

TOOLS FOR THE INEQUALITY-REDUCTION APPROACH

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Tool 1. Context analysis

- This tool proposes a brief internal diagnosis of the AECID, which will serve to identify the state of play regarding the factors and expressions of inequality. It is a starting point for consulting sources of information, detecting issues of interest and initiating a diagnosis (see Tool 3).
- It contributes significantly to the two analysis criteria of AECID's inequality-reduction approach (Criterion 1 and Criterion 2).
- It consists of two parts:
 1. Contextual analysis of inequalities
 2. Analysis and participation of disadvantaged groups
- Together, these two tools allow us to obtain a brief diagnosis in order to design, implement or evaluate the need to include actions in our interventions such as: baselines, in-depth research and/or diagnoses, analysis with qualitative participation techniques (interviews, focus groups and others), spaces for dialogue between stakeholders, support to statistical systems and/or stakeholders that generate data, etc.

1. Contextual analysis of inequalities

This tool allows users to analyse and understand the situation of inequalities from the outset. To this end, it is based on a series of 'guiding' questions for the context analysis from a multidimensional perspective, with an emphasis on inequality gaps.

The context analysis is organised around three key areas (the questions guide us to define these contents):

- General analysis of expressions of inequality: of what and between whom.
- Analysis of trends and drivers of inequalities in the political and socio-economic domain of the intervention.
- Information for a general/macro-contextual analysis of inequalities (with indicators such as PALMA, GINI or similar) and possible indirect measures of inequality (such as housing quality and facilities, access to services, etc.).

Table 1. H1.1 Guiding Questions on the context of inequalities of an AECID intervention

CONTEXT AREAS AND QUESTIONS	Yes	No	Comments / Description Which?
Availability of/access to information to analyse inequality from a multidimensional perspective			
Are there sources of data and/or reports on inequality in the country, region or sector to be addressed, disaggregated by sex, age, ethnicity, disability and social class?			
Do I find easy and clear information on economic redistribution and economic growth in the country, region or population sector?			
Levels of inequality in the country and its causes	Yes	No	Comments / Description Which?
Have I checked if data are available on indices related to economic inequalities in that territory? Examples: the Gini, Palma, Lorenz and Theil indices; Breakdown of inequality by income sources; Breakdown of inequality by population groups			
Have I checked if there is information on primary income distribution to understand income inequalities related to the labour market (specifically related to productive employment policies and decent work)? Examples: analysing wage inequality; distribution of earnings; access to the labour market; informality, etc.			
Have I checked if there is information on primary income distribution to understand wealth inequalities? Examples: asset index; land ownership; return on financial assets; wealth index; comparison of wealth of the top 1%, 0.1%, 0.01%, etc.			
Have I checked whether there is information on secondary income distribution to understand whether or not it corrects the causes of economic inequality (specifically related to fiscal policies for redistribution and progressive taxation)?			

Examples: analysis of direct and indirect taxes, analysis of tax reforms, analysis of public revenue and expenditure,			
Have I checked whether there is information on tertiary income distribution to understand disparities in access to public goods and services, such as education, health or nutrition, energy, water, transport and other essential services? Examples: analysis of policies and legislation that create obstacles; discriminatory practices in accessing employment, services or income generation or spatial inequality (geographical distribution of public services), etc.			
Have I checked for information on discriminatory social norms and subjective perceptions/measures of inequality (prejudice, discrimination and social exclusion) to understand social inequality and discrimination? Examples: analyse social and intergenerational mobility, racial or ethnic discrimination, political marginalisation, gender inequalities, educational data on previous generations, methods of selection and access to the judiciary or public administration posts, subjective perceptions or measures of discrimination, testimonies of discriminated groups, social inclusion and cultural diversity policies...			
Have I checked for information on the political participation of Civil Society Organisations (CSOs) and traditionally excluded groups to understand political inequality? Examples: political participation of traditionally excluded groups, whether there is effective participation of CSOs and what are the rules of intergenerational transmission of inequalities)			
The level of commitment to reducing inequalities in national or sectoral strategies or plans, donor agreements and national programmes	Yes	No	Comments / Description Which one?
Do the key stakeholders in my intervention (e.g. government entities, public administration, local authorities, civil society organisations, etc.) use or refer to certain key figures on inequality in their reports, plans or other documents?			
Do the main public policies, plans or reference programs that affect my intervention include the objective of influencing inequality and/or refer to a diagnosis on this issue?			

Source: Prepared by the authors based on diagnostics (DIA, AFD and ACEIR).

2. Analysis and participation of the most disadvantaged groups

Information mapping is a very useful tool that allows us to:

- Know which stakeholders work to reduce inequality in our context (either by publishing reports/research or by working with vulnerable groups) and also to reflect on any stakeholders who oppose (openly or de facto) the reduction of inequality;
- Identify what information on inequality issues is available, what type of data (quantitative and qualitative), and at what levels (community, local, regional, national, international, etc.);
- Identify existing spaces for dialogue on inequalities (or with potential for inclusion of these issues) with both institutions and CSOs.

It is organised around three key areas:

- ① Analysis (participatory, to the extent possible) of those population groups that may be in a disadvantaged situation or at risk of exclusion: it is necessary to ask who they are, where they are and how they can be reached).
- ② Analysis of reference groups and privileged population groups.
- ③ Analysis (participatory, to the extent possible) of the factors of inequality that affect this group or these groups (economic, social, geographic and political factors, age, ethnicity, etc.): analysis of how the inequalities that affect this group or these groups affect (or do not affect) the general population.

It is proposed to develop a matrix to incorporate information on reports, sources of information, stakeholders and organisations or institutions linked to the issue.

Table 2. H1.2 Stakeholder mapping: sources of information and/or work on reducing inequalities

INFORMATION MATRIX					
Country/Context:				Date of update:	
1. STAKEHOLDERS GENERATING DATA/INFORMATION					
Entity/Institution (name, telephone, contact)	Intervention level (Region/Country) /Department/	Type of relationship with AECID ¹	What data do they generate? (e.g. statistics, surveys, reports...)	What information do they provide on inequality? (e.g. in which area or sector of inequality, on which reference group(s)...)	Source of information
2. STAKEHOLDERS WORKING WITH DISADVANTAGED GROUPS					
Entity/Institution (name, telephone, contact)	Intervention level (Region/Country) /Department/	Type of relationship with AECID	What activity do they carry out? (e.g. advocacy, awareness raising, community work...)	Do you carry out specific work on inequality? (e.g. in which area or sector of inequality, on which reference group(s)...)	What do they publish?
3. SPACES FOR STAKEHOLDER DIALOGUE ON INEQUALITY					
Name of the Forum, Alliance or Dialogue Table (name, telephone, contact)	Intervention level (Region/Country) /Department/	Type of relationship with AECID	What activity do they carry out? (e.g. advocacy, awareness raising, community work...)	Do you carry out specific work on inequality? (e.g. in which area or sector of inequality, on which reference group(s)...)	What do they publish?

¹ Examples: if there is a contract, an agreement or a “Memorandum of Understanding”, if it is an NGO with AECID funding, if it is a donor agency, if it is a forum in which AECID participates, if it is a donor round table, etc.



Tool 2. Sources of information

- This tool proposes a list of information sources that allow consultation of and access to useful data to understand and measure some of the expressions of inequality in each context.
- It contributes significantly to the two analysis criteria of AECID's inequality-reduction approach (Criterion 1 and Criterion 2).
- It consists of two parts:
 1. Composite indices for measuring inequality
 2. Useful indicators and data sources
- These sources of information allow us to obtain measurements and make comparisons. They also serve to measure inequality gaps, especially economic ones.

Part 1. Composite indices for measuring inequality

Composite indices provide macro-level information on economic inequality (national, provincial or departmental), which is generally not the level of intervention of AECID. It is always useful to use these indices as a basis for context analysis and to get an idea of the overall situation. For our intervention, it is necessary to go deeper and explore indirect measures of inequalities: housing quality and facilities, access to services (water, electricity, health, education, etc.) and for this, it is recommended to use Tool 2.

Inequality is too complex to be captured by a single indicator; inequality, as a multidimensional and relational reality, is even harder to capture. Therefore, most initiatives have focused on the construction of composite indices (aggregating variables) and the comparison of income and wealth levels.

Table 3. Some of these indices or measures are the following:

Measures	Type of inequality it measures	Definition	Advantages and disadvantages
Gini	income and wealth distribution	cumulative share of a % of the population	graphically representable; can be analysed by deciles; not very sensitive at the extremes
Palma	rich/poor gap	income of the richest 10%/poorest 40%.	very simple; limited information
10/90	rich/poor gap	income of the richest 10%/other 90%	very simple; limited information

Theil	income and wealth distribution	gaps between incomes in different parts of the income distribution	rich in information about the extremes of the distribution; quite complex
Atkinson	income and wealth distribution	% of total income that should be transferred to achieve greater equity	rich in information about the lower part of the distribution; quite complex

Source: compiled by the authors.

Of all these indices, the most popular is the Gini index.² (GI), which is commonly used both within and outside research and cooperation fields.

What does the Gini Index (GI) tell us?

- ⊕ It shows inequality by dividing the population into quantiles after ranking the members from poorest to richest. It does this by comparing the cumulative proportions of the population with the cumulative proportions of the income they earn, and ranges between 0 (perfect equality) to 1 (perfect inequality). The GI is often multiplied by one hundred to facilitate interpretation. In practice, the Gini ranges between 0.30 (the most equal countries) and 0.60 (the most unequal).
- ⊕ The Gini coefficient can be calculated on gross income ("market" Gini), disposable income after taxes and transfers, or income that also includes the value of public services (e.g. health, education, etc.) to which the population has access. It is used to analyse whether taxes and transfers, as well as public services, have a corrective and inequalities-reducing effect in societies.
- ⊕ The index is constructed to focus on those parts of the distribution where quality information is typically available. Given the low reliability of data at the extreme ends of the income spectrum (particularly at the richer end), changes in the poorest and richest segments of the population are often under-represented and therefore other complementary information is used.
- ⊕ It is more sensitive to changes in the centre of income distribution than to changes in the upper and lower tails.

What other indices give us information about inequalities?

To reduce the lack of sensitivity of the Gini index at the extremes, complementary methods are often used, e.g. income shares at the top and bottom of the distribution. The following are usually considered:

- The bottom 40% (in line with SDG10 target 10.1) and the top 20%, 10% or even 1% to focus on the interesting dynamics between groups at the top.

² The Gini coefficient provides a simple tool for ranking countries and monitoring inequality levels over time. It normally measures inequality in income distribution, although it can also be used for other inequalities such as consumption, wealth, access to services (health, education, etc.). The GI can be accessed at the following link: <https://wid.world/news-article/gini-coefficients-available/>

- The S80/S20 is the ratio between the average income of the richest 20% and the poorest 20%.

Some indices related to these measurements are:

- Palma Index: measures the rich/poor gap. It compares the income of the richest 10%/poorest 40%. The information is considered interesting, but limited.
- 10/90 Index: Similar to the Palma index, in this case it compares the income of the richest 10% with the other 90% of the population.
- Indices measuring income and wealth distribution: these are somewhat complex for popular use (statistical use) and attempt to provide information on the extremes. The Theil index analyses the gaps between incomes in different parts of the income distribution. And the Atkinson index, which measures the percentage of total income that must be transferred to achieve greater equity.

These composite indices focus on measuring income and wealth inequalities. To overcome this approach, other initiatives have been developed to measure multidimensional inequality, such as:

- [Commitment to Reducing Inequality Index \(CRI Index\)](#) “The index ranks governments' efforts based on actions [they take] in three areas or pillars vital [to reducing the level of inequality]: social spending, taxation and labour. It measures the effects of states' social policies” (OXFAM, 2022:2). The disadvantage of this index is that it is not produced on an annual basis.
- [The Inequality-adjusted Human Development Index \(IHDI\)](#). This index is the HDI “corrected” by incorporating the inequality variable. The HDI is a summary measure of average achievements in key dimensions of human development: a long and healthy life, knowledge and a decent standard of living. “This geometric measure is adjusted for inequality: discounting the average value of each dimension according to its level of inequality. The IHDI value is equal to the HDI value when there is no inequality between people, but falls below the HDI value as inequality increases.” This index can be said to capture the losses in human development given the inequality in health, education and income. Among its limitations is its dependence on national statistics that are not up-to-date when they are published and of variable quality.
- [Global Multidimensional Poverty Index \(MPI\)](#). This index is a measure of poverty that reflects both the incidence of multidimensional poverty (the proportion of people in a population who are multidimensionally poor), and its intensity (the average number of deprivations that each poor person experiences at the same time). It can be used to create a comprehensive picture of people living in poverty, and allows comparisons to be made both across countries, regions and the world, and within countries by ethnic group, urban/rural location, as well as other household and community characteristics.
- Gender Inequality Index (GII). It is a composite measure that captures gender disparities in three key dimensions of human development: reproductive health, empowerment and labour market participation. The GDI reflects the loss of achievement in a country due to inequality between women and men. The higher the GDI value, the greater the gender inequality. The three main dimensions that the GDI assesses are reproductive health, empowerment and labour market participation.

- Energy Poverty Index (EPI). This is a measure used to assess the degree to which individuals or households have difficulty accessing essential energy services, such as heating, cooling, lighting and other services necessary to maintain an adequate standard of living. Energy poverty manifests itself when a significant portion of a household's income is spent on paying energy bills, or when an adequate temperature cannot be maintained at home, among other factors. It comprises variables such as the percentage of household income spent on paying energy bills, the level of household income, the energy efficiency of the dwelling, or the level and quality of reliable and affordable access to necessary energy services.
- Social Vulnerability Index (SVI). This is a measure used to identify and quantify the vulnerability of specific communities or populations to different types of risks, such as natural disasters, economic crises, and public health problems. This index assesses various factors that may affect a community's ability to prepare for, respond to, and recover from these adverse events. Factors commonly included in the SVI are socio-economic and demographic factors. Health, infrastructures and physical environment (proximity to risk areas, environmental quality, etc).

Part 2. Available indicators and sources of data on the reduction of inequalities

Composite indices can give us adequate information for the baseline diagnosis (context analysis). However, we need specific indicators for AECID interventions that can serve as a reference for the specific context of our intervention and as possible sources of data for monitoring and evaluation.

In addition, there are publications and reports from entities that are published periodically that can serve as a reference for the context analysis of our intervention or as examples for conducting research and diagnosis.

The most comprehensive source of data on inequality reduction is the following:

Table 4. Sources of data on inequality reduction

WID (World Inequality Database)	http://wid.world
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Additionally, the following list includes some of the most common data sources for variables related to different areas of inequalities.³

Afrobarometer	www.afrobarometer.org
World Bank, data	https://datos.bancomundial.org
Brookings, World Poverty Clock prospects	http://worldpoverty.io/
Global burden of disease	http://www.healthdata.org/gbd/data
ECLAC, statistics	https://www.cepal.org/es/temas/statistics
Commitment to Equity (CEQ) Institute, Tulane University	http://commitmenttoequity.org

³ Some pages are only available in English.

Demographic and Health Surveys (DHS)	http://dhsprogram.com/Data
Gallup Analytics	https://www.gallup.com/home.aspx
Health Equity Assessment Toolkit (HEAT)	https://whoequity.shinyapps.io/HEAT/
Hunger and Nutrition Commitment Index (HANCI)	https://archive.ids.ac.uk/hanci/www.hancindex.org/hanci/index.html
Human Development Index (HDI)	https://dhsprogram.com/Data/
Fund for Peace Fragile States Index	http://fundforpeace.org
Informe Población 2024 FNUAP: Eliminar las desigualdades en materia de salud y derechos (UNFPA State of World Population Report 2024: Ending inequalities in health and sexual and reproductive rights)	swp2024-spanish-240405-web.pdf (unfpa.org) SPANISH REFERENCE???
ITU/ITC World Telecommunication/OTC Indicators Database	https://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx
Latinobarómetro	https://www.latinobarometro.org/lat.jsp
UN, Global Database on Violence against Women	http://evaw-global-database.unwomen.org/40
UN, Surveys on Crime Trends, United Nations Office on Drugs and Crime	https://www.unodc.org/unodc/en/data-and-analysis/United-Nations-Surveys-on-Crime-Trends-and-the-Operations-of-Criminal-Justice-Systems.html
UN Global Education Monitoring Report	https://www.education-inequalities.org/
UN, Sustainable Development Goals (SDGs)	https://unstats.un.org/sdgs/indicators/database/
UN, Live births by sex	http://data.un.org/Data.aspx?d=POP&f=tableCode%3a4
OECD, Gender, Institutions and Development Database (GID-DB), 2011-2014	https://stats.oecd.org/index.aspx?datasetcode=GIDDB2014
OECD, Office for Democratic Institutions and Human Rights (Hate crime reporting)	http://hatecrime.osce.org
Global Health Observatory	http://www.who.int/gho
WHO/UNICEF Joint Monitoring Programme for Water Supply, Sanitation and Hygiene (JMP)	https://washdata.org/data/household#!/
International Labour Organization (ILO)	https://www.ilo.org/data-and-statistics
International Labour Organization (ILO), ILO Stat	https://ilostat.ilo.org
Pew Research Center, Religion Surveys	http://www.pewforum.org/datasets/
Prindex, an initiative of the Overseas Development Institute (ODI) and the Global Earth Alliance	https://www.prindex.net/reports/

Global Consumption and Income Project

<http://gcip.info/>

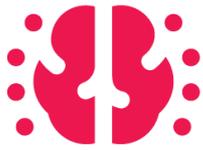
WIDE (World Inequality Database on Education)

<https://www.education-inequalities.org>

WVS (World Values Survey)

<http://www.worldvaluessurvey.org/>

For our intervention, it is important to also consult national statistics of the intervention context, which may be the most useful source to obtain data at the sub-national level (and sometimes the local level), which are the level of intervention of AECID (e.g. education or health statistics), and to find "proxies" of variables on aspects that may be not be measured but may be of interest for our intervention (e.g. household income, substituted by data on housing quality).



Tool 3. Diagnosis of inequalities

- This tool allows, once the available information has been consulted and the context has been analysed, a diagnosis of inequalities to be performed and the definition of problems to be oriented towards the objectives of the intervention, ensuring, in addition, that the intervention is targeted at the groups most in need of support.
- In contrast to the context analysis and consultation of inequalities indices and data, diagnosis involves evaluating and interpreting information to identify and highlight areas where significant inequalities exist, as well as the causes and consequences of these disparities.
- It contributes significantly to the two analysis criteria of AECID's inequality-reduction approach (Criterion 1 and Criterion 2) and serves as a bridge to the action criteria (Criterion 3 and Criterion 4).
- It consists of two parts:
 1. Key elements of the diagnosis
 2. Presentation of some of the most relevant tools for carrying out a diagnosis.

1. Key elements for a diagnosis of inequalities

The diagnosis of inequalities must be an exercise based on data and geared towards finding intervention options.

Table 5. Key elements for a diagnosis of inequalities

Key elements Diagnosis of inequalities	
Definition of the scope	<p>Scope of action and inequality of what</p> <p>It is necessary from the outset to be clear about which area of inequality (or inequalities) is to be addressed.</p> <p>We narrow this down so that in the formulation we can define what strategy will be followed: addressing income inequality, addressing disparities in access to public services (education, health, etc.), addressing discriminatory norms (related, for example, to gender, disability, ethnicity, religion, etc.).</p>
Identification of relevant groups	<p>Analysis of population and inequality among whom</p> <p>Inequality is a relative concept, which implies making a comparison between groups. It is therefore necessary to define among which groups we want to reduce inequality. In many cases, the focus will be on reducing inequalities between a target group and the general population or reference population. But in other cases, the focus may be on reducing inequalities between specific groups, e.g. between men and women, between young people and adults, between groups of different ethnicities, or a specific ethnic group in relation to the rest of the population, between groups of different religions, etc.</p> <p>The analysis within the population can be guided by different criteria:</p>

	<ul style="list-style-type: none"> - Income: people living below the poverty line. - Access to basic services: households without adequate access to education, health, drinking water, sanitation or energy. - Gender inequality: women and girls, especially in rural areas. - Discrimination and exclusion: ethnic minorities, people with disabilities, migrants, etc. - Housing conditions: people living in informal settlements or in overcrowded conditions.
Data collection and/or generation	<p>Evidence and baseline data for our intervention</p> <p>The diagnosis will necessarily require the collection of data and/or the application of social research techniques to have more information to inform the areas of intervention and their effects on the population, following an approach based on formulating problems or needs to be addressed. This is work already outlined in Tool 2, but with a more precise and comprehensive scope. To this end, the construction of reference indicators is essential.</p> <ul style="list-style-type: none"> - Quantitative data: compile statistical data on income, employment, access to services, education, health, etc. <ul style="list-style-type: none"> • National censuses: official data disaggregated by relevant variables. • Household surveys: surveys on income and expenditure, health, education, etc. • Academic and NGO studies: specific research on disadvantaged groups. • Administrative data: records from schools, health centres, social services, etc. - Qualitative data: Obtain information through interviews, focus groups, and community consultations to better understand the impacts perceived by different groups. <ul style="list-style-type: none"> • Interviews and Focus Groups: conduct direct consultations with community members and local leaders. • Workshops and Community Meetings: facilitate discussions to better understand local needs and priorities.
Data interpretation	<p>Key factors of our analysis</p> <p>Analysis of indicators to identify key factors that impact the inequalities to be addressed (absence or lack of...) and on the target population.</p>
Prioritisation And proposal on intervention objectives	<p>Prioritisation criteria</p> <p>Selection of the most relevant factors for the intervention and formulation of objectives⁴ for change in the target population. Some prioritisation criteria are:</p> <ul style="list-style-type: none"> • Severity of Inequality: prioritise groups facing the worst conditions. • Number of Persons Affected: consider the size of the affected population. • Impact Capacity: evaluate the potential positive impact of the intervention on each group.
Establishment of the baseline ⁵	<p>Baseline</p> <p>Determine the starting point based on the selected indicators, reflecting the “current situation” of the selected groups.</p>

⁴ Tool 4 provides more information on choosing strategies.

⁵ Tool 5 provides further information on the development of indicators.

2. Some diagnostic tools and methodologies

Below are some of the tools that have already been developed for diagnosing inequalities from one perspective or another. However, it is important to clarify that the choice of a diagnostic tool and/or methodology may depend on the data available, sensitivity regarding the investigation or gathering of information, and the resources available.

- The [EquityTool](#) is a relatively easy-to-use resource for measuring relative wealth. Through a short survey, the EquityTool allows respondents to compare their wealth with the national or urban population of more than 60 countries. It offers the possibility to complete a pre-determined, short (12 questions), country-specific questionnaire. The web-based application allows the results to be calculated automatically and produces a simple report comparing the questionnaire data with the country average.
- [Handbook on measuring inequality for country studies](#), produced by the African Centre of Excellence for Inequality Research (ACEIR) and supported by the EU Research Facility and AFD. This handbook provides a country diagnostic tool in the form of a report that gives an overview of inequality in a country, across all relevant dimensions, both at a given point in time and over time. It also summarises the main policies (past or current) that are expected to have an impact on inequalities.
- The [Inequality Policy Mix Toolkit](#) (IPMT) is a tool commissioned by GIZ and designed by the London School of Economics and Political Science (LSE). It is designed to support the formulation of policies that address socio-economic inequality. This tool is particularly useful for:
 - Identifying inequalities in their various forms in a society, be they economic, educational, gender, health or of another nature.
 - Assessing the impact of existing policies on inequality, and how these affect different groups in the population.
 - Formulating policies that jointly work to reduce inequality. This includes consideration of fiscal, labour, educational and social protection policies, among others.
- The [Multidimensional Inequality Framework](#), developed by OXFAM, offers a tool for identifying inequalities in human capabilities across seven “life domains” or areas that matter to human life and determine a person’s well-being, considering, for example, aspects such as life and health, education and learning, and participation, influence and voice. It provides indicators for measuring inequalities, with different disaggregation variables and approaches to analysing the drivers or causes of inequalities by domain, helping to make a “diagnosis” of the different outcomes observed in a given society.
- Distribution Impact Analysis (DIA). A methodology that focuses on evaluating how different policies, programs or interventions affect different groups within a population. This methodology is crucial for understanding and addressing inequalities, ensuring that the benefits and costs of an intervention are not distributed unequally, exacerbating existing disparities. Distributional impact assessment is an analysis, usually quantitative in nature, that assesses the distributional effects of specific policy measures on the monetary incomes of various population groups. It usually employs the tools provided by EquityTool or Commitment to Equity (CEQ).



Tool 4. Inequality-reduction strategies

- This tool enables the identification of potential actions or strategies for addressing inequalities in the intervention.
- It contributes significantly to Action Criterion 3 (what to do to address inequalities).
- It consists of three parts:
 1. Key questions about the most appropriate or possible strategies in the intervention.
 2. Proposal of 3 types of strategies to address inequalities in AECID: what they consist of, potentialities and challenges.
 3. Other resources available to identify actions by sectors or areas of action.

1. Key sectors or strategies for reducing inequalities?

There is no single sector or policy for reducing inequalities.

However, it is important to note that there is evidence that the key levers for reducing inequalities are to be found in the mechanisms governing fiscal policy (both revenue and expenditure), support for progressive tax systems and investments (on the expenditure side) in basic social services (social protection, health and education).

Box 1. European Commission and areas of intervention

The European Commission, in its Policy Brief⁶ on addressing inequalities (Volume 2) presents and describes 18 areas of intervention with a demonstrated impact on inequalities.

The policy areas covered are health and nutrition, education, social protection, transport and mobility, energy, climate change, water and sanitation, land, urban development, territorial development, public finance (i.e. taxation), trade, growth, digitalisation, financial inclusion, labour and employment, governance and the rule of law, and gender. No particular priority is assigned to any of the policy areas covered, as all of them have an impact on inequalities.

These areas or policies have been selected because they have been shown to have positive distributional effects without compromising economic growth or because they are known to have certain positive distributional effects, i.e. they allow conclusions and lessons to be drawn from evidence-based policy interventions that are effective in reducing income inequalities.

Some key questions for identifying the most appropriate strategies are:

- Is the inequality-reduction approach an objective of AECID's strategy in this territory?
- How could any of the causes or consequences identified in the diagnosis (Tool 3) be specifically addressed in this intervention?

⁶ European Commission, Directorate General for International Partnerships (DG INTPA), Addressing income inequalities through development cooperation. Volume 2, Policy briefs to address inequalities, Publications Office of the European Union, 2021, <https://data.europa.eu/doi/10.2841/894059>

- ☞ Is it possible to support or complement by generating research activities, data production or awareness-raising on inequalities in the context of this intervention?
- ☞ Are disadvantaged and privileged groups involved in the planning, implementation and evaluation of the intervention?
- ☞ At the intervention level, is it possible to contribute to consolidating or generating spaces for dialogue between stakeholders on issues related to inequalities?

- **If it is an objective of the intervention (it could be a main or specific objective)**

Main objective of the intervention: The intervention acts on the factors that have a fundamental impact on inequalities (through regulation, redistribution of resources, social and economic benefits, or in other ways).

Specific objective: Aim (at least) to recognise the factors that affect inequalities and propose alternatives on how to act on these factors.

- **If it is not a specific objective of the intervention**

“Not increasing inequalities”: At the very least, attention should be given to the impact of actions on particular individuals or groups (both disadvantaged and privileged individuals or groups) to ensure that existing inequalities are not reinforced.

To be considered

Identify what type of inequality/inequalities will be addressed: economic inequalities (income distribution/asset ownership); social inequalities (inclusion/social cohesion/anti-discrimination policies) or power inequalities (decision-making and political participation spheres).

It can also be specified whether they will contribute to any of the SDG 10 targets. In both cases, they should attempt to measure and evaluate the changes in the area of reducing inequalities based on the proposed targets in each context and intervention, taking into account the availability of data and information and the available resources.

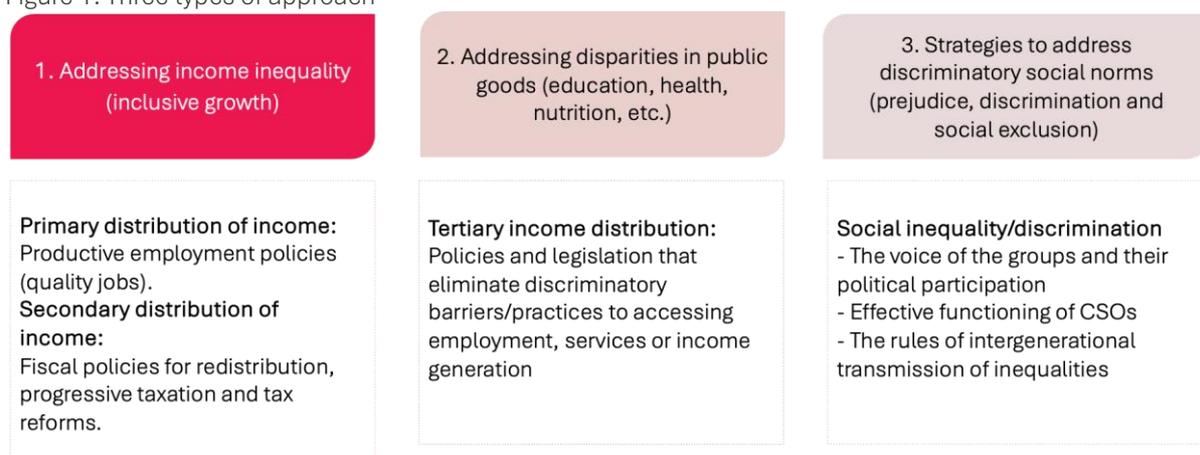
2. Proposed strategies for reducing inequalities

The following proposal offers three examples of perspectives that enable working based on an inequality-reduction approach through sectors or public policies considered as 'levers' of change. Each of the strategies aspects of economic, social or political inequality (income, rent, access to public goods, discriminatory norms) as a priority.

These three types of approach are not exhaustive, nor are they exclusive⁷, with the understanding that a sectoral, territorial or population-based approach to inequality reduction can be maintained, depending on the context, needs and resources.

⁷ There are other possible options for classifying strategies, such as, for example: 1. Those that directly address inequalities (e.g. lack of vaccination in children and adolescents) and 2. Those that focus on the causes of inequalities (e.g. health policy that excludes certain groups). Also based on the Human Development Index (HDI) calculated by the UNDP, a classification of interventions in four "fields" of inequality could be proposed: (i) quality of life, (ii) health, (iii) education and (iv) power. A proposed intervention may

Figure 1. Three types of approach



The table below contains information on how these approaches are linked with AECID's intervention sectors and the goals of SDG 10, and a brief description of how they can become "levers for change" and specific recommendations for AECID interventions.

Table 6. Approaches and link with AECID's intervention sectors

1. Addressing income inequality (inclusive growth)		
Key sectors: progressive taxation, employment, social protection, agricultural policies		
Levers of change	Potentialities of AECID	Challenges for AECID
Support productive employment policies that enable the creation of quality jobs (primary income distribution). Support fiscal policies for redistribution, progressive taxation and tax reforms that allow transfers and basic services to the most disadvantaged groups, including programmes such as social protection and consumer subsidies.	Diversity of bilateral/DNGO projects working on income generation for excluded populations and market access. There is potential for work on tax matters, social protection, labour integration, etc., especially through multilateral organisations (ECLAC, OECD, EU, CIAT, etc.) and regional programmes (Democracia, Intercoconnecta, Indígena, Afrodescendientes, MASAR Programme, Workshop Schools).	Addressing economic inequalities requires identifying the poorest (B40) and the richest (Top10) populations and analysing power relations and structures. It also requires dialogue and cooperation on tax matters with a focus on equitable redistribution. This is a complex and often sensitive exercise, all the more so when there is a high level of ownership by the partners.
	10.1 By 2030, progressively achieve and maintain income growth for the poorest 40 percent of the population at a rate higher than the national average. 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	
2. Addressing disparities in public goods		
Key sectors: education, health.		
Levers of change	Potentialities of AECID	Challenges for AECID
Support policies that remove barriers preventing certain disadvantaged groups and populations from accessing employment and income-	AECID supports "universal accessibility" interventions in various thematic areas:	In projects for access to public goods, the result must ensure equal access, which requires bringing the most disadvantaged groups in relation to the average

address several of these fields simultaneously; this situation may even be fairly frequent, given the multidimensional nature of the inequality phenomenon and the fact that inequalities reinforce each other.

generating opportunities or certain public services on equal terms; e.g. legislative or administrative reforms that remove discriminatory provisions or address discriminatory practices (tertiary income distribution)	<ul style="list-style-type: none"> - Access to basic services such as education, health, water, sanitation or justice. - Access to vocational training (workshop schools) - Access to cultural rights, including heritage <p>All of these could integrate an inequality-reduction approach.</p>	and even the most privileged (favouring inclusion vs. segregation). Communicate this priority to its strategic partners.
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10.2 By 2030, enhance and promote the social, economic and political inclusion of all people, regardless of age, sex, disability, race, ethnicity, origin, religion, and economic or other status.

10.3 Ensure equal opportunities and reduce inequality of outcomes, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and measures in that regard.

10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

3. Address discriminatory social norms

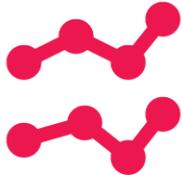
Key sectors: anti-discrimination, cultural diversity, inclusion

Levers of change	Potentialities of AECID	Challenges for AECID
<p>Strengthen the voice of groups and their political participation, enabling them to influence their environment and decision-making processes.</p> <p>Strengthen a policy and regulatory environment that fosters the formation and functioning of CSOs.</p> <p>Promote specific interventions that address the norms underpinning the intergenerational transmission of inequalities between groups.</p>	<p>There is a general consensus within AECID to promote cross-cutting approaches as a comparative advantage of the EC. This favours working with specific population groups at risk of exclusion or in situations of vulnerability, such as people with disabilities, migrants, in line with horizontal inequalities (e.g. "Indígena" programme, "Afrodescendientes" programme, young people at risk of exclusion, etc.).</p>	<p>Reducing inequalities related to discriminatory social norms requires understanding and 'challenging' the determinants of existing gaps and promoting inclusive dialogue as well as a change in power relations. It is also important to promote spaces for dialogue and decision-making. Information (data and stories) is needed that captures the change taking place (how and why).</p>



10.2 By 2030, enhance and promote the social, economic and political inclusion of all people, regardless of age, sex, disability, race, ethnicity, origin, religion, and economic or other status.

10.3 Ensure equal opportunities and reduce inequality of outcomes, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and measures in that regard.



Tool 5. Guidelines for the development of inequality- reduction indicators

- This tool can be used to follow certain guidelines for measuring inequalities through relevant indicators. With few exceptions, any indicator that serves to measure the situation of a group with respect to the area to be addressed is valid for measuring inequalities as long as it is appropriately formulated to reflect the comparison between groups. In other words, there are no specific indicators to measure inequality, but rather a way to measure inequality.
- It contributes significantly to Action Criterion 3 (what to do to address inequalities) and responds directly to Criterion 4 (how to measure the evolution of the intervention with respect to reducing inequalities).
- It is structured in four parts:
 1. General considerations.
 2. Steps for defining inequality indicators
 3. The process of how to measure inequality
 4. Some practical examples

1. General considerations

What is an inequality indicator?

An indicator, by definition, is a quantitative or qualitative variable that quantifies and qualifies a situation (generally of a group of people, but also of an institution, or a policy or other variable) at a given point in time and which, applied at the beginning, during implementation and at the end of an intervention, measures the changes (progress or lack of progress) induced by the intervention at the level of outputs, effects or impact. Indicators provide insight into the extent to which an intervention is progressing towards the achievement of the desired results.

Since inequality is a relational concept, indicators for measuring inequality must reflect that relationship; moreover, they must measure the evolution of that relationship from the beginning of the intervention until its conclusion.

Box 2. Definition

An inequality indicator is therefore a variable that measures inequality:

- within the domain of the intervention (e.g. access to certain services, educational or health outcomes, participation and voice, access to the labour market, etc.)
- between groups differentiated by their socio-economic characteristics (income level, age, sex, gender, race, language, religion, disability status, place of birth, place of residence, etc.).

In terms of groups, we will call the main interest group (generally the most socio-economically disadvantaged) the “target group”, and the group to which it is compared (generally more socio-economically advantaged, sometimes privileged and/or powerful) the “reference group”.

Applied at the beginning, during the implementation and at the end of an intervention, an inequality indicator makes it possible to measure the evolution of inequality (in the area of intervention, between differentiated groups).

Some characteristics of inequality indicators

- The focus should be on reducing inequalities (between groups), and not on reducing poverty (a single group), as is usual in cooperation. In other words, they should measure changes in inequalities between defined groups by comparing the evolution of the same indicator between the target population and the reference population.
- Like any indicator, inequality indicators must be easy to measure, both before, during and at the end of the intervention, and at an affordable cost for the project or action.
- They should allow the measurement of the outcome of the intervention on inequalities between groups,⁸ and, to the extent possible, the level of achievement of the objectives set when the intervention was designed.
- A distinction should be made between outcome indicators (to what extent have inequalities between the target and reference groups been reduced?), which will almost always be quantitative indicators, and those that have an impact on the factors that contribute to inequalities (has the inequality-generating context changed favourably?), which will almost always be qualitative indicators, normally of a binary type (see step 2 for defining indicators below).
- A distinction should be made between indicators disaggregated by groups and indicators of inequality between groups (see examples in Table X).

Box 3. Examples of group-disaggregated and inequality indicators

- **Example 1.** Group-disaggregated indicator: “Proportion of population covered by the social protection system, disaggregated by sex, age, employment/unemployment status, disability status, pregnant women, income level, or other.” => This is a good indicator of the level of inclusion or vulnerability of these groups, but it is not an indicator of inequality per se, since it does not compare the coverage of the system for different groups.
- **Example 2.** Indicator of inequality in this area: “The difference between the proportion of the population in the poorest decile covered by the social protection system and the proportion of the total population covered by the social protection system”; or “The difference between the proportion of unemployed women covered by the social protection system and the proportion of unemployed men covered by such coverage”. This indicator does compare between groups.

⁸ As explained in the Guide for Mainstreaming the Inequality-Reduction Approach in AECID, our action must be guided by the “principle of not increasing inequalities, because any external intervention always entails the risk of generating or increasing inequalities within the target group and with respect to the reference group; therefore, it is necessary to remain vigilant with respect to these aspects.

2. Key elements for defining inequality indicators

After identification of the areas of inequality of interest (strategy) and the groups on which the intervention will have an inequality-reducing effect, these are the steps to be followed:

2.1 Define the “general” indicator

Focusing on the area of inequality to be addressed, and the outcome level targeted (impact, effect or product), define one or more indicators that measure the baseline situation in that area of a specific group. Ensure that the indicator is “SMART”: specific, measurable, achievable, relevant and timely.

Define one or several indicators that measure the baseline situation in that area of a specific group, in the area of inequality to be addressed. To do this, it is necessary to:

1. Identify the focus in the area of inequality on which the impact is to be achieved.
2. Identify the target group and the reference group.
3. Determine the level of outcome to be measured: impact, effect or product.

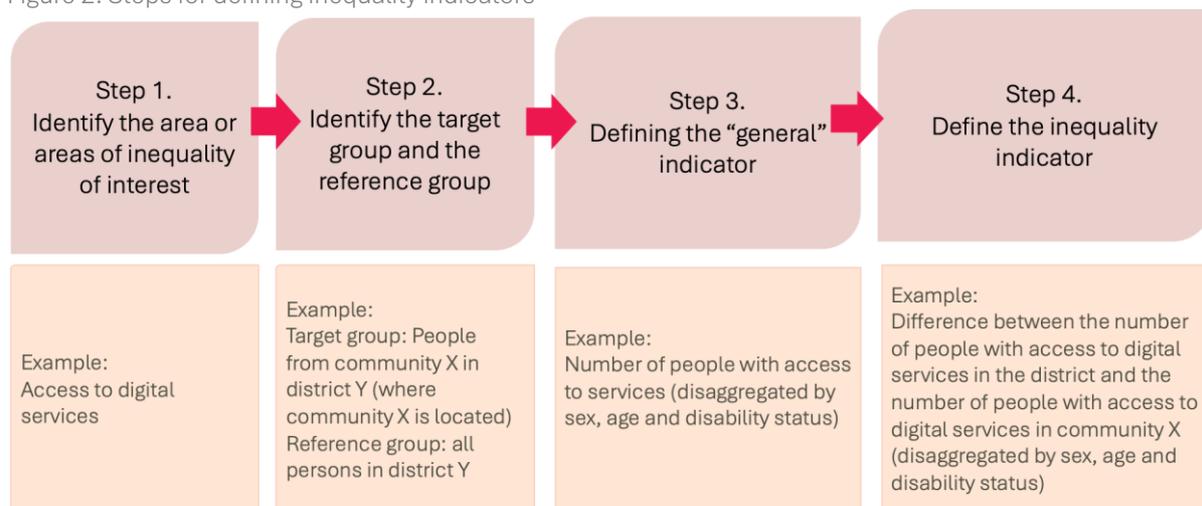
2.2 Define the inequality indicator

With few exceptions, any indicator that serves to measure the situation of a group with respect to the area to be addressed is valid for measuring inequalities as long as it is appropriately formulated to reflect the comparison between groups. In other words, there are no specific indicators to measure inequality, but rather a way to measure inequality.

In some cases (the fewest) the indicators will be “binary”, i.e. they will take a “Yes” or “No” value depending on whether the outcome has been achieved or not. This is the case, for example, if the intervention plans to draft and/or adopt a certain policy with an impact on reducing inequalities, or if it plans to conduct and publish an analysis of the inequalities situation.

In most cases, interest will be centred on comparing two groups. This comparison can be done on an “absolute” basis (e.g. absolute difference in mortality between untrained workers and other workers) or on a “relative” basis (e.g. difference in the mortality ratio between untrained workers and other workers).

Figure 2. Steps for defining inequality indicators



3. The process of how to measure inequality

Selection of data sources

Information on the reference population will almost always come from public sources: it is not within the scope of interventions to produce such information for a large population. There are numerous institutions that produce data in the different areas of inequality; most are based on data collected by National Statistical Institutes, although sometimes it is international development agencies that produce data on a large scale.

Currently, the most comprehensive database for almost every conceivable area of inequality are the United Nations Sustainable Development Goals (SDGs)⁹.

For the target population, in many cases it will be up to the intervention to collect or produce the indicator values. Data will need to be "collected" when it can be obtained from administrative sources that have information available locally (e.g. student-teacher ratio, exam pass rates, maternal mortality rates, vaccination rates, etc.); and data will need to be "produced" when the information does not exist. In this case, it will be up to the intervention to collect the data, e.g. through a survey,¹⁰ and it will need to have the budget to do so.

The importance of the reference population in measuring the evolution of inequality

The exercise of "attributing" improvements in the conditions of the population targeted in an intervention is technically complex and its interpretation is risky, since the improvements (if any) may be due to many other factors outside the scope of the intervention (political changes, improvements in services or in the economy in general, for example) and it is highly likely that these factors improve the conditions of the target population independently of the action of the intervention because they improve those of the entire population in general. Attribution would require a type of statistical analysis with control groups that is beyond the scope of the vast majority of interventions in the field of cooperation (and public policies in general). Thus, measurements of the evolution of inequality should be interpreted as an outcome in the direction pursued (or not) by the intervention.

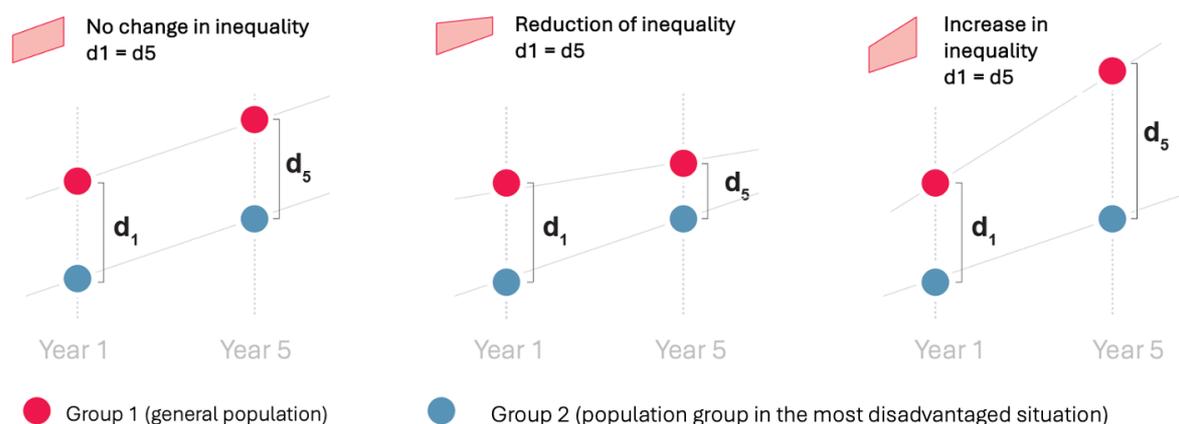
With the necessary caution when interpreting the outcomes, the evolution of the difference between the values of the corresponding indicator for the two population groups (target population and general or reference population) before and after the intervention will be measured.

Many scenarios may arise, but for a scenario of general improvement of the conditions during a specific period, Figure 3 presents three different situations: the first, where the situation for both groups improves to the same extent, indicating that there is no impact on inequality between those two groups (it remains the same); in the second, there is an improvement for both groups, but this improvement is more prominent for the target group than for the reference group, implying a reduction in inequality (desired outcome); in the third scenario, the improvement is more prominent for the reference population than for the target group, reflecting a de facto increase in inequality (despite the improvement in conditions for both groups).

⁹ See Tool 2. Sources of information.

¹⁰ The Equity Tool provides guidelines and examples for such surveys.

Figure 3. Three scenarios for the evolution of inequality between two groups over a period of time



Source: compiled by the authors.

Other possible scenarios could be a deterioration of conditions for all groups, or for one of the groups, or an improvement in conditions for the target group but not the reference group, etc.

Box 4. Example of principles for defining health inequality indicators¹¹

For the definition of health inequality indicators in this project:

- Health inequalities were defined as systematic variations between socio-economic groups in a health indicator (such as life expectancy, health status, access to health care, etc.)
- Socio-economic indicators available in the national statistics of the EU Member States were used.
- Socio-economic groups were defined according to disaggregation characteristics by educational level, occupational class and income level.
- Other social inequalities such as ethnicity, immigrant status, or location or residence were not taken into account.
- Health inequality indicators therefore not only measure the status of health indicators in individual socio-economic groups, but also quantify the degree of variation between socio-economic groups.
- In other words, health inequality indicators address primarily the “gap” or “difference” between these groups and groups higher in the social hierarchy.

Difficulties and restrictions

- The diversity of interventions makes it impossible to define in advance a “battery” of indicators that can be used in all circumstances. It is only possible to propose “guidelines” for the definition of indicators and some examples. Indicators will have to be constructed by the formulators of the intervention, depending on the specific objectives of reducing inequalities and on data (and budget) constraints.

¹¹ Based on: Kunst AE, Bos V, Mackenbach JP. (2008): Measuring socio-economic inequalities in health in the European Union: guidelines and illustrations A report for the Health Measuring Program of the European Commission. Erasmus University

- Most inequalities have an economic component, but it is unrealistic to imagine measuring the impact through traditional income or wealth inequality indicators (Gini, Palma, etc.) or the indicators associated with SDG 10¹² at the level of an intervention. It will therefore be necessary in each case to identify indicators compatible with these socio-economic variables (e.g. housing quality and facilities, or access to certain services such as electricity or water).
- National statistical services cannot always provide data on the "general population" for comparison with the target population. However, data¹³ are often available, and it is worth spending the time and effort to identify and analyse them.
- With a few exceptions, intervention budgets drastically limit the possibility of producing data that can be used to generate inequality indicators. Consequently, it is useful to include, as early as the formulation phase, a budget, however small, for the review and analysis of available disaggregated data, as well as for the production and analysis of own data on the impact of the intervention.
- Since reducing inequalities is a political issue, some governments or local authorities may be reluctant to use indicators that explicitly show these inequalities. It would be useful to use the data collected or produced by the intervention to open a space for dialogue between stakeholders, with the various parties, on inequalities.

4. Some practical examples

Below are some indicators from the AECID Gender and Human Rights Mainstreaming Guides, which, when adapted, can be useful for measuring the impact on the reduction of inequalities in the economic, education and health sectors.

The indicators should be adapted for each specific intervention. As an example, let us assume that the AECID's intervention is focused on a target group X (which may be a population of a specific ethnic group) in a country, with respect to a reference group R (which may be the total population, or may be a population of another ethnic group). If the target group X is located in specific and well-differentiated geographic areas, it will not be necessary to disaggregate by geographic location; but if it is a group spread throughout the territory, it may be worthwhile disaggregating by some type of geographic level (rural/urban, district, provincial, regional, municipal, etc. depending on the scope of the intervention).

Table 7. Gender Mainstreaming Guide Indicators

Original indicator	Possible adaptation to measure impact on inequality
Percentage of assets owned and controlled by individuals	• Difference between the percentage of assets (land, houses, livestock) owned and controlled by people in group X and

¹² Among the indicators associated with SDG 10, the following can be mentioned:

- 10.1.1: "Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population."
- 10.2.1: "Proportion of people living below 50 per cent of median income, by sex, age and persons with disabilities."
- 10.4.1: "Labour share of GDP, including wages and social protection transfers."

¹³ Household surveys provide statistical data, as well as reports issued by the United Nations and Civil Society Organizations. In Latin America, ECLAC and CLACSO have good disaggregated data. Sectoral data produced by public institutions (Ministries) can sometimes be found, for example in health and education (e.g. "Education Yearbooks" in Morocco).

(land, houses, livestock), by sex, ethnic group, etc.	<p>those owned and controlled by people in population R, disaggregated by sex</p> <ul style="list-style-type: none"> • Difference between the percentage of assets (land, houses, livestock) owned and controlled by the poorest 40% of the population (of the country, or of a district or community) and those owned and controlled by the richest 10% of the population, disaggregated by sex
Population below the poverty line, by sex	<ul style="list-style-type: none"> • Difference in the poverty rate between the sexes
Employment/unemployment rates disaggregated by sex.	<ul style="list-style-type: none"> • Difference between the employment/unemployment rate of group X and the employment/unemployment rate of population R, disaggregated by sex
Differences in salary/daily wage between women and men	<ul style="list-style-type: none"> • Difference between the average salary/daily wage of people in group X and the average salary/daily wage of population R, disaggregated by sex
Average income of female-headed rural households in relation to the average income of male-headed households	<ul style="list-style-type: none"> • Difference between the average income of female-headed rural households in group X, and the average income of female-headed rural households in population R
Female and male enrolment rates in primary, secondary and university education	<ul style="list-style-type: none"> • Difference between the enrolment rate in primary education of group X and that of population R, disaggregated by sex • Difference between the enrolment rate in secondary education of group X and that of population R, disaggregated by sex • Difference between the enrolment rate in university education of group X and that of population R, disaggregated by sex
Rate of female access to vocational training	<ul style="list-style-type: none"> • Difference in the rate of access to vocational training for group X and that of population R, disaggregated by sex
Unwanted pregnancy rate	<ul style="list-style-type: none"> • Difference in the rate of unwanted pregnancies between women in population X and women in population R, disaggregated by age
Main causes of female and male mortality by age group	<ul style="list-style-type: none"> • Main causes of female mortality in group X and population R, disaggregated by age • Main causes of male mortality in group X and population R, disaggregated by age
Maternal mortality rate by geographic area and ethnic group	<ul style="list-style-type: none"> • Difference between the maternal mortality rate of group X and that of population R
Level of Social Security coverage of prenatal care, childbirth and neonatal care needs, as well as sexual and reproductive health needs	<ul style="list-style-type: none"> • Difference between the level of coverage of prenatal care, childbirth and neonatal care needs of people in group X and the level of said coverage in population R • Difference between the level of coverage of sexual and reproductive health needs of people in group X and the level of said coverage in population R
Infant mortality rate disaggregated by sex	<ul style="list-style-type: none"> • Difference in the infant mortality rate of group X and the same rate for population R, disaggregated by sex

Table 8. Human Rights Guide Indicators

Original indicator	Possible adaptation to measure impact on inequality
Femininity index of poverty	<ul style="list-style-type: none"> Difference between the femininity index of poverty of group X and the same index of population R
% of people with access to basic services	<ul style="list-style-type: none"> Difference between the percentage of people in group X with access to basic services and the percentage of people in population R with such access

Table 9. Indicators constructed from the line of action in the CPF of Paraguay

Line of action in the CPF	Possible indicators for measuring impact on inequality
L.A 4.4. Train the most vulnerable in their technical and professional training to enhance their employability	<p>Emphasis could be placed on training indigenous people, people with disabilities, and women, and use indicators such as:</p> <ul style="list-style-type: none"> "Number of people trained by the intervention"
L.A 6.1 Extend coverage of the drinking water service L.A 6.2 Encourage the development of infrastructures for access to basic sanitation services	<p>How it has been identified that place of birth and ethnic group are vulnerability characteristics. One could think of indicators such as:</p> <ul style="list-style-type: none"> "Difference between the proportion of households of ethnic group X that have drinking water service and the proportion of households with drinking water service in the whole country". "Difference between the proportion of households with drinking water service in district X and the proportion of households with drinking water service in the whole country (or in another district Y)".

Some of the indicators from the Results Framework can also be adapted, as shown in the examples in Table 10.

Table 10. Indicators constructed from the outcome indicators of the Paraguay CPF

Original indicator	Possible adaptation to measure impact on inequality
% increase in the volume of sales of peasant family farming products	Difference between the increase in the volume of sales of indigenous family farming products and the increase in the volume of sales of family farming products in the country
A new health information system has been put in place and is interoperable with the Directorate General of Statistics, Surveys and Censuses (DGEEC), linking statistical data and administrative records	A new health information system has been put in place and is interoperable with the DGEEC, linking statistical data and administrative records, providing data disaggregated by sex, ethnic group, disability status and geographical location.
% increase in the number of women attending at least three prenatal check-ups during pregnancy	Difference in the % increase in the number of indigenous women attending at least three prenatal check-ups during pregnancy and the % increase in the number of non-indigenous women attending at least three prenatal check-ups during pregnancy



Tool 6.

Dialogue between stakeholders as an action measure and measurement for addressing inequalities

- This tool makes it possible to follow guidelines to facilitate, nurture and monitor dialogue between stakeholders.
- It contributes significantly to Action Criterion 3 (what to do to address inequalities) and responds directly to Criterion 4 (how to measure the evolution of the intervention with respect to reducing inequalities).
- It is structured in two parts:
 1. Frequently asked questions on stakeholder dialogue: when applying Criterion 4 to our intervention, doubts and questions arise regarding the meaning of “stakeholder dialogue” and how it relates to our strategy for reducing inequalities.
 2. Checklist for reflecting on the formulation of “stakeholder dialogue”: the moment of identification/formulation is key and an opportunity to identify specific actions. To guide us in this process, we include a checklist whose objective is to promote reflection on how our intervention can contribute to generating or strengthening these spaces for inclusive participation and position the issue of inequalities in the political dialogue.

1. Frequently Asked Questions about “stakeholder dialogue”

Stakeholder dialogue is a crucial action for addressing inequalities: “For there to be an effective reduction in inequality, it is essential to establish a dialogue at different levels (regional, national and local) and with multiple stakeholders. Thus, stakeholder dialogue should seek to reduce barriers to change by promoting national and social dialogue and sectoral governance to recognise the challenge of inequality.”¹⁴.

Table 11. Elements of stakeholder dialogue in AECID interventions

What it is	Concept <ul style="list-style-type: none"> - They are decision-making spaces: they take the form of spaces for meeting and participation between different stakeholders to deliberate and make decisions. - Stakeholder dialogue must be participatory and inclusive, i.e. it must attempt to include in this dialogue individuals or groups of persons who are in disadvantaged situations, as well as privileged groups, and other key stakeholders in the territory (local authorities, NGOs, Ombudsmen, research/academic institutions, etc.).
What the format of	Forms of stakeholder dialogue <ul style="list-style-type: none"> - The Spanish AECID promotes and encourages stakeholder dialogue at different levels and in different formats (from policy dialogue with partner countries in CPFs

¹⁴European Commission (2021): Addressing income inequalities through development cooperation. Volume 3, Guidelines for mainstreaming the reduction of inequality in interventions, Publications Office of the European Union, 2021, EC- Directorate-General for International Partnerships, <https://data.europa.eu/doi/10.2841/269301>

stakeholder dialogue?	<p>and strategic planning processes, to community dialogues in each intervention, however small it may be).</p> <ul style="list-style-type: none"> - There are spaces for “stakeholder dialogue” at different levels (national, regional, international, local, community), in different formats and with different stakeholders involved. - In concrete actions, stakeholder dialogue takes many names, such as “policy dialogue”, “working groups”, “round tables”, “monitoring mechanism”, “donor round tables”, “participatory reporting/data presentation spaces” or “thematic workshops”, to name a few.
Why	<p>Relationship with the inequalities approach</p> <ul style="list-style-type: none"> - The application of the inequality approach and the cross-cutting rights-based approach aims to correct discriminatory practices and gaps in equitable access to decision-making spaces¹⁵. - This dialogue may be the best way to act indirectly on the origins of inequalities (e.g. through consensus building, presenting and discussing research data, etc.). - Through our intervention we can: <ul style="list-style-type: none"> - promote, consolidate or generate spaces for participation between different stakeholders, between excluded groups and privileged groups; - generate information on existing inequalities and place debates on inequalities on the political agenda; - strengthen the context of political participation of civil society organisations that work on inequalities and represent the voices of vulnerable groups.
What for	<p>Objectives of the action</p> <ul style="list-style-type: none"> - The generation and promotion of spaces for dialogue on inequality reduction can be an objective of our intervention, with specific expected results, or it can also be an action linked to the achievement of specific results in our sector of intervention (be it health, taxation or productive development). - “If there is no space for inequality on the political agenda, it must be created.”¹⁶
When to develop it	<p>Moment of the stakeholder dialogue</p> <p>There are a variety of opportunities to promote spaces for stakeholder dialogue at the different levels at which AECID carries out its actions:</p> <ul style="list-style-type: none"> - strategic level (CPF or other strategic documents such as Advanced Cooperation Agreements (“ACAS” - “Acuerdos de Cooperación Avanzada” - in Spanish), Memoranda, etc.); - intervention level in the different aid channelling modalities: bilateral projects, COS projects, Funds, programmatic aid, etc. - also in the sphere of development stakeholders (at donor round tables, in joint actions with other agencies). <p>In the development of a specific AECID intervention, it is recommended to include milestones and different stakeholder dialogue mechanisms (in addition to the planning stage), in the implementation of actions, in monitoring and evaluation; as well as activities with specific results related to stakeholder dialogue.</p>

¹⁵ 2024-2027 Master Plan: “Its purpose is to correct discriminatory practices and gaps in equitable access to public services and decision-making spaces” [on the Rights-Based Approach]

¹⁶European Commission (2021): Addressing income inequalities through development cooperation. Volume 3, Guidelines for mainstreaming the reduction of inequality in interventions, Publications Office of the European Union, 2021, EC- Directorate-General for International Partnerships, <https://data.europa.eu/doi/10.2841/269301>

How	<p>Concrete actions. (list of illustrative examples...)</p> <ul style="list-style-type: none"> - Awareness-raising on inequalities in existing forums and spaces for participation. - Identification of participatory (or non-participatory) spaces for dialogue between excluded groups and promotion of inclusive dialogue between privileged groups and disadvantaged groups. - Consolidation or generation of spaces for dialogue/participation beyond the framework of AECID interventions. - Generation of information on the political participation of excluded groups (such as ethnic minorities or indigenous groups) (e.g. through studies and research or the communication of their results). - Promotion of stakeholder engagement in the creation/consolidation/enhancement of spaces for participation and, where possible, political dialogue (e.g. in formulation processes, addressing taxation issues). - Strengthening of a policy and regulatory environment conducive to the formation and effective functioning of CSOs. - Generation of data to measure levels of public participation and access to decision-making spaces, especially for excluded groups (e.g. support for national statistical systems, consolidation of perception surveys or surveys focusing on political participation, governance and accountability, etc.). - Support to stakeholders working to reduce inequalities, especially CSOs, in order to generate spaces for civil society dialogue, to support advocacy on issues related to freedom of information and participation. - Support for the presence of CSOs and representation of excluded groups in spaces for political debate, on issues such as taxation, budgets, access to basic services or land reform, among others.
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2. Checklist for reflecting on “stakeholder dialogue” in the design

To guide us in this process, a checklist is included with the aim of promoting reflection on how our intervention can help to generate or strengthen these spaces for inclusive participation and position the issue of inequalities in the stakeholder dialogue.

This checklist or matrix can be used throughout the intervention cycle: in identification and formulation, but also during implementation (to design our actions) and in evaluation, to analyse to what extent we have contributed to generating, fostering or promoting inclusive decision-making spaces on inequality issues.

Table 12. Checklist

Key questions	YES/NO	Description - Which ones?
1. Data on participation among stakeholders		
Are there data in national statistics to measure the levels of participation of different disadvantaged groups and/or groups targeted by the intervention (e.g. participation of women, disabled people, indigenous groups, ethnic groups... in public life)?		
Are there data in other national or international sources on public participation (e.g. opinion polls, civil society reports, data on transparency and corruption, etc.)?		
Is there information or a map of the different spaces for dialogue that exist at different levels and in different sectors (e.g. local, national, regional, etc.)?		
2. Decision-making spaces for civil society		

Does civil society have access to the information necessary to understand, evaluate and influence government decision-making, policy design and implementation?		
Is civil society able to participate effectively in government decision-making processes?		
Are the most marginalised groups in society organised and represented by CSOs?		
Is the space for civil society shrinking or growing?		
3. Spaces for dialogue and participation on inequality		
Are there spaces for dialogue on inequalities in any area of cooperation or in the development plans of this partner territory/country?		
Will the spaces for participation generated (or to be generated during the intervention) include privileged and disadvantaged groups?		
Will the spaces for participation generated (or to be generated during the intervention) be sustainable after the intervention?		
4. Spaces for dialogue and participation on fiscal policies		
Are there spaces for dialogue on fiscal policies at local, national, regional or another level?		
Is it considered necessary and/or possible to promote spaces for dialogue on the progressivity of tax systems with partner countries or other stakeholders?		
Are there other stakeholders (national institutions, civil society organisations, donors or international organisations) promoting political dialogue on this issue?		

Source: prepared by the authors based on European Commission, 2021; Oxfam, 2016



Tool 7. The AECID Inequality-Reduction Marker

1. What is an inequality marker and why is it necessary?

An inequality marker is a quantitative tool that reflects, for each intervention, the degree of importance given to reducing inequalities.

It is not an instrument for measuring the impact of AECID interventions. Its purpose is to serve as a tool to measure, for each intervention, the intention and commitment, not the result or impact on the reduction of inequalities. It can also be used to measure, in aggregate terms, the evolution of AECID's strategy for reducing inequalities.

Generally speaking, a marker serves three purposes:

1. to promote and measure AECID's efforts to reduce inequalities;
2. to improve the design of interventions to take into account their impact on inequalities;
3. to contribute to the convergence and comparability of EU member states' interventions.

2. AECID's inequality marker

The AECID inequality marker is one of the tools developed to integrate AECID's approach to reducing inequalities.

The marker is a four-level classification "tag" based on the expected level of impact of the intervention in reducing inequalities and corresponding directly with each of the three levels of the European Union inequality marker (I-Marker):

Table 13. "Tags" of AECID's inequality marker

AECID Marker	Expected level of impact of the intervention in reducing inequalities	EU I-Marker
E-0	Not targeted - No impact	I-0
E-1.1	Targeted - Not significant	I-1
E-1.2	Targeted–Significant	I-1
E-2	Main	I-2

Level E-0 indicates that the intervention is not expected to have an impact on reducing inequalities (intervention or project not targeted at reducing inequalities). Level E-1 indicates that the intervention is expected to contribute to the reduction of inequalities, distinguishing by splitting EU level 1 into two levels (1.1 and 1.2) to allow a finer distinction of the contribution to the reduction of inequalities expected in interventions where such reduction is not the main objective (intervention or project aimed at reducing inequalities). Level E-2 indicates that reducing inequalities is the primary objective of the intervention, which addresses the causes of those inequalities.

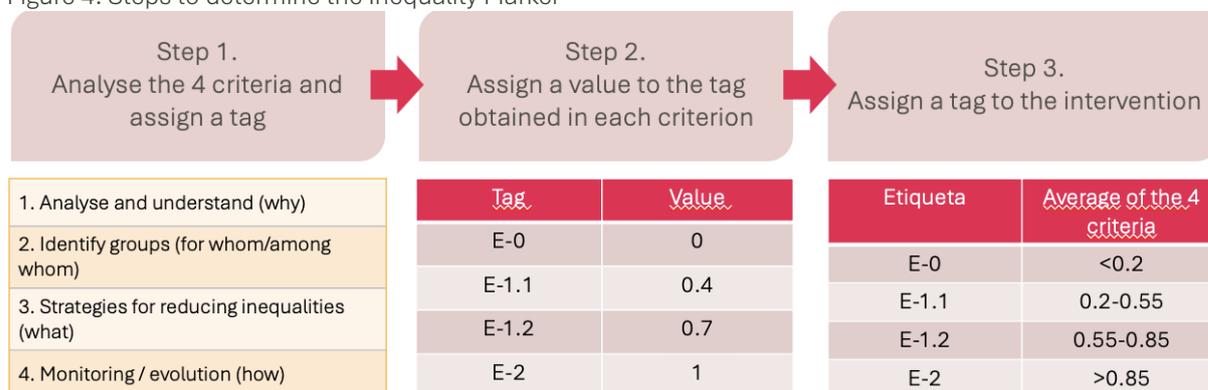
3. How to use the marker

The AECID formulation document includes a specific marker: the AECID Inequality-Reduction Marker, with the following configuration:

Marker	Not targeted	Significant		Main
	E-0	E -1.1.	E.1.2	E.2
Reduction of inequalities ¹⁷				

To determine which level to mark (E-0, E-1.1, E-1.2, E-2), it is necessary to follow the following steps.

Figure 4. Steps to determine the Inequality Marker



Source: compiled by the authors.

Step 1: Analyse the 4 criteria

For a given intervention, responses will be given in each of the four criteria defined by AECID for the inequality-reduction approach: two analysis criteria (Criteria 1 and 2) and two action criteria (Criteria 3 and 4).

Table 14. Criteria

Criterion 1	Analyse and understand the situation of inequalities from the outset (why)
Criterion 2	Identify and involve socially and/or economically disadvantaged individuals, households or communities, as well as, to the extent possible, privileged groups (for whom/inequalities between whom)
Criterion 3	Identify support strategies that have the greatest impact on reducing inequalities (what)
Criterion 4	Support the monitoring/evolution of inequalities by fostering dialogue between stakeholders (how).

The General Table shows, for each criterion, certain statements by classification level which, when answered, allow the appropriate level E-0, E-1.1, E-1.2 and E-2 of the intervention to be established in each criterion. In addition, it is useful to consult the guide for key questions¹⁸ that provide guidance on what should be considered in each criterion.

¹⁸ It is proposed to include a link to the Guide for Mainstreaming the Inequality-Reduction Approach and/or a reference to the pages where this information can be consulted.

Step 2: Assign a tag to each criterion

The General Table shows, for each criterion, certain statements by classification level which, when answered, allow the appropriate level (Not targeted - No impact - E-0; Targeted - Not significant - E-1.1; Targeted - Significant - E-1.2 and Main - E-2) of the intervention to be established in each criterion. In addition, it is useful to consult the guide for key questions that provide guidance on what should be considered in each criterion.

By marking the tag for each criterion with an “X” in the Excel template of the formulation sheet, the template itself will assign a value to each criterion, as shown in the following example, in the quantification column (for more details, see section I.3 of the Annex).

Step 3: Check the tag of the intervention

At the same time, by entering an “X” in the tag corresponding to each criterion in the Excel template of the formulation sheet, the formulation sheet will directly calculate the intervention score and the resulting tag. This tag is the inequality marker for the intervention, as shown in the last box in the example below.

Step 3 will be performed automatically by entering the tag for each criterion in the Excel template of the intervention formulation sheet.¹⁹

Figure 5. Excel sheet of the Marker for an operation (example hypothetical health project)

Country: Colombia

Intervention: Vaccination campaign for children in the Wayuu community (La Guajira)

COL 2404

Criterion	Not targeted E-0	Targeted - Not significant E-1.1	Targeted- Significant E-1.2	Main E-2	Score
1. Analyse and understand			X		0.7
2. Identify and involve		X			0.4
3. Support strategies		X			0.4
4. Monitoring/Evolution	X				0.0
Intervention score					0.38
Marker for the intervention					E-1.1

¹⁹ [Link to attached Excel sheet.](#)

Table 15. Criteria and classification levels

Criteria for incorporating the inequality approach - AECID	CLASSIFICATION LEVELS			
	E-0 Not targeted - No impact	E-1.1 Targeted – Not significant	E-1.2 Targeted – Significant	E-2 Main
Criterion 1. Analyse and understand the situation of inequalities from the outset (<u>why</u>)	No analysis of inequalities in the context of the intervention has been carried out.	<ul style="list-style-type: none"> Some available sources of information on inequalities in the context of the intervention have been identified and briefly analysed, without any further impact on its design. 	<ul style="list-style-type: none"> A more comprehensive search and analysis of available sources has been carried out, and the analysis has been taken into account in the design of the intervention. 	<ul style="list-style-type: none"> A diagnosis of inequalities and their origins has been carried out, and the findings of this analysis have influenced the design of the intervention, which acts on the causes of the inequalities.
Criterion 2. Identify and involve socially and/or economically disadvantaged individuals, households or communities, as well as, as far as possible, privileged groups (for whom/inequalities between whom) in the design of the intervention	The definition of the target group(s) for the intervention does not take into account the inequalities that affect them or the differences with respect to privileged groups.	<ul style="list-style-type: none"> The existence of inequalities affecting the target group(s) has been identified. However, although factors affecting inequalities have been identified, the intervention addresses issues that are not directly linked to these factors, and this (these) group(s) has (have) not been involved in the design of the intervention. 	<ul style="list-style-type: none"> The target group(s) has/have been precisely identified, in particular in terms of the inequalities affecting them, but this/these group(s) has/have not been involved in the design of the intervention. 	<ul style="list-style-type: none"> The target group(s) has/have been precisely identified, mainly by the inequalities that affect them, and this(these) group(s) has(have) been involved in the design of the intervention.
Criterion 3. Identify support strategies that have the greatest impact on reducing inequalities (<u>what</u>).	The intervention does not include the objective of reducing inequalities	<ul style="list-style-type: none"> The intervention addresses inequalities, but reducing inequalities is not an objective of the intervention, and the factors that influence inequalities are not recognised nor are there plans to act on these factors. 	<ul style="list-style-type: none"> Reducing inequalities is one of the objectives of the intervention, but it is not the main objective, and the factors that influence inequalities are recognised but there are no plans to act on these factors. 	<ul style="list-style-type: none"> Reducing inequalities is the main objective of the intervention, which also acts on the factors that affect inequalities in a fundamental way (through regulation, redistribution of resources, social and economic benefits, or other).
Criterion 4. Support the monitoring of the evolution of inequalities by fostering dialogue between stakeholders on the monitoring of inequalities (<u>how</u>).	<ul style="list-style-type: none"> There are no indicators to monitor changes in inequalities and no ex-post inequality impact assessment is foreseen; and no space for dialogue to monitor inequalities has been strengthened, consolidated or created. 	<ul style="list-style-type: none"> Monitoring indicators that directly measure the impact of the intervention on reducing inequalities have been defined, and no ex-post inequality impact assessment is foreseen; spaces for dialogue have been identified where the monitoring of inequalities could be addressed with the different parties. 	<ul style="list-style-type: none"> Monitoring indicators that directly measure the impact of the intervention on reducing inequalities have been defined, and such an impact analysis has been carried out or is planned; a dialogue on inequalities and its follow-up has been initiated with the various parties. 	<ul style="list-style-type: none"> Monitoring indicators that directly measure the impact of the intervention on reducing inequalities have been defined in the intervention formulation phase, and an ex-post evaluation measuring the impact on inequalities has been carried out or is planned (with the necessary budget); a space for dialogue on inequalities and its follow-up with the different parties has been strengthened, consolidated or created.

The advantage of this quantification is that, in the long term, by applying the marker to AECID's different interventions, it is possible to "score" AECID's action to reduce inequalities at country, regional or global level, averaging (possibly adjusting according to the weight of the interventions) the quantitative scores of the interventions over a given period, and thus track the evolution of this commitment over time.

Recommendations for use

To facilitate the use of the marker and standardise its use among AECID's different departments and country offices, it is recommendable to:

- Apply the marker from the early design phases of an intervention, when changes are still possible.
- Apply the marker to the entire programme or project, and not to its components separately, so that the intention of the entire intervention can be assessed.
- Ensure that the value reflected for the inequality indicator in the project formulation document is the result of having followed all the steps for the four criteria (and not based on "intuitive" tag assignment).
- Refer to AECID's Guide for Mainstreaming the Inequality-Reduction Approach to ask key questions before responding to each criterion and assigning a tag. In case of doubt, given the difficulty of ensuring that interventions have an impact on reducing inequalities, and to avoid the temptation of marking every intervention as having an impact on reducing inequalities, it is recommended to opt for a cautious interpretation and assign the lower level.
- In the long term, by applying the marker to AECID's different interventions, the scoring of the marker makes it possible to "score" AECID's action to reduce inequalities at country, regional or global level, averaging (possibly adjusting according to the weight of the interventions) the quantitative scores of the interventions over a given period, and thus track over time the evolution of AECID's commitment to a country or region or at global level.

Annex I - Additional information on other existing markers

I.1 How is the EU I-Marker structured?

The I-Marker, developed by DG INTPA for cooperation interventions, assesses whether and to what extent inequality reduction is an objective of the interventions, considering four criteria, and for each criterion, three levels of classification.

Four criteria:

- (i) Information and analysis: information exists (or is constructed) and analysed to identify the "most disadvantaged 40% of the population";
- (ii) Objective: one of the objectives of the intervention is to improve the situation of that 40% of the population;
- (iii) Measurement: there are indicators to measure the impact of the intervention in reducing inequalities;
- (iv) Assessment: there are plans to evaluate the impact of the intervention on the poorest 40%, as well as on the reduction of inequalities.

And for each criterion there are three levels of scoring:

- I-0: Inequality reduction is not targeted – None of the criteria are relevant for the intervention;
- I-1: Inequality reduction is a significant objective – The following minimum criteria are met in full;
- I-2: Inequality reduction is the principal objective of the intervention – the intervention is designed with the principal intention of reducing inequality; all of the criteria below are present, relevant, and thoroughly developed for the intervention.

Figure 6. The EU marker: I-Marker

ELIGIBILITY CRITERIA			
Criterion	I-0 Inequality reduction is not targeted	I-1 Inequality reduction is a significant objective	I-2 Inequality reduction is the principal objective
Analysis of trends and drivers of inequalities in policy area of intervention	No analysis provided	Generic contextual information on the levels of inequality in the country or sector provided and used for the intervention design	Detailed analysis provided on the levels, drivers, and determinants of inequality in the country and/or on the areas of intervention
Objectives and activities designed to reduce inequalities	No objective to reduce inequalities set	General objective or at least one of the specific objectives designed to reduce inequality either in a country, specific geographical area, or sector	General objective set to reduce inequalities and at least one of the specific objectives set to reach the bottom 40% or socioeconomically disadvantaged individuals, households or groups
Measurable and relevant inequality indicators	No targets and indicators defined	Inequality indicators, with targets, set for measuring, directly or indirectly, the effect of the intervention on the bottom (poorest) 40% or socioeconomically disadvantaged individuals, households or groups	Inequality indicators, with targets, set for directly measuring the effect of the intervention on the bottom 40% or socioeconomically disadvantaged individuals, households or groups
Evaluation plan of the intervention's distributional impact	No evaluation planned	Clear plan to evaluate results, including inequality reduction targets	Evaluation planned to assess the intervention's impact on the bottom 40% or on socioeconomically disadvantaged individuals, households or groups; e.g. by using the Distributional Impact Assessment (DIA) tool

Source: [European Commission. The European Commission Inequality Marker \(I-Marker\)](#)

The EU incorporates a restrictive condition: for the intervention to be considered to contribute to the reduction of inequalities, it must specifically target (at least in essence) the poorest 40% of the population

(SDG10 Target 10.1: "By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average").

The EU assesses the impact on inequalities through a distributional impact analysis (Distributional Impact Assessment), which complements the I-Marker.

I.2 What is the relationship between the AECID Marker and the “I-Marker” of the EU?

In order to align the use of AECID's inequality marker with the EU inequality marker for reporting purposes, the following figure reflects the correspondence of the criteria of both markers: criteria 1 and 2 of the AECID marker correspond to criterion 1 of the EU marker, criterion 3 of the AECID marker to criterion 2 of the EU marker, and criterion 4 of the AECID marker to criteria 3 and 4 of the EU marker.

Figure 7. Comparison of AECID criteria with those of the EU

AECID criteria		EU criteria
1. Analyse and understand the situation of inequalities from the outset (why)	↔	1. An analysis of inequalities is used to identify the poorest 40% or socio-economically disadvantaged groups to define programme objectives and activities
2. Identify and involve socially and/or economically disadvantaged individuals, households or communities, as well as, to the extent possible, privileged groups (for whom/inequalities between whom)	↔	
3. Identify support strategies that have the greatest impact on reducing inequalities (what)	↔	2. The intervention design seeks to directly benefit the poorest 40% or socio-economically disadvantaged groups
4. Support the monitoring/evolution of inequalities and fostering dialogue between stakeholders (how)	↔	3. There are indicators for assessing progress in delivering expected benefits to the poorest 40% or socio-economically disadvantaged groups
	↔	4. There is a specific evaluation plan for assessing the impact on the poorest 40% or socio-economically disadvantaged groups

Source: compiled by the authors.

It should be noted that the EU insists on socio-economic inequalities, although it does not focus exclusively on the "most disadvantaged 40%" (which, moreover, cannot always be identified precisely), and when referring to "disadvantaged individuals, households or groups", it always specifies "socio-economically disadvantaged". This is an important point if the AECID wants to ensure consistency between its marker and the EU I-Marker.

I.3 Why does the AECID marker have 4 scoring levels?

Many (most) interventions are focused on "structurally" disadvantaged or discriminated groups (due to their gender, disability, ethnicity, place of residence, etc.) with the aim of "improving" their situation, without explicitly targeting the reduction of inequalities. This poses a difficulty:

- Most interventions are likely to fall into level I-1 (where reducing inequalities is a significant goal)
- This entails little selectivity, little discrimination between interventions
- and, therefore, little incentive to increase the institution's commitment.

To resolve this, it has been proposed to the AECID that level "I-1" be split into two sub-levels, maintaining consistency with the EU classification:

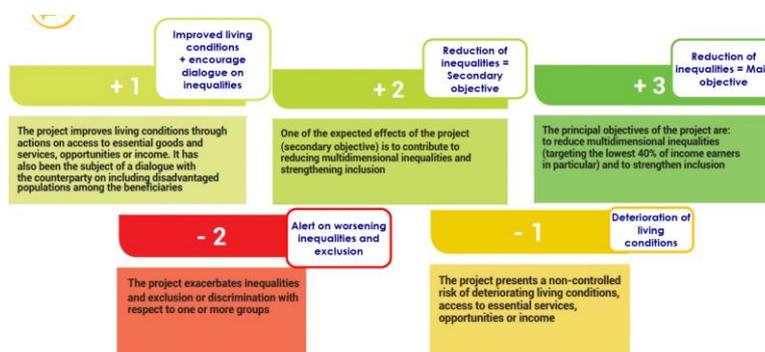
- Level I-1.1- Targeted- Not significant: the intervention contributes to the reduction of inequalities, but reducing inequalities is not a significant objective;
- Level I-1.2- Targeted-Significant: Reducing inequalities is a significant objective of the intervention, but not its principal objective.

For illustrative purposes, the following table contains the inequality marker developed by the French Development Agency (AFD), which reflects six levels of classification.

I.4 The example of the AFD "marker", which consists of six classification levels

AFD's tool for integrating the SDGs into operations and strategies includes 6 scoring levels, from -2 to +3, for each of the 7 "dimensions" (biodiversity, low carbon, resilience, social – focused on reducing inequalities, gender, economy, governance) that cover all the SDGs.

Figure 8. Levels of contribution to the "social dimension" of the AFD²⁰



Source: AFD/Adelante. Presentation: "Les inégalités multidimensionnelles", 5 October 2023

Scores "-2" and "-1" mean that the intervention would be harmful to the dimension considered: normally, they should lead to the abandonment of the project or to a profound revision. Score "0" is applied when "the project has no significant effects on social cohesion (reduction of inequalities and inclusion)"; scores "+1" to "+3" represent the degree of contribution to the reduction of inequalities and social inclusion.

²⁰ The figure shown does not include Level 0, equivalent to neutral contribution: it neither increases nor reduces inequalities.

Annex II - On the scoring system of the marker

The Excel template for calculating the tag for each intervention performs the numerical calculation. It is done automatically.

This Annex explains the methodology included in this Excel template.

Why is it quantified?

When analysing the criteria for an intervention, there is likely to be a strong correlation between the responses to the four criteria. For example, an intervention scored E-0 (not targeted – no impact) on criterion 1 (situation analysis) is unlikely to score E-1.2 (targeted – significant) on criterion 4 (monitoring and evaluation). However, overall consistency is highly uncertain and there is a risk that it will be unclear what tag to assign to the intervention when different criteria classify it differently.

To resolve this lack of clarity, and to be able to calculate the total score of the intervention (step 3), a quantitative score is assigned to the tag in each criterion.

How is it scored?

1) Numerical value of each level

By marking with an “X” the tag for each criterion in the Excel template of the formulation sheet, the template itself will assign a numerical value to each criterion, as shown in the following example.

Not targeted - No impact	E-0	Value 0
Targeted - Not significant	E-1.1	Value 0.4
Targeted – Significant	E-1.2	Value 0.7
Main	E-2	Value 1

2) Final marker of the intervention

To assign a marker tag to the intervention, in the Excel template of the formulation sheet the average of the four quantitative scores obtained in the four criteria is taken (the four marked “X”, one for each criterion) and, from this average, a global tag level is assigned as shown in the following table.

Not targeted - No impact	E-0	if the mean is less than or equal to 0.2
Targeted – Not significant	E-1.1	If the mean is between 0.2 and 0.55 (including 0.55)
Targeted – Significant	E-1.2	If the mean is between 0.55 and 0.85 (including 0.85)
Main	E-2	If the mean is greater than 0.85

This calculation will be performed automatically by marking with an “X” the level assigned to each of the 4 criteria and entering the tag of each criterion in the Excel template of the intervention formulation sheet, which directly gives us the tag of the intervention.