



BUSINESS SERVICE PROVIDER CAPACITY BUILDING PROJECT - INDONESIA MONITORING & EVALUATION PLAN

February 20, 2008



ACDI/VOCA

- Private, nonprofit, international development organization; its mission is to promote economic opportunities for cooperatives, enterprises and communities through the innovative application of sound business practice

SUCCESS Alliance

- **The Sustainable Cocoa Enterprise Solutions for Smallholders (SUCCESS) Alliance**
- Public-private partnership to promote sustainable cocoa farming systems in Ecuador, Indonesia, Liberia, the Philippines, and Vietnam.

Business Service Provider (BSP) Capacity Building Project

- Goal is to increase access to and improve quality of business and technical services available to cocoa farmers and their organizations, as well as other cocoa industry stakeholders, through local business service providers

Assumptions

- Price of cocoa remains stable
- Pest and disease does not significantly drop productivity

Risks to Project Success

- Lack of industry or government support
- BSPs lack of entrepreneurial spirit
- Short time frame

Conceptual Framework

INPUTS/PROCESSES	OUTPUTS	OUTCOMES	IMPACT
Identification of needed services by cocoa industry players based on identified constraints to their competitiveness			
Identification of BSPs providing services or with potential to provide services to cocoa industry players in Sulawesi			
Evaluation of BSPs capacity to participate in program	Selection of BSPs project will work with based on clear evaluation criteria		
One-on-one TA to selected BSPs on business plan development for the provision of promising services to cocoa industry players to be partially financed by the project	BSPs develop business plans to be partially financed by the project with a clear plan for phase out of project financing (receding subsidy) and commercial sustainability after project support ends - INDICATOR 1	Increase in number of agreements (written/verbal), MOUs, and/or contracts for services between BSPs and clients - INDICATOR 4	Increase in number of cocoa industry stakeholders using services from BSPs on a fee for service basis - INDICATOR 6
TA to BSPs in general business management (marketing, finance and accounting training, human resource management, business planning and strategy, etc)	BSPs trained in general business management - INDICATOR 2		
Targeted TA to BSPs in service-specific subjects suitable to their skill set and market need/demand (eg. farmer group strengthening, cocoa marketing training, access to finance, access to markets, composting business/input supply)	BSPs trained in service-specific subjects - INDICATOR 3	Increased value of BSP service MOUs, agreements (written/verbal), and contracts for services - INDICATOR 5	
Identification of potential BSP clients	BSPs linked to potential clients (eg cocoa buyers, exporters, farmer groups, banks)		

Performance Management Plan

- Indicator(s)
- Indicator definitions
- Unit of measurement
- Data Source
- Method/Approach of Data Collection
- Schedule/Frequency

Indicator 1

- # of business plans developed by participating BSPs and partially financed by project

Indicator 1 Definition

- Business plan: a document that summarizes the operational and financial objectives of a business and contains detailed plans and budgets showing how the objectives are to be realized
- Participating BSPs: entities that offer cocoa industry players and other cocoa industry stakeholders a broad range of services (e.g. extension services in production and post harvest handling, general business management, marketing/sales, linkages between industry players, transportation/logistics)

Indicator 1 Definition Contd.

- Partially financed by project: through grants to BSPs the project will finance a portion of operational expenses related to the provision of services. Project financing will be gradually phased out (receding subsidy) until BSP revenues are sufficient to cover all costs of service provision without project assistance

Indicator 1 Unit of Measurement and Data Source

- Unit of Measurement: Number
- Data source: Business plan submitted by BSPs to ACDI/VOCA with request for project financing

Indicator 1 Data Collection

- Method/Approach of Data Collection: Participating BSPs submit business plan to ACDI/VOCA
- Schedule/Frequency: At start of project when business plans are received by ACDI/VOCA

Indicators 2 - 3

- Indicator 2: # of participating BSPs receiving TA in general business management
- Indicator 3: # of participating BSPs receiving TA in service-specific subjects

Indicators 2 - 3 Definitions

- Participating BSPs: already defined under indicator 1
- Service-specific subjects: market-driven services that add significant value to the client so that the client is willing to pay the BSP a service/transaction fee

Indicators 2 - 3 Unit of Measurement and Data Source

- Unit of Measurement: Number
- Data Source: Project records of TA activities

Indicators 2 - 3 Data Collection

- Method/Approach of Data Collection: Project records of TA activities
- Schedule/frequency: End of each subject(s) training

Indicators 4 – 5 Contd.

- Indicator 4: # of MOUs, agreements (verbal/written), and contracts between participating BSPs and clients
- Indicator 5: Total value of BSP service MOUs, agreements (verbal/written), and contracts

Indicators 4 - 5 Definitions

- MOU: business document showing intent to complete a commercial transaction
- Contract/Agreement: binding legal document providing the terms of commercial service transactions

Indicators 4 - 5 Definitions Contd.

- Participating BSPs: already defined under indicator 1
- Clients: Enterprises paying for services provided by BSPs (e.g. cocoa buyers/exporters, farmer cooperatives/groups, individual cocoa farmers, banks, agro-input suppliers)

Indicators 4 - 5 Unit of Measurement and Data Source

- Unit of Measurement: 4 – Number, 5 – US\$ value
- Data Source: Records of participating BSPs

Indicators 4 - 5 Data Collection

- Method/Approach of Data Collection: Participating BSPs provide data in pre-approved template, backed by interviews, verification of contracts/MOUs/agreements and other BSP records
- Schedule/Frequency: Baseline & end of project

Indicator 6

- Number of cocoa industry stakeholders using services from BSPs on a fee for service basis

Indicator 6 Definition

- Cocoa industry stakeholders: Direct cocoa industry players (e.g. cocoa buyers/exporters, cocoa farmer coops/groups, individual cocoa farmers) and other stakeholders (e.g. banks, agro-input suppliers, gov't, donors)
- BSPs: those already defined under indicator 1 **plus** BSPs that may enter this industry subsequently

Indicator 6 Unit of Measurement and Data Source

- Unit of Measurement: # of stakeholders using BSPs service (disaggregated by type of stakeholder – farmer group vs. cocoa buyer, gov't, donor, etc)
- Data source: Records of enterprises and participating BSPs

Indicator 6 Data Collection

- Method/Approach of Data Collection: Surveys of stakeholders in intervention area, interviews, BSPs records
- Schedule/Frequency: Baseline & end of project (and if possible 12 months after project ends)