Equitable Origin M&E Public System Report 2017

Table of contents

1. Scope and Boundaries of Equitable Origin's M&E System

The Equitable Origin(EO) System[1] was launched in 2012 and certified its first oil and gas site in August 2014. Also in 2014, EO expanded the scope of the System to include shale oil and gas development. In late 2015, EO expanded and restructured the EO100 to include utility-scale renewable energy production in its certification system. EO's Monitoring and Evaluation (M&E) system has been under continual development and revision since 2012. EO has defined the scope and boundaries of the M&E scheme as well as a series of outcome and impact indicators based on its Theory of Change. The scope of EO's current M&E system and estimated timelines for commencing the first assessments is below:

EO100 Standard™ Sectors	• Onshore conventional oil and natural gas exploration and production – (N/A) • Onshore shale oil and natural gas exploration and production (2016-18) • Utility-scale wind and solar energy production (2017)
Programs	• Sustainable Energy Development in the Andes-Amazon Region (2016-18) • Sustainable Energy Development in Mexico (2016-17) • Indigenous Peoples Exchange (2017-18) • EO Platform (2017-18) • Responsible Renewables Development (2017-18)
Supporting Strategies	• Stakeholder engagement and community involvement (2016-17) • Implementation guidance (2016-18) • Capacity-building activities (2016-18) • Best practice benchmarking (2016-18) • Qualified Implementation Consultant and Assessment Body training (2016-18) • Communications and marketing (2016-17)
Geographies	• Certified sites (2016): Quifa Field, Colombia • Target geographies (2016): Peru, Colombia, Mexico, United States, Canada, Europe • Future target geographies (2017-2019): Argentina, Bolivia, South Asia, East Africa

---

[1] Equitable Origin's system encompasses responsible upstream energy producers including (but not limited to) onshore oil and natural gas exploration and production, utility-scale renewable energy projects, and other significant energy production.

EO100's Intended Effects and **Potential Unintended Effects**

The intended impacts of EO's certification system are included in the following two categories:

- *Social:* Communities affected by large-scale energy development are empowered to participate in energy development decisions; energy project development is transparent and accountable, respects and upholds the human rights of affected workers and communities, ensures their health and safety and promotes their prosperity
- *Environment:* Energy producers practice environmental stewardship in impacted areas and impacts on biodiversity and environment are avoided and/or mitigated

The potential unintended effect of EO's certification system are unintended negative social and environmental impacts that may occur at the site level.

For a detailed list of intended and unintended impacts and outcomes, see "M&E: Intended Effects" and "M&E: Unintended Effects" via https://www.equitableorigin.org/programs/monitoring-evaluation/.

M&E System Limitations

Key external drivers of certification uptake, such as prolonged, depressed hydrocarbon commodity prices and an immature renewable energy market influence certification uptake. Financial and other operational constraints caused the Quifa Field in Rubiales to cancel its verification audit, thereby causing EO to withdraw the site's certification. Because of known challenges both in voluntary standard certification schemes generally and in the energy sector specifically, EO has not been able to gather robust certification data and is modifying its interventions and programs accordingly. The result is that, while EO has invested in M&E, it has not been able to conduct impact studies as the model evolves to meet changing circumstances.

2. Roles and Responsibilities

The Chief Operating Officer, Sarah Coulter, has ultimate responsibility for the Monitoring and Evaluation program. Program staff, who manage each program listed above, are responsible for M&E activities for their respective programs. Staff information and competence is available on the Equitable Origin website. Program staff responsibilities are:

- Collaboratively develop and implement the M&E Program
- Ensure the plan, processes and results of the M&E program are presented at the appropriate time to the appropriate committees that govern and inform EO's processes
- Coordinate with EO's stakeholder engagement function to ensure that the relevant stakeholders are included in the M&E Program at the appropriate time
- Review and analyze the data, information and results generated by the program
- Report internally and externally the results of the M&E program

3. Defining the Intended Change

The intended short and medium-term outcomes of EO's certification system in areas impacted by energy development are included in the following, broad categories:

- Community livelihoods and welfare in is maintained or improved
- Participatory, inclusive decision-making in affected communities is robust, transparent and encouraged
- Community health and safety is maintained or improved
- Safe water, air and soil are available to affected communities
- Deforestation and biodiversity impacts are minimized or avoided
- GHG emissions at energy development sites is minimized and progressively reduced (where applicable)
- Energy projects are closed in alignment with industry best practices and the area is restored to its original state

EO's support strategies include stakeholder engagement, training, membership and services such

the application of EO's gap analysis and convening multi-sector partners.

For a detailed illustration of EO's intended change, see "M&E: Defining the Intended Change," via https://www.equitableorigin.org/programs/monitoring-evaluation/.

4. Performance Monitoring

EO's M&E program will take a wedge-step approach. In 2017, the M&E system will include the launch of a dynamic software platform that will track, store, and analyze performance data for each implementing organization that interacts with EO. The move to the platform will allow EO to gather self- and guided-assessment pre-certification data as well as gather and analyze changes in performance over time. As EO updates is vision, mission, and programs in 2017, staff will update its indicators and develop new outcomes and process assessments, as well as develop EO's KPIs and Performance Monitoring System[3] (see *Roles and Responsibilities* above). In consultation with the Technical Committee, staff will also develop the methodologies for collecting data, which will include policies to ensure information confidentiality, control against bias and data quality safeguards. The results of EO's performance and outcomes and impacts assessments will be made publicly available on EO's website in an annual report, in addition to publication on a project-by-project basis.

For further information on EO's indicators to monitor impacts, outcomes and performance, see "M&E: Performance Indicators" via https://www.equitableorigin.org/programs/monitoring-evaluation/.

5. Outcome and Impact Evaluation

In general, EO collects broad data points about activities and projects as they occur. The M&E system under revision will use established and revised indicators to conduct program-by-program as well as organizational and supporting strategy assessments. The results of each assessment will be made publicly available on EO's website in an annual report, in addition to a project-by-project basis.

As a result of the structural constraints noted above, there are no available outcome or impact evaluations and/or reports.

6. Improving the Effectiveness of the M&E system

A robust M&E system requires consistent learning and revision. As EO's programs and M&E system are undergoing revision, it is expected that, following EO's strategy retreat and board meeting in April 2017, the M&E program will be reviewed and revised by August 2017. Based on past history and a rapidly evolving VSS and energy development landscape, it is likely that significant revisions will occur on an annual basis – with minor adjustments implemented consistently (as necessary). The results of each revision cycle will be made publicly available on EO's website.

EO's 2016 budget allocates resources to develop the M&E system and activate the M&E program. During Q1, the program cost will be built into staff time. As of January 2017, there is one FTE with committed responsibility for the Monitoring and Evaluation program:
1. Chief Operating Officer: 2%

---

[2] Current outcomes indicators, impacts indicators and performance indicators can be found in "Public System Report Annex 1" via https://www.equitableorigin.org/programs/monitoring-evaluation/ . Note, these indicators are under revision.

[3] Performance monitoring is defined as the ongoing evaluation of EO's progress towards defined key performance indicators (KPIs)

Each program allocates a percentage of its budget to M&E, which cumulatively rolls up to approximately $54,000 or 6% of EO's total operating budget.

Additional general, administrative and supply costs are shared across activities, departments and business units; neither these costs nor the implicit costs of cross-departmental staff time directed to M&E activity are itemized in the 2016 budget. The M&E program will receive collaboration, data and technical support from additional EO staff whose job descriptions do not explicitly articulate responsibility for Monitoring and Evaluation activity:

1. Chief Executive Officer – standards and assurance institutional knowledge
2. Chief Operations Officer – operations data
3. Director, Latin America Operations – Latin America programs and activities data
4. IT – Provide technical infrastructure and support

5. Opportunities for engagement

Sarah Coulter, Chief Operating Officer, is the contact point for submission and any comments, questions or complaints about the M&E System.

Opportunities for stakeholder engagement in the design and revision of the M&E system can be found on the EO website, on the Monitoring and Evaluation Page when an open comment period is active, and at any other time via our Comments, Complaints, and Appeals Page.