

DIVERSIFIED INCOME

Indicator Phrasing

English: number or % of households that gained additional, environmentally and economically sustainable sources of income

French: nombre ou % de ménages ayant obtenu des sources de revenus supplémentaires, écologiquement et économiquement durables

Portuguese: número ou % de famílias que adquiriram fontes de rendimento adicionais, ambiental e economicamente sustentáveis

Czech: počet nebo % domácností, které získaly dodatečné, ekologicky a ekonomicky udržitelné zdroje příjmu

What is its purpose?

Income diversification is among the main climate change adaptation measures, as it enables households to avoid the risks associated with relying only on one main source of income. At the same time, meaningful income diversification needs to be economically and environmentally sustainable. Therefore, this indicator measures the extent to which the targeted households managed to diversify their livelihoods by gaining an additional income source that is likely to be environmentally and economically sustainable.

How to Collect and Analyse the Required Data

Determine the indicator's value by using the following methodology:

1) **Define the criteria** based on which it is possible to conclude that the source of income is likely to be '**economically sustainable**'. These can include, for example:

- the overall income is higher than the costs (also consider costs in the form of people's time / labour)
- there are no signs of significant difficulties with production / service provision and with finding customers
- considering the effort invested and the benefits gained, the household is motivated to continue in the income generating activity

2) **Define the criteria**, based on which it is possible to conclude that the source of income is likely to be '**environmentally sustainable**'. These can include, for example:

- the income generating activity does not deplete environmental resources in a way that cannot be sustained in the long-term
- the income generating activity does not contribute to polluting or damaging the natural

environment (e.g. by an excessive use of chemicals, by overgrazing the land)

3) **Define what can be accepted as an 'additional' source of income.** For example, when a household that is heavily reliant on crop production starts growing a new crop, can it be counted as an 'additional income'?

4) To **determine the indicator's value**, conduct a survey among a [representative sample](#) of households, assessing how many of them have (thanks to the project's support) gained an additional source of income that is likely to be environmentally and economically sustainable (i.e. all three criteria need to be met). Divide this number by the total number of households who received income generation support. Multiply the result by 100 to convert it to a percentage.

Disaggregate by

[Disaggregate](#) the data by gender and the type of supported livelihoods activities.

Important Comments

1) This indicator will give you useful, meaningful data only if you manage to develop and use locally relevant and measurable environmental and economic sustainability criteria. Ensure that sufficient effort is invested in this step.

2) Keep in mind that it is common that some income generating activities are not economically sustainable. In some cases, unfortunately, they also are not environmentally sustainable. Therefore, **when setting the target for this indicator, be realistic**. If your results show that 100% of the target households gained a sustainable source of income, then either you are a genius or there is something wrong with the data collection and analysis process.