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PROJECT MANAGEMENT

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Portfolio Management: Measuring Short- and Long-Term Results in WWF

WWF is one of the world's largest conservation organizations and is based on a network of country offices delivering a common Global Program Framework (GPF), an ambitious portfolio of biodiversity and footprint priorities to focus the WWF network's efforts until 2020. WWF is implementing a suite of global priority programs focusing on priority geographic areas (ecoregions), flagship species, ecological footprint⁹ and drivers¹⁰ in order to deliver on the GPF goals.

WWF acts as a secretariat to coordinate the network and provide central management services and to set standards and best practices. Like all organizations, WWF needs to monitor its portfolio performance to maximize value for money, to manage risks, and to identify and share best practices.

However, as a nonprofit organization working in a very complex and ever-changing environment, WWF faces a number of unique challenges to portfolio management, in particular:

- A strongly decentralized organizational structure with independent management and approval systems, locally specific priorities, and nonstandard sets of performance measures
- Limited global financial and human resources, and hence a compelling need to prioritize programs that will maximize collective impact
- Continually evolving global context, heavily influenced by global economic and geopolitical trends
- Significant delays between intervention and measurable impact, and difficult attribution.

To address these challenges, WWF has developed a global portfolio monitoring and management system that empowers local management while informing global decision making; that demonstrates short, medium, and long-term results; that detects emerging trends and opportunities; and that enables the most conservation-efficient allocation of resources.

The WWF portfolio management system, rolled out from July 2013, therefore provides programs with the information they need for adaptive management, allows governance bodies to explore progress within and between programs, and allows aggregation at a global level of enough data for meaningful analyses of overall delivery of the GPF and conservation impacts and trends.

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9. The term *ecological footprint* refers to the cropland, grazing land, forest and fishing grounds required to produce the food, fiber and timber consumed in a country, to absorb the wastes emitted in generating the energy it uses, and to provide space for its infrastructure.

10. A *driver* is defined as a social, economic, or political factor that leads to a direct impact on the environment through a change in either the state of biodiversity and/or the ecological footprint.

The portfolio management system includes three pillars:

a. Assessing program performance

WWF recognizes that few measurable conservation results are observable in the short-term, and in many cases programs will require 5 years or more to demonstrate change. Consequently, conservation programs place substantial emphasis on articulating and testing their theories of change, that is, the program's logic for how short-term interventions will roll up, over time, to increasingly large-scale outcomes and impacts. A well-articulated theory of change will specify planned intermediate results as the basis for short-term work planning and the unit for regular program management. The first pillar of the WWF portfolio management system requires each program to self-assess annually, on a continuous scale of 1 to 7, its progress toward its annual planned intermediate results. To improve the objectivity of this process, each program is subject to independent peer review. An overall "conservation achievement KPI" is thus generated for each of WWF's priority programs; this KPI can be used at the portfolio level as a snapshot of performance and as an early warning system of underperforming programs or programs requiring additional support from the WWF network.

b. Measuring outcomes and impacts

The second pillar of the portfolio management system requires the organization to look beyond programs' short-term performance toward selected outcomes and impacts.

Outcomes are usually related to reducing threats to biodiversity and will be defined by a program's stated objectives. Outcome monitoring will answer questions such as: Were new protected areas established and effectively managed? Were fisheries catches improved and bycatch reduced? Were key policy changes agreed and implemented?

Impact is a measure of how well a program is delivering on its ultimate stated goals related directly to the biodiversity it is trying to conserve or the ecological footprint it is trying to reduce. It will answer questions such as: Did tiger numbers increase? Did forest cover in the Amazon remain stable? Did a cod fishery recover? Has energy consumption decreased? Are local communities better off as a result of the program?

The WWF Network agreed on a set of 20 "common indicators" intended to provide a picture of the results programs are attaining against a common set of comparable measures. The common indicators are articulated around state (habitat cover and connectivity; flagship species populations; ocean health;), pressures (habitat loss and degradation; river fragmentation; species offtake and over-exploitation, CO₂ [carbon dioxide] emissions), responses (protected areas size and management effectiveness; sustainable production of commodities; and wildlife trade and social impact (community-based natural resource governance). Similar indicators from similar programs can be clustered where appropriate to allow a global analysis of use to governance bodies in portfolio management. Since the same indicators are used by many governments and NGOs (e.g., for monitoring contributions to multilateral environmental agreements), data can be accessed and shared more easily through global data sets.

c. Portfolio dashboards

The first and second pillars of the portfolio management system systematically provide program-level data on short-term performance (the conservation achievement KPI) and medium and long-term performance (the common outcome and impact indicators). These data can be presented together in a dashboard to provide a holistic view of how each program is performing, independent of any other. The data are presented in the context of program goals to provide a relative measure of progress in delivering outcome and impacts. The dashboards comprise the core of WWF's annual Global Conservation Program Report and are accompanied by a narrative to put the results in the context of program actions and theories of change.

By using common short- and longer-term measures, the system also permits these data to be viewed across the WWF portfolio, allowing the comparison of performance across programs, and permitting the aggregate rollup of data to measure how WWF is performing as an organization against the global goals it set for itself in the Global Program Framework. Figure 14–17 provides a mock-up of how data are aggregated and used at the portfolio level. (For real-life examples, see <https://goo.gl/REEQII>.)

The portfolio dashboard serves as a central management tool for use by a number of different audiences, including program management teams and governance bodies, WWF network oversight and governance bodies, as well as donors and other stakeholders. Key questions answered by the portfolio management system include:

- Are WWF programs meeting their goals and objectives and having an impact on the state of biodiversity?
- Which are the programs where WWF's investment is having the greatest/least impact toward the goals of the Global Program Framework?
- What are common technical and operational factors that are influencing programs' performance?
- What are the best practices and lessons learned within and between programs?
- What is the WWF network's contribution to conservation globally? What can be attributed to WWF's work?
- What are emerging trends, challenges, and opportunities for conservation globally?

It is important to note that the effectiveness of the portfolio management system is closely linked to the quality of strategic plans and monitoring being practiced in each program. As a result, WWF programs are strongly encouraged, and supported, in following best practices in planning, monitoring, and evaluation,¹¹ in setting aside resources for data collection and analysis, and mainstreaming the resultant information into program-level management decision making and learning.

11. WWF follows the “WWF Standards for Conservation Project and Programme Management” based on the “Open Standards for the Practice of Conservation,” a set of best practices developed and promoted by the Conservation Measures Partnership (www.conservationmeasures.org).

