



# Standard Indicator Guidance Notes Biodiversity Challenge Funds

## Standard Indicator Method Note: **Number of people with increased income**

Department for Environment, Food and Rural Affairs (Defra)

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1/11

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## 1. Summary Information

<b>Indicator</b>	Number of people with improved income
<b>Units</b>	Number of People
<b>Type</b>	Outcome
<b>Headline data reported</b>	Annual number of stakeholders (people) who have experienced an increase in income as a result of Biodiversity Challenge Funds funding
<b>Disaggregation</b>	Age; Sex; Disability; Geography; IPLC; Sector; Income Level
<b>Related Indicators</b>	DI KPI 9: People with improved income
<b>Links</b>	DI KPI 9 methodology to be developed in 2026
<b>Revision History</b>	N/A – this method was first published 11/2025

**The aim of this methodological note is to guide project teams towards tailoring their approach to monitoring and measuring enhanced livelihoods using informed decisions about the context of their project.**

## 2. Definition

Where projects seek to bring about the creation of new livelihoods among project beneficiaries, or the enhancement of livelihoods which are already in place, this can result in an increase in beneficiary incomes. Such an increase can be demonstrated at a basic level with minimal resources, and at a more advanced level using additional resources:

**Basic Level:** Where project logical frameworks (logframes) and Monitoring, Evaluation and Learning (MEL) plans are set up to verify that stakeholders have indeed experienced enhanced incomes – for example, through a questionnaire in which stakeholders are asked to respond ‘yes’ or ‘no’ to a question about whether the project activities have resulted in an increase in their income levels.

**Advanced Level:** Where project logframes and MEL plans are set up to quantify the magnitude of the increase in income levels which can be attributed to activities funded by the Biodiversity Challenge Funds (BCFs) – for example, through a questionnaire that includes more detailed questions on the actual income levels of respondents from different sources over time.

At the *Basic* level, demonstrating enhanced incomes will generate useful information with limited resources, and can be used by all relevant projects<sup>1</sup> to report against this indicator, including those which are funded under smaller schemes like Darwin Initiative Innovation, Illegal Wildlife Trade (IWT) Challenge Fund Evidence, or Darwin Plus Local.

At the *Advanced* level, all qualifying projects<sup>1</sup> which are funded under the Main or Extra Schemes<sup>2</sup> are encouraged to use the second way to demonstrate increased beneficiary incomes. This more advanced level of reporting is more resource-intensive but can generate the kind of quantitative evidence that Project teams can use to assess the magnitude of their impact. It also allows BCFs fund managers to continue making a strong case for support at the fund level.

<sup>1</sup> Those that anticipate being able to bring about an increase in project beneficiary income levels during the course of their project.

<sup>2</sup> This includes Darwin Initiative Main and Extra, IWT Challenge Fund Main and Extra, and Darwin Plus Main and Strategic.

For both ways of demonstrating increased incomes, it is important to have at least one clearly defined Community Group to which increased incomes can be assigned. This is covered in Step 2 of the Stepwise approach laid out in Section 4.

### 3. Approach

Below is a summary of steps that you need to take to demonstrate that a number of people have experienced increased income as a result of their engagement with project activities, and (if applicable) to quantify the magnitude of this increase. Step 4 is only applicable to those opting for the *Advanced* method.



## 4. Stepwise guidance

### 4.1 Step 1. Define your Community Groups(s)

A clearly defined group of project beneficiaries is a fundamental requirement for compliance with the standards associated with this indicator. We use the terms *Community* and *Community Group* in the following clearly defined way. **To ensure compliance with the standards associated with this indicator, you must be able to define your beneficiaries as a distinct Community Group** per the requirements outlined in Table 1.

Table 1: Defining a Community and a Community Group

Beneficiary groupings	Attributes required to define
<b>Community</b>	Geographic area of residence, administrative area as defined by political boundaries, or cultural area as defined by cultural traits
<b>Community group</b>	Age and sex profile, disability profile, Indigenous Peoples and Local Communities (IPLC) <sup>3</sup> profile, locally and contextually relevant attributes (e.g. livelihood type, tenure type, income level, resource user type, religious affiliation)

In addition to having a clearly defined Community Group, the project team should be able to demonstrate that this group is both a) directly targeted by the project, and b) receiving a high-intensity of support from the project<sup>4</sup>.

<sup>3</sup> See <https://www.ipbes.net/glossary-tag/indigenous-peoples-and-local-communities>

<sup>4</sup> For more information on how to classify project beneficiaries in terms of how directly they are targeted, and to what degree of intensity, see step 4 in the Stepwise guidance of the BCFs Standard Indicator Methodology - Livelihoods. This can be found on the Monitoring, Evaluation and Learning page under Resources on each fund's website.

## 4.2 Step 2. Review your evidence base

Start by assessing the level of evidence available to you, and the corresponding level of ambition that you can set for yourself in reporting against this indicator:

Level of evidence available	What you can demonstrate
At least one clearly defined Community Group, with a breakdown of the number of people in the group, as well as the age, sex, and disability profile of the people in this group. Example: 400 people living in PA X Buffer Zone (200 pastoralists, 60 engaged in subsistence agriculture, 20 employed in timber harvesting, 120 not economically active; 210 females, 190 males; 30 disabled people, 170 not disabled).	This is fundamental to compliance with any income-related reporting
A way to demonstrate that a quantified sub-set of people in the community group have <b>experienced an increase in incomes (see Step 3 for requirements)</b> . This sub-set of people needs to be defined in terms of their age, sex and disability profile.	Number of people with increased incomes (Basic level)
A way to <b>quantify the magnitude of the increase in incomes (see Step 4 for requirements)</b>	Magnitude of increase in incomes (Advanced level)

## 4.3 Step 3. Quantify the number of people who have experienced increased incomes

For this step, the project team needs to assess whether project beneficiaries have experienced an increase in incomes, and the availability of evidence to demonstrate this. We support the use of a range of evidence types, as reflected in Table 2. To make a strong case that beneficiary incomes have increased, project teams will typically need to use at least one or two of these evidence sources.

Note that for this step, all that is required is to demonstrate that incomes have increased. There is no need to demonstrate *by how much* they have increased (this is the focus of the next step).

Table 2: Non-exhaustive list of evidence types which can be used to demonstrate an increase in beneficiary incomes

Quantitative income data	Qualitative income data
<ul style="list-style-type: none"> <li>• Primary data from business or household surveys</li> <li>• Project records (e.g. documenting an increase in the salaries of PA management staff)</li> <li>• Secondary income data (e.g. published by government or civil society)</li> <li>• Proxy data such as Market Assessments or Consumer Surveys (less directly relevant, but can be used to demonstrate increased spending and triangulate more direct forms of evidence)</li> </ul>	<ul style="list-style-type: none"> <li>• Inputs from structured interviews, focus groups, and workshops</li> <li>• Specialist opinions of social workers, local economists, representatives of business, government, or representatives of formal labour organisations such as trade unions</li> <li>• Insights from secondary sources, especially those with high local validity (e.g. development plan endorsed by local political representatives)</li> </ul>

In accordance with BCFs MEL guidance<sup>5</sup>, all evidence needs to be clearly documented, shared, and signposted as Means of Verification (MoV) when reporting progress against a corresponding income-related Project Indicator. These should be included when reporting progress against the targets set in logframes, and when drafting Annual Reports (ARs) and Final Reports (FRs). All related data and analysis should be shared as annexes to ARs and FRs, including both quantitative data and qualitative data (including anonymised survey data and engagement records).

### **Convert number of businesses and households to number of people**

The unit for this indicator is number of people, not number of businesses or households. Where interventions are implemented at the business- or household-level, ask partners to collect **individual-level data** on employees or household members to allow for disaggregation by sex, age, disability, and information on the Sector the person is working in. If you have business- or household-level rather than individual-level data, then the number of businesses or households needs to be converted into the number of people. For businesses, this will require information on the number of employees. For households, if there are reliable data on average household size for the target location or sub-population, use that. Otherwise, multiply by the national average household size. Although working out the total number of stakeholders by using an average household size is satisfactory, it is worth noting that this approach limits the ability to disaggregate data representatively.

## **4.4 Step 4. Quantifying the magnitude of the increase in incomes**

To robustly quantify an increase in beneficiary incomes, you will need the following information.

- At least one clearly defined Community Group (see Step 2)
- Primary data documenting the baseline incomes of project beneficiaries (disaggregated by country, sex, age, and disability) at the level of individual people, businesses, or households<sup>6</sup>
- Primary data documenting the endline incomes at the level of the same individual people, businesses, or households (disaggregated by country, sex, age, and disability) that were surveyed at baseline<sup>7</sup>
- Consumer inflation data in your respective country(ies)<sup>8</sup>
- Information on the non-inflation chief determinants of income levels amongst project beneficiaries, which can be used to infer what the likely change in income levels would have been in the absence of the project

Note that you will need endline data to estimate changes in incomes. So, you will only be able to estimate the magnitude of any change in incomes at the end of your project. Therefore, we only require you to estimate and share with us the magnitude of this change in your Final Report. The following steps will walk you through the process of estimating the change.

### **4.4.1 Step 4.1 Convert your baseline income data into current terms**

By the time you are wanting to estimate an increase in incomes, your baseline income data will already be at least a year or two old. For most BCFs projects, it will be three years old. To ensure that you account for the effect of inflation on incomes, you will need to adjust the baseline income figures to bring them into *current* terms<sup>9</sup>.

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<sup>5</sup> The BCFs MEL Guidance can be found on the Monitoring, Evaluation and Learning page under Resources on each fund's website.

<sup>6</sup> Aggregated information is not suitable for this step (e.g. the average income of a group of people that is larger than a business or a household)

<sup>7</sup> In most cases, follow-up surveys with the exact same respondents that were surveyed at baseline is the most appropriate and robust way to assess a change in incomes. While uncommon, there are some circumstances in which interviewing the same respondents is not viable (e.g. where a highly transitory population of people is concerned, such as a nomadic people or group of displaced persons). In such exceptional cases, a statistically representative sample of the same population at both baseline and endline will be accepted.

<sup>8</sup> This should be sourced either from Central Banks or Reserve Banks, or from an authoritative source like the [World Bank](#).

<sup>9</sup> A detailed definition for inflation, as well as an explanation on how to account for it, is provided in [House of Commons Library. 2009. Statistical literacy guide: How to adjust for inflation](#) [Accessed 9 April 2025].

To do this, take your baseline income figure and multiply it by a combined inflation factor that should cover the full period between baseline and endline. To estimate your combined inflation factor, simply divide your inflation rate in each year by 100, then add 1, and multiply all resulting figures together.

For example, if you have a project which has run for three years, and inflation was 3% in the first year of the project, 4% in the second year, and 6% in the third year, you can calculate your combined inflation factor as follows:

$$(3 \div 100) + 1 = 1.03$$

$$(4 \div 100) + 1 = 1.04$$

$$(6 \div 100) + 1 = 1.06$$

$$\text{Inflation adjustment factor} = 1.03 \times 1.04 \times 1.06 = \underline{\mathbf{1.135}}^{10}$$

Once you have your inflation adjustment factor, simply multiply it by your baseline income to bring it into current terms.

For example, assuming that the inflation adjustment factor above covers the 2022-2025 period, a £1000 income in 2022 terms can be multiplied by 1.135 to get to a £1,135 income in 2025 terms (i.e. in current pounds).

#### **4.4.2 Step 4.2 Calculate the *real* magnitude of change in income levels**

Once you have your baseline income figures in current terms, you can simply subtract it from your endline income figures to get the net difference. You will now have a robust estimate of the degree to which incomes have increased (or decreased) in real terms at the level of the individual beneficiary, business or household.

#### **4.4.3 Step 4.3 Present the aggregated magnitude of change for each Community Group**

Step 4.1 and Step 4.2 should be applied to data at a granular level (ie. you should calculate the net change in income for each individual, business, or household. This can be done in Excel using tables, in which simple column-specific formulas can be used to avoid too much repetition in calculations. Aggregating data prematurely and prior to undertaking these steps, for example, by taking the average income of a group of people at baseline and at endline, and then adjusting those to account for inflation, is bad practice and will not allow you to report disaggregated findings.

Once you have net changes in income for each project beneficiary, these can be used to estimate aggregated figures. You can then calculate:

- The number of people who have experienced a real increase in incomes
- The total real net increase in income across a full Community Group (this should be an average of all people in that Community Group, not just people who have experienced a real increase in incomes)
- The average increase in income for females, or for female-headed businesses or households, relative to those of males
- The average real increase in income for all other important disaggregation types

#### **Cautionary note on the use of currency deflators**

Some guidance notes advise the use of a currency *deflator* to bring the endline income values into a base year which represents the start of the period you are interested in, and then to subtract the endline from the baseline, both in base currency terms, before calculating the difference (i.e. the opposite of what is described in Step 4.1 above). While this is technically acceptable, it is of limited utility given that you will then have your

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<sup>10</sup> For more detail on why these adjustments need to be made when using percentages, see [House of Commons Library. 2010. Statistical literacy guide: How to understand and calculate percentages](#) [accessed 9 April 2025].

income figures in the currency of a previous year. In countries where inflation is high, you will end up with figures that look artificially small relative to their equivalent value in current terms. We do not support this approach, as it will result in the need for an extra step whereby the amounts must again be inflated to get to their value in current terms.

#### **4.5 Step 5. Report the number people with increased income (and the magnitude if applicable)**

**Annual reporting:** We require programmes to report the in-year and cumulative overall programme lifetime number of people with increased income in units of “number of people”. For an idea of ambition, we also ask for the full project’s lifetime expected result.

For projects which are estimating the magnitude of increase in income levels, this information can be reported against the relevant Project Indicators, when reporting progress against these indicators as set out in the logframe. Given that endline data is required for these metrics, projects are only required to report this in their Final Reports. However, Annual Reports should still contain the relevant targets, which can be updated as necessary and in response to changing contexts through Change Requests during project delivery.

When reporting increases in incomes, project teams must report the absolute change in incomes. In addition to this, project teams can report the percentage change in incomes, for ease of interpretation and where targets have been set in this format.

**Disaggregation:** Results under this indicator should be **disaggregated** by the following four dimensions:

- **Sex:** disaggregate direct stakeholder counts by sex using two categories: male and female. Due to safeguarding with regard to gender minorities, further disaggregation according to sex is not advised. Where a stakeholder’s transgender, intersex or non-binary status is known, classify according to their gender identity where a ‘male’ or ‘female’ designation fits with this. Otherwise leave blank.
- **Age:** disaggregate direct stakeholder counts by age using 4 categories: children (age 0- 14); youth (age 15-24); adults (age 25-64); and elders (age 65+).
- **Disability:** projects should incorporate the Washington Group ‘short set’ of six disability questions to their stakeholder monitoring surveys<sup>11</sup>. Anyone who answers ‘a lot of difficulty’ or ‘cannot do at all’ to one or more of the six questions counts as disabled.
- **Geography:** disaggregate direct and indirect stakeholder counts by geography wherever possible, using two categories: urban and rural. In the absence of internationally agreed definitions of urban and rural, use the definition set by the national statistical office in the country where the project is operating.
- **IPLC:** disaggregate by stakeholders who self-identify as Indigenous or as members of distinct local communities.
- **Creating or Protecting Livelihoods.** Determine if your activity is either creating or protecting livelihoods (see section 4.2. for a definition of each).

**Attribution<sup>12</sup>:** In the case of multi-donor funded programmes or multilaterals - where Defra ODA is not the sole funder of a programme – the Defra ODA attribution reported should be calculated on the basis of Defra’s share in the total programme cost or budget. In case Defra happens to be the only funder of a programme implemented by a multilateral institution, the full result can be reported but this should be explicitly mentioned

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<sup>11</sup> <https://www.washingtongroup-disability.com/question-sets/wg-short-set-on-functioning-wg-ss/>

<sup>12</sup> For more detail on what to consider when adjusting your reporting for attribution and additionality, see [UK Government, 2023. Supplementary Guidance to ICF Results Methodology Notes: Additionality and Attribution](#) [Accessed 9 April 2025].

in the report, so this is understood when your return is quality assured at the central level to confirm there is not a risk of double counting.

**Additionality:** The net increase in incomes estimated in Step 4 will have resulted from the influence of project activities as well as myriad other factors. To report only the net increase, which is attributable to your project, you will need to estimate what the net increase in incomes *would have been* in the absence of your project and then subtract the actual increase in incomes from this, rather than from your baseline incomes presented in current terms. This approach will allow you to factor in not only inflation, but a range of other influences which may have contributed to the increase in incomes.

## Annexes

### Annex 1. Worked Example

Aminah is an artisanal fisher who lives in Indonesia and has benefitted from participation in a Darwin Initiative project which was active from 2021 to 2023. The project established a connection between Aminah's fishing cooperative and a market in a neighbouring city, facilitating the formation of a cold chain between the port where Aminah lands his catch and a well-established fish market. Since the project started, Aminah has been receiving a higher price for her fish. Initially, when Aminah was restricted to local markets, she was receiving Rp 300 in revenue for every fish he sold, but she now earns Rp 380 in revenue for every fish sold (Indonesia uses the Rupiah as currency, denoted by the Rp symbol).

At baseline, Aminah's combined capital and operational costs equated to Rp 200 for every fish caught and sold. But at endline, this had increased to Rp 220 for every fish caught and sold.

Aminah's gross income per fish sold has increased from Rp 300 – Rp 200 = Rp 100 per fish at baseline in 2021, to Rp 380 – Rp 220 = Rp 160 per fish sold at endline in 2023.

**In nominal terms**, the income that Aminah receives per fish has increased from Rp 100 to Rp 160. So, in *nominal* terms she has seen an overall increase in income of  $(Rp\ 160 - Rp\ 100) / Rp\ 100 = 60\%$ .

To calculate Aminah's increase in income in *real* terms, we need to account for the role of inflation. Using World Bank data, we can see that Indonesia's inflation rate was 1.56% in 2021, 4.21% in 2022, and 3.67% in 2023.

Table 3: Annual inflation (% change in the Consumer Price Index) in Indonesia

Year	2021	2022	2023
Inflation (annual %)	1.56	4.21	3.67

To account for this inflation, we first need to take Aminah's income at baseline (Rp 100 in 2021 Rupiahs) and bring it into current, 2023 Rupiahs. We can do this by multiplying the income first by 1.0156, then by 1.0421, and then by 1.0367. This gives us Rp 109.72. Alternatively, we can create an inflation adjustment factor for the full period by multiplying these inflation factors by one another to get 1.097, then multiply that factor by the income in base currency terms (2021 Rupiahs), to get the same Rp 109.72 in 2023 Rupiahs.

So, **in real terms**, Aminah's income has increased from Rp 109.72 per fish at baseline (expressed in 2023 Rupiahs) to Rp 160 per fish at endline. This represents a  $(Rp\ 160 - Rp\ 109.72) / Rp\ 109.72 = 45.8\%$  increase in income per fish.

## Annex 2: Data Disaggregation

Results are disaggregated by:

- Sex
- Age
- Disability
- Geography
- IPLC

### Sex, Age, Disability, and Geography

The UK government is committed to the principle that 'every person counts and should be counted'. As a member in the Global Partnership for Sustainable Development Data, we have prioritised four disaggregation axes – sex, age, disability, and geography – which programmes should report for direct stakeholders.

Disaggregation must be based on actual counts; not models or estimates.

Disaggregation	Categories
<b>Sex</b>	Male, Female
<b>IPLC status</b>	IPLC, non-IPLC
<b>Age</b>	Disaggregate direct stakeholder counts by age using 5 categories: <ul style="list-style-type: none"> <li>• Children (age 0- 14)</li> <li>• Youth (age 15-24)</li> <li>• Adults (age 25-64)</li> <li>• Elders (age 65+)</li> <li>• Not reported</li> </ul>
<b>Disability</b>	Programmes should incorporate the Washington Group 'short set' of 6 disability questions to their stakeholder monitoring surveys. Anyone who answers 'a lot of difficulty' or 'cannot do at all' to 1 or more of the 6 questions counts as disabled. Anyone who answers 'no difficulty' or 'some difficulty' to all 6 questions counts as not-disabled. <ul style="list-style-type: none"> <li>• Not disabled</li> <li>• Disabled</li> <li>• Not reported</li> </ul>
<b>Geography</b>	Disaggregate direct and indirect stakeholder counts by geography, wherever possible, using 3 categories: <ul style="list-style-type: none"> <li>• Urban</li> <li>• Rural</li> <li>• Not reported</li> </ul> <p>In the absence of internationally agreed definitions of urban and rural, use the definition set by the national statistical office in the country where the programme is operating.</p>