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ACTION MEMORANDUM FOR THE MISSION DIRECTOR

FROM: CarolJo Elron, General Development Officer

DATE: July 3, 2012

SUBJECT: Close-out Report for Development Objective (DO) 525-022, "Economic Freedom: An Open, Diversified and Expanding Economy"

ISSUE: Per Agency guidance, Automated Directives System (ADS) **Chapter 203.3.10 Development Objective Close-Out Reports,** DO teams must produce a brief close-out report when the DO is either completed or terminated.

The intended audience for the report includes USAID development professionals and partner organizations that seek to learn from Agency experience and apply it in planning or assessing other development efforts. This close-out report summarizes USAID/Panama's overall experience in achieving intended results under DO 525-022 and provides references to related materials and sources of information.

This report will be submitted to LAC Bureau/SPO and the Development Experience Clearinghouse.

RECOMMENDATION: That you approve the attached report, thereby closing out DO 525-022, per Agency guidance.

Approved: _____ Date: 7/6/12
Daniel M. Smolka, Director

Disapproved: _____ Date: _____
Daniel M. Smolka, Director

Attachment (1)

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Ref.: Close-out Report for Development Objective 525-022, "Economic Freedom: An Open, Diversified and Expanding Economy"

Drafted by: MFrancis, USAID/El Salvador date: 1/18/2012; NVarela, PROG revised 4/24/2012; 7/2/2012

Clearances:
EG: CBlandon Date: 05/01/12
EG/ENV: RSpadafora Date: 04/26/12
FMO: SPatino Date: 7/3/2012

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USAID/PANAMA

Close-Out Report: Development Objective 525-022

Economic Freedom: An Open, Diversified and Expanding Economy

2012

This close-out report summarizes USAID/Panama's overall experience in achieving intended results under Development Objective (DO) 525-022 and provides references to related materials and sources of information.

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I. Development Objective Basic Identifying Information

DO Number: 525-022
DO Name: Economic Freedom: An Open, Diversified and Expanding Economy
Approval Date: August 31, 2004
Geographic Area: Panama; Central America
Total USAID Cost: $ 28,347,877 DA
Other Partner Resources: N/A
Counterpart Contributions: $ 9,449,292

II. Principal Implementing Partners

Nathan Associates Inc., International Resources Group and Tetra Tech, Academy for Education Development, Rainforest Alliance, Peregrine Fund,

In addition, EG funds from DO 525-022 were sub-obligated in March 2011 in the International Organization for Migration cooperative agreement and in September 2011 in the Creative Associates International contract. Funding for activities implemented by these two implementing partners falls primarily under the Assistance Agreement 525-002 for the Objective Governing Justly and Democratically and the Objective Economic Growth.

III. Background, Summary of Program Impact, and Lessons Learned

Panama occupies a unique position among Central American countries and plays a significant role in U.S. foreign policy priorities in the region. The country possesses a magnificent natural resource base and extraordinary transportation infrastructure. The Panama Canal and watershed are significant assets to Panama, the United States, and the world. The Canal serves as a critical link in the commerce chain, handling four percent of total world trade including 12 percent of U.S. maritime trade. It also plays a key role in Panama's economy, generating approximately eight percent of the country's GDP.

Furthermore, the Panama Canal Watershed (PCW) is one of the world's most biologically diverse areas. Together, the Canal and its watershed are vital to world trade and security, as well as to Panama's economic well-being. Availability of sufficient water of good quality is essential to guarantee continued effective operation of the Canal's locks system. Each vessel's transit through the Panama Canal requires 52 million gallons of fresh water. The watershed is also the source of water for significant hydroelectric energy production for the country, important agricultural production, as well as municipal potable water supply. The ability of the watershed to provide these resources—and meet other domestic fresh water needs--could be complicated by climatic trends such as those caused by global climate change.

In addition to the country's strategic location at the juncture of two continents and two oceans, it is home to the Choco-Darien ecological region--one of the three most significant carbon sinks in the hemisphere. The country's forests, streams, flora, and fauna provide economic and environmental benefits, such as helping to regulate and balance the water cycle and climate, soil formation, and nutrient recycling. Unfortunately, the Darien region is one of the poorest regions in the country, where poverty affects approximately two-thirds of the population. This creates a situation whereby some of the most biodiversity-rich areas in the world are threatened by the immediate economic needs of local communities.

In 2004, USAID's Latin America and Caribbean Bureau developed the Regional Strategy for Central America and Mexico. The new regional strategy served to harmonize programs throughout the Central American region. USAID/Panama developed a new long-term strategy, the Panama Country Plan 2004-2008, in support of the new regional strategy. The new Country Plan expanded USAID foreign assistance in Panama, including a new development objective for the economic growth portfolio, DO 525-022.

USAID/Panama's DO 525-022 took into consideration that the use of natural resources needed to be planned in order to have sustainable economic growth. As such, the program sought to improve environmental regulatory and institutional frameworks; improve management and conservation practices; and increase the economic benefits derived from sustainable natural resource management and conservation. The DO was initially based on a series of trade capacity building efforts that, over the long-term, would reduce business constraints and included an integrated approach to managing water and land resources in critical watersheds. This approach was intended to maximize Panama's competitive economic position, as well as help ensure a constant, predictable and high quality flow of water to sustain economic activity while preserving the integrity of the environment.

The Mission's revised Development Objective consolidated activities around two new Intermediate Results (IRs). This reorganization reduced the number of activities and management units and represented a shift from institutional strengthening to greater emphasis on policy reform, behavior change, and more participatory and practical approaches to watershed management. It also put in place demonstration projects in selected pilot sub-watersheds to test on-the ground approaches that could serve as proof-of-concept laboratories for replicable watershed management interventions and generate field-informed findings for further policy/regulation reforms. USAID and the Government of Panama selected representative from peri-urban and rural sub-watersheds to target under the revised DO. These shifts were in line with the new Central America and Mexico Regional Strategy.

The goal of DO 525-022 was to promote economic freedom in Panama through an open, diversified and expanding economy. This was to be achieved through two primary Intermediate Results (IRs):

> *IR 2.1:Laws, policies and regulations that promote trade and investment*
> *IR 2.4:Improved management and conservation of critical watersheds*

It was envisioned that the program's IR 2.1 (Annex A, Results Framework for DO 525-022, 2004-2009) would encourage laws, policies and regulations that promoted trade and investment. In the end, this component was severely restricted since one of the key assumptions, ratification of the U.S.-Panama Trade Promotion Agreement (TPA), was not met in a timely manner. The U.S. and Panama signed the trade promotion agreement on June 28, 2007. While Panama approved the TPA in July 2007, the U.S. did not sign it into law until more than four years later in October 2011. Consequently, funding for this component was eventually terminated and the IR replaced with:

IR 2.2: More competitive, market-oriented enterprises (see Annex B, Results Framework for DO 2, 2004-2009).

The achievements attained prior to refocusing the IR should not be discounted. Under a task order with Nathan Associates Inc., the project aimed to increase Panama's competitiveness in the global market through building the capacity of micro, small and medium-sized enterprises (MSMEs) to be better placed to access international markets. In order to achieve this, activities focused on providing short-term technical assistance to select public and private sector entities, using a demand driven methodology. This support sought to help these entities prepare for and implement the TPA; eliminate key business constraints in Panama; and encourage economic competition. The approach used had three stages: working with firms to re-make or re-position their products and services for the United States' and regional markets based on identified market demands; teaching firms how to export and attract investment; and bringing products to interested buyers.

USAID/Panama's trade capacity building efforts aimed to complement the Government of Panama's trade policy by building sector-level capacity in support of increased exports and firm competitiveness. To this end, the project enhanced business development and provided market linkages for MSMEs seeking to export. In particular, activities sought to enhance products and expand buyer networks for companies in the in the agricultural, artisan, processed food, and information technology sectors. Key achievements include entrepreneurial and managerial skill-building and improved production technical know-how for 54 MSMEs which improved their ability to access regional and U.S. markets. The most notable achievement was the activity's contribution to enhancing the MSMEs competiveness by designing and developing new value-added products for special market niches in the target sectors.

With an eye toward local capacity building and sustainability of project achievements, USAID support helped strengthen the Ministry of Commerce and Industry's (MICI) abilities to support increased exports by helping them to develop an Export Guide and providing a workshop for MSMEs. The project also provided technical assistance to MICI staff to increase their understanding of market requirements and the preparation needed by local firms to capitalize on opportunities for strategic products, as well as knowledge of export requirements under the TPA.

At the time the Activity ended in September 2007, several key challenges remained for Panamanian MSMEs to be able to export vis-à-vis their larger competitors, such as the cost of doing business in Panama, including labor, shipping, packaging, energy, and marketing costs. Other challenges included the need to increase efficiency through newer technology, better processes and more highly trained staff.

The majority of the program funding and activities under DO 525-022 supported IR 2.4. Initially, these activities focused on the Panama Canal Watershed (PCW) through the USAID Conservation of Biodiversity in the Panama Canal Watershed (USAID-CBC) Activity implemented through a joint venture between International Resources Group and Tetra Tech. The Mission funded an evaluation of the Activity, which was completed in December 2010 by John P. Warren Consulting, entitled, "Activity Evaluation of USAID-CBC Project." As the PCW Activity wound down, USAID/Panama changed the geographic focus of environment conservation activities to the Darien region. This was consistent with the U.S. foreign policy focus on the Darien, given its high poverty rates, susceptibility to organized criminal activity, and significant natural resources.

The USAID-CBC Activity was implemented from December, 2006 to December 2010. Assistance was organized around three components: 1) Improved management of protected areas; 2) Sustainable use of natural resources; and 3) Strengthened environmental governance. Activities that focused on improved management of protected areas provided support for application of best practices in natural resources management and the development of sustainable economic activities for those who lived within or around the protected areas. Activities under this component also sought to help government institutions improve their management of protected areas. With regard to the sustainable use of natural resources, the underlying assumption was that individuals are motivated to protect natural resources if it benefits their families and increases incomes. Economically and environmentally sound business models were promoted to generate employment, income, and quality of life benefits. Key interventions included supporting community entrepreneurs in promoting and operating eco-friendly enterprises, and providing small grants designed to provide additional support to these entrepreneur's by generating market linkages and garnering support from other public and private stakeholders. Finally, under the third

component which sought to strengthen environmental governance, assistance aimed to establish working relations between institutional and civil society stakeholders, and strengthen stakeholder groups in terms of policy reforms, institutional arrangements and in technical, operational, and administrative functions.

Per the final evaluation conducted of the USAID-CBC Activity, the evaluation team found that the project was focused on the right choices for addressing watershed management issues and the principal challenges confronting the long-term sustainable management of the watershed. The evaluation included principal findings and recommendations, such as:

- Secure stable financing for sustainable watershed management: The lack of sustained, adequate funding for watershed management and protection has contributed to the poor state of some areas of the PCW and undermines USAID's efforts to improve the management and protection of the PCW. USAID can help the GOP address this issue by: (i) working with the Panama Canal Authority (ACP) and the Inter-Institutional Commission for the Watershed (CICH) to develop a long-term investment plan that identifies the priority investments in the PCW; and (ii) supporting select projects that demonstrate and promote cost effective market-based approaches to specific problems and enable the analysis of financial and economic costs and benefits for specific interventions.

- Target water quality and sanitation programs: USAID invested more than $1.5 million in water supply and sanitation, clean production, and solid waste management demonstration activities in the PCW. While the community-level water and sanitation activities are important, industrial and agro-industrial pollution and urban sewage pose growing threats to water quality in the watershed. USAID should redesign its approach to household sanitation, and shift from financing rural household latrines and septic systems to focus on urban and peri-urban sanitation needs. Future efforts should focus on: (i) supporting small town sanitation and its approaches to demonstrate effective sanitation management services in peri-urban areas; and (ii) expanding USAID's cooperation with the private sector to reduce pollution from agro-industries such as pig farming that threaten the water supplies of growing towns and villages.

- Prioritize demonstration activities and grants to improve sustainable watershed management: The project provided grants to local non-governmental organizations for demonstration activities in improved watershed management. Based on interviews and observations, the evaluation team identified two issues with the small grant approach. First, the umbrella organization had inadequate systems and staff for monitoring, evaluating, and providing needed technical assistance to all the grantees as they implemented activities. Second, in Panama and elsewhere in the

region, the use of grants to pilot new technologies and practices to achieve measurable improvements in land management over entire watersheds, with a few notable exceptions, has achieved limited success.

- Secure government and community commitment to improve the management of protected areas: USAID devoted considerable effort to promote the conservation and management of natural resources within the Panama Canal Watershed, and subsequently, in the Darien region. Lessons from within Panama and around the world highlight that protection of existing intact resources remains the first and best option for any watershed management program. The Government ministry responsible for environmental protection had and continues to have limited resources for national park and protected area management, a circumstance that constrained project efforts to protect these critical areas. This led USAID to support efforts to develop public-private models for managing protected areas. Finally, experience from around the region shows that the local communities must benefit if they are to abandon illegal activities like hunting, logging, and setting fires in the park in favor of eco-tourist activities. Future efforts could best address these challenges by continuing to support the development of alternative, public-private management models for parks and protected areas and work with stakeholders to secure sufficient sustained funding for the basic protection of the parks and protected areas.

In December 2009, when the USAID-CBC Activity was in its final year of implementation, USAID/Panama began activities in the Darien region through a contract with Chemonics, "Sustainable Community Forestry in the Darien." This geographic focus was due in part to the U.S. Government-wide focus on the region given its national security implications, as well as in part to the type of funding USAID/Panama was receiving (i.e., biodiversity and global climate change funds). The area is home to some of the region's remaining forests and is a buffer area for the PCW. In addition, the Sustainable Community Forestry Activity was critical to the overall environmental health of the expansive Choco-Dairen eco-region that extends to the Panama Canal Watershed. However, the scope of this Activity was reduced due to the Mission being closed down.

Between 75 and 80 percent of timber harvested from Panama's natural forests comes from the Darien. However, the resources are not being sustainably managed in accordance with internationally-accepted sustainable forest land-use planning criteria. The forests left in the indigenous reservations in the Darien are under threat from a variety of sources. Extractive industries such as logging are continuously trying to access the timber resources within the forest. Further, the indigenous communities that live within the reservations convert forests to agricultural lands and harvest timber without the requisite knowledge and skills to manage it in a sustainable manner. Undoubtedly, sound forestry practices are an important part in ensuring forest and biodiversity conservation. However, realties such as poverty and lack of access to economic opportunities

fundamentally underlie forest degradation in the indigenous reservations of the Darien. The Sustainable Community Forestry Activity addressed these issues by promoting alternative sustainable economic opportunities and facilitated access to markets for forest, agricultural and other products to address socio-economic issues that undermine effort to manage natural resources in a sustainable manner.

An additional threat to the Darien forests is the expansion of the drug trade from Colombia into the Darien. The cultivation, processing, and transportation of illicit drug crops as well as spillover effects such as crime and violence, have negative impacts on the biodiversity of the region. Sustainable community forestry and other complementary sustainable natural resource uses are perhaps the only activities that offer these communities an alternative to environmentally destructive activities. These forests, if adequately managed, could maintain the invaluable biodiversity they contain as well as represent an important lasting source of licit income for hundreds of families of the Darien over the long-term.

In order to protect these remaining tracks of forests, the project promoted sustainable forest management and diversified economic opportunities in the region. Furthermore, the program supported the overarching foreign policy objective of decreasing vulnerability factors, such as poverty, for communities in the Darien in order to make them less susceptible to involvement in illegal activity.

As a result, communities living on 160,000 hectares of forest land had forest management plans that take into account human needs and provide a framework for current and future land use. This is a significant accomplishment since many of the communities had no prior knowledge of, or interest in, sustainable forest management. With these plans, they now have the ability to make more efficient use of natural resources, thereby reducing harm to the eco-region. The plans also addressed the need to create forest-based enterprises and supported creation of 12 new enterprises; incorporated water use and protection elements; conducted infrastructure planning such as roads; and took into account agricultural, conservation, and sacred areas. Additionally, USAID supported more eco-friendly production of plantains, the communities' main cash crop, helping to improve plantain production, processing, and marketing. Consequently, plantain producers in the Darien secured buyers and increased the communities' income from sales by 50 percent. Activities also helped develop alternative economic opportunities that were more environmentally-friendly, such as handicrafts, coffee, and honey production. Through a consultative and inclusive process, the program helped bring an additional 82,000 hectares of indigenous forests under forest management plans. USAID provided technical assistance, training, best practices, and helped growers develop market links for non-timber forest products and agricultural crops. Additionally, vulnerable communities increased their capacity to cope with climatic changes.

While the Activity made significant progress in laying the foundation for sustainable community forestry, it is important to remember that the "Sustainable Community Forestry in the Darien" component of this DO was originally designed with a five-year horizon in mind. With the decision to end USAID bilateral foreign assistance to Panama, many adjustments had to be made in order to work towards achievable targets in a compressed timeframe. For example, USAID had originally contemplated a program that would introduce several new technologies to reduce the negative impacts of logging. This component entailed a lengthy process of community buy-in to new concepts and methods, technical assistance, training, monitoring, evaluation, and making adjustments as necessary. Given time constraints, the project focused heavily on local capacity building at the individual and organizational level, seeking to leave behind a cadre of individuals and organizations that have the skills and abilities to further develop and implement community forestry initiatives.

IV. Long-Term Sustainability

As USAID/Panama prepared to close, sustainability of achievements became paramount and programming emphasized public-private alliances and local capacity development. USAID worked to ensure commitment from a number of host country government entities. This was achieved with limited success and garnering political support for continued natural resource protection proved to be a challenge. This is true for all the country's natural resources, including the Panama Canal Watershed and the Darien. While the Panama Canal Authority has the financial resources to support programming to protect the watershed and its buffer areas, the Authority's current leadership interprets existing laws as limiting their purview and responsibility in this area. With regard to the Darien region, the National Environmental Authority (ANAM) has limited financial and human resources to carry out protection and management activities. Such circumstances would need to be remedied through intervention from the highest levels of Government.

Attempts were made to gain buy-in from key stakeholders in the Government of Panama and private sector who might otherwise pose significant challenges to successful program implementation. For example, to overcome opposition from small and medium loggers in the Darien, the USAID implementing partner included them as sub-contractors of the forest companies that currently have long-term contracts with the indigenous communities to implement their sustainable forest management plans.

Timber harvesting is a commercial activity that will only be sustainable if it is financially profitable and environmentally friendly. A strategy to ensure the sustainability of the program was to promote the establishment of public-private partnerships and market alliances with the indigenous communities that will last beyond USAID's interventions. The sustainable management of tropical forests in indigenous reservations will also be improved through initiating the process of

obtaining certification and their sustainable harvesting will respond to market requirements.

In a further effort to ensure program sustainability, the implementing partner of the Darien component of the program worked with a local, indigenous sub-contractor to provide technical assistance to stakeholder communities on forest planning.

V. Summary of Performance Indicators and Assessment of Usefulness in Performance Management Reporting

An audit of USAID/Panama's environment activities (Audit Report No. 1-525-10-008-P, USAID Office of Inspector General) found that 'in its Performance Management Plan for Development Objective 525-022, USAID/Panama included the performance indicators "Water quality index in target sites in the Panama Canal Watershed," "Park management index," and "Park revenues increased for improved park management" as measures of the CBC program's progress; however, the direct, logical and causal relationship required was not apparent in these indicators. The audit further stated the indicators were not clearly attributable to the program's efforts and offered minimal evidence of improvement. USAID/Panama followed the audit's recommendation to modify the indicators to more accurately demonstrate program results clearly attributable to USAID efforts (Annex C Performance Monitoring Plan for DO 525-022).

VI. Significant Changes in the Results Framework

The goal of the DO 525-022 was to promote economic freedom in Panama through an open, diversified and expanding economy. This was to be achieved through two primary intermediate results (IRs):

IR 2.1: Laws, policies and regulations that promote trade and investment
IR 2.4: Improved management and conservation of critical watershed

The initial Results Framework envisioned that the program's IR 2.1 would encourage laws, policies and regulations that promoted trade and investment (Annex A). In the end, this component was severely restricted since one of the key assumptions, ratification of the U.S.-Panama Trade Promotion Agreement (TPA), was not met in a timely manner. The United States and Panama signed the Trade Promotion Agreement on June 28, 2007. While Panama approved the TPA in July 2007, the U.S. did not sign it into law until more than four years later in October 2011. Consequently, funding for this component was eventually terminated, and IR 2.1 in the Results Framework was replaced with IR 2.2: More competitive, market-oriented enterprises (Annex B).

VII. Evaluations and Special Studies

Activity Evaluation of the USAID-CBC Project, John P. Warren Consulting, December 30, 2010

Audit of USAID/Panama's Environment Activities, Audit Report No. 1-525-10-008-P, USAID Office of Inspector General, July 29, 2010

Evaluation of USAID's Strategic Objective for the Panama Canal Watershed 2000-2005, Development Alternatives, Inc., June 2005

VIII. List of Instrument Close-out Reports for Contracts, Grants and Cooperative Agreements

Academy for Educational Development, *GreenCOM II/Panama Canal Watershed Management Project Final Report*, December 2006.

Nathan Associates, Panama Trade Capacity Building Project, Final Report, September 2007.

Neo-tropical Raptor Conservation Program (NRCP) and the Peregrine Fund-Fondo Peregrino Panamá, *Final Report, USAID Cooperative Agreement No. 525-A-00-03-00259-00*, December 2007.

International Resources Group (IRG) and Tetra Tech, *USAID-CBC Project Final Report*, December 2010.

Chemonics International, Sustainable Community Forestry in the Darien Activity ends in August 2012. *Contractor's Final Report is pending.*

IX. Contact Details for Individuals Involved in DO 525-022

- Trade Capacity Building Carlos Blandon, Tel. (507) 317-5134 cblandon@usaid.gov
- Biodiversity Conservation in the Panama Canal Watershed, Rita Spadafora, Tel. (507) 317-5322 rispadafora@usaid.gov
- Sustainable Community Forestry in Darien, Rita Spadafora, Tel. (507) 317-5322 rispadafora@usaid.gov

Note: USAID Panama will close at the end of FY 2012. Point of Contact for environmental activity based in USAID/El Salvador: Carlos Hasbun, Tel. (503) 250-2456 chasbun@usaid.gov

Annexes

1. Results Framework for DO 525-022, 2004-2009, June 2005
2. Results Framework for DO 525-022, 2004-2009, June 2007
3. Performance Monitoring Plan for DO 525-022

Ref. Close-out Report Development Objective 525-022, Economic Freedom: An Open, Diversified and Expanding Economy

Drafted by: MFrancis, USAID/El Salvador date: 1/18/2012; NVarela, PROG revised 4/24/2012; 7/2/2012

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FMO: SPatino Date: 7/3/2012

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ANNEXES

USAID/Panama

June 2005

Results Framework for Strategic Objective (SO 2), 2004-2009

SO 2 ECONOMIC FREEDOM: AN OPEN, DIVERSIFIED, AND EXPANDING ECONOMY

SO Indicators:
Indicator 1: Level of Private Investment
Indicator 2: Number of Hectares under Improved Management in Critical Watersheds for Biodiversity Conservation

Economic Development Context:

- Panama has a dual economy with a modern service sector accounting for over 70% of the GDP alongside a traditional and considerable poorer rural and agrarian sector
- Over 1.2 million poor representing 41% of the total population
- 14% unemployment rate and 30% underemployment rate
- Second worst income distribution in the LAC region
- Natural resources, especially within watersheds, continue to experience degradation
- Strong barriers to trade and investment (both foreign and domestic)
- Around 30% of the country is under protected area designation

Strategic Mechanisms:

- **Chamber of Commerce, Industry and Agriculture of Panama/VICOMEX Partnership**
- **Financing Mechanisms: Strategic Public-Private Alliances, Incentive Fund, FIDECO, TFCAs**
- **Local Governance**

Critical Assumptions:

- GOP political will to enter into free trade agreements with different countries and regions and to partner with private sector
- GOP and other pertinent stakeholders assign high priority for sound management and conservation of critical watersheds

Intermediate Results

Intermediate Result 2.1
Laws, Policies and Regulations that Promote Trade and Investment

IR Indicators:
-Business Competitiveness Index
-Number of Key Business Constraints Reduced to Improve the Business Climate

Sub-Results

- Institutional capacity to implement free trade agreements (FTAs) with the U.S. and other countries improved
- Operating practices and strategies of companies in selected clusters improved

Intermediate Result 2.4
Improved Management and Conservation of Critical Watersheds

IR Indicators:
-Water Quality Index in Targeted Sites in the Panama Canal Watershed
-Number of Environmental "Best Practice" Protocols Implemented across Targeted Sub-sectors
-Park Management Index

Sub-Results

- Principles and best practices on watershed management demonstrated in selected subwatersheds
- Sound environmental management models implemented in selected protected areas

Illustrative Activities

- TA for public-private partnerships to advocate for required legal and regulatory reform
- Technical assistance and training to facilitate implementation of free trade agreements

- TA for cluster development
- Observational trips/training on cluster development
- TA and training on trade capacity building

- TA, training, and funding to implement demonstration activities in sub-watersheds
- TA for development of sound policies
- TA and training to improve stakeholders capacity to perform defined roles and responsibilities
- TA to develop stable funding sources

- TA to build on-site basic capacity to ensure adequate protection and management of protected areas (PAs)
- TA and funding to develop sustainable eco-tourism activities with public-private alliances
- Dissemination of lessons learned for replication in other protected areas

USAID/Panama
Results Framework for Strategic Objective (SO 2), 2004-2009

September 2007

USAID
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SO 2 ECONOMIC FREEDOM: AN OPEN, DIVERSIFIED AND EXPANDING ECONOMY

SO Indicators:
Indicator 1: Number of Enterprises in Target Sectors Increasing Exports
Indicator 2: Number of Hectares under Improved Management in Critical Watersheds for Biodiversity Conservation

Economic Development Context:
- Panama has a dual economy with a modern service sector accounting for over 70% of the GDP alongside a traditional and considerable poorer rural and agrarian sector
- Over 1.2 million poor representing 41% of the total population
- 14% unemployment rate and 30% underemployment rate
- Second worst income distribution in the LAC region
- Natural resources, especially within watersheds, continue to experience degradation
- Strong barriers to trade and investment (both foreign and domestic)
- Around 30% of the country is under protected area designation

Strategic Mechanisms:

- **Operation of an "Assistance Window" to promote exports of Micro, Small and Medium Enterprises (MSME) in target sectors**
- **Financing Mechanisms: Strategic Public-Private Alliances, Incentive Fund, FIDECO, TFCAs**
- **Local Governance**

Critical Assumptions:
- GOP political will to enter into and implement a free trade agreement with the U.S. and other countries and to partner with the private sector.
- GOP and other pertinent stakeholders assign high priority for sound management and conservation of critical watersheds

Intermediate Results

Intermediate Result 2.2
More Competitive, Market-Oriented Enterprises

IR Indicators:
-Number of enterprises improving capacity to export
-Number of impediments to exports reduced or eliminated

Intermediate Result 2.4
Improved Management and Conservation of Critical Watersheds

IR Indicators:
-Water Quality Index in Target Sites in the Panama Canal Watershed
-Number of Environmental "Best Practice" Protocols Implemented across Target Sub-sectors
-Park Management Index
-Park Revenues Increased for Improved Park Management

Sub-Results

- Improving private sector competitiveness in target products of Panamanians MSME
- Enhancing institutional capacity to implement trade promotion agreement with the U.S.
- Principles and best practices on watershed management demonstrated in select sub-watersheds
- Sound environmental management models implemented in select protected areas

Illustrative Activities

- TA, training to facilitate opportunities to generate exports
- TA, training to assist the private sector with trade fair participation
- TA, training to facilitate implementation of the TPA
- TA, training, and funding to implement demonstration activities in sub-watersheds
- TA for development of sound policies
- TA and training to improve stakeholders capacity to perform defined roles and responsibilities
- TA to develop stable funding sources
- TA to build on-site basic capacity to ensure adequate protection and management of protected areas (PAs)
- TA and funding to develop sustainable eco-tourism activities with public-private alliances
- Dissemination of lessons learned for replication in other protected areas

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Strategic Objective 2

Economic Freedom: An Open, Diversified and Expanding Economy

IR2.4 Improved Management and Conservation of Critical Watersheds

Performance Management Plan (PMP)

July 2011

BACKGROUND

The Performance Management Plan is an internal document for use by the SO Team as a management tool. It facilitates planning and management of assessments and reporting results towards the achievement of the Strategic Objective.

The set of performance indicators in the reference sheets included in this document is the core of the PMP and is used to assess progress over the life of the SO under IR2. The overall and intermediate results performance indicators selected and the components in the Performance Indicators Reference Sheets follow the ADS 201 guidelines.

LOGICAL CONSISTENCY OF THE RESULTS FRAMEWORK

The Strategic Objective, Economic Freedom An Open, Diversified and Expanding Economy includes the Intermediate Result: *Improved Management and Conservation of Critical Watersheds.*

Improved Sustainable Management of Natural Resources and Biodiversity Conservation

Sustainable natural resources management in critical watersheds is directly tied to economic prosperity. Sound environmental management is a necessary condition for sustainable development and economic growth with equity. Developing countries that poorly manage their environment remain poor because there is a strong correlation between what a country needs to be competitive, and what it needs to do to improve environmental performance. Improved management of natural resources will conserve scarce resources and enhance productivity in the economy. Interventions under the Economic Freedom SO emphasize local participation in the context of environmental governance and integrated watershed management and forests to improve biodiversity conservation. Environmental governance will help improve enforcement of environmental laws and regulations and participation by stakeholders in the management of key watersheds. Activities include fostering active stakeholder involvement, particularly in the commercial private sector, for the processes of natural resources decision-making and management, implementation of an integrated set of sustainable management practices, and reforms in environmental legal and policy frameworks.

Continued improvement in the management and conservation of critical watersheds will lead to better environmental policies, as well as regulatory and institutional frameworks. These policies and frameworks will become more effective by proactively involving local government, communities and the private sector in the management and conservation of their own watersheds, on which they depend. To maximize the efficient use of limited resources and to increase impact, the focus is on strategic interventions in target areas in the Panama Canal Watershed and the Darien region.

Clean productive environment

This PMP also includes indicators to measure global climate change activities to strengthen community-based forestry interventions already underway; consolidate previous community-based forestry enterprises in the region, and ensure the sustainability of activities by the identification and the strengthening of an entity that will provide continued technical assistance to forest communities. It will also strengthen communities to better manage and prevent the impacts of climate change by mainstreaming adaptation measures into their activities and plans. These two purposes will be complimentary, consolidate USAID interventions in the target indigenous communities, and result in less economically and climate-vulnerable communities.

Strategic Objective: Economic Freedom: An Open, Diversified, and Expanding Economy
SO Level Indicator No. 2: Improved Management and Conservation of Critical Watersheds
Indicator 2.4.3: Number of people with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance
Is this an Operational Plan Performance Report indicator? No__ Yes _X__, for Reporting Year(s) FY 2010-FY2012
DESCRIPTION
Definition(s): This indicator uses the definition provided in the Standard Foreign Assistance Indicators Guidance (http://www.state.gov/f/indicators/) ***Increased economic benefits*** include: increased household income, average increase in income per household, number of new enterprises developed (including but not limited to fisheries, sustainable tourism, forestry/agroforestry, sustainable agriculture, microenterprise, etc.) economic benefits from ecosystem services, etc. Economic benefits may be based on actual cash transactions or other economic value of natural resources. In the case of Panama: ***People*** is defined by individuals from the communities in USAID target areas. ***Increased economic benefits*** is *defined as* income and/or employment which could result from forestry/agroforestry, sustainable agriculture, ecosystem services or microenterprise activities. The total economic benefits target is a 20% increase from the baseline line during the life of the activity.
Unit of Measure: Number of people
Disaggregated by: Sex
Direction of Change: Higher = Better
Type of indicator: Outcome
Justification & Management Utility: This indicator links sustainable natural resources management to economic growth and social development objectives.
PLAN FOR DATA ACQUISITION
Data Collection Method: Implementing partner Chemonics collects the data from the target communities through enumerators that hand the information to the contractor's activity managers for compilation and verification.
Data Source(s): Reports prepared by relevant staff from contractor Chemonics and reported to USAID quarterly.
Frequency/Timing of Data Acquisition: Data are collected by staff from contractor Chemonics and presented to USAID as part of quarterly reports.
Estimated Cost of Data Acquisition: This is included in Chemonics contract. The estimate is $8,500 per year.
Responsible Individual(s) at the Project: William Cordero, Chemonics COP
DATA QUALITY ISSUES
Date of Initial Data Quality Assessment: March 2011.
Known Data Limitations and Significance (if any): None
Actions Taken or Planned to Address Data Limitations: None
Date of Future Data Quality Assessments: N/A Activity ends June 2012
Procedures for Future Data Quality Assessments: N/A
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING
Data Analysis: The Contractor's activity managers analyze the information which is then further analyzed and reviewed by the Chief of Party. The data is reported to USAID quarterly as part of the quarterly reports.
Presentation of Data: Baseline reports and progress reports
Review of Data: USAID Activity Manager with implementing partner and within USAID during semi-annual portfolio reviews.
Reporting of Data: Semi-annual Portfolio Reviews and annual Operational Plan Performance Report.
OTHER NOTES
Notes on Baselines/Targets: The targets represent cumulative amounts. The target is to reach 2140 individuals with 20% increased economic benefits derived from sustainable timber harvesting and other economic activities at the end of the activity.

Other Notes: None

PERFORMANCE INDICATOR VALUES

Year	Target		Actual		Notes
2010	Baseline 0		0		Results for these indicators were expected to be reflected in FY11 and FY12.
2011	1240				Beneficiaries from timber harvesting income activities and other economic activities living in the communities included in 40,000 hectares under improved management in the target areas of Darien. This includes 1240 individuals from the Rio Chico area and the Morti community combined.
	682 (males)	558 (females)			
2012	2140				Beneficiaries from timber harvesting activities and other economic activities living in the communities included in the additional 10,000 hectares under improved management in the target areas of Darien. This includes 900 individuals from the Chiati area.
	1177 (males)	963 (females)			

THIS SHEET LAST UPDATED ON: March 21, 2011

Strategic Objective: Economic Freedom: An Open, Diversified and Expanding Economy
Intermediate Result 2.4: Number of hectares in areas of biological significance under improved management as a result of USG assistance
Is this an Operational Plan Performance Report indicator? No___ Yes _X_ **Reporting years:** FY 2010-2012
DESCRIPTION
Definition: This indicator uses the definition provided in the Standard Foreign Assistance Indicators Guidance (http://www.state.gov/f/indicators/) **"Improved management"** includes activities that promote enhanced management of natural resources for the objective of conserving biodiversity in areas that are identified as biologically significant through national, regional, or global priority-setting processes. Management should be guided by a stakeholder-endorsed process following principles of sustainable NRM and conservation, improved human and institutional capacity for sustainable NRM and conservation, access to better information for decision-making, and/or adoption of sustainable NRM and conservation practices. In the case of Panama, improved management includes 1) the application of best practices stemming from policy reform and/or enforcement (laws, regulations, norms related to forestry, agroforestry, reforestation, and agriculture production), 2) demonstration of at least 10 sustainable management practices and/or 3) active partnerships established (local committees, community-based organizations, public-private alliances and other partnerships developing and implementing management plans) that contribute to preserving, protecting and restoring the natural resources in select geographic settings. The ***Biological significance*** area where USAID works, the Darien region, was identified by UNESCO in 1981 as a biosphere reserve at the request of the Government of Panama due to its cultural and biological global importance.
Unit of Measure: Number of hectares
Disaggregated by: Marine/Terrestrial
Direction of Change: Higher = Better
Type of indicator: Outcome
Justification/Management Utility: A spatial indicator is an appropriate measure of the scale of impact of conservation interventions. The standard of "improved" management as defined by implementation of best practices and approaches demonstrates progress and results across a wide range of development programs. Disaggregate according to ecosystem types facilitates using data collected for diverse reporting requirements.
PLAN FOR DATA ACQUISITION BY USAID
Data Collection Method: The activity managers of the implementing partner, Chemonics, collect the data which is then verified by the contractor's Chief of Party.
Data Source(s): Chemonics
Method of Acquisition by USAID: Chemonics
Frequency/Timing of Data Acquisition: Quarterly
Estimated Cost of Data Acquisition: This is included in Chemonics contract. The estimate is $2,500 per year.
Individual(s) Responsible at USAID: Rita Spadafora, Activity Manager
Individual(s) Responsible for providing data to USAID: William Cordero, Chemonics COP
Location of data storage: SO2 Activity Official Files and Chemonics' files
DATA QUALITY ISSUES
Date of Initial Data Quality Assessment: March 2011.
Known Data Limitations and Significance (if any): none to date
Actions Taken or Planned to Address Data Limitations: none to date
Date of Future Data Quality Assessments: N/A Activity will end in June 2012.
Procedures for Future Data Quality Assessments: N/A
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING
Data Analysis: The Contractor's activity managers analyze the information which is then further analyzed and reviewed by the Chief of Party. The data is reported to USAID as part of the required quarterly reports.
Presentation of Data: Text and tabular data showing results is presented in quarterly reports.
Review of Data: USAID Activity Manager with implementing partner and within USAID during portfolio reviews
Reporting of Data: Semi-annual Portfolio Reviews and annual Operational Plan Performance Report.
OTHER NOTES
Notes on Baselines/Targets: Baseline is 0 and the final target is 50,000 hectares by FY12.
Other: The targets represent cumulative amounts.

PERFORMANCE INDICATOR VALUES

FY	Target	Actual	Notes
	Baseline 0		

2010	25,000	34,498	Areas under improved management in target Darien communities. Actual number was higher than target due to more forests available for sustainable timber harvesting than expected found when the forest inventory was conducted.
2011	40,000	50,000	Areas under improved management in target Darien communities (6,000 additional hectares). Additional communities are expected to participate in the Activity.
2012	80,000		Areas under improved management in target Darien communities (10,000 additional hectares). Additional communities are expected to participate in the Activity.
THIS SHEET LAST UPDATED ON: March 21, 2011			

Strategic Objective: Economic Freedom: An Open, Diversified, and Expanding Economy
Intermediate Result 2.4: Improved Management and Conservation of Critical Watersheds
Indicator 2.4.2: Number of people receiving USG supported training in natural resources management and/or biodiversity conservation
Is this an Operational Plan Performance Report indicator? No__ Yes_X__, for Reporting Year(s) FY 2010-FY2012
DESCRIPTION
Definition: This indicator uses the definition provided in the Standard Foreign Assistance Indicators Guidance (http://www.state.gov/f/indicators/) The ***number of individuals*** participating in learning activities intended for teaching or imparting knowledge and information on natural resources management and biodiversity conservation to the participants with designated instructors or lead persons, learning objectives, and outcomes, conducted fulltime or intermittently. ***NRM and biodiversity conservation*** training can consist of transfer or knowledge, skills or attitudes through structured learning and follow-up activities, or through less structured means, to solve problems or fill identified performance gaps. ***Training*** can consist of long-term academic degree programs, short-or long term non-degree technical courses in academic or in other settings, non-academic seminar, workshops, on-the-job learning experiences, observational study tours, or distance learning exercises or interventions. In the case of Panama, ***Number of Individuals*** are both, community participants and government officials, who participate in ***trainings*** that consist of non-degree technical courses, non-academic seminars, workshops and on-the job learning experiences. ***NRM and biodiversity conservation training*** is the transfer of Knowledge, Skills and abilities to fill identified performance gaps.
Unit of Measure: Number of people
Disaggregated by: Sex
Direction of Change: Higher = Better
Type of indicator: Output
Justification & Management Utility: Tracking the number of people trained in NRM/Biodiversity Conservation provides information about the reach and scale of training and capacity building efforts
PLAN FOR DATA ACQUISITION BY USAID
Data Collection Method: Data is collected from training attendees' lists that include the name of the individuals and their ID number.
Data Source(s): Training attendance records, site visit notes are collected by staff from contractor Chemonics and presented to USID as part of quarterly reports
Frequency/Timing of Data Acquisition: Data is collected per training and presented quarterly to USAID
Estimated Cost of Data Acquisition: This is included in Chemonics budget. The cost is low as it is part of normal tasks.
Responsible Individual(s) at the Project: William Cordero, Chemonics COP
DATA QUALITY ISSUES
Date of Initial Data Quality Assessment: March 2011.
Known Data Limitations and Significance (if any): None
Actions Taken or Planned to Address Data Limitations: None
Date of Future Data Quality Assessments: N/A Activity will end June 2012.
Procedures for Future Data Quality Assessments: N/A
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING
Data Analysis The Contractor's activity managers collect the training attendees' lists which are then reviewed by the Chief of Party. The data is reported to USAID as part of the required quarterly reports.
Presentation of Data: Attendance lists provide the information to be presented in quarterly reports.
Review of Data: USAID Activity Manager with implementing partner and within USAID during semi-annual portfolio reviews.
Reporting of Data: Semi-annual Portfolio Reviews and annual Operational Plan Performance Report.
OTHER NOTES

Notes on Baselines/Targets: The target is to train 450 community individuals and government officials in a set of natural resources management areas, including planning, commercialization, business entrepreneurship and administration, as well as other technical areas in the FY 2010-2012 period.

Other Notes: The targets represent cumulative amounts.

PERFORMANCE INDICATOR VALUES

Year	Target		Actual		Notes
2010	0		78		There was a result of 78 people trained not anticipated for FY10.
2011	650		1031		Results of the Sustainable Community Forestry in the Darien activity (570 additional people).
	360 (males)	290 (females)	728 (males)	303 (females)	
2012	850				Results of the Sustainable Community Forestry in the Darien activity (200 additional people).
	470 (males)	380 (females)			

THIS SHEET LAST UPDATED ON: March 21, 2011

Strategic Objective: Economic Freedom: An Open, Diversified, and Expanding Economy
Intermediate Result 2.4: Improved Management and Conservation of Critical Watersheds
Indicator 2.4.2: Quantity of greenhouse gas emissions, measured in metric tons of CO2e, reduced or sequestered as a result of USG assistance in NRM, agriculture, and/or biodiversity as a result of USG assistance
Is this an Operational Plan Performance Report indicator? No __ Yes _X__ , for Reporting Year(s) FY 2010-FY2012
DESCRIPTION
Definition: This indicator uses the definition provided in the GCC Indicator Handbook (http://www.usaid.gov/our_work/environment/climate/docs/GCC_Handbook_of_GCC_definitions.pdf) The amount of emissions, in metric of carbon dioxide equivalent (CO2e), which is reduced or sequestered as a result of USG programs in natural resources management, agriculture, and/or biodiversity sectors. Relevant greenhouse gases are: CO2, methane, and nitrous oxide. Calculating carbon dioxide equivalent (CO2e) is a way of converting quantities of other greenhouse gases into a common, comparable measure that has a well-defined global warming potential effect. For this indicator, reductions in gases like methane and nitrous oxide should be expressed as CO2e. Carbon sequestration refers to removing Co2 from the atmosphere, either from enhancing natural sequestration (through carbon sinks such as oceans and plants) or artificially capturing and storing carbon. Activities in the land use sector which can result in reduced emissions or carbon sequestration include: forest conservation, forest fire prevention, improved forest management, tree planting and natural regeneration, agroforestry, soil conservation and activities which increase soil organic content, improved cattle and pasture management, etc. In the case of Panama, ***reduced or sequestered emissions*** in the land use sector refer to forest management linked to biodiversity conservation. Carbon sequestration refers to removing Co2 from the atmosphere by enhancing improved forest management which includes areas for forest conservation and natural regeneration as well as agroforestry.
Unit of Measure: Co2 equivalent
Disaggregated by: N/A
Direction of Change: Lower = Better (For Panama, this was changed for easier presentation of results)
Type of indicator: Outcome
Justification & Management Utility: CO2 equivalent is now the world-wide standard measure of carbon emissions reductions or sequestrations. The land use sector, particularly deforestation, is estimated to contribute 20% of annual global greenhouse gas emissions.
PLAN FOR DATA ACQUISITION BY USAID
Data Collection Method: Chemonics will collect satellite imagery for the target area and analyze it using the Intergovernmental Panel on Climate Change (IPCC)-approved methodologies.
Data Source(s): Chemonics will provide the information as part of their annual PMP.
Frequency/Timing of Data Acquisition: Data will be analyzed after a year of intervention in the target areas
Estimated Cost of Data Acquisition: This is included in Chemonics budget. Chemonics will rely on satellite imagery.
Responsible Individual(s) at the Project: Chemonics COP
DATA QUALITY ISSUES
Date of Initial Data Quality Assessment: July 2011
Known Data Limitations and Significance (if any): None
Actions Taken or Planned to Address Data Limitations: None
Date of Future Data Quality Assessments: N/A Activity will end by September, 2012
Procedures for Future Data Quality Assessments: N/A
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING
Data Analysis The Contractor will hire a consultancy services to analyze the satellite imagery using IPCC-approved methodologies. The data will be reported to USAID as part of their annual PMP and as a stand-alone report.

Presentation of Data: The Contractor will present a brief report for this indicator.
Review of Data: USAID Activity Manager with implementing partner and within USAID during portfolio reviews.
Reporting of Data: Annually during Portfolio Reviews and the Operational Plan Performance Report.
OTHER NOTES
Notes on Baselines/Targets: The target is to reduce deforestation by 10% in one year from 2011 to 2012.
Other Notes: CO2 emissions reductions will be estimated in CO2e tons

PERFORMANCE INDICATOR VALUES

Year	Target	Actual	Notes
2011	235,609 (baseline)	0	Estimated emissions in tons in target areas (Cemaco district -outside the Darien National Park- and the Morti community)
2012	212,048		Ten percent of projected emissions reductions in CO2e from the baseline resulting from forest management activities in Cemaco district -outside the Darien National Park- and the Morti community.

THIS SHEET LAST UPDATED ON: July 13, 2011

Strategic Objective: Economic Freedom: An Open, Diversified, and Expanding Economy
Intermediate Result 2.4: Improved Management and Conservation of Critical Watersheds
Indicator 2.4.2: Number of people receiving training in global climate change as a result of USG assistance
Is this an Operational Plan Performance Report indicator? No__ Yes _X__, for Reporting Year(s) FY 2010-FY2012
DESCRIPTION
Definition: This indicator uses the definition provided in the GCC Indicator Handbook (http://www.usaid.gov/our_work/environment/climate/docs/GCC_Handbook_of_GCC_definitions.pdf) The number of people trained in global climate change, including the U.N. Framework Convention on Climate Change (UNFCCC); national greenhouse gas inventories, national programs or policies to mitigate or adapt to global climate change; promotion of technologies to reduce greenhouse gas emissions; promotion of public awareness efforts; activities to reduce the vulnerability to climate change impacts; activities to reduce net greenhouse gas emissions from the land use sector; activities to reduce net greenhouse gas emissions from the energy sector. In the case of Panama, ***people***, refer to employees of GOP ministries (ANAM, MIDA, MOP) staff that will participate in ***trainings*** that consist of non-degree technical courses, non-academic seminars, and workshops.
Unit of Measure: Number of people
Disaggregated by: Sex
Direction of Change: Higher = Better
Type of indicator: Output
Justification & Management Utility: Training activities support demonstration activities that strengthen in-country capacity, as well as promote strategic partnerships, education and outreach, technology cooperation and research. USG's efforts to offer training in global climate change leads to effective activities and programs that: promote the transfer and deployment of clean energy technologies; assist in the measurement, monitoring, reporting, verification, reduction of greenhouse gas emissions; promote carbon capture and sequestration measures; help countries meet responsibilities under the UNFCC; and develop assessment of the vulnerability to impacts of climate change and response strategies. These training activities help improve the likelihood that development partners will continue to implement relevant projects long after USG support has ended.
PLAN FOR DATA ACQUISITION BY USAID
Data Collection Method: Data is collected from training attendees' lists that include the name of the individuals and their ID number.
Data Source(s): Training attendance records, from contractor Chemonics and presented to USAID as part of quarterly reports
Frequency/Timing of Data Acquisition: Data is collected per training and presented quarterly to USAID
Estimated Cost of Data Acquisition: This is included in Chemonics budget. The cost is low as it is part of other tasks.
Responsible Individual(s) at the Project: Chemonics COP
DATA QUALITY ISSUES
Date of Initial Data Quality Assessment: July 2011.
Known Data Limitations and Significance (if any): None
Actions Taken or Planned to Address Data Limitations: None
Date of Future Data Quality Assessments: N/A Activity will end by September 2012.
Procedures for Future Data Quality Assessments: N/A
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING
Data Analysis The Contractor's activity managers collect the training attendees' lists which are then reviewed by the Chief of Party. The data is reported to USAID as part of the required quarterly reports.
Presentation of Data: Attendance lists provide the information to be presented in quarterly reports.
Review of Data: USAID Activity Manager with implementing partner and within USAID during semi-annual portfolio reviews.
Reporting of Data: Semi-annual Portfolio Reviews and annual Operational Plan Performance Report.
OTHER NOTES
Notes on Baselines/Targets: The target is to train 100 government employees from different sectors.

Other Notes: N/A

PERFORMANCE INDICATOR VALUES					
Year	**Target**		**Actual**		**Notes**
2011	0 (baseline)		0		
2012	100				
	75 (males)	25 (females)	(males)	(females)	
THIS SHEET LAST UPDATED ON: July 13, 2011					

Strategic Objective: Economic Freedom: An Open, Diversified, and Expanding Economy
Intermediate Result 2.4: Improved Management and Conservation of Critical Watersheds
Indicator 2.4.2: Number of people with increased capacity to adapt to the impacts of climate variability and change as a result of USG assistance
Is this an Operational Plan Performance Report indicator? No__ Yes _X__, for Reporting Year(s) FY 2010-FY2012
DESCRIPTION
Definition: This indicator uses the definition provided in the GCC Indicator Handbook (http://www.usaid.gov/our_work/environment/climate/docs/GCC_Handbook_of_GCC_definitions.pdf) The definition of adaptive capacity will depend on the vulnerability context for a program and should be established in program documents and based on a vulnerability assessment. Increased capacity to adapt to (or better cope with) the impacts of climate variability and change may result from, for example, communication of weather and climate forecasts, increased availability of weather and climate information including long-term climate projections, better understanding of potential impacts of climate variability and change, creation and dissemination of tools to incorporate climate variability and change in decision-making, consideration of future climate change in project planning and implementation. In the case of Panama, ***people***, refer to members of the emergency preparedness and risk reduction committees to be formed in the target communities. ***Increased capacity to adapt to*** the impacts of climate variability and change refers to better understanding of potential impacts of climate variability and change and consideration of future climate change in project planning and implementation.
Unit of Measure: Number of people
Disaggregated by: Sex
Direction of Change: Higher = Better
Type of indicator: Output
Justification & Management Utility: The number of people benefiting from improved adaptive capacity in the different sectors is an appropriate measure because the purpose of the program is to improve lives by increasing resilience to climate change.
PLAN FOR DATA ACQUISITION BY USAID
Data Collection Method: Data is collected from training attendees' lists that include the name of the individuals and their ID number.
Data Source(s): Training attendance records, from contractor Chemonics and presented to USAID as part of quarterly reports
Frequency/Timing of Data Acquisition: Data is collected per training and presented quarterly to USAID
Estimated Cost of Data Acquisition: This is included in Chemonics budget. The cost is low as it is part of normal tasks.
Responsible Individual(s) at the Project: Chemonics COP
DATA QUALITY ISSUES
Date of Initial Data Quality Assessment: July 2011.
Known Data Limitations and Significance (if any): None
Actions Taken or Planned to Address Data Limitations: None
Date of Future Data Quality Assessments: N/A Activity will end June 2012.
Procedures for Future Data Quality Assessments: N/A
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING
Data Analysis The Contractor's activity managers collect the training attendees' lists which are then reviewed by the Chief of Party. The data is reported to USAID as part of the required quarterly reports.
Presentation of Data: Attendance lists provide the information to be presented in quarterly reports.
Review of Data: USAID Activity Manager with implementing partner and within USAID during semi-annual portfolio reviews.

Reporting of Data: Semi-annual Portfolio Reviews and annual Operational Plan Performance Report.					
OTHER NOTES					
Notes on Baselines/Targets: The target is to train 50 community members of the emergency response committees to be formed.					
Other Notes: N/A					
PERFORMANCE INDICATOR VALUES					
Year	**Target**		**Actual**		**Notes**
2011	0 (baseline)		0		
2012	50				
	38 (males)	12 (females)	(males)	(females)	
THIS SHEET LAST UPDATED ON: July 13, 2011					

Ref. IR2. Improved Management and Conservation of Critical Watersheds Performance Management Plan (PMP)

Drafted by RSpadafora- EG-ENV____date: _____
Cleared by CJElron/GDO_____date:_____

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