

## Global Europe Results Framework Indicator Methodology Note

1. Indicator name
<b>GERF 2.6: Number of Micro, Small and Medium Enterprises applying Sustainable Consumption and Production practices with EU support</b>
2. Technical details
<p><i>Please use the information provided in OPSYS or the SWD.</i></p> <p><u>Results Dashboard code(s)</u>: 65202.</p> <p><u>Unit of measure</u>: Number of (#).</p> <p><u>Type of indicator</u>: Quantitative (not qualitative) – Numeric (not percentage); Actual ex-post (not estimated or ex-ante); Cumulative (not annual); Flow (not stock).</p> <p><u>Level(s) of measurement</u>: Specific Objective – Outcome; Direct Output; Output.</p> <p><u>Disaggregation(s)</u>: Enterprise size (Microenterprises (1-9); Small enterprises (10-49); Medium enterprises (50-249); Large enterprises (250+)) &amp; For MSME owner: Sex (Female; Male; Intersex); Age group – Results framework for Green Economy (15-30; 31+).</p> <p><u>DAC sector code(s)</u>: 32130 – Small and medium-sized enterprises (SME) development</p> <p><u>Main associated SDG</u>: 12.1 Implement the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries</p> <p><u>Other associated SDGs</u>: 8.4 resource efficiency; 9.5 upgrade infrastructure and clean technology; 12.2 sustainable management of natural resources; 12.4 chemicals and waste; 12.5 waste reduction and recycling; 12.7 sustainable procurement; 12.8 sustainable development awareness; 12.a support on sustainable technology; 12.b sustainable tourism; 13.2 climate measures.</p> <p><u>Associated GERP Level 1 indicator</u>: 1.5 Material footprint per GDP (SDG 12.2.1)</p> <p><u>Associated GERP Level 3 indicators</u>:</p> <p>3.1 Amount and share of EU-funded external assistance contributing to: (a) climate change (adaptation and mitigation), (b) protecting biodiversity, (c) combating desertification, (d) protecting the environment (Aid to Env)</p> <p>3.5 Leverage of EU blending and guarantee operations financed by EU external assistance, measured as: (a) Investment leverage ratio, (b) Total eligible financial institution financing leverage ratio, (c) Private financing leverage ratio</p> <p>3.13 Number and share of EU- external interventions promoting gender equality and women's empowerment</p> <p>3.14 Number and share of EU-funded external interventions promoting disability inclusion</p> <p>3.16 Amount and share of EU-funded external assistance qualifying as ODA</p>

### 3. Policy context and rationale

The New European Consensus on Development calls on the EU and its Member States ‘to promote resource efficiency and sustainable consumption and production, including the sustainable management of chemicals and waste, with a view to decoupling economic growth from environmental degradation and enabling the transition to a circular economy’. This commitment is meant to contribute to the *Planet*, the *People*, and the *Prosperity* priorities of the European Consensus, reflecting the paradigm shift towards better acknowledgement of the economic opportunities that ‘green’ policies, markets and business practices can deliver, notably in terms of sustainable growth and job creation.

The 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs) includes a commitment to ensure sustainable consumption and production patterns (SDG 12). Delivering on the SDG 12 commitments requires moving from linear, highly resource-depleting systems with high emissions, waste generation and high impacts on ecosystems and natural capital, towards circular, less wasteful systems that use resources more efficiently and sustainably, while providing work opportunities and good quality of life. This requires systemic change in consumption and production patterns at home and globally, as acknowledged in the EU Green Deal.

The 2020 Circular Economy Action Plan emphasises that the EU alone cannot deliver the European Green Deal’s vision for a climate-neutral, resource-efficient and circular economy. The Action Plan also confirms that the EU will continue to lead the way to a circular economy at the global level and use its influence, expertise and financial resources to implement the 2030 Agenda in the EU and beyond. The European single market enables the EU to set global standards in product sustainability and to influence product design and value chain management worldwide, encouraging the uptake of Sustainable Consumption and Production (SCP) practices by the private sector, notably Micro, Small and Medium Enterprises (MSMEs).

### 4. Logframe inclusion

**If an intervention generates the result measured by this indicator, then it must be reported in OPSYS.** Corporate targets have been set for the indicators used to monitor the Strategic Plan and the Multiannual Financial Framework (see Section 9). Progress towards these targets is reported annually in the Annual Activity Plan (for the Strategic Plan) and the Programme Performance Statements (for the Multiannual Financial Framework). These values are calculated by aggregating the results reported in OPSYS. These reports ultimately contribute to the Annual Management Performance Report submitted by the European Commission to the Council and Parliament during the annual budgetary discharge procedure. If targets are not met, explanations must be provided. Therefore, it is crucial that all results are recorded in OPSYS.

**There are two ways of doing this:**

- Include the indicator directly in the logframe (recommended approach);
- Match the indicator to the closest logframe indicator (only if the indicator was not originally included in the logframe and modification is not possible).

Why? The matching functionality in OPSYS only accommodates reporting current values and does not yet support encoding baselines and targets. This is a significant drawback because targets are a valuable piece of information, especially at the beginning of a Multiannual Financial Framework. Indeed, results take time to materialise as they are the last step in the chain, appearing only after programming, commitments, contracting, and spending have occurred. Targets allow to see what results are expected long before they materialise, which is reassuring to the different stakeholders concerned with accountability. **Therefore, include all corporate indicators directly in the logframe whenever possible, and reserve the matching functionality only for cases when this is not feasible.**

## 5. Values to report

The following values must be determined in line with the definitions provided in Section 6.

**Baseline value:** the value measured for the indicator in the baseline year. The baseline value is the value against which progress will be assessed. For GERF indicators, this value is usually zero. This is because the results being measured must be directly attributable to EU support; prior to the start of implementation, the specific intervention has not yet occurred and therefore cannot have generated a result. A non-zero baseline may only occur if the intervention is following up on work achieved by another intervention financed by the same instrument.

### Current value:

- **For logframe indicators:** the most recent value for the indicator at the time of reporting. The current value includes the baseline value which is reported separately for logframe indicators in OPSYS.
- **For matched indicators:** the most recent value for the results achieved at the time of reporting since the start of implementation of the intervention. This value is obtained by taking the most recent value for the indicator at the time of reporting and subtracting off the baseline value which is not reported separately for matched indicators in OPSYS.

Current values will be collected at least once a year and reported cumulatively throughout the implementation period.

**Final target value:** the expected value for the indicator in the target year.

**Intermediate target values** (milestones). A tool has been developed in OPSYS to generate intermediate targets automatically<sup>1</sup>.

<sup>1</sup> This has been done in the context of the Primary Intervention Questionnaire (PIQ) for the EAMR. Three new KPIs provide an overall assessment of ongoing interventions (current performance and future performance) and completed interventions (final performance). Scores will be calculated for all INTPA and NEAR interventions participating in the annual results data collection exercise.

- *KPI 10* reflects the relevance, efficiency and effectiveness of ongoing interventions. The information on relevance is provided by the Operational Manager's response to a question in a survey. The information on efficiency and effectiveness is provided either by the logframe data, if sufficient data is available, or the response to a question in a survey, if not.

- **For outputs:** the intermediate targets are generated using a linear interpolation between the baseline and target values because it is assumed that outputs materialise sooner and more progressively over implementation (than outcomes).
- **For outcomes:** the expected progression over the course of implementation will vary across interventions. During the creation of a logframe, the expected outcome profile must be selected (OPSYS offers four options<sup>2</sup>) and this selection triggers the generation of intermediate targets for all 30 June and 31 December dates between the baseline and target dates for all output and outcome quantitative indicators. All automatically generated intermediate targets values and dates can be subsequently modified by the Operational Manager or the Implementing Partner with the approval of the Operational Manager.

## 6. Calculation of values

*Specify all assumptions made, provide any relevant guidance on double counting, and include checklist for quality control.*

The value for this indicator is calculated by counting the number of MSMEs applying sustainable consumption and production practices with EU support, using the technical definitions and counting guidance provided below. Please double check your calculations using the quality control checklist below.

### **Technical definitions**

*Sustainable consumption and production (SCP) practices* aim to do ‘more and better with less’, by reducing resource use, degradation and pollution throughout the life cycle of goods and services, while increasing quality of life for all.

A working definition of SCP is: ‘*the production and use of services and related products, which respond to basic needs and bring a better quality of life while minimising the use of natural resources and toxic materials as well as the emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardise the needs of future generations*’ (Oslo Symposium, 1994).

This includes, for example, the production and use of clean energy in manufacturing, measures to improve energy and resource efficiency (e.g. reducing water consumption, reusing water, treating wastewater), the manufacture of recycled goods or goods made of secondary raw materials (circular economy practices), products that are certified in accordance with

- *KPI 11* reflects expectations regarding the most probable levels of relevance, efficiency, effectiveness and sustainability that can be achieved by ongoing interventions in the future. In this case, all the information is provided by the Operational Manager’s responses to questions in a survey.
- *KPI 12* reflects the relevance, efficiency and effectiveness of completed interventions. The information on relevance is provided by the Operational Manager’s response to a question in a survey. The information on efficiency and effectiveness is provided by the logframe data if sufficient data is available, or the response to a question in a survey, if not.

<sup>2</sup> a. *steady progress*: The outcomes are achieved continuously throughout implementation; b. *accelerating progress*: The outcomes are achieved towards the end of implementation; c. *no progress until end*: The outcomes are mostly achieved at the end of implementation; d. *none of the above*.

sustainability standards (such as eco-labelling of food products), etc.

To clarify some important related SCP concepts, please refer to the following publication:  
[http://sustainabledevelopment.un.org/content/documents/945ABC\\_ENGLISH.pdf](http://sustainabledevelopment.un.org/content/documents/945ABC_ENGLISH.pdf)

The definition of the MSMEs can be based on the local definition. Where the local definition is not available, definitions from the EU, the World Bank Group or another international organisation can be used. Smallholder farmers (that are typically self-employed and without employees) do not count as microenterprises.

#### **Counting guidance**

1. The unit of measurement is the number of MSMEs, not the number of practices adopted.
2. If the intervention to support MSMEs has several components and SCP is only one of them, only the MSMEs receiving this type of support should be reported under this indicator.
3. Double counting is not allowed: a firm can be counted only once in the same EU support period. This means that if the same firm benefits from one or more forms of support, over one or more years of the same EU support period, from the same intervention or different interventions, this firm should be counted only once. To avoid the double counting of firms over time, two approaches are possible. If it is possible to reliably estimate the number of firms supported in the first year, and the number of new firms supported in the following years (i.e. not yet supported during the reporting period in question), these numbers can be added up without the risk of double counting. However, if this information is not available, the maximum result of the reporting period should be used instead. Record the calculations in the calculation method field to facilitate quality control of the values reported. Report the geographic location of the firms in the comment field to facilitate quality control of double counting.

#### **Quality control checklist**

1. Has the indicator been included directly in the logframe? Reserve the OPSYS matching functionality only for cases when this is not feasible.
2. If the indicator has been included directly in the logframe, does the current value *include* the baseline value? If the indicator has been matched to a logframe indicator, does the current value *exclude* the baseline value?
3. Have smallholders been excluded? They should be considered under GERF 2.1 *Number of smallholders reached with EU-supported interventions aimed to increase their sustainable production, access to markets and/or security of land*, not under GERF 2.6.
4. Are the sustainable consumption and production practices being applied by the MSME? Attending training or merely committing to apply the practices is not enough.
5. Does the GERF value count firms? The unit of measurement is not the number of practises.
6. Is the GERF value a whole number? The number of MSMEs cannot be a decimal number.
7. Has double counting been avoided? A firm can be counted only once per EU support

<p>period.</p> <p>8. Have all calculations been recorded in the calculation method field? Has all relevant information, including the geographic location of results, been reported in the comment field?</p>												
7. Examples of calculations												
<p>In Country A, the EU Delegation has a multi-component intervention to develop the private sector and has reached a total of 50 MSMEs. One component of this intervention has effectively facilitated the uptake of cleaner production practices by 25 enterprises, by developing relevant capacities and providing access to finance for the SCP investments implemented by each enterprise. Only the 25 MSMEs benefiting from this specific SCP component should be counted under this indicator.</p> <p>In country B, a local financial institution supported by EFSD+ offers soft loans of up to EUR 30 million over a three-year period to MSMEs that invest in equipment that drives new practices and processes enabling new green/sustainable production. In year 1, financial institution (FI) A (start Year 1) offers loans to 30 MSMEs, 25 of which take up the loans worth a total of EUR 15 million. In year 2, it provides loans worth EUR 5 million to 10 MSMEs; in year 3 it provides further loans of EUR 5 million to 8 MSMEs.</p> <p>How many MSMEs meet the requirements of the indicator in each year? On the basis of the information provided, none meet the requirements in any year. The key element in the indicator is the application of sustainable consumption and production practices: on that subject, we have been given no information.</p> <p>Let us go a step further and assume that:</p> <ul style="list-style-type: none"> <li>– by the end of Year 1: of the 25 MSMEs taking up the loans, 4 have put in place relevant equipment and applied sustainable production practices. But the remaining 21 are not yet at this stage;</li> <li>– by the end of Year 2, a further 20 MSMEs have put in place relevant equipment and applied sustainable production practices;</li> <li>– by the end of Year 3, a further 12 MSMEs have put in place relevant equipment and applied sustainable production practices;</li> <li>– by the end of Year 4: a further 2 MSMEs have put in place relevant equipment and applied sustainable production practices.</li> </ul> <p>The values to be reported against the indicator '<i>Number of Micro, Small and Medium Enterprises applying sustainable consumption and production practices with EU support</i>' will be as follows:</p>												
<table border="1"> <thead> <tr> <th>Baseline</th> <th>End of year 1</th> <th>End of year 2</th> <th>End of year 3</th> <th>End of year 4</th> <th>Target: end of year 4</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>4</td> <td>24 (4 in Y1 + 20 in Y2)</td> <td>36 (4 in Y1 + 20 in Y2 + 12 in Y3)</td> <td>38 (4 in Y1 + 20 in Y2 + 12 in Y3 +</td> <td>38</td> </tr> </tbody> </table>	Baseline	End of year 1	End of year 2	End of year 3	End of year 4	Target: end of year 4	0	4	24 (4 in Y1 + 20 in Y2)	36 (4 in Y1 + 20 in Y2 + 12 in Y3)	38 (4 in Y1 + 20 in Y2 + 12 in Y3 +	38
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				2 in Y4)	
<p>Imagine that an external monitoring mission finds that five of the 38 MSMEs have not, in fact, applied sustainable production practices. In this case, the total will be reduced from 38 to 33.</p>					
<p>8. Data sources and issues</p>					
<p><i>Please use the data source categories specified in OPSYS.</i></p> <p><u>EU intervention monitoring and reporting systems</u>: <i>Progress and final reports for the EU-funded intervention; ROM reviews; Baseline and endline surveys conducted and budgeted by the EU-funded intervention.</i></p> <p><i>Include any issues relating to the availability and quality of the data.</i></p>					
<p>9. Reporting process &amp; Corporate reporting</p>					
<p>The data collected on this indicator will be reported in OPSYS by the Implementing Partner. The values encoded in OPSYS will be verified, possibly modified and ultimately validated by the Operational Manager. Once a year the results reported will be frozen for corporate reporting. The methodological services in HQ that are responsible for GERF corporate reporting will perform quality control on the frozen data and aggregate as needed to meet the different corporate reporting requirements.</p> <p><i>Please replace <input type="radio"/> with <input checked="" type="radio"/> for the relevant items below.</i></p> <p>This indicator is used for corporate reporting in the following contexts:</p> <ul style="list-style-type: none"> <li>● <i>NDICI via the Annual Report</i></li> <li>● <i>NDICI via the 2021-27 Programme Performance Statements</i></li> <li>● <i>INTPA Strategic Plan 2020-24 via the Annual Activity Report</i></li> <li>● <i>INTPA Strategic Plan 2025-29 via the Annual Activity Report</i></li> <li>○ <i>NEAR Strategic Plan 2020-24 via the Annual Activity Report</i></li> <li>○ <i>ENEST Strategic Plan 2025-29 via the Annual Activity Report</i></li> <li>○ <i>MENA Strategic Plan 2025-29 via the Annual Activity Report</i></li> <li>○ <i>FPI Strategic Plan 2020-24 via the Annual Activity Report</i></li> <li>○ <i>FPI Strategic Plan 2025-29 via the Annual Activity Report</i></li> </ul> <p>This indicator has been included in the following other Results Measurement Frameworks:</p> <ul style="list-style-type: none"> <li>● <i>EFSD+</i></li> <li>○ <i>GAP III</i></li> <li>○ <i>IPA III</i></li> <li>○ <i>TEI-MORE</i></li> </ul>					
<p>10. Baseline alignment and Annualisation</p>					
<p>Corporate reports most often cover different timeframes. Only rarely does the 7-year Multiannual Financial Framework (MFF) start in the same year as the 5-year Strategic Plans. Because the MFF drives the funding for these interventions, it serves as the primary baseline</p>					

for data collection. To report against other cycles with different start dates, results must first be annualised and then re-cumulated starting from the required baseline year.

The annualisation method depends on the type of indicator, which can be found in Section 2:

- **Flow Indicators** (discrete achievements): These measure "one-off" events or new beneficiaries reached within a specific timeframe (e.g., Number of people trained). To find the annual result, we calculate the variation (the difference between the cumulative total at the end of the year and the beginning of the year).

*Example: If a project reached 500 total people by 2024 and 800 by 2025, the 2025 annual result is 300 (the new results generated that year).*

- **Stock Indicators** (continuous support): These measure an ongoing state or sustained support (e.g., Number of countries supported). To find the annual result, we take the total cumulative value at the end of the year, as this represents the full extent of the EU's active footprint.

*Example: If the EU supports 10 countries in 2024 and continues supporting those same 10 in 2025, the 2025 annual result remains 10 (the total "stock" of support active that year).*

In this case, the result is often achieved at the onset of the intervention and remains ongoing throughout implementation. When re-baselining for a new corporate cycle, these results are maintained rather than recalculated as variations. The annual value is the total number of entities under active support at the end of the reporting year, regardless of whether that support commenced before or after the new baseline year.

## 11. Other uses

GERF 2.6 can be found in the following thematic results chains:

- [Green Economy](#)
- [Human Rights](#)

GERF 2.6 can be found in the following groups of EU predefined indicators available in OPSYS, along with other related indicators:

- Green Economy
- Human Rights
- Oceans

For more information, see: [Core indicators for design and monitoring of EU-funded interventions | Capacity4dev \(europa.eu\)](#)

*Include references to external bodies using the same or similar indicator.*

## 12. Other issues