggregated by "Type of entity". When reporting in the VRF, a Volunteer should disaggregate the firms who achieved the outcome based on firm and CSO.

Data Quality Assessments (DQA): DQAs are needed for each indicator selected to align with the project objectives. DQAs review the validity, integrity, precision, reliability, and timeliness of each indicator. For more information, consult the Peace Corps MRE Toolkit.

Alignment with Summary Indicator: ENV. ADOPT INCOME-GEN. ACTIVITIES (ORGS.)