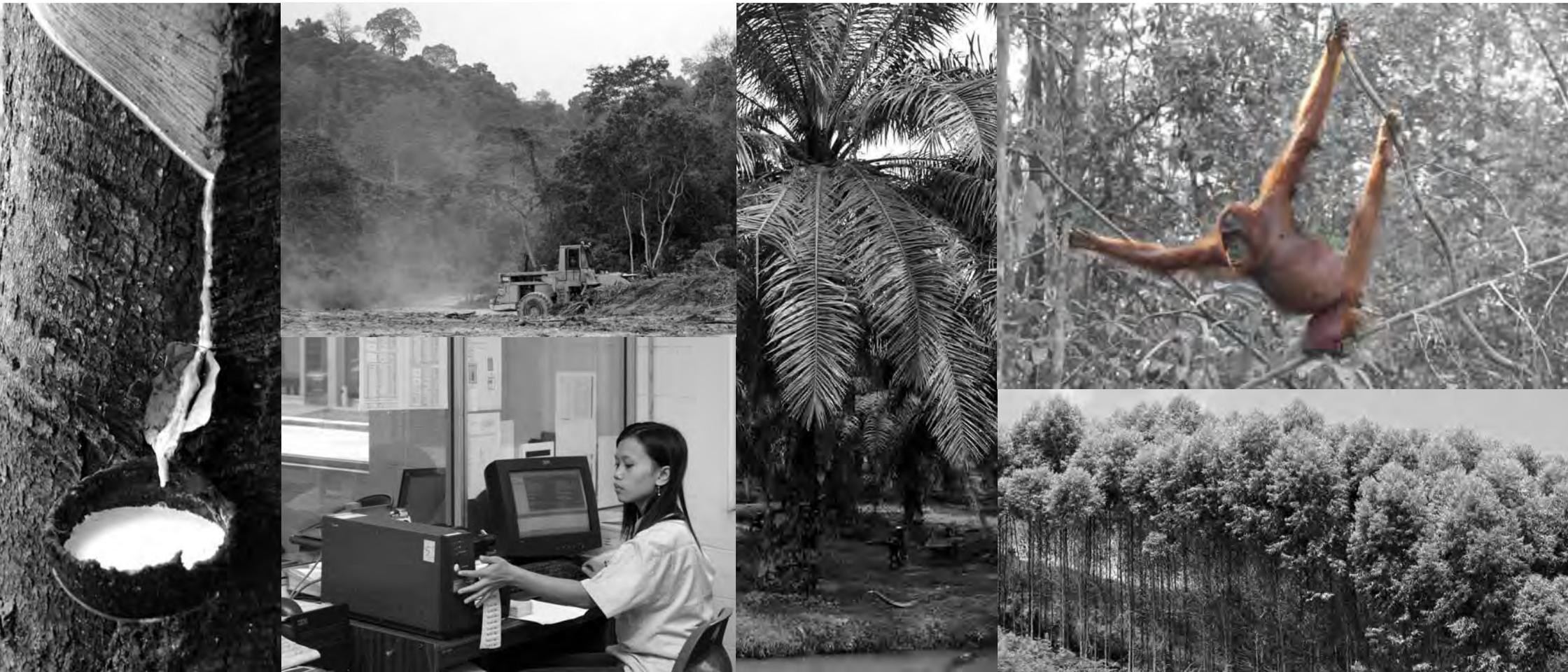


PRIVATE SECTOR SUSTAINABILITY FACILITY

PERFORMANCE MONITORING PLAN





PRIVATE SECTOR SUSTAINABILITY FACILITY

PERFORMANCE MONITORING PLAN

August 2010

ACKNOWLEDGMENTS

Contents: Paul Hartman, & Darrell Kitchener

Design: Donald Bason

USAID Contract: 497-C-00-07-00016-00

Submitted by: DAI
7600 Wisconsin Ave., Ste. 200
Bethesda, MD 20814

Submitted to: Indonesian Mission
U.S. Agency for International
Development, Environment Office,
Jakarta, Indonesia

These guidelines are made possible by the support of the American People through the United States Agency for International Development (USAID). The contents of this document are the sole responsibility of DAI and do not necessarily reflect the views of USAID or the United States Government.

CONTENTS

- Page: 1 Performance Monitoring**
- 2 Table 1: Component 1 Improved Management of Orangutan Habitat in Concessions Indicators**
- 3 Table 2: Component 1 Improved Management of Orangutan Habitat in Concessions Targets**
- 4 Table 3: Component 2 Financial Sector Improved Screening Protocol Indicators**
- 5 Table 4: Component 2 Financial Sector Improved Screening Protocol Targets**
- 6 Table 5: Component 3 Conservation Constituency Strengthened within the Private Sector Indicators**
- 7 Table 6: Component 3 Conservation Constituency Strengthened within the Private Sector Targets**

Performance Monitoring

To measure and evaluate the performance of the **Orangutan Conservation Services Program** (OCSP) and its partners, a rigorous monitoring system has been implemented. This system allows OCSP staff to build on successful initiatives and take corrective action when results are less than anticipated. An adaptive management strategy facilitates replication of successes and expedites the desired results of the program.

An efficient monitoring system must be built around good indicators, cost-effective data collection, rigorous analysis, and efficient reporting procedures. The criteria for selection of good indicators include that they are pertinent and unequivocal; that they are objective and assist in decision making; and that they are readily understandable. Moreover, they should be based on parameters that are quantifiable, and readily measured at a reasonable cost. In most instances, the careful selection of a few pertinent indicators that are easily measured is preferable to having numerous indicators that require complex procedures for data acquisition. Such an approach also fulfills the requirements of USAID/Washington.

The Private Sector Sustainability Facility (PSSF) is an OCSP activity that focuses on strengthening private sector partnerships for forest and biodiversity conservation. PSSF is targeted at advancing the engagement of private sector in orangutan conservation initiatives through:

1. Developing a set of best management practices for orangutan in four major concession types and establishing such improved practices in pilot concessions and landscapes;
2. Engaging financial institutions to deploy specific screening tools to encourage sustainable investment into orangutan habitat; and
3. Capitalizing on and encouraging within Indonesia existing trends towards valuation of natural resources.

In attempting to gauge the impact of these three components, attribution becomes a complex issue. Numerous organizations including the national and regional governments, NGOs and donors are active in many of the same regions, districts and even the same communities as those in which OCSP partners are active. Wherever possible we have identified indicators that will address this issue by focusing on impact that is specific to PSSF activities.

The performance and impact monitoring reports strive to be both candid and transparent. Wherever appropriate, issues of data quality will be discussed and any instances of under-performance relative to established targets will be accounted for and explained.

The Performance Monitoring Plan is founded on the principle that we cannot simply assume that achieving our performance targets will automatically result in meeting our objectives with regard to the impact we anticipate, and also that our partners will be happy with the results. In effect we have identified three types of indicators:

- Performance indicators that are essential for gauging progress in completing proposed project activities;
- Impact indicators that are essential for measuring success in meeting conservation objectives; and
- Indicators that gauge the level of stakeholder satisfaction with the improved services that PSSF and partners provide.

For each of the component objectives and their respective activities, we have identified indicators and targets. This monitoring plan will allow periodic assessments of performance in achieving PSSF objectives.

Table 1: Component I Indicators

Objective: *Improved Management of Orangutan Habitat in Concessions*

| | Overall Impact | 1.1 Undertake threats analysis of multifunctional landscapes in Sumatra and Kalimantan | 1.2 Develop and Implement BMP with Private Sector Concessionaires | 1.3 Monitor and Evaluate Implementation of BMP by concessioners | 1.4 Develop Best Management Practice at Landscape Level |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Performance Indicator | Number of hectares within concession sites under improved management | Number of landscape-scale threats analyses conducted | Number of concessionaires participating in best management practices pilot programs | Number of concessionaires with a plan to monitor progress on improved management | Number of multi-stakeholder 'Land Councils' developed by concessionaires and other local actors |
| Indicator Definition | Number of hectares of orangutan habitat within concession sites utilizing improved management practice for orang-utans as developed by OCSP | Number of landscape-scale threats analyses conducted that use available GIS data to determine the areas within selected orangutan landscapes where PSSF intervention is useful and necessary | Number of concessionaires participating in best management practices pilot programs through development of orang-utan sensitive conservation management plans | Number of concessionaires with a plan to monitor progress on implementation of orangutan sensitive conservation management plans or standard operating procedures | Number of multi-stakeholder Land Council developed by concessionaires and other local actors to manage threats within the broader landscape |
| Unit of Measurement | Number | Number | Number | Number | Number |
| Data Source | OCSP and Private Sector | OCSP | OCSP and Private Sector | OCSP, Grantee | OCSP and Private Sector |
| Method/ Approach of Data Collection | Report | GIS/Spatial data analysis | Agreements | Review of PMP | Agreements |
| Schedule/ Frequency | Annual | One time | One time | One time | One time |
| Reporting | Annual | Annual | Annual | Annual | Annual |

Table 2: Component I Targets

Objective: *Improved Management of Orangutan Habitat in Concessions*

| | Overall Impact | 1.1 Undertake threats analysis of multifunctional landscapes in Sumatra and Kalimantan | 1.2 Develop and Implement BMP with Private Sector Concessionaires | 1.3 Monitor and Evaluate Implementation of BMP by concessioners | 1.4 Develop Best Management Practice at Landscape Level |
|---------------|----------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| | Number of hectares within concession sites under improved management | Number of landscape-scale threats analyses conducted | Number of concessionaires participating in best management practices pilot programs | Number of concessionaires with a plan to monitor progress on improved management | Number of multi-stakeholder 'Land Councils' developed by concessionaires and other local actors |
| Target | 200,000 | 2 | 4 | 4 | 1 |
| Baseline Data | 0 | 0 | 0 | 0 | 0 |
| 2009 Target | 0 | 0 | 0 | 0 | 0 |
| 2009 Actual | 0 | 0 | 0 | 0 | 0 |
| 2010 Target | 200,000 | 2 | 4 | 4 | 1 |
| 2010 Actual | | | | | |

Table 3: Component 2 Indicators

Objective: *Financial Sector Improved Screening Protocol*

| | Overall Impact | 2.1 Undertake financial sector analysis to identify points of leverage important to adoption of screening protocols | 2.2 Develop screening tools with partners institutions | 2.3 Increase understanding and acceptance of screening tools by financial institution through workshop |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Performance Indicator | Percentage of individuals from financial Institutions demonstrating interest in adoption of investment screening tools | Number of Financial sector analyses and needs assessments completed | Number of individuals from financial institutions providing input into the development of the screening tools | Percentage of individuals from targeted financial institutions with better understanding of investment screening protocol for orangutan habitat. |
| Indicator Definition | Simple survey indicating percentage increase of individuals from financial Institutions demonstrating interest in adoption of investment screening tools | Number of financial sector analyses with selection criteria, finalized list of target priority financial institutions, and needs assessment completed | Number of individuals from financial institution providing input into the development of the screening tools by providing comment when interviewed | Simple survey demonstrating increased percentage of individuals from targeted financial institutions with better understanding of investment screening protocol for orangutan habitats. The percentage will be the portion of the total number of respondents that indicate positively an understanding and interest in usage |
| Unit of Measurement | Percentage | Number | Number | Percentage |
| Data Source | OCSP and Private Sector | OCSP | OCSP | OCSP |
| Method/ Approach of Data Collection | Pre and post survey | Review of completed report | Compiling Reviews | Pre and post meeting surveys will be conducted to determine if the knowledge and willingness to use the screening tools of staff from financial institution has increased as a result of better understanding. |
| Schedule/ Frequency | One time | One time | One time | One time |
| Reporting | Annual | Annual | Annual | Annual |

Table 4: Component 2 Targets

Objective: *Financial Sector Improved Screening Protocol*

| | Overall Impact | 2.1 Undertake financial sector analysis to identify points of leverage important to adoption of screening protocols | 2.2 Develop screening tools with partners institutions | 2.3 Increase understanding and acceptance of screening tools by financial institution through trainings and seminars |
|---------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| | Percentage of individuals from financial Institutions demonstrating interest in adoption of investment screening tools | Number of Financial sector analyses and needs assessments completed | Number of individuals from financial institutions providing input into the development of the screening tools | Percentage of individuals from targeted financial institutions with better understanding of investment screening protocol for orangutan habitat. |
| Target | 70% | 1 | 15 | 70% |
| Baseline Data | 0 | 0 | 0 | 0 |
| 2009 Target | 0 | 0 | 0 | 0 |
| 2009 Actual | 0 | 0 | 0 | 0 |
| 2010 Target | 70% | 1 | 15 | 70% |
| 2010 Actual | | | | |

Table 5: Component 3 Indicators

Objective: *Conservation Constituency Strengthened within the Private Sector*

| | Overall Impact | 3.1 Assess market trends within conservation finance and identify potential environmental market mechanisms (EMM) for use in orangutan habitat conservation. | 3.2 Support the development of “paper audit” pilot program as EMM pilot to generate private sector financing in orangutan sites |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Performance Indicator | Firms interested in utilizing environmental CSR/EMM approaches to impact conservation of orangutan | Number of OCSP assessments completed | Number of institutions agreeing to conduct paper audits |
| Indicator Definition | Percentage of target firms responding positively to questionnaire on their interested in utilizing environmental CSR/EMM approaches to impact conservation of orangutans | Number of OCSP assessments completed analyzing menu of available EMM options and framework of Indonesia’s CSR law | Number of institutions agreeing to conduct paper audits following methodology developed by OCSP |
| Unit of Measurement | Percentage | Number | Number |
| Data Source | OCSP | OCSP | OCSP |
| Method/ Approach of Data Collection | Survey | Analyze related document | Meeting |
| Schedule/ Frequency | One time | One time | One time |
| Reporting | Annual | Annual | Annual |

Table 6: Component 3 Targets

Objective: *Conservation Constituency Strengthened within the Private Sector*

| | Overall Impact | 3.1 Assess market trends within conservation finance and identify potential environmental market mechanisms (EMM) for use in orangutan habitat conservation. | 3.2 Support the development of “paper audit” pilot program as EMM pilot to generate private sector financing in orangutan sites |
|---------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| | Firms interested in utilizing environmental CSR/EMM approaches to impact conservation of orangutan | Number of OCSP assessments completed | Number of institutions agreeing to conduct paper audits |
| Target | 30% | 1 | 1 |
| Baseline Data | 0 | 0 | 0 |
| 2009 Target | 0 | 0 | 0 |
| 2009 Actual | 0 | 0 | 0 |
| 2010 Target | 30% | 0 | 1 |
| 2010 Actual | | | |

What is a Performance Monitoring Plan?

A performance monitoring plan (PMP) is a tool USAID operating units use to plan and manage the collection of performance data. Sometimes the plan also includes plans for data analysis, reporting, and use. At a minimum, PMPs should include:

- a detailed definition of each performance indicator
- the source, method, frequency and schedule of data collection, and
- the office, team, or individual responsible for ensuring data are available on schedule

As part of the PMP process, it is also advisable (but not mandated) for operating units to plan for:

- how the performance data will be analyzed, and
- how it will be reported, reviewed, and used to inform decisions

While PMPs are required, they are for the operating unit's own use. Review by central or regional bureaus is not mandated, although some bureaus encourage sharing PMPs. PMPs should be updated as needed to ensure plans, schedules, and assignments remain current.

Why are PMPs Important?

A performance monitoring plan is a critical tool for planning, managing, and documenting data collection. It contributes to the effectiveness of the performance monitoring system by assuring that comparable data will be collected on a regular and timely basis. These are essential to the operation of a credible and useful performance-based management approach.

PMPs promote the collection of comparable data by sufficiently documenting indicator definitions, sources, and methods of data collection. This enables operating units to collect comparable data over time even when key personnel change.

PMPs support timely collection of data by documenting the frequency and schedule of data collection as well as by assigning responsibilities. Operating units should also consider developing

plans for data analysis, reporting, and review efforts as part of the PMP process. It makes sense to think through data collection, analysis, reporting, and review as an integrated process. This will help keep the performance monitoring system on track and ensure performance data informs decision-making.

Plans for Data Collection

In its strategic plan, an operating unit will have identified a few preliminary performance indicators for each of its strategic objectives, strategic support objectives, and special objectives (referred to below simply as SOs), and USAID-supported intermediate results (IRs). In most cases, preliminary baselines and targets will also have been provided in the strategic plan. The PMP builds on this initial information, verifying or modifying the performance indicators, baselines and targets, and documenting decisions.

PMPs are required to include information on each performance indicator that has been identified in the Strategic Plan for SOs and IRs. Plans should also address how critical assumptions and results supported by partners (such as the host government, other donors, NGOs) will be monitored, although the same standards and requirements for developing indicators and collecting data do not apply. Furthermore, it is useful to include in the PMP lowerlevel indicators of inputs, outputs, and processes at the activity level, and how they will be monitored and linked to IRs and SOs.

Performance Indicators and their Definitions

Each performance indicator needs a detailed definition. Be precise about all technical elements of the indicator statement. Include in the definition the unit of measurement. For example, an indicator on the value of exports might be otherwise well defined, but it is also important to know whether the value will be measured in current or constant terms and in U.S. dollars or local currency. The definition should be detailed enough to ensure that different people at different times, given the task of collecting data for a given indicator, would collect identical types of data.

Data Source

Identify the data source for each performance indicator. The source is the entity from which the data are obtained, usually the organization that conducts the data collection effort. Data sources may include government departments, international organizations, other donors, NGOs, private firms, USAID offices, contractors, or activity implementing agencies.

Be as specific about the source as possible, so the same source can be used routinely. Switching data sources for the same indicator over time can lead to inconsistencies and misinterpretations and should be avoided. For example, switching from estimates of infant mortality rates based on national sample surveys to estimates based on hospital registration statistics can lead to false impressions of change.

Plans may refer to needs and means for strengthening the capacity of a particular data source to collect needed data on a regular basis, or for building special data collection efforts into USAID activities.

Method of Data Collection

Specify the method or approach to data collection for each indicator. Note whether it is primary data collection or is based on existing secondary data. For primary data collection, consider:

- the unit of analysis (individuals, families, communities, clinics, wells)
- data disaggregation needs (by gender, age, ethnic groups, location)
- sampling techniques for selecting cases (random sampling, purposive sampling); and
- techniques or instruments for acquiring data on these selected cases (structured questionnaires, direct observation forms)

For indicators based on secondary data, give the method of calculating the specific indicator data point and the sources of data. Note issues of data quality and reliability. For example, using secondary data from existing sources cuts costs and efforts, but its quality may not be as reliable. Provide sufficient detail on the data collection or calculation method to enable it to be replicated.

Frequency and Schedule of Data Collection

Performance monitoring systems must gather comparable data periodically to measure progress. But depending on the performance indicator, it may make sense to collect data on a quarterly, annual, or less frequent basis. When planning the frequency and scheduling of data collection, an important factor to consider is management's needs for timely information for decisionmaking.

Responsibilities for Acquiring Data

For each performance indicator, the responsibility the operating unit for the timely acquisition of data from their source should be clearly assigned to a particular office, team, or individual.

Plans for Data Analysis, Reporting, Review, and Use

An effective performance monitoring system needs to plan not only for the collection of data, but also for data analysis, reporting, review, and use. It may not be possible to include everything in one document at one time, but units should take the time early on for careful planning of all these aspects in an integrated fashion.

Data Analysis Plans

To the extent possible, plan in advance how performance data for individual indicators or groups of related indicators will be analyzed. Identify data analysis techniques and data presentation formats to be used. Consider if and how the following aspects of data analysis will be undertaken:

Comparing disaggregated data. For indicators with disaggregated data, plan how it will be compared, displayed, and analyzed.

Comparing current performance against multiple criteria. For each indicator, plan how actual performance data will be compared with a) past performance, b) planned or targeted performance or c) other relevant benchmarks.

Analyzing relationships among performance indicators. Plan how internal analyses of the performance data will examine interrelationships. For example

- How will a set of indicators (if there are more than one) for a particular SO or IR be analyzed to reveal progress? What if only some of the indicators reveal progress?
- How will cause-effect relationships among SOs and IRs within a results framework be analyzed?
- How will USAID activities be linked to achieving IRs and SOs?

Analyzing cost-effectiveness. When practical and feasible, plan for using performance data to compare systematically alternative program approaches in terms of costs as well as results. The Government Performance and Results Act (GPRA) encourages this.

Plans for Communicating and Using Performance Information

Planning how performance information will be reported, reviewed, and used is critical for effective managing for results. For example, plan, schedule, and assign responsibilities for internal and external reviews, briefings, and reports. Clarify what, how and when management decisions will consider performance information. Specifically, plan for the following:

External reviews, reports, and briefings. Plan for reporting and disseminating performance information to key external audiences, such as host government counterparts, collaborating NGOs, other partners, donors, customer groups, and stakeholders. Communication techniques may include reports, oral briefings, videotapes, memos, newspaper articles.

Influencing management decisions. The ultimate aim of performance monitoring systems is to promote performance-based decision-making. To the extent possible, plan in advance what management decisionmaking processes should be influenced by performance information. For example, budget discussions, programming decisions, evaluation designs/scopes of work, office retreats, management contracts, and personnel appraisals often benefit from the consideration of performance information.

Abbreviations

| | |
|--------------|----------------------------------------------------|
| BMP | Best Management Practices |
| CSR | Corporate Social Responsibility |
| DAI | Development Alternatives, Inc. |
| EMAS | Eco-Management and Audit Scheme |
| EMM | Environmental Market Mechanism |
| EMS | Environmental Management System |
| EP | Equator Principles |
| FORDA | Forestry Research and Development Agency |
| GIS | Geographical Information System |
| GPRA | Government Performance and Results Act |
| IR | Intermediate Results |
| MoU | Memorandum of Understanding |
| NGO | Non Government Organisation |
| OCSP | Orangutan Conservation Services Program |
| PMP | Performance Monitoring Plan |
| PSSF | Private Sector Sustainability Facility |
| SO | Special Objectives |
| US | United States |
| USAID | United States Agency for International Development |

www.theworldiswatching.info