

The EC Inequality Marker



Executive Summary

The Inequality Marker (I-Marker)[1] stands as a significant qualitative tool designed to gauge the degree to which inequalities are addressed within EU international partnership interventions. Formally approved by the European Commission, under the guidance of Commissioner Jutta Urpilainen, it was officially adopted in June 2023.

In alignment with the established OECD-DAC gender equality and disability markers, the I-Marker employs a numeric scoring system ranging from 0 to 2. This scoring framework allows for the assessment of inequality considerations at various stages—be it prior to project initiation (ex ante), after completion (ex post), or during the implementation phase.

This document serves as a comprehensive guide on the I-Marker, explaining how this tool can be strategically employed by your organization, and providing clarity on the scoring mechanism.

Introduction

In the face of global crises that have exacerbated societal disparities both within and between nations, the European Commission has responded with a strategic tool designed to address and mitigate the effects of these inequalities – the Inequality Marker (I-Marker). Developed to enhance reporting and benchmarking, this marker serves as a critical instrument in evaluating the contribution of various interventions to the reduction of inequalities.[2] By systematically assessing whether and to what extent inequality reduction is a predefined objective, the I-Marker reinforces the efficacy of development interventions, particularly those targeting the bottom 40% or other socioeconomically disadvantaged individuals, households, or groups.

The I-Marker emerges as a fundamental tool for assessing the explicit objective of inequality reduction within interventions led by DG INTPA.

[1] The full I-Marker is available online; you can also check the one-page summary.

[2] European Commission, Directorate-General for International Partnerships, The European Commission inequality marker (I-Marker), Publications Office of the European Union, 2023, <https://data.europa.eu/doi/10.2841/637400>

[3] [European Commission, Directorate-General for International Partnerships, The European Commission inequality marker – Guidelines for the application and scoring of interventions, Publications Office of the European Union, 2023, https://data.europa.eu/doi/10.2841/051011](https://data.europa.eu/doi/10.2841/051011)



Background

EU Markers

Markers serve as qualitative tools within the realm of development activities, providing an indication of the extent to which these endeavours are aligned with specific policy objectives. These markers play a crucial role in tracking the allocation of Official Development Assistance (ODA) towards particular objectives and assessing the level of focus dedicated to each.

A rating of '2' designates the objective as a principal target, '1' signifies a significant target, and '0' indicates that the activity is not (yet) directed towards the relevant policy objective.

Inequalities Definitions

The I-marker encompasses two distinct forms of inequality, each defined as follows:

Horizontal Inequality

Horizontal inequality pertains to variations in economic or social outcomes among groups of individuals who share a common identity within a society. These group categories may relate to various distributional factors such as income, education, or health. Notably, circumstances like gender, ethnicity, religion, or geographical location are often employed as categories when examining horizontal inequality.

Vertical Inequality

Vertical inequality, on the other hand, denotes differences in outcomes among individuals or households within a specific group, country, region, or globally. Strategies aimed at addressing vertical inequality and outcomes inequality share a common objective: the reduction of gaps between individuals rather than among groups.

The I-Marker

What is the value of the I-Marker?

As a policy tool, the I-marker serves to enhance the design of interventions, ensuring their efficacy in reducing inequality. By systematically assessing whether and to what extent inequality reduction is an explicit objective of development interventions, the I-marker contributes to improved policy formulation.

In its capacity as an advocacy tool, the I-marker establishes a robust reporting and benchmarking system. This system facilitates clear communication on the multifaceted contribution of relevant interventions to inequality reduction.



This is particularly crucial for policy dialogue and communication, as, starting from 2024, all actions emanating from DG INTPA Global Gateway will incorporate this marker. Notably, it does not assess the impact of development cooperation interventions on metrics such as the Gini coefficient or other within-country inequality measurements. The I-marker effectively targets the bottom 40% and other socioeconomically disadvantaged entities, households, or groups.

How does it focus on vertical inequality?

The Inequality Marker concentrates on vertical inequality by specifically targeting the bottom poorest 40% of the population. Should the income or wealth of this demographic grow at a rate surpassing the national average, inclusive economic progress ensues, leading to a reduction in overall inequality.

How does it focus on horizontal inequality?

The Inequality Marker embraces a comprehensive understanding of inequality, encompassing both vertical and horizontal dimensions. While specifically targeting the bottom poorest 40%, it extends its focus to include other socioeconomically disadvantaged individuals, households, or groups, effectively capturing horizontal inequality.

How can the I-Marker help and benefit your work?

1. Facilitates a comprehension of the factors contributing to inequality within each intervention.
2. Supports the establishment of goals and the strategic planning of activities to combat inequalities.
3. Enhances precision in targeting the most vulnerable groups within the context of each intervention.
4. Ensures the prioritization of reducing inequality as a central objective in EU external actions.

Scoring Criteria

The I-Marker employs a scoring system to evaluate the extent to which inequality reduction is a primary objective within development interventions. This scoring system relies on four specific criteria, and an intervention's alignment with these criteria determines its score.[4]

I-2 Inequality reduction is the principal objective:

An intervention is assigned an I-2 score when it is expressly designed with the principal aim of reducing inequality. This entails a comprehensive analysis of inequality levels, drivers, and determinants. The intervention's general objective, along with at least one specific objective, must be geared towards inequality reduction.

I-1 Inequality reduction is a significant objective:

An intervention receives a score of I-1 when it meets the minimum criteria. This involves providing generic

[4] Directorate-General for International Partnerships (European Commission), The European Commission Inequality Marker: Guidelines for the Application and Scoring of Interventions, Publications Office of the European Union, Publications Office of the European Union, LU, 2023.



or specific objectives aimed at reducing inequality, developing inequality indicators with targets, and possessing a clear plan for result evaluation, inclusive of inequality reduction targets. An example is an action supporting sustainable forest resource management that empowers the most vulnerable and ensures their active participation.

I-0 Inequality reduction is not targeted:

An I-0 score is assigned when none of the criteria are relevant to the intervention. This signifies the absence of an analysis of inequality incidence, no defined objectives for inequality reduction, no indicators benefiting the bottom 40% or socioeconomically disadvantaged individuals, and no planned evaluation of the distributional impact. An example is an action to boost the tourism sector in a country.

Blank Value:

Apart from the scores, it is crucial to acknowledge the significance of the "blank" value. Distinguishable from a score of I-0, indicating that inequality is not targeted, the "blank" value implies that the project has not been analysed against the I-Marker checklist.

Scoring of I-Marker Criteria

The I-Marker employs a scoring system grounded in four specific criteria, serving as benchmarks to evaluate the congruence of development cooperation interventions with the overarching objective of reducing inequality.

The following criteria are utilized by the I-Marker:

Criteria	Description	I-0	I-1	I-2
Analysis of trends and drivers of inequalities in policy area of intervention	Is an analysis of trends and drivers of inequalities in the policy area of the intervention used to identify the bottom (poorest) 40% or socioeconomically disadvantaged individuals, households, or groups in defining the program or project objectives and activities?	No analysis provided	Generic contextual information on inequality levels used	Detailed analysis provided on levels, drivers, and determinants



<p>Objectives and activities designed to reduce inequalities</p>	<p>Are the objectives and activities of the intervention designed to directly benefit the bottom (poorest) 40% or socioeconomically disadvantaged individuals, households, or groups within the population, which inter alia could have been disproportionately excluded from the provision of public goods and services?</p>	<p>No objective to reduce inequalities set</p>	<p>General objective or at least one specific objective designed to reduce inequalities</p>	<p>General objective to reduce inequalities and at least one specific objective set to reach the bottom 40% or socioeconomically disadvantaged individuals, households, or groups.</p>
<p>Measurable and relevant inequality indicators</p>	<p>Are measurable and relevant indicators in place (with baselines and targets) to assess progress in delivering the expected benefits to the bottom (poorest) 40% or socioeconomically disadvantaged individuals, households, or groups?</p>	<p>No targets and indicators defined</p>	<p>Inequality indicators, with targets, set for measuring, directly or indirectly, the effect of the intervention</p>	<p>Inequality indicators, with targets, set for directly measuring the effect of the intervention on the bottom 40% or socioeconomically disadvantaged individuals, households, or groups.</p>
<p>Evaluation plan of the intervention's distributional impact</p>	<p>Is there a specific evaluation plan (or component in the foreseen evaluation) to assess the impact on the bottom (poorest) 40% or socioeconomically disadvantaged individuals, households, or groups, including those identified by using the Distributional Impact Assessment tool?</p>	<p>No evaluation plan</p>	<p>Clear plan to evaluate results, including inequality reduction targets</p>	<p>Evaluation planned to assess the intervention's impact on the bottom 40% or socioeconomically disadvantaged individuals, households, or groups.</p>



For further information on applying the I-Marker, detailed examples and roll out see here:

[The EC I-Marker: Application, Examples and Roll Out](#)

Useful Resources

Webpages

1. [eLearning on the I-Marker](#)
2. European Commission (2023), '[E-learning Gender Action Plan III and Green Deal\(opens in a new tab\)](#)'.
3. European Union External Action (2021), '[EU Human Rights guidelines\(opens in a new tab\)](#)'.

Documents

1. European Commission, Directorate-General for International Partnerships, The European Commission inequality marker (I-Marker), Publications Office of the European Union, 2023, <https://data.europa.eu/doi/10.2841/637400>
2. European Commission, Directorate-General for International Partnerships, The European Commission inequality marker – Guidelines for the application and scoring of interventions, Publications Office of the European Union, 2023, <https://data.europa.eu/doi/10.2841/051011>

Videos

1. European Commission (2023), '[Inequality Week Session 10 – Inequality Marker](#)'.
2. European Commission (2023), '[Inequality Week Session 11 – Applying the I-Marker to SSC fiches, action documents](#)'.
3. European Commission (2022), '[Inequalities 2 Addressing income inequalities through development cooperation](#)'.
4. European Commission (2022), '[Inequalities training _1.1 Jutta URPIILAINEN](#)'

EU Reference Documents

1. European Commission (2021), 'Tools and Methods Series Reference Document No 29: Addressing income inequalities through development cooperation. [Volume 1: Concepts and definitions](#)'.
2. European Commission (2021), 'Tools and Methods Series Reference Document No 29: Addressing income inequalities through development cooperation. [Volume 2: Policy briefs to tackle inequalities](#)'.
3. European Commission (2021), 'Tools and Methods Series Reference Document No 29: Addressing income inequalities through development cooperation. [Volume 3: Guidelines for mainstreaming the reduction of inequality in interventions](#)'.



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