Suggested Principles for indicator selection

1. Number (e.g. aim to minimize, expand or maintain current number)
2. Information content (single or multi-dimensional, or mixed)
3. Arrangement (logical and sequential, order of significance or timing, no order)
4. Linkages (actively encourage links between criteria, explicitly cross-reference other indicators, check for internal contradictions)
5. Flexibility (can be adjusted to circumstance as necessary, or not)
6. Any more?

Indicator development Process:

1. Relevance for Nepal:
   a. Relevant – keep as is (go to 3)
   b. Partly relevant – needs adjustment to national context (go to 2 - drafting)
   c. Not relevant – take out (go to 5)
   d. New criterion required (go to 2)
2. Drafting of indicator for Nepal context:
   a. Decide type of indicator: Policy, Process or Outcome
   b. Identify relevant policies, regulations, institutions and processes to be referenced
   c. Develop Nepali wording for indicator
   d. Develop English wording for indicator
3. Checklist for effectiveness:
   a. Relates directly to the criterion
      i. Yes – proceed
      ii. No – remove – go to 5
   b. Verifiable: Is the indicator objective – value is independent of observer?
      i. Yes – proceed
      ii. Partly subjective (value will be influenced by observer) – note for step 4 – devise a ranking scale for monitoring methodology
      iii. No – completely subjective (depends entirely on observer) – go back to step 2
   c. Understandable – will everyone within the relevant stakeholder network know how to interpret the information?
      i. Yes – proceed
      ii. No – too complex for some – to back to step 2
   d. Reliable – will the indicator always give a true account of the situation?
      i. Yes – proceed
      ii. No – could be misleading - go back to step 2
4. Checklist means of verification:
   a. Accessibility of secondary data – is there a baseline against which data can be compared?
      i. Not relevant – go to c
      ii. Yes – proceed
      iii. No – note for future reference – baseline data must be created through monitoring process
   b. Timeliness of secondary data – are measurements frequent enough to be useful?
      i. Yes – proceed
      ii. No – secondary data cannot be used
   c. Practicality of primary data collection – what will be the main methodology?
      i. Not relevant – go to 5
      ii. Describe key methodology – survey form, observation, interviews, other
   d. Are human resources available to conduct the key methodology?
      i. Yes – staff available with required capacity – note who they are and proceed
      ii. Yes – staff available but require training – note who they are, training required and proceed
      iii. No – note and proceed
   e. Are financial resources available to conduct the key methodology?
      i. Yes – budget available – note source of finance, estimated unit cost and proceed
      ii. Partly available – note source of funds, estimated unit cost and potential source of additional funds, proceed
      iii. No – unlikely to become available – note and proceed
   f. Can the key methodology be conducted according to envisaged schedule for monitoring?
      i. Yes – note estimated duration of exercise and proceed
      ii. Yes, but dependent on season – note reason for seasonal dependency and proceed
      iii. No – note estimated time required and proceed
   g. Is the key methodology feasible?
      i. Yes to questions c-f: Feasible, proceed
      ii. No to one or two of c-f: Feasible with constraints, note and proceed
      iii. No to three or four of c-f: Not feasible, go back to 2

5. Justification for indicator development
   a. Note action taken – retained/adapted/deleted/added
   b. If retained – go to 6
   c. If adapted, deleted or added, note rationale for action

6. Go to next indicator