Pact

Assessing Organizational Capacity Through Participatory Monitoring and Evaluation

Handbook

Prepared for the Pact Ethiopian NGO Sector
Enhancement Initiative
by William Booth & Robert Morin
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Introduction

Projects and programs require competent organizations to transform labor, land, resources and technology into ongoing improvements in people's lives. Investment in organizations enables development in other areas.

In Guidelines for Pact Programming 1995, it is stated that Pact's mission is "to contribute to building the capacity of indigenous development NGOs so that they have greater competence in, impact on, and influence over key sectors of developmental life in their own countries which are both locally and globally relevant to the lives of the poor and disadvantaged." The Organizational Capacity Assessment Tool (OCAT) will allow Pact/Ethiopia, working in close collaboration with each Ethiopian NGO partner, to identify current organizational strengths and weaknesses and establish a plan for improvement that includes mechanisms to measure change.

Strong organizations are essential for: (a) cost-effective transformation of input into output; (b) ongoing participation of stakeholders;(c) mobilization and regulation of local resources; (d) resolution and management of conflicts; (e) effective control in the division of benefits; (f) monitoring, evaluation and validation of externally supported change; (g) translation of government policy into practice; and (h) in more recent times, the empowerment of people to assume some aspects of, and more responsibility for, their development and to foster democratic change.

NGOs and their leadership, in the process of enhancing their own organizational strengths and those of the NGO sector as a whole, will benefit from an understanding of the complementary relationship among: Institutional Development, Organizational Development, Training/ Technical Assistance, Human Resource Development and the Seven Components identified by the Organizational Capacity Assessment Tool -- Governance, Management Practices, Human Resources, Financial Resources, Service Delivery, External Relations and Sustainability.

Institutional Development deals with changes that are sought in social structures, in the patterns and arrangements of society. Ethiopian NGOs must come to a mutually shared understanding of what institutional development will mean in their context, who it is to serve, and how it can be achieved. It is essential that the context -- the forces and values in which the NGO community functions -- be understood in establishing the goals and objectives of institutional development.

Rapid changes are taking place in the socio-political, socio-economic and socio-ecological conditions worldwide. As in many countries, development indicators in Ethiopia show a decline in per capita income, with the resulting burden falling upon the poor. NGOs are increasingly involved in the work of poverty alleviation, which reflects the priority given to it by the government. The response to the current social and economic needs of the population should be part of long-term strategies for sustained material and institutional development in Ethiopia and the region. Such strategies require the involvement and the participation of local organizations. Institutional development, therefore, must take into account the short-term objectives of these organizations to respond to the needs of the local population while enhancing their capacity to address longer-term development and sustainability issues.

Organizational Development addresses change within the NGOs themselves, even when these changes are meant to help in the development of their own institutionalization. Development-oriented NGOs need to be aware that institutions transcend individual organizations and require different goals, strategies, time scales and tools to bring about the desired changes.

Training/Technical Assistance (T/TA), when taken as one of a number of components of an overall development strategy, can be effective in improving an organization's functioning. Training can be formalized, structured, informal or experimental. It seeks to improve an individual's or group's understanding of problem identification and enhances their ability to respond more effectively through the acquisition of new skills. Training, however, addresses only a limited number of systems in an organization and depends on the structures and strategies of the organization to facilitate and encourage individuals to utilize this acquired knowledge and skills to bring about change. Preference should always be given to organizational capacity building rather than to training.

Human Resource Development (HRD) involves not only acquiring and applying relevant skills and knowledge, but also appropriate values and proper attitudes. HRD emphasizes effective linking of theory to practice. The effective application of theory is enhanced when guided technical application (mentoring) provides follow-on support to individuals and organizations as a regular component of the design of training programs.

Institutional Development is both a development strategy and an organizational intervention. As a development strategy, institutional development aims to promote and facilitate the establishment of a thriving community of local development organizations. As an organizational development intervention, institutional development assists local institutions to become more effective, viable, autonomous and legitimate. Institutional development is a participatory process. Members and constituents of an organization become committed to improving the functioning of their organization by identifying its needs and determining themselves how to address these needs.

To effect institutional development, it is necessary to view NGOs as a sector expressing values associated with participation, self-help, self-reliance and social justice. This requires a community of viable organizations and a pattern of interactions between NGOs and other development partners, including the state, aid agencies and private sector enterprise. Institutional development involves:

- building the foundations of an Ethiopian NGO sector which advances their role in socio-economic development and ensures accountability and responsibility;

- enhancing collaboration and cooperation through supporting NGO networks, associations and councils to make NGOs a more cohesive force in national, regional and international development; stimulating and institutionalizing an NGO-based perspective in the context of Ethiopia; and ensuring involvement of NGOs in national and local policy development.

While these activities involve improving the performance of individual NGOs, institutional development focuses on what they do collectively within the context of civil society in Ethiopia. It strengthens interactions within the NGO community to reinforce their position with other institutional systems.

> ***Organizational Development*** is an ongoing process that optimizes an organization's performance in relation to its goals, resources and environment.

In Guidelines for Pact Programming 1995, Organizational Assessment is defined as a tool which can help internal and external evaluators determine how an organization is placed in respect to a template of best practice for an organization. Such an assessment will allow an organization to identify where it is under performing and where help is needed.

While certain aspects of NGO organizational behavior are common to all NGOs (like competent financial accounting), there is no one template for all NGOs; and the elements of a healthy NGO need to be worked out for each country, sometimes for each region, and perhaps for different types of NGOs (like CBOs, Networks and Apex bodies).

National NGOs work to strengthen the capacity of community organizations to deliver services and represent their constituents. These organizations should collaboratively identify a program to chart where they are currently, where they want to be, how they will get there, and how they will know when they have achieved their goal.

Pact plans to use the Organizational Capacity Assessment Tool (OCAT) in its collaboration with Ethiopian NGOs. The data obtained through OCAT -- conducted as a participatory self-assessment tool by the NGOs themselves and/or by external evaluators and technical assistance providers or trainers -- can provide a basis for communication and planning between NGOs and Pact program officers.

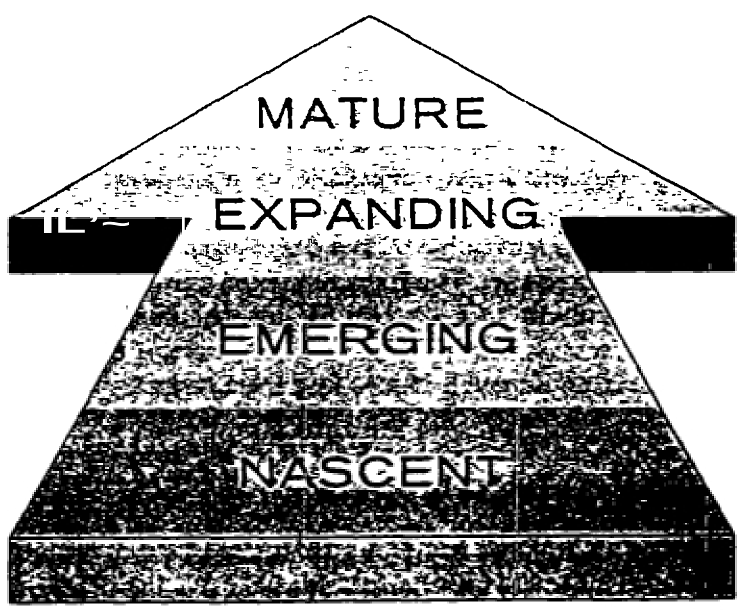
The Organizational Capacity Assessment Tool (OCAT) is designed for a variety of purposes. It can be used, in whole or in part, to:

- Serve as a diagnostic instrument to determine the stage of organizational maturity and specific changes needed to strengthen an NGO;
- Establish a baseline measure of the existing structure and capability of an NGO;

- Monitor and evaluate progress toward the organizational development objectives of an NGO;
- Serve as a means to educate NGO staff users about the components and attributes of an effective NGO
- Create a strong and shared commitment to change within the NGO;
- Assess training needs of the staff of an NGO and provide a framework for a training curriculum,
- Complement financial audits and program impact reports to provide a comprehensive evaluation of the viability or potential for growth of an NGO;
- Obtain a rapid assessment or "snapshot" of the NGO by administering selective questions;
- Serve as a basis on which to design improved systems and procedures.

OCAT categorizes NGOs into four distinct stages of development according to their competence in seven components of organization effectiveness: Governance, Management Practices, Human Resources, Financial Resources, Service Delivery, External Relations and Sustainability. The stages of development are dynamic and interactive. An NGO is not necessarily at the same stage of development in regard to all the components.

Stages of Organizational Development



Stages of Organizational Development

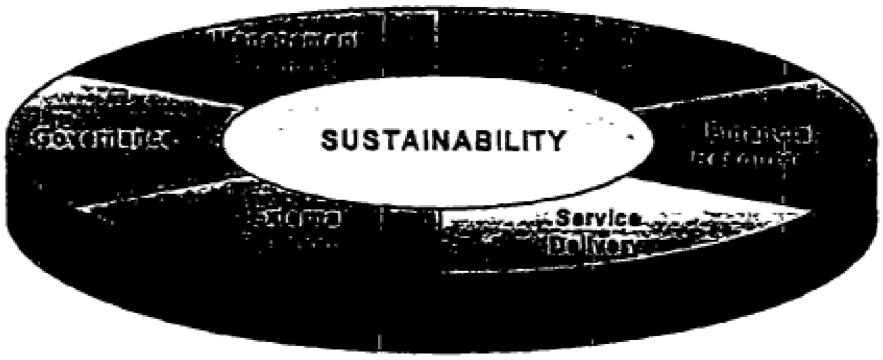
Nascent: The NGO is in the earliest stages of development. All the components measured by OCAT are in rudimentary form or non-existent.
Emerging: The NGO is developing some capacity. Structures for governance, management practices, human resources, financial resources and service delivery are in place and functioning.
Expanding: The NGO has a track record of achievement; its work is recognized by its constituency, the government, the private business sector, and other NGOs active in the same sector.
Mature: The NGO is fully functioning and sustainable, with a diversified resource base and partnership relationships with national and international networks.

The Organizational Capacity Assessment Tool identifies the characteristic criteria or indicators of performance for each of the seven components of organizational effectiveness.

Components of Organizational Effectiveness

Governance: The provision of leadership and direction to an organization.
Management Practices:: The mechanisms intended to coordinate the activities and facilitate processes within an organization.
Human Resources: Management, staff, members, volunteers, constituents, donors and Board members who have skills, motivation and opportunity to contribute to an organization.
Financial Resources: The resources required to purchase goods and services needed to conduct its affairs, record and account for financial transactions and monitor and report on its financial status. It involves adequate resources and necessary cash flow, a diverse resource base and long-term plans for meeting resource needs.
Service Delivery: The programs and services carried out by NGOs that are appropriate, cost-effective and of quality.
External Relations: Interaction between an organization and other development partners in the context in which it carries out its activities which ensure that it is noting and responding appropriately to the social, political, ecological, economic and other forces and events around it.
Sustainability: the long-term continuation of an organization, program or project. Identifies and measures the extent to which local partners of an NGO will continue to pursue and support the objectives after a project is over and involves the continuation of programs, institutions and funding.

Components of Organizational Effectiveness



NGOs can be at a nascent, emerging, expanding or mature stage in any of the above components at a given point in time. For example, an NGO could be in the expanding stage with respect to governance, but still in the nascent state in terms of its resource base. Such differences within a single organization are to be expected and this kind of detailed assessment helps it to identify what it needs to improve its performance. Thus, the OCAT can provide a "snapshot" of the NGO at a particular stage in its history.

The Tool provides information required for an assessor or assessment team to identify the components and standards of an NGOs performance. This Assessment Tool is not intended to prescribe the same form and structure for every NGO. Since the criteria used to measure capacity are relative, as described above, they ensure that the OCAT is not prescriptive unless the assessor or assessment team inserts a set of absolute standards from a definite source.

The entire OCAT will provide information and a means to conduct a comprehensive diagnosis of an NGO; the training and technical assistance required for its organizational development can then be identified. Specific categories or sub-sections of the Tool can guide an assessment team or technical assistance provider to identify specific interventions by which to strengthen the overall capacity of the organization.

Suggested T/TA Activities to Improve Organizational Performance and Capacity						
Governance	**Management Practices**	**Human Resources**	**Financial Resources**	**Service Delivery**	**External Relations**	**Sustainability**
Board Mission/Goal Constituency Leadership Legal Status	Organizational Structure Information Management Administrative Procedures Personnel Planning Program Development Program Reporting	Human Resources Development Staff Roles Work Organization Diversity Issues Supervisory Practices Salary and Benefits	Accounting Budgeting Financial/ Inventory Controls Financial Reporting	Sectoral Expertise Constituency Impact Assessment	Constituency Relations Inter-NGO Collaboration Donor Collaboration Public Relations Local Resources Media	Program/ Benefit Sustainability Organizational Sustainability Financial Sustainability Resource Base Sustainability

It must be emphasized that to be effective this tool must be adapted and interpreted by the assessment team or technical assistance provider. The methods for administering the assessment and interpreting the results must be agreed to by the assessment team or technical assistance provider.

The Tool can only identify relative, not absolute, values of organizational performance. The progress of an NGO towards a set of organizational development objectives must be measured on change observed from one assessment to the next. To determine the viability or readiness of an NGO to absorb additional funding or expand program activities, the measure of performance will be the standards of the donor agency. If an internal staff team is assessing its own NGO for the purposes of self-education and developing commitment to change, it is important to reach a consensus as to the strengths and weaknesses of the NGO and to agree upon the organizational development needs and a proposed plan of action.

In brief this document contains the following sections:

Section I: Definitions of Monitoring and Evaluation, reasons for doing M&E, levels of M&E and steps to take in conducting M&E.

Section II: Assumptions and goals of a Participatory Monitoring and Evaluation approach.

Section III: Why the Organizational Capacity Assessment Tool (OCAT) has been developed, how it should be used, and ways that the results can be utilized.

Section IV: OCAT Rating Sheet, presenting characteristics of each component of a successful organization as criteria against which to measure an organization's current capacity.

Section V: The four stages in the development of an NGO and the characteristics of each stage according to the seven components of an effective organization.

Section VI: Some guidelines on how the information gathered during the assessment may be analyzed and integrated into action plans.

Section VII: Samples of assessment results and three levels of reports (1) NGO level (2) Pact level and (3) Donor level.

Section VIII: Bibliography of resources leading to additional information on the subject of organizational and institutional development and monitoring and evaluation.

Section IX: Glossary of relevant terms.

The OCAT draws upon the concepts of Organizational Development and selects various components from the work and materials of an assortment of sources. The work and materials of the following individuals, among others, have contributed in part to the development of this handbook: Dr. Kristine Rogers, Dr. David Kelleher, Miriam N'dalama, Tarekgne Ararsa, Leslie Mitchell, Bonnie Mullinex, Marren Akaba-Bukachi, Isaac Bakelo, Tosca van Vijfeijken, Meredith Richardson, Ruth Buckley, Curt Grimm, Richard Holloway, Eugene Chiavaroli, Dr. Allan Fowler, Piers Campbell, Constantinos Berhe-Tesfu and Shoatsehay Belihu. Additional references may be found in the bibliography.

To develop the OCAT, the Monitoring and Evaluation Team consulted with Pact/Ethiopian consultants and partners in a series of interviews and site visits to identify NGO needs and resources for M&E. The OCAT Assessment and Ranking Sheets were drafted and then field tested by the Pact/Ethiopian consultants staff on a number of NGOs varying in size, capacity, sector and role. The Tool was further refined and revised based on the outcome of the field tests. It was then presented to representatives of Ethiopian NGOs and further revised.

Section I - What Is Monitoring And Evaluation?

Definitions For A Frame Of Reference

What Is Evaluation?

The notion of evaluation has been around a long time. The Chinese had a large functional evaluation system in place as long ago as 2000 B.C. Evaluation means different things to different people and takes place in different contexts. Thus, evaluation can be synonymous with test, descriptions, documentation or management. The dictionary provides a comprehensive definition :

"Systematic investigation of the worth or merit of an activity...."

Evaluations should be conducted for action-related reasons and the information provided should facilitate deciding on a course of action.

Over the years, evaluation has frequently been viewed as an adversarial process. Its main use has been to provide a "thumbs-up" or "thumbs-down" judgment about a program or project. As such, it has all too often been considered by program or project Directors as an external imposition which is threatening, disruptive and not very helpful to project staff.

What Is Monitoring?

Monitoring, according to the dictionary, can be defined as:

"...the ongoing process of collecting and analyzing data to measure performance."

It focuses on the achievement of expected results and involves the analysis of how changes in specific indicators compare with those expected and identified in targets. Monitoring alerts managers to problems or successes.

What Is Monitoring and Evaluation (M&E)?

Evaluations support and complement a monitoring system. Evaluation is a structured analytical effort undertaken, when needed, to answer specific management questions about the performance of programs or activities. Evaluations may be initiated when performance monitoring data indicate unexpected results. Evaluations can also be used to test the basic development concepts underlying our strategies: Is change occurring as we expected? Are our interventions efficient? Our challenge is to further the concept that M&E are tools that not only measure, but can also contribute to, success.

What Is Performance Monitoring and Evaluation?

In November 1995, USAID issued a General Notice providing guidance on the re-engineered USAID performance monitoring and evaluation (PM&E) in which they state "that monitoring and evaluation are key management approaches through which they will gauge progress, guide programming and resource allocation decisions and report on results to stakeholders. The new PM&E policy and procedures reflect the Agency's four core values: (a) managing for results; (b) empowerment and accountability; © teamwork and participation; (d) customer (i.e. beneficiary) focus."

The new guidance requires that:

- operating units managing program funds monitor and report once a year on performance;
- evaluations be carried out only when needed and not conducted automatically at some arbitrary point in the program cycle;
- a participatory approach involving customers, partners and stakeholders be used in all phases of program performance monitoring and evaluation. In particular, a customer focus should be reflected in the framing of objectives, choice of performance indicators and measurement of performance.

Why Monitor And Evaluate?

The collection and analysis of information is necessary to improve:

- planning and implementation of development assistance
- effectiveness of management decisions
- learning from experience
- joint planning and programming
- accountability and response to reporting requirements

What Are Purposes of M&E?

Planning for monitoring and evaluation provides everyone involved with the project with an understanding of what the project is supposed to do and the timelines and strategies for doing it. The products of monitoring and evaluation provide a rich, context-laden description of a project, including its major goals and objectives, activities, participants and other major stakeholders, resources, timelines, locale, intended accomplishments and key outcome indicators prior to the project to serve as a baseline for measuring success

Purposes of M&E

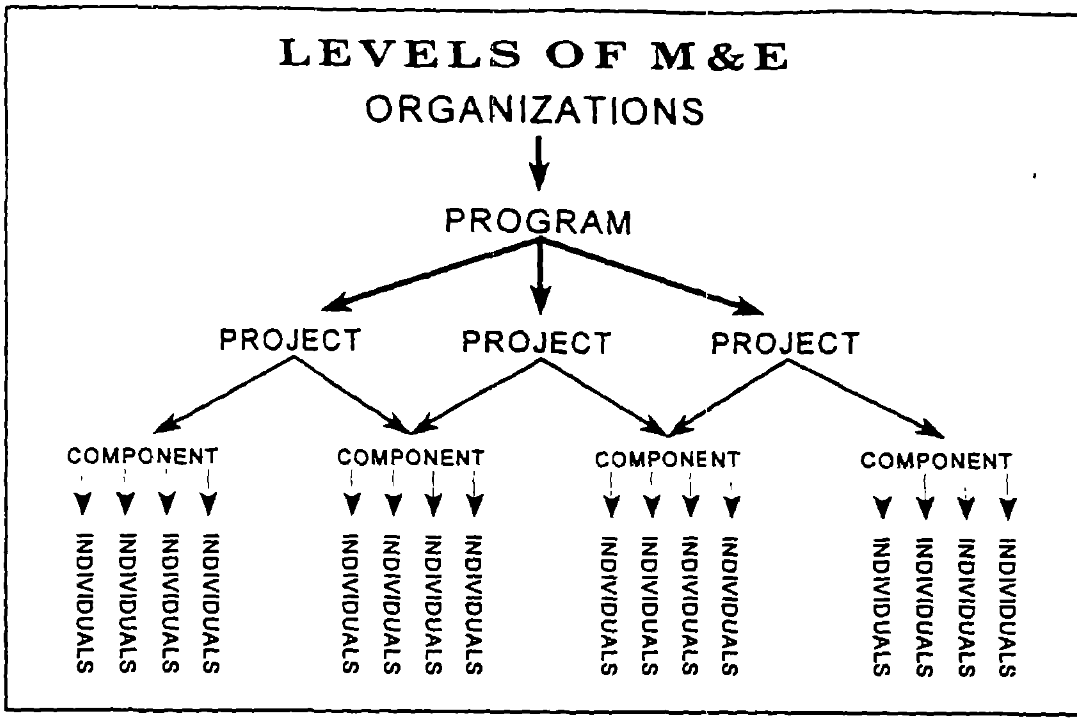
- to assess understanding of project goals, objectives, strategies and timelines
- to assess ongoing project activities
- to assess whether or not the project is being conducted as planned
- to assess progress in meeting the project's goals
- to assess impact of project activities on individuals and groups of individuals
- to assess whether or not the project is addressing the needs of special needs populations
- to assess the project's success

Levels Of Monitoring And Evaluation

An **organization** is the construct in which programs are identified, implemented and carried out. The various definitions used to explain organizational development all include the concept that it is an ongoing process that optimizes an organization's performance in relation to its goals, resources and environment. A **program** is a coordinated approach to explore a specific area related to an organization's mission. A **project** is a particular developmental activity funded by that program. **Individuals** are those stakeholders who have an interest and/or participate in a project. An organization initiates a program on the assumption of a policy goal (for example, strengthen the capacity of NGOs). It then funds a series of discrete projects or activities to explore the utility of these activities and strategies in specific situations. Thus, organizations undertake programs which consist of a collection of projects that involve individuals or groups of individuals that seek to meet a defined set of goals and objectives. Monitoring and Evaluation are interested in all of these levels for different reasons at different times. Result-oriented development is concerned with the links between these various levels and specific strategic objectives.

A **program evaluation** determines the value of a collection of projects. It looks across projects, examining the utility of the various activities and strategies employed, in light of the initial policy goal. It is initiated after the projects have become fully operational and adequate time has passed for expected outcomes to be realized. **Program monitoring** should begin during the design phase and program onset so that data is being collected that can be aggregated across projects and summarized at an appropriate check point.

Project evaluation, in contrast, focuses on individual projects. Ideally, **Project monitoring**, design and data collection begin soon after a project is funded and occur



on a regularly scheduled basis; project monitoring may lead to and support recommendations to continue, modify and/or delete certain project activities or strategies. Project evaluation may also include examination of specific components or impact on the individuals or groups of individuals to which they are targeted.

Steps In Conducting M&E

There are five phases* involved with an M&E process and all five are critical for provision of useful information. If the information gathered is not perceived as valuable or useful, or the information is not credible or feasible, or the report is presented too late or is written inappropriately, then an M&E process will not contribute to the decision-making process.

Steps in Conducting M&E

- development of M&E questions
- matching of questions to appropriate information-gathering techniques
- collection of data
- analysis of data
- distribution of information

* Initially an organization may need to include a M&E design and training to these phases until such time as staff become familiar with the concepts and methods.

Development of M&E Systems

Monitoring systems are the processes or approaches used to collect and analyze data. These systems include performance indicators; baseline data and performance targets for all strategic objectives; strategic support objectives and special objectives; means for tracking critical assumptions; and performance monitoring plans to manage data collection. Data must be collected and analyzed regularly on the objectives and intermediate results. An important consideration is minimizing interference with project functioning by making as few demands as possible on project personnel and participants and avoiding procedures which may be perceived as threatening or critical.

Monitoring systems are based on the regular and routine collection and analysis of data and results. Systems should provide information on outcomes or results at all levels that enable managers to track progress toward achieving strategic objectives, intermediate results and activity output. The collection should include comparable data on the results each year for at least one of the indicators for each strategic objective, each strategic support objective and each special objective.

Impact measurements are almost always measures of change. There is no hard and fast rule for deciding when changes should or should not be made; in the end technical concerns must be balanced with common sense.

Getting started right can have a major impact on the progress of M&E all along the way. It is critical to identify the major stakeholders, their questions and their needs for information. The development of an M&E process consists of several steps:

- clarify goals and objectives
- identify and involve key stakeholders and audiences
- describe the interventions to be monitored and/or evaluated
- formulate potential questions of interest to all stakeholders and audiences
- identify and determine available resources
- prioritize and eliminate questions

In developing an M&E approach it may be useful to consider the following suggestions:

- who is the information for and who will use the findings?
- what kinds of information are needed?
- how is the information to be used? For what purposes are you conducting M&E activities?

- when is the information needed and in what form?
- what resources are available to conduct M&E activities?
- given the answers to the preceding questions, what methods are appropriate?

Once an M&E system and policy are established, the following criteria should be taken into account when planning activities around discrete projects:

- who would use the information?
- will the information to be gathered provide answers not now available?
- is information important to a major group or several stakeholders?
- will information be of continuing interest?
- is it possible to obtain the information given financial and human resources?
- does the time span available to gather information meet the needs of decision makers?

If there are limited M&E resources, it is best to stick to simpler approaches and basic data-gathering, but it is essential that a system be established to meet program and project objectives.

M&E Design

There are a variety of data collection and analysis approaches, each of which contains advantages and drawbacks, that can be used to strengthen participation and feedback from partners, beneficiaries, and stakeholders. These include surveys and rapid appraisal techniques, such as key informant interviews, focus groups, community interviews, site observation, mini-surveys and mapping.

Active participation of partners in monitoring and evaluation builds a sense of "ownership," encourages joint actions based on mutual understanding of issues and can strengthen future planning and action. While participatory approaches may take more time and effort, stakeholders' needs, priorities and expectations for development assistance should provide the foundation for the results Pact seeks to achieve and should be reflected in the choice of objectives and how these objectives are monitored. In setting objectives and designing monitoring and evaluation activities, it is important to take into account gender and other special needs to ensure that all partners are adequately represented.

M&E is designed typically to address the following questions which can become a check-list to determine if all relevant elements are included in the description of the project or program and provide the basis for an M&E system:

- Why was the project developed?
- What is the problem or need that it is attempting to address?
- Who are the stakeholders, i.e., those who have credibility, power or other capital involved in the project? (See page 20 for additional information on stakeholders.)
- Who are the people interested in the project who may not be involved?
- What do the stakeholders want to know? What questions are most important to which stakeholders? What questions are secondary in importance? Where do concerns coincide? Where are they in conflict?
- Who are the participants to be served?
- What are the activities and strategies that will address the problem or need which was identified? What is the intervention? How will participants benefit? What are the expected outcomes?
- Where will the program be located (programmatically and geographically)?
- How many months will the program operate? When will it begin and end?
- How much does the program cost? Who are the donors and what are their reporting requirements? What is the budget for the program? What human, material and institutional resources are needed? How much of these resources is needed for M&E? For dissemination?
- How can the project become sustainable? What resources will be required? Where do required resources exist? Does the project have the means to secure required resources? How much time will be required?
- What are the measurable outcomes which the project wants to achieve? What is expected of the project in the short-run? longer-run?
- What arrangements have been made for data collection? What are the understandings regarding record keeping, responding to surveys and participation in M&E?

Information Gathering Techniques

There are several steps in determining the appropriate information-gathering techniques:

Determinants of Information Gathering Techniques
• select a general methodological approach • determine what sources of data would provide the information needed and assess the feasibility of the alternatives • select data collection techniques to gather the desired information from the identified sources • develop a design matrix which includes: general questions, sub-questions, variables to be examined and instruments/approaches for gathering data, respondents, and a data-collection schedule

The greatest challenge is to provide incentives for people and organizations to take the time to participate in monitoring the evaluation activities.

Sources of Information Include

Sources of Information
• monitoring systems • evaluations, and • other studies or reports such as research, surveys, experience of other development organizations and informal sources such as unstructured feedback from partners and beneficiaries.

Data Analysis

The steps to be followed for data analysis and interpretation differ, depending on the type of data. Interpretation of qualitative data may in some cases be limited to descriptive narratives, but other data may lend themselves to systematic analyses through the use of quantitative approaches.

Analysis includes several steps:

- check the raw data and prepare it for analysis
- conduct initial analysis based on the M&E plan
- conduct additional analysis based on the initial results
- integrate and synthesize findings

Uses Of Information

Information can be used to:

- improve the effectiveness and performance of development activities
- guide decisions on resource allocation
- revise and plan new strategies
- decide whether to abandon programs, strategies or objectives that are not working
- determine when consideration should be given to graduating or exiting programs
- document impacts of assistance, use and share lessons learned
- develop shared visions, common understanding or successful approaches and plan more effectively for the future with development partners.

Reporting Results

The final stage is reporting what has been found. While reporting can be thought of as simply creating a written document, successful reporting rests on giving careful thought to the creation and presentation of the information. Special attention should be given to the stakeholders and the constructive part they can play. By involving the stakeholders the utility and attention given to M&E activities is sure to increase.

The communication of findings involves several considerations:

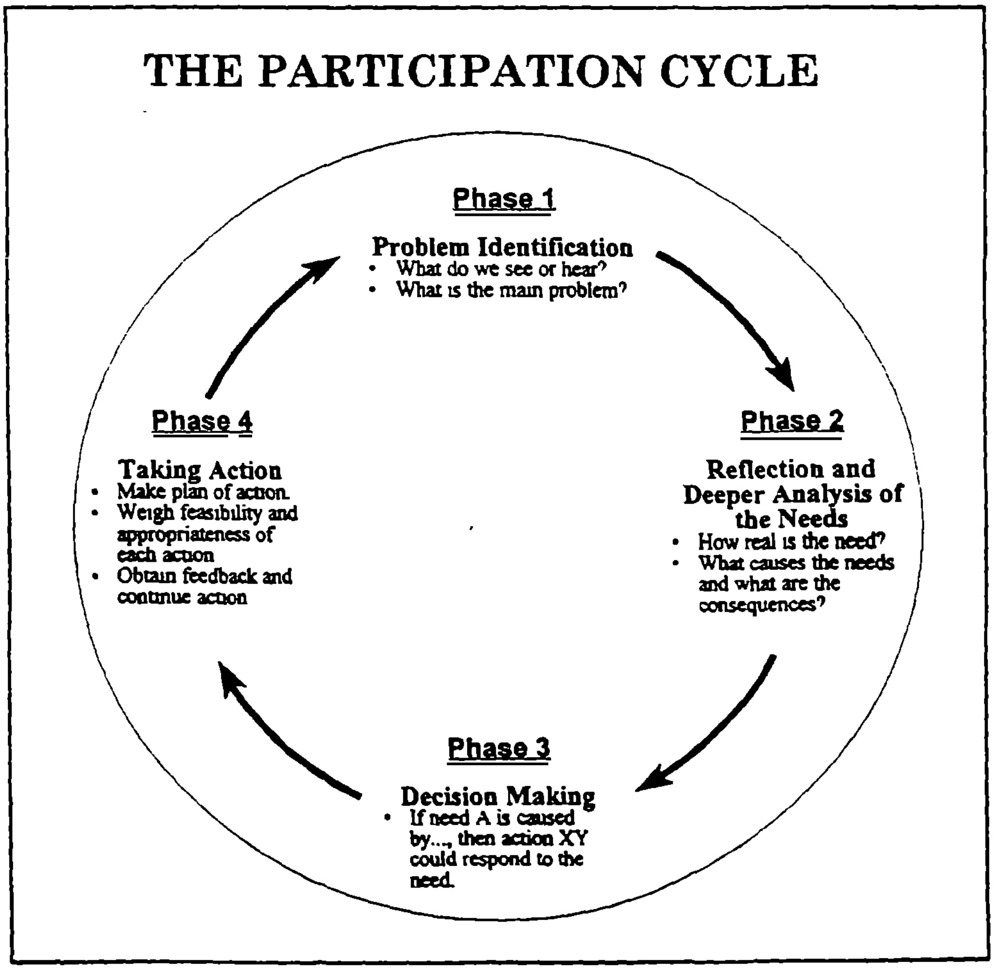
- provide information to targeted audiences
- customize reports and other presentation to make them compelling
- deliver information (reports and other presentations) in a timely fashion to be useful

Section II - What Is Participatory Monitoring And Evaluation?

The Role Of Participation In The Empowerment Process

In many development circles the word participation has been limited to the process whereby authorities (e.g. government, NGOs or donors) mobilize beneficiaries to take part in a development activity which is decided by the "authorities" as a solution to a development need of the "beneficiaries." In a participatory model, this process is called short-circuiting.

In a participatory model, participation is understood to mean a process of inquiry and dialogue through which all persons concerned (stakeholders) share ideas in ways that help them to have a multi-dimensional perception of their needs. They prioritize and



analyze these identified needs through a cause/effect relationship on which they base their suggestions for common action, identify preliminary indicators for assessing progress, implement activities and assess progress through monitoring and evaluation based on their objectives. By this definition, participation is a four-phase cycle.

When participation passes through all four stages, in the proper sequence, and completes the cycle, members develop a sense of ownership and commitment, take responsibility and are accountable for their own decisions. Having been able to exercise decision-making power, they gain confidence (identity) and pride (satisfaction) for their development undertakings.

Participatory short-circuiting, which is currently being followed by many development agencies, takes communities from Phase 1 straight to Phase 4. This means that agencies may name need which the community members also name, but the causes and effects of the needs and decisions about what to do about them are determined by development agents alone. They then disseminate information and attempt to mobilize communities for action (labor provision) with the hope of instilling a sense of ownership of, and commitment to, the development activity.

Stakeholders

A stakeholder is an individual or group of individuals with a direct interest or "stake" in a particular sector. Individuals and groups within this sector interact according to the social and cultural concerns of those individuals or groups. Those who have a stake in a sector want to have a say in decision-making and planning of activities within it.

Decision-making occurs on many levels: international; national; regional (state or provincial); district; sub-district (locality); community; group (any self-identified set of people with a common interest due to residence, occupation, caste, age, sex or any other characteristic); household; and individual. Cutting across these decision-making levels are various types of people, many of whom may be relevant in the design, implementation and monitoring and evaluation of an activity. Those who are particularly relevant may be referred to as stakeholders.

Communities are not homogeneous entities. There can be conflicting interests in any given community among various groupings within it. The social position of individuals within each group will often determine the extent to which people can or cannot interact within the community.

One of the great challenges facing development workers is promoting consensus among people with varying and often conflicting interests within the community. Conflicts also occur between the community and other socio-structural levels.

The following factors must be taken into consideration because they set the context within which different stakeholder interests may be identified:

- dynamic economic transformation at international, national and local levels

- the attempt by governments throughout the developing world to introduce effective systems of government at national and local levels

- the underpinning of socio-structural remnants of groups, clans, tribes, families and lineages striving to maintain identity and functional purpose in the face of the above

Stakeholders are found within and outside the community:

- local farmers, fishermen, pastoralists, artisans, laborers and others
- non-governmental development groups
- commercial/industrial business people
- relevant government agencies
- private landowners
- universities, technical schools and research institutions
- donors
- local institutions

Asking these divergent stakeholder groups to collaborate and participate in planning, implementation, monitoring and evaluation is a challenge. Different stakeholder groups may have difficulty meeting, setting priorities and deciding on appropriate solutions to common problems.

Socially sustainable development requires representatives of all stakeholder groups to meet, communicate and ultimately negotiate in good faith. Inclusion of women, elders and people of minority groups is essential.

Key Issues regarding stakeholders include:

Key Stakeholder Issues

- What actions are required to identify different stakeholders?
- Once stakeholders have been identified, what does one do to appropriately solicit and promote their participation in activities which will lead to socially sustainable development?
- How do development practitioners decide which terms are appropriate to use in different contexts and why?

Participation and the Empowerment Process

The process of empowerment -- which ought to mean "regain" or "restore" power -- requires the transfer of power from outside authorities to rural community members. NGOs, governments and donors can only facilitate community empowerment. To gain power means that rural community members:

- Have control over social knowledge, economic decisions and political powers.

- Have influence over social factors, economic issues and decisions and policies

- Feel a sense of ownership of these dimensions of power

In the empowerment process, it is vital that

The Empowerment Process

- The participatory process is ongoing and ever-deepening.
- The process takes place in a group through interaction.
- The people come to a multidimensional perception of the political, economic and social conditions affecting them in their environment (both internal and external).
- The empowerment process aims to change social, economic and political decision-making structures which are the root causes of people's needs. For example, efforts to relieve hunger, increase income or improve health are processes to alleviate poverty, which is the long-term goal.

Empowerment is possible only when there is a change in a person's knowledge, skills, attitudes and practices. Participatory training methodologies address the problems of powerlessness by assisting community members to broaden their knowledge through problem identification and analysis. People become empowered as they learn to participate as equals in these dimensions of power and exercise control, influence and ownership of them. The extent to which communities/constituencies have control and influence on (1) decision-making such as policy formulation; (2) economic resources; and (3) knowledge (information) indicates the level of community empowerment.

In the rush to gather information and assess program impact, the needs and voices of donors and project implementers generally overpower those of the actual participants (client, beneficiary, customer) and important information is lost. Responsive, clear and action-oriented evaluation usually addresses and balances three key questions which can be combined as follows: "Who wants to know what for what purpose?"

Definition, Purpose, Impact And Potential Of Participatory Monitoring And Evaluation

Participatory Monitoring and Evaluation

Definition: Participatory Monitoring and Evaluation (PME) is a democratic process for examining the values, progress, constraints and achievements of projects by stakeholders. It recognizes and values the subtle contributions of local peoples and empowers them to become involved and contribute to a nation's development process.

What Makes PME Different?

Participatory Monitoring and Evaluation has certain characteristics that set it apart from other forms of evaluation which assign a role to participants. These include:

- Origin of Purpose/Questions: Evaluation questions emerge from the interests and priorities of the participants;

- Extended Usefulness/Application: Participants develop an understanding of the purpose and importance of evaluation and the ability to conduct meaningful evaluations;

- Skills Development: Through participation in the evaluation activity participants develop the ability to collect, analyze and act on information;

- Locus of Control: Involvement in Participatory Monitoring and Evaluation activity empowers participants to take responsibility for assessing and articulating the impact a project is having on them according to their priorities.

When done properly, Participatory Monitoring and Evaluation promotes empowerment, confidence-building, self-esteem and independence among stakeholders who, through their involvement in all phases -- planning M&E approaches, collecting data, analyzing, reporting and reviewing findings -- contribute to the framing of objectives, choice of performance indicators and measurement of performance to these indicators. Active participation of partners and stakeholders in performance monitoring and evaluation builds "ownership," encourages joint actions based on mutual understanding of performance issues and successes, and can contribute to strengthened future planning and action.

As stated in the Pact Ethiopian NGO Sector Enhancement Initiative:

> Pact's two-year project in Ethiopia offers an opportunity to work with all development partners to test and refine an approach to capacity building to measure success. The focus of building institutional capacity, the success of which will be measured both in terms of the process (development of institutional capacity) and in terms of the concrete development results achieved through this process. . . . The <u>design</u> and <u>implementation</u> of M&E systems are, in fact, critical opportunities for and vital components of institutional capacity building. We need to work with our partner organizations to help them build their capacity to monitor and evaluate both their institutional progress and their development achievements.
>
> It is important to use regular appraisals of progress involving key parties as part of the project management process which allows for mutual modification and adaptation to changing circumstances, also providing shared learning.

A Context For Exploration And Application

Utilizing Participatory Monitoring and Evaluation requires a commitment to and understanding of the purpose and benefits it can bring to both a project and an organization. Often, established guidelines dictate that projects be measured according to a fixed set of criteria when in fact much more is going on Measurement of established guidelines alone cannot adequately or accurately capture the true impact of projects on women, groups and other intended beneficiaries. Thus, PME enables organizations to identify and articulate what its members believe to be important while developing the skills and capacity to conduct evaluation activities.

In order to adopt PME as a key evaluation strategy, several things need to happen:

Key PME Activities

- Pact/Ethiopia staff and project partners need to have the opportunity to explore what evaluation is in general, and what PME is in particular.
- Pact/Ethiopia staff and project partners need to reflect on and structure mechanisms for sharing what they have learned with members.
- Pact/Ethiopia staff and project partners need to spend time in the field conducting PME.
- If impact is to be measured, this activity requires adequate time and resources.
- If participants are to appreciate the value of evaluation, activities must be useful from the start.

A Structure For Implementing PME

Ideally, this process should begin with training workshop(s) for Pact/Ethiopia staff and project partners, focused on participatory methodologies and evaluation as a needs assessment and planning tool.

Training of Trainers (TOT) further enhances impact for it enables trainees to carry on the process on their own in later exercises and phases, ultimately allowing Ethiopians themselves to provide training to meet their own needs.

There are many participative methods available, which involve a combination of tools, each of which is held together by a guiding principle. Dozens of exercises exist to cultivate collaborative development planning, action and evaluation and encourage and enable stakeholder participation. Some tools are designed to inspire creative solutions; others are used for investigative or analytic purposes. One tool might be useful for sharing or collecting information, another for transferring that information into plans or actions and yet another to assess or analyze the impact of an activity.

Training workshops are best designed by the participants as a participatory exercise which demonstrates the purpose and importance of evaluation. In a first phase, participants can reflect on their group needs and possible action plans. Such workshops might include role plays, skits, case studies and small group activities that can provide effective mechanisms for generating understanding and ideas within the group. From the initial ideas generated by such interaction, participants articulate questions, design and carry out monitoring and evaluation activities to gather information and determine which course of action might be most beneficial to the group.

A second phase can take place at a later time and focus on consolidation of skills and conducting an impact evaluation. Participatory evaluators (trainees) design participatory reflective processes utilizing memory activation mechanisms (materials, reports, stories and photographs from the previous training session) which allow participants to fix a reference time in their minds. This collective experience and memory make it possible for participants to look back on activities that have happened in the interim and consider changes that they see in their group, family, community and themselves. The resulting discussions of impact will be both broad and powerful.

Evaluating Participatory Monitoring And Evaluation

Questions arise about the comparative benefits and disadvantages of PME over traditional evaluation. Some of the more critical questions revolve around time to carry out an evaluation, the quality of the information collected, the training support required for evaluators (or evaluation trainees) and the readiness of participants.

Time: PME may appear to take more time than simply administering individual questionnaires or conducting a significant number of individual interviews. However, the quality of the information will be different with PME and the level of commitment among the participants will be higher.

Quality of Information: Questions of methodology and validity come into play when considering which type of evaluation may be more effective. Basically, PME offers the opportunity for participants to generate, collect and analyze data as a group. By handing control for questioning and data collection to the participants and the group, some of the information on individual members may be lost but other equally important information is invariably found. Quantitative data so highly prized in traditional evaluation methodologies may diminish slightly in the beginning, but the qualitative stories that emerge offer striking images that cannot be found in the numeric summaries resulting from structured questionnaires and interviews. It is the blending of the qualitative images with the quantitative data through PME strategies that lends credibility to the data collected. The PME process generates information on socio-cultural benefits that are valued by participants and provide opportunities for empowerment and development.

Training Required: Training in facilitation of PME is undoubtedly far more involved than that required for traditional evaluation mechanisms. PME evaluators must develop and maintain a deep understanding of what evaluation is in general and what PME is in particular. With this understanding they must be immersed in the process and allowed adequate time to reflect upon their experience.

PME experience has shown that in regions where it is carried out, it appears to have a ripple effect which often involves other groups and projects. PME cannot be explained but must be experienced if it is to be understood. Through the training experience, which includes role play/simulation and application, participants truly have an understanding of and feel for the process of facilitating PME. Once in place, these skills and abilities translate nicely into other locales and remain intact.

Readiness of the Participants: The ability to take responsibility for self-evaluation requires a certain level of collective maturity. To conduct an effective impact evaluation, the group must have advanced beyond the initial stages of group development and possess cohesion and a certain level of shared experience and history. The skills required in to implement a needs assessment and evaluate project activities develop as the group itself matures. It has been demonstrated that participating in a PME process has directly assisted groups to progress in their group development.

Building Evaluation Capacity Into PME: Transfer Of Responsibility And Control

One goal of PME is to share skills and to establish capacity for self-evaluation. By identifying this goal as a priority, projects can anticipate that groups to which they provide services will develop the ability to periodically undertake self-directed impact evaluations. This offers the possibility of an alternate structural and organizational future worthy of the effort.

The long-term advantages, power and potential of PME make it an important strategy to consider. It has the ability to provide a rich data source that grows from participants' experience and voices and leaves them with the skills to evaluate their own projects. While traditional evaluation often removes information and leaves little of use behind, PME gives voice to persons most immediately affected by a project or program.

Section III - The Organizational Capacity Assessment Tool

Why Has OCAT Been Developed?

The OCAT has been developed in response to a need to examine the impact of NGO capacity-building activities. It is based on existing knowledge of organizational development and experience in working with non-governmental organizations.

The OCAT has been designed according to the following rationale:

1. A strong, effective, and ultimately sustainable NGO has certain desired components, and these components and their preferred state or level of functioning can be described in the form of guidelines. These guidelines provide the indicators of organizational capacity (NGO performance) and can serve as a set of standards for a "model NGO" against which any NGO can be assessed. The information gained from an assessment can be used to determine the state of an organization's capacity and to formulate recommendations for its improvement or development.

2. Although a "model NGO" is presented, it is not intended in any way to be portrayed as the ideal or the only description or form of an NGO. NGOs take many different shapes and forms depending on their purpose, their founders and members and the political, legal, economic and cultural environment in which they are situated. The model offered here is intended to suggest the form and components that an NGO "could" take at various stages of its development. While it uses language and concepts familiar to donors and NGO managers, it has been devised as a result of consultation with individuals who have had experience working with NGOs of many types and sizes in Ethiopia and other parts of the world.

3. These components are based on a set of values which are articulated in the mission of the organization. These values need to be shared by those who intend to work most effectively with and through the organization, and will influence the nature and form of the components themselves.

4. Just as each component is shaped by the values behind it, so each component is dependent on and shaped by the others. Within the boundaries of the organization as it formally exists, the components interact in an "input/output system," whose purpose is to transform resources (e.g. people, ideas, raw materials, money) into goods and/or services. Interaction among components affect the NGO as a whole; each component must function properly to produce the optimal results in an

effective organization Therefore, each component should receive the attention of and be monitored by the management of the NGO

5. As described above, the components included in the OCAT represent the NGO as it formally exists. However, an organization exists, and is affected by, the environment and larger world in which it functions and must be able to adapt to the forces and changes by adapting its structure and processes. Therefore, an assessment of an NGO has to take into consideration the extent to which it responds to these external forces and events.

6. An assessment must take into account whether or not the activities of the people involved actually reflect what the NGO claims to be doing. Its formally stated purpose must be compared with what members of the organization say is its purpose: are these activities appropriate to the context in which the NGO is active? Both are necessary, neither is to be preferred, and both must be looked at in an organizational assessment.

7. Involving the persons concerned in problem solving and identification provides an opportunity for them to learn while changing and improving their situation. Therefore, when the staff of an NGO is involved in a systematic analysis of their own organization (like the OCAT, which describes the components of an effective organization), they gain knowledge and skills which can assist in building managment capacity and organizational development. This involvement will contribute to better and more consistent application of lessons learned.

8. In order to be effective, an institution has to have certain components or management functions performing at certain agreed-upon standards. Each of the components may reach these standards at different times. For example, an NGO may have weak management systems but still be providing quality service delivery. The Organizational Capacity Assessment Tool identifies four stages of NGO development, which were previously described on as Nascent, Emerging, Expanding and Mature (see page 5, 70). Each of these stages has its own characteristics or indicators that can be translated into measurable standards. The steps or appropriate interventions to be taken to improve the level of functioning of any aspect of a component of an organization will vary according to its stage of development and depend upon the agreed-upon standards of performance for that stage of development (see page 7).

9. NGOs exist to meet the developmental needs of their members or the constituency they serve. Often the boundaries between staff and constituents are unclear, and sometimes both groups may involve some of the same people. Organizational development and program sustainability are enhanced when NGOs adopt approaches that involve members and constituents in planning, management, and control. They must then be involved in setting and carrying out objectives and policies.

10. Fostering the development of sustainable organizations is central to organizational development. The six organizational components defined in the OCAT are factors which contribute to sustainability. Sustainability includes:

Factors of Sustainability
• Organizational factors, where governance, systems, human resources and external relations are in place and effectively support the NGO's work; • Programmatic factors, where the constituency being served sufficiently values the services that the institution provides and there is a constituency demand for the organization's services; and • Financial factors, where the resource base is varied and solid enough so as to be capable of supporting the organizational activities into the future.

How To Use OCAT?

The OCAT is intended to be used in a participatory manner. The following are suggestions to enhance its use:

1. *Purposes of Evaluation:* Determine the purpose(s) of the particular assessment as described previously on page 3.

2. *Team Composition:* Select an assessment team to include people who know the organization and who will be in a position to carry out some of the recommendations that result from the assessment. Also select people who are external to the organization and hence can bring objectivity and an independent perspective to the situation. One member of the team should have some expertise in management and organizational development. It may be useful to include as many people on the team as the management deems necessary, either because of their knowledge of the NGO or because of their need to be educated about its strengths and weaknesses. If possible, a representative of each management function or division of the NGO should be included as well as representatives of the membership or constituency the NGO serves. Members may be added to the team depending on the purpose(s) of the assessment, e.g. a donor who is interested in the NGO's capability to absorb funding may insist on including an auditor on the team to ensure the adherence to certain standards of financial management.

3. *OCAT Assessment Sheet:* Select the components, categories and elements, and translate or adapt the assessment sheet to ensure that the information collected will serve the specific purpose(s) of the assessment so that it will be understood by the particular respondents. For example, selecting key categories and elements

could provide a rapid appraisal version of the Tool to be used by an external assessor wanting to make a "snapshot" assessment of the NGO's suitability for support at that moment in time. This would not provide sufficient information for any of the other purposes described above but could give a qualified observer an understanding of the current capability of the NGO. Standards or measures specific to the purpose of a particular assessment could be included at that time.

4. *Identify Information Sources:* Identify internal and external information sources and schedule individual interviews, group meetings and data collection sessions to gather information. Determine who on the assessment team will interview the information sources and who will be responsible for collecting data. Meeting with small groups of constituents, members and staff representatives in focus groups (discussion groups) -- where a small group of respondents is guided by a facilitator into responding to questions at increasing levels of focus and depth -- is an efficient way of gathering valuable information about the NGO from a larger number of people.

5. *OCAT Assessment Sheet Distribution and Information-Gathering Techniques:* Provide assessment team members with individual copies of the finally-agreed-upon version of the OCAT Assessment Sheet; ensure there are sufficient opportunities to discuss and practice the different interview and information-gathering techniques the team will use. The assessment sheet should not be brought to the interviews but completed by team members following the interview. Team members can refer to the list of some questions they could ask an NGO to identify relevant information required to complete the assessment sheet (see page 63).

6. *Interviews:* Conduct interviews, meetings and data collection sessions according to the schedule that has been submitted to respondents in advance. Each interview session should commence with an explanation about the purposes of the assessment and the uses that will be made of the information. Specifically emphasize when the information source(s) will receive assessment results and their involvement in the utilization of the information.

7. *Interviewer-Information Sources Relations:* Information should be gathered and recommendations presented in a way that emphasizes that the NGO being assessed is not being judged against an absolute set of standards as the only form an NGO can take. Rather, it is important to constantly remind respondents that the functions and factors being offered for comparative purposes are suggestions about ***possible*** ways of doing things that are derived from extensive experience in managing NGOs in a multiplicity of environments. All recommendations must be based on a thorough analysis of the cultural context, be appropriate, practical and applicable.

8. *NGO Organizational Development - Stages and Characteristics:* The table entitled NGO Organizational Development - Stages and Characteristics (see page 50) presents seven organizational components which are further broken down into

categories. The category headings are listed on the left hand column of the table For each category, criteria or indicators of organizational capacity or performance are provided for each of the four stages of development. The OCAT Assessment Sheet follows the same order as the categories. It is important that the assessment team reach consensus on the rating of each categorie's elements for each organization.

9. *Developing Recommendations:* The assessment team should also develop recommendations as to how the NGO can best address the issues identified by the ratings and build upon the strengths highlighted.

10. *Transparency:* Recommendations should be discussed with those members of the NGO management who have not been part of the assessment team to facilitate preparation of the follow-up planning tool. This final step will vary according to the purposes of the assessment, but it should always be transparent so that all partners are aware of the conclusions and recommendations.

How To Utilize OCAT Assessment Results?

There are a variety of ways to use the information collected with the Organization Capacity Assessment Tool. All NGOs have some capacity, which OCAT can identify and confirm. Creating an awareness of the components of organizational capacity-building among stakeholders and an understanding of an NGO's strengths and weaknesses when measured against these components are key objectives of OCAT. Self-evaluation conducted in the context of a team effort and a larger external assessment encourages self-reliance in an NGO and leads to increasing sustainability.

Information obtained through OCAT can serve as a basis for communication between an NGO and Pact program officers.

The method to be used in utilizing OCAT information for each purpose of an assessment is described below. Suggestions for additional uses are also provided.

1. *Diagnostic Instrument:* The major intended use of the assessment results is to serve as a diagnostic instrument to determine the stage of organizational development of an NGO; to indicate specific changes needed to strengthen it; and to provide management, staff and partners of the NGO with the basis for improving the functioning of the organization. The products are a) a series of recommendation for improvements in the NGO; 2) a plan of action to implement those recommendations; and 3) a commitment on the part of those involved in the recommendation and planning process to carry out the improvements.

2. *Baseline Measurement:* As described above, the Tool could be used to establish a baseline measure of the existing structure and capability of an NGO. A baseline measure serves as a basis of comparison with later information in order to assess progress. It will be advisable to collect quantitative and qualitative data to

supplement the level of development rating given each sub-category. For example, when collecting information about planning in the NGO, it will be necessary to quantify and qualify what is meant by a "regular review of long-term plans conducted" (once a year, every three years, etc.). When assessing the baseline situation of the diversity category, it will be necessary to add numerical information about the current composition of staff and community/constituency in relation to gender, ethnicity, and the like.

3. ***Monitoring and Evaluating Progress:*** The Tool can be used at regular intervals to monitor and evaluate progress towards the organizational development objectives of an NGO. In this instance, the entire assessment can be re-administered if time and opportunity exist and if the assessor wants to ensure that there has been no regression in the level of development of any of the components or their sub-categories. If re-assessment is not possible, it is only necessary to ascertain the state of implementation of the recommended plan of action and perhaps to reassess the particular sub-categories for which recommendations were made in the original assessment.

4. ***Educational Tool:*** If the assessment is to be an educational tool for NGO members and staff about the components and attributes of an effective NGO, it should be implemented internally. Each component might be the subject of a discussion, seminar, training program or workshop. Such workshops could be provided internally or by outside vendors who could then be integrated into the assessment process. It can also provide a framework for a follow-up to an assessment.

5. ***Team Building:*** Administering OCAT as previously described above will also contribute to the creation of a strong and shared commitment among team members to change within the NGO.

6. ***Training/Technical Assistance:*** The information elicited in response to Human Resources Development and Staff Roles related elements (see C.1 and C.2 on page 39) and Sectoral Expertise related elements (see E.1 on page 41) can be used to assess the training/technical assistance needs of the staff of an NGO. These sections provide information on the T/TA needs of various members of the organization. This data could be further validated by reviewing the actual performance of staff against project and strategic objectives.

7. ***Complementing Audit and Impact Reports:*** The assessment results can also be used to complement financial audit and program impact reports to provide a comprehensive evaluation of the viability (potential for growth) of an NGO. It is recommended that the assessment be conducted by a team that is independent of those conducting the audit or impact evaluation. A task force composed of persons who conducted all three types of studies could then be constituted to conduct a comparative analysis of the findings. This type of assessment could be particularly useful to donors who are considering future funding or support to the NGO.

8. *Rapid Assessments:* A rapid assessment or "snapshot" of the NGO can be obtained by administering key categories and elements selected by the assessment team. This approach is well suited to organizations or donors who, prior to forming a partnership with an NGO, want to understand the potential capacity of the NGO to serve as a partner with or recipient of assistance. Such an assessment would quickly determine the suitability of the information for the other purposes of the OCAT.

9. *Systems Building:* Information elicited to questions for certain categories can serve as a basis to design improved systems and procedures, such as an administrative manual for an NGO. The assessment can serve as a guide by indicating what needs to be improved or created.

Section IV - The OCAT Assessment Sheet

The OCAT Assessment Sheet, beginning on the following page, is an extension of the organizational capacity assessment process. The purpose of the sheet is to provide a means of physically recording the results of an organizational assessment.

The sheet is designed to be practical in use. It is structured around the seven **components** for organizational effectiveness (A - G) . Each component is then broken down into **categories** (numbered in sequence) and each category contains a series of **elements** (lettered alphabetically, a, b, c,...). Each element has assigned to it a ranking box. Assessment team members have only to darken the circle of the agreed upon ranking. Element rankings left blank at the end of the assessment process indicate the issue was not addressed or insufficient information was obtained in order to provide an accurate ranking.

It is recommended the assessment sheet be photocopied directly from this Handbook and used as the basis of the assessment. The sheet may however be modified in terms of content, but its basic structure should remain unchanged. For example the assessment team may decide to eliminate certain categories from an assessment. If this is done categories <u>should not</u> be renumbered. If new categories are added they should be placed at end of the component's categories and numbered in sequence. The purpose of this is to avoid any confusion when the time comes to transfer assessment sheet data to the OCAT Ranking Sheet dicussed later in the Handbook.

As suggested earlier, the assessment sheet should not be brought into an assessment interview. Interviewers should familiarize themself thoroughly with its contents prior to conducting the interview and ranking should completed only after the interview is completed and after the interviewer has had the opportunity to discuss his/her proposed rating with other assessment team members. Interviewers may wish to refer to **Some Questions You Can Ask An NGO**, in Section VI of this Handbook, for suggestions of appropriate questions that could serve to stimulate discussion during the interview process.

PACT

Organizational Capacity Assessment Tool
Assessment Sheet

Name of NGO:	
Date of Assessment	
Conducted by:	

Rating Scale

1	Needs urgent attention and improvement
2	Needs attention
3	Needs improvement on fairly wide scale, but not major or urgent
4	Needs improvement in limited aspects, but not major or urgent
5	Room for some improvement
6	No need for immediate improvement

A. GOVERNANCE

1. Board	
a. The Board provides overall policy direction and oversight.	① ② ③ ④ ⑤ ⑥
b. The Board provides accountability and credibility.	① ② ③ ④ ⑤ ⑥
c. The Board is composed of committed members who represent the varied interests of the constituents.	① ② ③ ④ ⑤ ⑥
d. The Board is capable of carrying out key roles such as policy formulation, fund raising, public relations and lobbying.	① ② ③ ④ ⑤ ⑥
e. Mechanisms are in place for obtaining appropriate input from constituency.	① ② ③ ④ ⑤ ⑥
f. Board respects by-laws concerning fixed terms of office and a quorum.	① ② ③ ④ ⑤ ⑥
g. Board members work in voluntary and unpaid capacity.	① ② ③ ④ ⑤ ⑥
2. Mission/Goal	
a. The NGO has clearly articulated mission/goal.	① ② ③ ④ ⑤ ⑥
b. The NGO's mission is understood by staff, constituency and the public.	① ② ③ ④ ⑤ ⑥
c. Strategies are aligned with mission, realistic and take the form of clear objective statements as to how they can be achieved.	① ② ③ ④ ⑤ ⑥

d. Operational planning is jointly conducted by senior management, staff and constituency	① ② ③ ④ ⑤ ⑥
3. Constituency	
a There is a well defined constituency base.	① ② ③ ④ ⑤ ⑥
b. There is a recognition of the constituency as partners.	① ② ③ ④ ⑤ ⑥
c. There are regular surveys of constituency needs and findings are integrated into the planning process.	① ② ③ ④ ⑤ ⑥
d The constituency is regularly involved in the review of the NGO's mission and strategies.	① ② ③ ④ ⑤ ⑥
e. The Board executes its role of advocate for constituents.	① ② ③ ④ ⑤ ⑥
4. Leadership	
a. Board and senior management have a clear understanding of their roles and responsibilities as providers of overall direction.	① ② ③ ④ ⑤ ⑥
b. Senior management's relationship to staff is participatory, transparent and management decisions are delegated.	① ② ③ ④ ⑤ ⑥
c. Leadership is accessible and fosters participation of constituents.	① ② ③ ④ ⑤ ⑥
5. Legal Status	
a. NGO is properly registered according to local regulations.	① ② ③ ④ ⑤ ⑥
b. NGO benefits from the financial and legal status allowable under local law.	① ② ③ ④ ⑤ ⑥

B. MANAGEMENT PRACTICES

1. Organizational Structure	
a. NGO has an organizational structure with clearly defined lines of authority and responsibilities	① ② ③ ④ ⑤ ⑥
2. Information Systems	① ② ③ ④ ⑤ ⑥
a. Systems exist to collect, analyze and disseminate data and information.	① ② ③ ④ ⑤ ⑥
3. Administrative Procedures	
a. Administrative procedures and operating manuals exists and are followed	① ② ③ ④ ⑤ ⑥
b. Procedures and operating manuals are updated regularly.	① ② ③ ④ ⑤ ⑥
4. Personnel	
c. Recruitment, employment and personnel practices are clearly defined and followed.	① ② ③ ④ ⑤ ⑥
5. Planning	

a Operating plans are developed, reviewed, updated and reflect a strategic plan.	① ② ③ ④ ⑤ ⑥
b Resources are planned for and allocated properly.	① ② ③ ④ ⑤ ⑥
c Input from constituents is included in planning.	① ② ③ ④ ⑤ ⑥
d. Staff is involved in planning.	① ② ③ ④ ⑤ ⑥
6. Program Development	
a. Constituents and staff are involved in program design, implementation and evaluation.	① ② ③ ④ ⑤ ⑥
b. An M&E system exists incorporating identification of indicators and processes for program modifications.	① ② ③ ④ ⑤ ⑥
7. Program Reporting	
a. NGO regularly reports on activities and results of evaluations.	① ② ③ ④ ⑤ ⑥
b. NGO publishes and disseminates reports on lessons learned.	① ② ③ ④ ⑤ ⑥

C. HUMAN RESOURCES

1. Human Resources Development	
a. Human resources development planning takes places.	① ② ③ ④ ⑤ ⑥
b. Staff training plan is based on the NGO's capacity needs and strategic objectives.	① ② ③ ④ ⑤ ⑥
c. Opportunities exist to integrate skills acquired in training into the work environment.	① ② ③ ④ ⑤ ⑥
d. Evaluations and promotions are based on performance and are equitable.	① ② ③ ④ ⑤ ⑥
2. Staff Roles	
a. Jobs descriptions are well defined, documented, respected to and updated.	① ② ③ ④ ⑤ ⑥
b. Clearly established links exist between staff capacity and NGO mission.	① ② ③ ④ ⑤ ⑥
c. Job descriptions are applied and used to measure staff performance.	① ② ③ ④ ⑤ ⑥
3. Work Organization	
a. Staff meetings are regularly scheduled.	① ② ③ ④ ⑤ ⑥
b. Staff participates in management decisions.	① ② ③ ④ ⑤ ⑥
c. Team work is encouraged.	① ② ③ ④ ⑤ ⑥
d. Information is shared freely among all staff members.	① ② ③ ④ ⑤ ⑥
e. Staff encouraged to take initiative and to be self-motivated.	① ② ③ ④ ⑤ ⑥

4. Diversity Issues	
a. Diversity of constituents is reflected in the composition of the board and staff.	① ② ③ ④ ⑤ ⑥
5. Supervisory Practices	
a. Supervision occurs on a regular basis.	① ② ③ ④ ⑤ ⑥
b. Grievance and conflict resolution procedures are in place and practiced.	① ② ③ ④ ⑤ ⑥
6. Salary and Benefits	
a. Salaries are clearly structured and competitive.	① ② ③ ④ ⑤ ⑥
b. Benefits policy is written and practiced.	① ② ③ ④ ⑤ ⑥
c. NGO conforms to standard tax and labor regulations and requirements.	① ② ③ ④ ⑤ ⑥

D. FINANCIAL RESOURCES

1. Accounting	
a. Appropriate and adequate financial procedures and reporting systems are in place.	① ② ③ ④ ⑤ ⑥
b. Account categories exist for separating project funds.	① ② ③ ④ ⑤ ⑥
2. Budgeting	
a. Regular budgeting process is developed and integrated into annual operating plans.	① ② ③ ④ ⑤ ⑥
b. Staff is responsible for preparation, management and implementation of project budgets.	① ② ③ ④ ⑤ ⑥
3. Financial/Inventory Controls	
a. Adequate financial and inventory controls exist and are implemented.	① ② ③ ④ ⑤ ⑥
b. Internal and external financial reviews are performed with regular and appropriate frequency to assure transparency.	① ② ③ ④ ⑤ ⑥
c. Adequate procurement procedures are in place.	① ② ③ ④ ⑤ ⑥
4. Financial Reporting	
a. Financial reporting is accurate and timely.	① ② ③ ④ ⑤ ⑥
b. Reports are used for planning.	① ② ③ ④ ⑤ ⑥
c. NGO has a system for reporting on financial status.	① ② ③ ④ ⑤ ⑥

E. SERVICE DELIVERY

1. Sectoral Expertise	
a. Relevant sectoral expertise exists within organization.	① ② ③ ④ ⑤ ⑥
b Expertise is credible and recognized by the development community.	① ② ③ ④ ⑤ ⑥
c. NGO is capable of adapting program and service delivery to the changing needs of constituency.	① ② ③ ④ ⑤ ⑥
2. Constituency Ownership	
a. Program priorities and services are defined in collaboration with constituency and are based on need and institutional capacity.	① ② ③ ④ ⑤ ⑥
b. Constituency perceives service delivery is adequate and cost effective.	① ② ③ ④ ⑤ ⑥
c. Appropriate structures exist to reach grassroots.	① ② ③ ④ ⑤ ⑥
3. Impact Assessment	
a. Indicators of success and impact have been jointly identified and established for each objective.	① ② ③ ④ ⑤ ⑥
b. Baseline data measurements are monitored and regularly analyzed.	① ② ③ ④ ⑤ ⑥
c. Impact assessments are used to adjust programs as required.	① ② ③ ④ ⑤ ⑥

F. EXTERNAL RELATIONS

1. Constituency Relations	
a. NGO is seen as credible and a valuable resource to constituency.	① ② ③ ④ ⑤ ⑥
b. NGO is able to attract volunteer support.	
c. The NGO - constituency relationship is one of full partners serving a common purpose.	① ② ③ ④ ⑤ ⑥
2. Inter-NGO Collaboration	
a. NGO networks and shares resources with national and international NGOs	① ② ③ ④ ⑤ ⑥
b. NGO plays leadership role in promoting coalitions, networks and mechanisms for advocacy.	① ② ③ ④ ⑤ ⑥
3. Government Collaboration	
a. NGO has contacts with decision makers and is able to engage policy makers in dialogue.	① ② ③ ④ ⑤ ⑥
b. Exchange of resources occur between NGO and Government (training, TA, material resource, etc.).	① ② ③ ④ ⑤ ⑥
c. NGO plans and activities are integrated into national plan.	① ② ③ ④ ⑤ ⑥

4. Donor Collaboration	
a. NGO has diversified contacts within the donor community	① ② ③ ④ ⑤ ⑥
b. NGO is regarded as a credible and valuable resource to donor(s).	① ② ③ ④ ⑤ ⑥
c. NGO has the opportunity to engage in open and frank dialogue with donor(s)	① ② ③ ④ ⑤ ⑥
5. Public Relations	
a. NGO understands how to conduct and engage in public relations.	① ② ③ ④ ⑤ ⑥
b. NGO image is clearly articulated and is well known.	① ② ③ ④ ⑤ ⑥
c. Information on the NGO is available and mechanisms for dissemination exit.	① ② ③ ④ ⑤ ⑥
6. Local Resources	
a. NGO has relations with private business sector for technical expertise, material and human resources (such as Board members and/or other).	① ② ③ ④ ⑤ ⑥
b. NGO is perceived as a community partner.	① ② ③ ④ ⑤ ⑥
7. Media	
a. NGO understands how to work collaboratively with media	① ② ③ ④ ⑤ ⑥
b. NGO is well known and their opinions and experiences are solicited by media.	① ② ③ ④ ⑤ ⑥
c. NGO uses media as means to inform public about its work and/or mount public education campaigns.	① ② ③ ④ ⑤ ⑥

G. SUSTAINABILITY

1. Program/Benefit Sustainability	
a. NGO program activities are supported by those it serves because the benefits are important to and owned by the constituency.	① ② ③ ④ ⑤ ⑥
b. NGO program activities can continue due to behavioral changes in constituency.	① ② ③ ④ ⑤ ⑥
d. NGO has developed systems for short and long-term continuity.	① ② ③ ④ ⑤ ⑥
e. NGO has developed phasing-out strategies	① ② ③ ④ ⑤ ⑥
f. Local institutions have been identified to provide continuing support.	① ② ③ ④ ⑤ ⑥
2. Organizational Sustainability	
a. NGO has a shared vision of its role and the skills to interact with other partners in civil society.	① ② ③ ④ ⑤ ⑥
b. NGO participates as a full and equal partner in the development process.	① ② ③ ④ ⑤ ⑥

c. NGO is a member of and shares information with umbrella organizations and networks.	① ② ③ ④ ⑤ ⑥
d. NGO has partnerships with INGOs, universities, research institutes and others.	① ② ③ ④ ⑤ ⑥
3. Financial Sustainability	
a. NGO has understanding of and ability to develop diversified resources to contribute to long-term activities	① ② ③ ④ ⑤ ⑥
b. NGO has fee for services and/or other cost recovery mechanisms built into service delivery.	① ② ③ ④ ⑤ ⑥
4. Resource Base Sustainability	
a. Understanding of importance and need for an alternative resource base exits and a diversification plan is developed.	① ② ③ ④ ⑤ ⑥
b. Local resources capacity has been identified.	① ② ③ ④ ⑤ ⑥
c. Resource base is diversified.	① ② ③ ④ ⑤ ⑥
d. Provisions for additional resources to finance activities exist and plans are being developed.	① ② ③ ④ ⑤ ⑥
e. Proposal writing and fund raising capacity exist.	① ② ③ ④ ⑤ ⑥

Section V: NGO Organizational Development

Components of Organizational Effectiveness

Organizational effectiveness requires competency in seven areas of organizational life and this competence will vary over time, depending on circumstances such as leadership or resources. No one organization will be uniformly strong, nor weak, in all components at any one time. The objectives of the OCAT are to identify organizational strengths and weaknesses at a point in time and to establish training, technical assistance or other appropriate interventions which will strengthen the overall functioning of the organization in a targetted and systematic process. The information gathered through use of the OCAT provides data against which an organization's development can be monitored and measured over time.

The seven components of organizational effectiveness include the following:

GOVERNANCE

Governance refers to the leadership and direction of an NGO. Leadership involves articulating and maintaining the NGO's direction and is shared by the Board of Directors, or other oversight body, and management. The Board provides overall policy direction, maintains independent oversight of the management, and ensures that effective stragetic planning takes place to achieve the organziation's mission. The Board can help to identify and raise resources for activities, carry out public relations and lobby government for effective policy development or reform. It can bring additional professional and technical expertise to an NGO by inviting legal, financial, marketing and other technical specialists to join it. Management is responsible for day-to-day operations, assuring that the NGO implements the policy established by the Board.

Effective leadership fosters the involvement and participation of NGO members, staff and constituents in all aspects of organizational activities to assure success and sustainability of the program and the organization. This is facilitated when NGO members and constituents work together with management and the Board to articulate a shared VISION of the future, to identify the MISSION by which they will attain that vision and to determine realistic and clear objectives.

MANAGEMENT PRACTICES

Management systems refer to the mechanisms used to coordiante activities and facilitate processes within the organization. These systems include: planning, program, information, human resource and personnel administration, budgeting and accounting, financial reporting and control, and purchasing and material provision.

Planning must be 1) strategic, which is the process of refining the vision and mission of an NGO and determining the long-term strategies to follow to achieve its mission; and 2) operational, which is the translation of the longer-term strategies into specific objectives for a specified period of time. Effective planning requires a review of the outcome of previous planning, the identificaiton and asssessment of resource availability, and an understanding of the contextual factors that impact the NGO. Staff and constituent involvement enhances planning by benefitting from their insight and helps to ensure their commitment. Program or project plans are best implemented when supported by a management plan that identifies requirements for technical assistance; financial, logistical and human resource needs; and budgets and schedules for delivery.

Other operating mechanisms which need to be in place are administration of offices and office services; records, cash, equipment and materials; and personnel information. The NGO will also benefit from a system of collecting and analyzing, which can then be integrated into operational planning and decision-making as well as program monitoring and evaluation.

HUMAN RESOURCES

Human resources refer to all the people in any way connected with the work of the NGO: among these are management, staff, members, volunteers, constituents, donors and Board members. These human resources should have the motivation, the opportunity and the skills required to contribute in meaningful ways to the organization. Mechanisms for decision-making, conflict resolution, communication, and meeting protocol are as important as job organization and work allocation.

In a mature NGO, job descriptions and task assignments will be updated to match changing plans, priorities and conditions. Work will be allocated to ensure coordination, communication and smooth work-flow. Staff, volunteers and constituents will be asked to perform tasks that fit their skills and expertise. Opportunities will be provided as the work requires to upgrade skills or develop new ones.

The motivation for people to work in an organziation is varied: money, a sense of service, the opportunity to utilize particular skills and interests, religious calling, social status, security, the prospect of travel, power, opportunities for advancement, or a combination of these. NGOs must offer a diversity of incentives to reward or sanction performance. NGOs should be generally competitive with the open job market.

Staff should be able to use all their skills and experience, if they are to contribute to the organization in a meaningful way and find satisfaction in their work. They should be encouraged to take initiatives to improve the ways in which their work is done.

Every NGO has an organizational culture. This reflects how those who work to achieve its mission perceive, think, feel about and respond to situations affecting the NGOs purpose, program, and operations. Organizational culture grows out of the shared history, experience, tradition, language and values of the members. Organizational culture is created by orienting and training staff to these shared patterns of thought and behavior, or it is cultivated by recruiting staff who share the similar values. A common organizational culture contributes meaning and stability to the organization and ensures high performance from the staff.

Relationships with constituents are enhanced through the clarification and communication of this shared culture. Aspects of the diversity of constituents, such as gender or class and their socio-economic conditions, should be acknowledged and incorporated into the organizational culture of an NGO.

FINANCIAL RESOURCES

An organization's achievements depend, to some extent, on the resources it has available and how these are managed and applied. A viable NGO will initiate systems and procedures to budget regularly to meet financial needs and obligations, to record these financial transactions, and to monitor and report on its financial status. An NGO should implement uncomplicated procedures and systems appropriate to its situation. Simple mechanisms are sufficient for organizing cash disbursements and receipts, for maintaining ledgers and bank accounts, and for meeting payroll, petty cash, transport and procurement needs.

Financial systems and procedures should be integrated with the strategic and operational planning of an NGO; they must also meet the requirements of donors and constituents. By producing reports and other information in the form and frequency requested by the donor and by submitting regularly to independent audits, an NGO will demonstrate that it meets these requirements.

An NGO needs to have a sufficiently diverse resource base and longer-term plan for meeting its financial needs. There is a growing awareness among some NGOs of the necessity to identify multiple donors, to develop alternative resources within their own communities (such as in-kind, fee-for-service), to form partnerships with the private business sector, to improve their abililty to generate their own funds, all of which allow NGOs to continue activities when any one source of funding ends.

The management of an NGO needs to ensure that it is in compliance with the legal, fiduciary, and labor regulation of the country/region in which it is situated in a cost-effective manner. These are some of the same organizational capacities the each NGO should be assisting its target community to acquire to ensure long-term sustainability of program services and more independence for the consituents.

SERVICE DELIVERY

The strongest indicator of the success and effectiveness of an NGO is quality service delivery -- appropriate services provided in a cost-effective way that can sustained. Sustainability involves the the eventual assumption of service-delivery responsibilities by the constituents themselves.

Requirements for Effective Service Delivery

Technical and Sectoral Expertise: current information about sectoral theory, methods and techniques; skill in applying the information; and access to specialized sectoral assistance when necessary.
Impact Assessment: identifying baseline information about the conditions that an NGO program is attempting to address, measurable objectives, and clear indicators with which to monitor and measure the success of a program.
Constituency Ownership of and Participation in a Program: constituents become partners in defining the problems, identifying solutions, and choosing appropriate and relevant methods with which to resolve them. Constituent involvement ensures the validity of a service, assure that real needs are met, and could lead to eventual cost-recovery through community support.

EXTERNAL RELATIONS

An effective NGO recognizes and responds appropriately to the larger context in which it operates, including the social, political, ecological, economic and other forces which surround it. In order to build collaborative supportive relationships within the larger context, an NGO should become known within appropriate groups within a community; establish a track record of achievements; and widen its impact through partnerships with government, donor networks and other agencies and NGOs active in the same sectors and geographic areas. This can often be faciliated by building bridges to the private business sector and with the media.

An NGO's primary relationship is with the constituency it serves -- by providing services or as an advocate within the larger community. An NGO can increase its effectiveness if it is perceived to be physically and emotionally a part of the larger community.

A successful NGO seeks to integrate its activities into regional or national plans for the sector and to estabish working relationships with those government officials who make decisions about NGOs and their constituencies. In addition, these same NGOs promote project and sectoral coalitions within the larger NGO community and participate in lobbying and advocacy networks.

SUSTAINABILITY

Sustainability refers to the long-term continuation of an organization, program or project. Sustainability results when adequate attention is given to the six components identified above: namely, Governance, Management Practices, Human Resources, Financial Resources, Service Delivery and External Relations.

Program or benefit sustainability occurs when constituents perceive that services are important and of value to them and their families; when they feel a sense of ownership;

when program activities can continue because constituents' behavior has changed; or when local institutions have been identified to provide continuing services and support, allowing the NGO to develop a phasing-out strategy.

Organizational sustainability is based on a shared vision of an NGO's mission and expertise, enabling it to interact with other partners in civil society. This is facilitated when an NGO is a member of and shares information with umbrella organizations and networks, and when it particpates fully and equally with other stakeholders in the development process. These activities help to strengthen the NGO sector as a whole and the viability of individual organizations.

Financial sustainability requires identification of and improved access to diversified resources; innovative fund-raising; implementing cost-recovery and incoming generation initiatives; and forging partnerships with government, other NGOs and the private business sector to assure long-term survival.

Stages and Characteristics

The objectives of the OCAT, as previously stated, are to identify organizational strengths and weaknesses at a point in time and to establish training, technical assistance or other appropriate interventions which will strengthen the overall functioning of the organization in a targeted and systematic process. The table entitled, NGO Organizational Development - Stages and Characteristics, immediately following this section, offers guidelines for determining where an NGO is in its development for each component and sub-component required for organizational effectiveness.

(1)

NGO ORGANIZATIONAL DEVELOPMENT - STAGES AND CHARACTERISTICS

	Nascent Organizations	Emerging Organizations	Expanding Organizations	Mature Organizations
GOVERNANCE				
BOARD	• No Board or independent body is providing oversight • The Board does not differentiate between oversight and management roles. • If the Board is beginning to provide oversight, it may not represent the interests of the constituency • The Board is not assisting management to identify legislators, influence public opinion or raise funds	• Members of the Board or independent body have been identified but have not yet assumed a leadership role • The Board is attempting to micro-manage rather than provide oversight • The Board is not influencing public opinion or legislators • The Board is not aware of the needs of constituency or role it could play	• The Board's membership is stable and functioning • The Board is able to differentiate between its role and that of management • The Board has some members who are leaders in relevant fields but it lacks broader representation • The Board is aware of its responsibility to provide oversight and represent the interests of constituents but is not consistently doing so.	• The Board's composition includes leaders in the field of the NGO's mission as well as those capable of carrying out such roles as policy direction, fund raising, public relations, or lobbying • Mechanisms are in place to obtain appropriate input from constituency and to assure that organizational planning reflects Board policy
MISSION/ GOAL	• The NGO has a vague idea of its mission and the contribution it is attempting to make • The mission is understood by only one or a few members of the Board or senior management. • The activities carried out by members of the NGO may have little relationship to the mission.	• The mission may be clarified internally, but it is not widely understood by the public • The mission is not reflected in planning or job functions	• The vision and mission are clear to staff, constituents and outsiders, strategies and objectives are in alignment with the mission • Operational planning may be conducted by senior management and linked to the budgeting process but with little input from staff or constituents.	• The NGO's vision of the future and specific mission are clear to staff, constituents and outsiders • The NGO's strategies are aligned with the mission and state how it will be achieved • Strategies are realistic in the context of the NGO's activities and can be translated into clear program objectives
CONSTITUENCY	• The NGOs links to its constituency are weak • The NGO views its constituency as passive beneficiaries rather than as potential partners. • The NGO does not serve as an advocate for its constituency	• The NGO's outreach to its constituency is improving • Certain influential members of the constituency may be consulted or invited to participate in some decisions because they are seen to have a stake in the outcome. • Some awareness exists of the possible role of the NGO as an advocate for the constituency.	• The NGO's constituency is well defined and its needs and views are considered in planning and decision-making • The NGO is involved in lobbying and other advocacy functions on behalf of the constituency • NGO support to build self-help capacities among constituents are still sporadic	• The NGO's constituency is well defined and regularly involved in planning process • The NGO recognizes constituents as partners • The NGO supports the creation of community structures and develops constituents' capacity in planning and decision-making • The NGO engages in advocacy and lobbying activities on behalf of constituents

	Nascent Organizations	Emerging Organizations	Expanding Organizations	Mature Organizations
LEADERSHIP	• There is an individual or a few individuals in the NGO who control most functions. • Management style is directive and staff members provide primarily technical input • Management does not articulate clearly to staff the NGO's purpose or individual staff members' contribution to the purpose.	• Most decisions are made by the Board, sometimes with input from one or two staff members • Staff has little understanding of how management makes decisions • Leadership is still seen primarily as directive and controlling, rather than providing meaning and enabling self-direction to employees and monitoring their performance	• Senior management's relationship to staff is more consultative and management decisions are delegated • Staff increasingly understands, but are not systematically involved, in decision-making. • Leadership understands that its primary role is to provide overall direction and monitor performance, but it is still concerned with control	• The Board and senior management have a clear understanding of its roles and responsibilities, which include articulating a clear vision of the NGO's mission and interpreting it to staff • Delegation and transparency characterize decision-making by senior management • Staff are appropriately involved in direction and policy development
LEGAL STATUS	• The NGO may or not be legally registered and nor have obtained whatever fiduciary and taxation status is required by local law. • Management has yet to identify sources of legal, financial and labor management advice	• The NGO is registered but has not yet integrated financial and legal advice into planning and management decisions • The NGO is not in compliance with some local reporting and labor requirements	• Appropriate expert advice is integrated into planning and management systems • The NGO is generally in compliance with local reporting, tax and labor requirements	• Appropriate expert advice is fully integrated into management decisions • The NGO is in full compliance with local reporting, tax and labor requirements • The NGO assists constituency organizations to obtain the same legal status and compliance capacity
MANAGEMENT PRACTICES				
ORGANIZATIONAL STRUCTURE	• The NGO has no clearly defined organizational structure and lines of authority and responsibility are not clearly defined	• The NGO has a defined organizational structure but line of authority remain unclear and authority tends to be exercised by an individual or a few individuals	• The NGO has a defined organizational structure with clear lines of authority and responsibility • The administration of the NGO places emphasis on the areas of responsibility but does not confer the necessary authority on individuals to permit them to operate effectively. • The NGO is not effectively incorporating the organizational structure into assigned tasks nor using it to evaluate staff performance.	• The NGO has a defined organizational structure with clear lines of authority and responsibility • The NGO's organizational structure has been implemented and is incorporated into job descriptions and work assignments. • The NGO's organizational structure is used in supervisory sessions and performance evaluations
INFORMATION SYSTEMS	• No system exists within the NGO to collect, analyze or disseminate data • Information is collected randomly and manually.	• A rudimentary electronic Management Information System (MIS) is in place but it is not accessible to all staff. • Data utilization potential is not understood. • Computers are used primarily for word-processing and book-keeping	• An MIS is operational and most staff have access to it • The MIS is still primarily used for word processing and book-keeping but individual staff understand and use data on an ad hoc basis • There is no mechanism for integrating MIS information into the NGO's planning process.	• The MIS has the capacity to store and process baseline and survey data • Data analysis capability is relatively sophisticated • There is improved project planning based on analysis of data provided by the MIS • MIS data has been integrated into operational planning and decision-making

	Nascent Organizations	Emerging Organizations	Expanding Organizations	Mature Organizations
ADMINISTRATIVE PROCEDURES	• Administrative procedures are informal and NGO staff lack a common understanding of them	• Administrative procedures are increasingly formalized • Filing and recording systems are not being fully utilized • No administrative manual exists	• Administrative systems are formalized and functioning. • An administrative manual exists but it is not referred to regularly.	• Administrative procedures are well defined, flexible and used to clarify situations • The Administrative manual is included in the strategic review process and updated as needed
PERSONNEL	• There are no formal personnel procedures to administer salaries and benefits or to record personnel data • Formal employment procedures do not exist	• Basic personnel administration systems exist but informal employment practices continue. • Positions are not advertised externally and there are no common NGO-wide procedures for determining qualifications for employment, recruitment, hiring, and termination	• All necessary personnel systems are formalized and implemented • Occasionally informal mechanisms are used • The strategic value of human resources and the need to integrate personnel practices into the strategic planning process are not fully understood.	• Personnel systems are understood by all staff • Staff opinion of human resource policies and procedures is regularly sought • Formal employment practices are uniformly followed and regularly reviewed to ensure consistency with the mission and policies of the NGO
PLANNING	• Some planning is carried out but with limited input from staff and constituents • Decisions are made and activities planned without reference to the agreed-upon strategies to achieve the mission • There is little assessment of the resources required to undertake activities • One or a few people may make decisions and plan activities, giving little explanation to those responsible for implementation	• Annual operating plans are developed and reviewed primarily by senior staff without reference to the previous year's planning, analysis of resource availability, or other factors which could affect implementation • Annual plans are developed with little or no input from constituents or staff	• Strategic and short-term planning is conducted primarily by senior management • Staff and constituents may have some input in the planning but they are not involved in decision-making • There is occasional review of workplans	• There is an annual review of the NGO's achievements and an analysis of resource availability • All parts of the organization develop annual operating plans aligned with the NGO's mission and strategies • There is regular review of long-term plans

	Nascent Organizations	Emerging Organizations	Expanding Organizations	Mature Organizations
PROGRAM DEVELOPMENT	• Program development is largely donor or staff-driven and funded and it is managed on a project-by-project basis • Program design, implementation, and monitoring and evaluation, if done, are carried out based on the donor's requirements • Often the donor's system is not well understood, is poorly implemented and badly managed	• Individual projects are developed within an overall programmatic framework • Occasional evaluations are conducted at the request of donors and undertaken by outsiders • Constituents are involved only as recipients of a program • No comprehensive system exists for determining the purpose and objectives of program/projects or for monitoring and evaluation.	• A comprehensive system exists for program development and implementation • This system is sometimes one imposed by the donor or one that has been developed by the NGO itself • Either system can provide the information required by the donor and allows for monitoring and evaluation to be carried out by the staff. • Constituents are consulted on program design and involved in implementation and evaluation	• Constituents serve as partners in program design, implementation and evaluation • Key indicators have been identified for monitoring and evaluation • Lessons learned from M&E are applied to future activities
PROGRAM REPORTING	• The NGO does not report on the results of activities or evaluations to constituents • The NGO is not sharing information based on lessons learned from activities and evaluations	• The NGO provides information on activities and evaluations only when requested or required by a donor • The NGO shares information on lessons learned only as required	• The NGO occasionally publishes the results of its activities and evaluations but it does not have a system for distribution • The NGO does not yet have an effective system through which to share information on lessons learned from its experience.	• The NGO has a system in place to regularly publish and distribute information to donors, constituents, government and other interested NGOs on the results of its activities and other relevant issues
HUMAN RESOURCES				
HUMAN RESOURCES DEVELOPMENT	• The NGO conducts no systematic assessment of staff performance on which to plan for changes or improvements • The NGO is unable to plan for change to improve the performance of individuals through better work planning, training, development and promotion. • There is little or no understanding of the relationship between staff performance and the achievement of NGO objectives.	• There is a better match between staff responsibilities and skill requirements • A staff evaluation system may exist but it is not necessarily based on job performance • The NGO has identified resources with which to conduct ad hoc training of staff	• The NGO has a performance-based appraisal system in place • Staff are assigned and promoted according to their job performance • Staff development needs are assessed and used to develop training plan	• A performance-based management system exists to meet the needs of the NGO's human resource development • Training plans are regularly updated according to the performance improvement and career development needs of the staff, and a human resource development plan exists • The human resource development plan is integrated with the NGO's strategic plan

	Nascent Organizations	Emerging Organizations	Expanding Organizations	Mature Organizations
STAFF ROLES	• The NGO has no particular process to determine the relationship between human resource needs and program objectives • The roles and job responsibilities of existing staff are unclear and changeable. • The limited staff are expected to carry out responsibilities beyond their expertise and some essential tasks are not done by anyone • Job descriptions and work responsibilities are not documented • Job performance is not assessed and there is no planning done to improve the performance of staff through better work planning, training, development or promotion. • The relationship between staff performance and the achievement of NGO program objectives is not understood	• The NGO has no process of analysis to identify work requirements and job functions • There is beginning to be a link between senior staff responsibilities and their expertise but some gaps continue to exist in skill requirements • Job descriptions do exist, usually based on a supervisor's idea of the work to be accomplished • A staff evaluation system may exist but it is not necessarily based on job performance as defined in a job description. • The NGO has identified some resources for ad hoc training of staff	• Jobs are well-defined and documented in job descriptions and work assignments • All core skills required to perform job functions exist within the NGO • A performance-based appraisal system is in place and staff are assigned and promoted according to their performance • Some human resource planning does take place but is still not integrated with job performance or the strategic planning process • A training plan exists based on an assessment of staff development needs	• The NGO conducts, reviews and updates an organization wide analysis of work requirements • This analysis of work is linked to the NGO's planning priorities and serves as the basis for work assignments • All skill areas required to carry out the NGO's work are covered by staff and the resources exists to contract out for other needed skills • Staff performance is monitored and decisions about training and promotion are based on ability and needs • Human resources planning is integrated with the NGO's strategic plan
WORK ORGANIZATION	• There is little understanding of the necessity to organize work beyond the issuing of directives. • No mechanisms are in place to coordinate work activities of different staff • There is little understanding of the need to work as a team or what it means • Meetings are irregular, dominated by interests of a few, and do not have a pre-determined purpose and agenda, nor do they not reach concrete conclusions • Staff provide technical input only and are not involved or informed of decisions • No formally recognized lines or mechanisms exist for intra-NGO communication	• Work is organized by supervisors • Little attention is paid to work flow or to consciously organizing work beyond work plans. • Individual, unit or project work plans are developed but these plans are not coordinated across functions • Regular meetings of staff are conducted according to known procedures • Selected staff are consulted on some decisions. • Intra-NGO communication is conducted on informal basis • Consciousness is developing on part of staff and management that communication breakdowns and overlaps occur.	• A variety of work methods are utilized • Staff are recognized as being able to make useful suggestions about how their own work should be organized • Team work is encouraged and work plans are shared across units and work sites • Communications are open and inter-hierarchial • Staff know how to participate in meetings and are aware of how decisions are made • Mechanisms exist for vertical and horizontal communication and link organizational unit/project structures	• Staff teams are self directed and organize their work around a clear understanding of the NGO's mission and strategies • Staff is skilled in, and appropriately use, a variety of techniques and methods to meet the NGO's program objectives • There is a formal mechanism in place for inter-team planning, coordination and work review • Staff is able to shape the way in which they participate with management in making decisions about planning and program implementation • Constituents are involved with management in making decisions that directly impact them.

	Nascent Organizations	Emerging Organizations	Expanding Organizations	Mature Organizations
DIVERSITY ISSUES	• The staff and Board do not represent the diversity of their constituency or the interests of their stakeholders. • Women receive different status than men and their particular needs are not yet addressed.	• No policy exists but among some levels of the NGO there is some awareness of and interest in the value and need for representation of the various members of the constituency.	• Policies exist to diversify the Board and staff but their composition does not yet fully reflect that of the constituents	• The composition of the Board and staff fully represent gender and other diversity among constituents
SUPERVISORY PRACTICES	• Relationships among staff members are not yet recognized as an important factor that can impact achievement of the NGO's program objectives • Conflict among staff members or constituents is not effectively dealt with. • There is little or no awareness of the available practices and techniques with which to develop the NGO's organizational capacities.	• There is some awareness of the importance of staff being able to work together and with diverse groups but it is not yet understood that these skills can be taught and such activities managed • Some supervisors attempt to mediate conflict but techniques and mechanisms for conflict resolution are not understood	• The NGO has established and documented grievance procedures • Some supervisors have received training in mediation techniques and inter-personal and group work skills	• Supervisors recognize organizational development as an important NGO management function • The NGO has established policies and methods to develop skills, manage relationships and measure performance • The NGO understands that clear work assignments and good implementation by self-directed staff usually results in fewer conflicts • Staff has been trained in conflict recognition and resolution techniques
SALARY AND BENEFITS	• The NGO has not developed a mutually understood system of staff salaries and benefits. • Jobs have not been classified internally according to required skills and responsibility. • Staff salaries are not based on work requirements or the level of performance.	• The staff salary and benefit system is based on position and responsibility • Salaries not necessarily competitive with those in the external market	• Jobs have been classified and salaries established according to a system established by the NGO and understood by staff • Salary increases are based on job performance.	• The NGO's salary and benefit system is sufficiently competitive to attract and retain skilled and competent staff

FINANCIAL RESOURCES

	Nascent Organizations	Emerging Organizations	Expanding Organizations	Mature Organizations
ACCOUNTING	• The NGO's financial procedures are incomplete • The NGO's accounts are not yet set up for individual projects and operating funds are not separate. • The NGO's financial reports are incomplete, difficult to understand, and not being produced in a timely way.	• Basic financial recording systems are in place • Account categories exist and project funds are separated but some cross-project funding takes place • Financial reports are clearer but still incomplete and with errors • Financial reports are usually produced on time.	• Financial reports are clear and complete, even as the NGO's funding sources become more complex and varied • Most of the NGO's funds are separated and it generally tries to avoid cross-project financing	• The NGO has separate project funds and adequate controls exist to avoid funding across projects • Reporting and data system is able to provide useful and timely financial information • Reports are timely and accurate and provide information useful to the financial planning process

	Nascent Organizations	Emerging Organizations	Expanding Organizations	Mature Organizations
BUDGETING	• Budgets are inadequate or if they do exist are produced because required by donors • Their use as a management tool is not understood, and the reliability of the projections questionable	• Budgets are developed for project activities, but are often over or underspent by more than 20% • The executive director or accountant are the only staff who know and understand budget information	• Total expenditure is usually within 20% of budget, but actual activity often diverges from budget projections • Department and organizational unit heads are consulted by financial manager(s) about budget planning and expenditures.	• The NGO's budgets are integral to project management and adjusted as required by project implementation developments • The budgeting process is integrated with an annual operating planning process • Senior staff are responsible for preparation, justification and management of project budgets
FINANCIAL/ INVENTORY CONTROLS	• The NGO has no clear procedures for handling payables and receivables nor do stock controls exist • Audits or external financial reviews are not performed	• The NGO has established financial controls but has not yet implemented procedures • Independent audits or external financial reviews are rarely performed and only at the request of a donor	• The NGO has adequate financial and stock control systems • Independent audits or external financial reviews are performed periodically at donor request.	• The NGO has an excellent system for stock and cash controls and for payables and receivables • Independent audits or external financial reviews are performed regularly and appropriately
FINANCIAL REPORTING	• The NGO has no system for reporting on its financial status. • If financial reports are produced, they are donor-driven. • Financial reports are not accurate, complete or timely	• The NGO has a system in place to produce financial reports but these are still produced in response to donor demand • Financial reports are not timely or complete enough to be used in long-term planning.	• The NGO occasionally produces accurate and complete financial reports, which it makes available to the Board and management • The NGO uses financial reports, when available, in long-term planning	• The NGO regularly produces accurate, complete and timely financial reports which it makes available to all appropriate levels • The NGO uses financial reports in developing long-term plans
SERVICE DELIVERY				
SECTORAL EXPERTISE	• The NGO has little operational or program experience • The NGO has no sectoral expertise or track record • The NGO has some good ideas about how to meet needs of targeted constituencies	• The NGO has growing expertise in its targeted sector • The NGO has the capacity to access additional expertise in the area of expertise as required	• The NGO is recognized as having significant expertise in it's targeted sector and is being invited to contribute to sectoral discussions • The NGO is able to deliver effective and appropriate services to constituents • The NGO is beginning to build fee-for-service and other cost recovery mechanisms into it's service delivery	• The NGO is able to adapt program and other service delivery capacities to reflect the changing needs of it's constituency • The NGO is beginning to extend service delivery to other constituents • The NGO is recognized as an expert in it's sector by donors, government and other NGOs

	Nascent Organizations	Emerging Organizations	Expanding Organizations	Mature Organizations
CONSTITUENCY OWNERSHIP	• The NGO's services are defined by donors or managers with no involvement from its constituency • The NGO has no plan to support the development of its constituents organizational capacity as an objective for sustainability • The NGO is not providing capacity-building training/technical assistance to its constituents.	• The NGO seeks constituent input into defining services but does not do so in a systematic or comprehensive manner • The NGO has identified resources for ad hoc training of constituents in program or technical areas • The NGO has not identified resources to support organizational capacity-building of its constituents.	• The NGO has mechanisms in place to involve its constituents in project planning and implementation and monitoring and evaluation • The NGO has plans to transfer management responsibilities to constituents and to provide training and organizational development support to build its capacity.	• The NGO considers its constituents to be equal partners in defining services to be provided and in the management of projects • The NGO updates its training and organizational development plans according to the improved performance and capacity building needs of its constituency
IMPACT ASSESSMENT	• The NGO does not have a system to monitor and evaluate program/project achievements • The NGO has no mechanism with which to determine impact indicators, establish baseline measures or assess the impact of its activities.	• The NGO is able to evaluate individual projects to determine if projected activities took place as planned and if specific project objectives were achieved • The NGO has no baseline data or system to monitor its activities	• The NGO has not identified indicators or collected baseline data with which to monitor project activities • The NGO is aware of the need to develop project sustainability and measure impact but has not established a system	• The NGO has identified indicators of success for each project goal and carries out activities to gather baseline data which is used to measure project impact • The NGO has a plan to sustain its program achievements and transfer ownership for activities or services to constituents
EXTERNAL RELATIONS				
CONSTITUENCY RELATIONS	• The NGO's agenda is largely donor and management driven with little or no input from its constituents • The NGO is located in an urban center and its headquarters are a long distance from where it carries out activities, making it difficult to involve constituents effectively. • The NGO develops systems and programs in a top-down manner.	• The NGO's work is focused in the field and it is viewed as an ally by constituents • The NGO has credibility with its target constituency and with donors interested in the same program areas	• The NGO operates from a field project site. • The NGO involves constituents in decision- making • The NGO views constituents as being responsible for providing counterpart resources. • The NGO provides resources to enable constituents to develop organizational capacity	• The NGO is seen as a valuable resource by its constituents • By being field based, the NGO is able to effectively integrate constituency input into management and program decisions • The NGO regards its constituency as a full partner
INTER-NGO COLLABORATION	• The NGO does not have experience in working with other NGOs, either local or international. • The NGO is not known or trusted by the NGO community. • The NGO has no plans to work in collaboration with other NGOs active in the same region or same sector	• The NGO is increasingly known and trusted by others in the NGO community but as yet has little experience in working collaboratively with others	• The NGO works with international or other local NGOs. • The NGO participates in and supports NGO networks but as yet does not play a leadership role in any NGO coalitions	• The NGO plays a leadership role in promoting coalitions and participates in a formal association of NGOs • The NGO can help mediate NGO-NGO or NGO-Government conflicts

	Nascent Organizations	Emerging Organizations	Expanding Organizations	Mature Organizations
GOVERNMENT COLLABORATION	• The NGO's relationship with government is adversarial • The NGO does not collaborate with government agencies working in the same sectors or geographical area • The NGO has little understanding of its role in advocacy or development of public policy.	• The NGO has identified common interests which it shares with government and relations are friendly • The NGO collaborates with different government agencies or representatives on issues or activities in specific sectors.	• The NGO's relationship with government is friendly and often informal • The NGO is sometimes called upon by government to carry out specific projects or collaborate on sectoral issues	• The NGO is seen as a full and credible partner by the government • The NGO has formal mechanisms which it uses to collaborate with government, donors and other NGOs • The NGO provides input into policy making on issues elated to it's area of expertise.
DONOR COLLABORATION	• The NGO sees donors as a source of financing activities and has not yet developed a relationship or made contributions to donor forums or agendas.	• The NGO has received funding from donors but has yet to establish a track record or to acquire sufficient credibility to be invited to participate in donor forums.	• The NGO has a proven track record and established it's credibility and is invited by donors to contribute to discussions on sectoral issues	• The NGO is viewed as an authority and leader in its sector of expertise and is considered a spokesperson and resource by donors
PUBLIC RELATIONS	• The NGO is not well-known outside the range of its activities or constituents • The NGO has no clear image which it articulates or presents to the public • The NGO has not prepared a document for dissemination that provides information about its objectives or activities.	• The NGO is known in its own community, but does little to promote its activities with the public or with key governmental decision makers • The NGO understands that public relations are important but has no ability to carry out PR activities	• The NGO has limited contact with key decision-makers and has limited lines of communication with the public • The NGO has clear ideas on issues but has yet to develop them into a policy platform	• The NGO has a clear image and message and a policy platform • The work of the NGO is well known to the public and policy makers, and it is able to use this reputation to attract support when necessary • The NGO is able to engage decision-makers in dialogue on policy issues and may have identified Board and staff members to fulfill this function
LOCAL RESOURCES	• The NGO tends to view the private business sector with suspicion and distrust. • The NGO does not work in cooperation with any part of the private sector to draw on resources, technical expertise or influence • The NGO's programs are not based on local resource availability.	• The NGO has began to identify local volunteer support in addition to that which it receives from the constituency • The NGO seeks technical assistance from some private sector and government resources. • The NGO purchases goods and services from the private sector	• The NGO draws support from the local private sector and government agencies but project sustainability still depends on continued support from external donors • The NGO has recruited individuals from the private business sector to serve on its Board or as technical advisors	• The NGO's projects are supported by local entities who contribute to project results and their sustainability • The NGO has staff members who are aware of and have contacts within the private business sector and among donors • Collaboration between the NGO and the private business sector is strong and the NGO is considered a community development partner

	Nascent Organizations	Emerging Organizations	Expanding Organizations	Mature Organizations
MEDIA	• The NGO has no relationship with nor is its work well known to the media	• The NGO's activities are not known outside of its constituency • The NGO does not yet know how to access or use media to inform the public about its work.	• The NGO has contacts in the media which it uses when it wishes to inform the public about an important issue.	• The NGO knows how to work collaboratively with the media • The NGO is well known and its opinions and experience are solicited by the media • The NGO uses the media as a means to inform the public about its work and/or mount public education campaigns.
SUSTAINABILITY				
PROGRAM/ BENEFIT SUSTAINABILITY	• The NGO's constituents do not see or feel that they benefit from services or programs • The NGO has no understanding or plan for continuity. • The NGO is not working with local institutions	• The NGO's constituency recognizes the benefits from services and programs but does not yet have the means to continue them without assistance from the NGO • The NGO has yet to develop relationships with and is not providing capacity building assistance to local organizations	• The NGO's constituency recognizes the benefits of and is involved in decision-making for services and programs but does not yet have the mechanisms to continue them without assistance form the NGO. • The NGO has developed relationships with local organizations and is providing Training/TA to build capacity but as yet has no phasing-out strategies	• The NGO's program activities are important to and owned by the constituents • The NGO program activities can continue due to behavioral changes in the constituency • The NGO has developed systems for short and long-term continuity. • The NGO has developed relations with local organizations and phasing out strategies
ORGANIZATIONAL SUSTAINABILITY	• The NGO lacks a shared vision and skills to interact with other development partners in civil society • The NGO has no understanding of its role as a partner in development • The NGO is not involved in coalitions, networks or umbrella organizations	• The NGO has a shared vision but as yet lacks the understanding and skills to interact with other development partners • The NGO is a member of coalitions and networks but is not yet able to provide leadership	• The NGO has a clear vision of its role and the skills to participate in development activities • The NGO participates in NGO networks and coalitions but it not yet playing a leadership role in the NGO community • The NGO is acknowledged to have expertise in a sector but is not recognized as a leader or consulted by donors or government.	• The NGO has a clear vision and understanding of its role as a development partner in building civil society • The NGO is a leader in forming coalitions and networks with other local NGOs and participates in activities concerning the NGO sector • The NGO has developed relationships with universities, research institutions and international NGOs

	Nascent Organizations	Emerging Organizations	Expanding Organizations	Mature Organizations
FINANCIAL SUSTAINABILITY	• The NGO has limited capacity to access funding and does not recognize the need to diversify its resource base • The NGO has limited capacity to develop project funding proposals.	• The NGO has begun to understand the need to develop alternative resources but has no concrete direction or plan • The NGO has no relations with local government or private business sector organizations • The NGO is able to develop project funding proposals but does not have ready access to the donor community.	• The NGO has begun to explore alternative resources through developing relationships with government and the private business sector • The NGO has secured alternative resources such as in-kind and commodities donations and membership fees • The NGO has begun to diversify its funding base and to develop cost-recovery mechanisms and programs	• The NGO has a developed and diversified resources base to continue longer-term activities • The NGO had developed fee for services and/or other cost-recovery mechanisms built into service delivery • The NGO has developed and relies on local support for its ongoing activities
RESOURCE BASE SUSTAINABILITY	• The NGO's operating funds come from only one source and are raised for one short term project at a time • The NGO has little understanding of the need to eventually become self-supporting and has not yet attempted to identify local resources • The NGO's funding is insufficient to meet plans or to provide project services	• The NGO has funding to cover short-term project costs and overhead • The NGO can prepare a multi-year program budget but is still dependent on a single donor or limited funds • The NGO is beginning to become aware of local resource generation possibilities but has not yet identified or mobilized them	• The NGO has funds for short-term expenses but has also developed a medium-term funding plan and strategies. • The NGO is not dependent on a single donor either for overhead or for program expenses • The NGO is able to recover a percentage of core costs through locally generated resources (membership dues, fee-for-services, regular fund-raising, etc.)	• The NGO has adequate funds to meet current program needs, and basic program delivery can continue even if there is a shortfall in funding • The NGO is not dependent on any one donor or source of income for overhead or program expenses • The NGO has a longer-term plan and strategies exist to become more self supporting and financially independent

Some Questions You Can Ask An NGO

Earlier in the Handbook, in the section entitled **How To Use OCAT?** (see page 29), suggestions are offered for organizing and implementing an organizational assessment using OCAT. It is suggested that once the team has selected the items from the OCAT Assessment Sheet it has chosen to assess (see page 37), the team should then formulate series of questions that will enable interviewers to gather sufficient information for scoring each item. It is also suggested in the same section, that team interviewers should neither carry the OCAT Assessment Sheet with them to the interviews or score the NGO during the interview sessions. This does not mean however that the interviewers must commit to memory, in advance of the interview, every item from the OCAT Assessment Sheet for which it would like to score the NGO. Instead the interviewer may wish to rely upon preformulated questions that are designed to provoke sufficient discussion relating to an Assessment Sheet item in order to permit interviewers to score the NGO during the post interview process. The sample questions below are provided for that purpose.

Careful consideration has been given to provide sample questions for every component of the OCAT. This does not mean though that every question must or should be asked by the interviewers. The interviewers may find that by asking one or two questions relating to each OCAT component, sufficient discussion in the topic area will occur and responses to other component items will be provided by the interviewees.

Governance

Board

- Who constitutes the Board or independent body overseeing the NGO?
- If there is no Board or independent body, who oversees the management of the NGO?
- Which by-laws determine the terms of office and whether the Board or independent body members are paid or voluntary?
- Are there member of the Board or independent body who represent the diverse interests of the constituents?
- How does the Board or independent body play a role in policy setting, planning, fund-raising, conducting public relations, lobbying, overseeing the management and in monitoring the performance of the NGO?
- How does the Board or independent body gather information about the needs and aspirations of the constituents and integrate this information into planning?
- Are there particular examples of instances where the Board or independent body members have had to account to the NGO's constituents?

Mission/Goal

- Which documents define the NGO's mission or goals?
- Are goals of the NGO achievable given the economic, social, and political environment?

- To what extent do the people in the organization share the same understanding of the NGO's mission or goals?
- To what extent do the people in the organization see it serving, in major ways, purposes that are different from those stated?

Constituency

- What evidence is there that the NGO reflects the needs of the community or constituency that it serves?
- Does the NGO undertake periodic surveys of its constituency to determine if they are satisfied with activities or services?
- When does the NGO call upon constituents for advice in implementing current or future activities?

Leadership

- What person or group constitutes top management?
- What understanding does top management have of its role and responsibilities?
- Has management ever articulated the need for training in particular skills and knowledge necessary for the performance of its duties and responsibilities?
- How does top management involve staff in setting direction for the NGO and determining policies and procedures?

Legal Status

- Does the organizations have legal status as a registered NGO or meet any other requirements to secure proper legal status?
- When was the NGO accorded official government registration?
- Does the NGO meet all taxation and other financial requirements of local and/or national authorities?
- Does the NGO have tax free status?

Management Practices

Organizational Structure

- Does the NGO have an organizational chart or documentation that describes roles, functions and responsibilities of all individuals?

Information Systems

- How is the collection, analysis and dissemination of information organized in the NGO?

Administrative Procedures

- What are the procedures for recording, filing, purchasing and intra-office communications?
- Are there some obviously unhelpful systems, policies or procedures?
- How often are administrative manuals reviewed and updated?

Personnel

- What are the procedures for recruiting and employing NGO employees?

Planning

- Who in the NGO is responsible for writing short and long-term work and operating plans?
- Who is involved in the planning of events and the making of decisions?
- Are events planned and decisions made in alignment with the strategies that have been identified for achieving the mission of the organization?

Program Development

- Is the NGO Board or governing body and staff familiar with project documents?
- How often are needs assessments conducted?
- Who is responsible for program development?

Program Reporting

- How does the NGO design, plan, and evaluate its program activities?
- What system does the NGO use to report on program activities?

Human Resources

Human Resource Development

- How long ago was the human resources development plan reviewed and updated?
- Have there been instances where staff members lacked sufficient skills to carry out program implementation?
- How often is a staff member evaluated?
- Who has participated in in-country or foreign skills enhancement training over the past year?

Staff Roles

- Who is responsible for writing and reviewing job descriptions?
- Are the tasks allocated according to the skills of the staff in the organization?

Work Organization

- How often are staff meetings held?
- Are agendas for meetings distributed to staff members in advance and are minutes for each meeting available?
- Over the past year, has the NGO organized teams of staff members for the purpose of addressing any special issues or problems?

Diversity Issues

- In what ways is the diversity of the NGO's constituents reflected in the composition of the staff?

Supervisory Practices

- Have there been instances of conflict or grievances between or among staff over the past few years and if so how were they handled?

Salary and Benefits

- What policies exists for determining recruitment, salaries and benefits?
- What incentives or rewards are offered by the organization?
- How are incentives allocated?
- Are salaries and benefits comparable with other NGOs

Financial Resources

Accounting

- Are there basic procedures in place for the recording and reporting of financial information?
- Is there a policy manual or documented guidelines that cover accounting procedures, a standard chart of accounts, approval authority for financial transactions, and guidelines for controlling expenditures?

- What mechanisms are in place to ensure separation of project funds?

Budgeting

- How often does the NGO conduct a regular budgeting process and does it coincide with the preparation of the annual operating plan?
- What system is in place to ensure that the NGO has the necessary cash in a timely manner to meet its needs?

Financial/Inventory Controls

- Are there controls in place to prevent expenditure of funds in excess of approved, budgeted amounts?
- Are there adequate requisitioning, purchasing, and stock control procedures in place?
- Are the pay, petty cash, transport, and procurement needs of the NGO and of the members, if appropriate, met as required?

Financial Reporting

- What type of financial reports does the NGO prepare for donors for lenders?
- How frequently are financial reports produced for donors or lenders?
- Have donors or lenders ever complained about either the insufficiency or tardiness of financial reports?
- When was the last independent audit or external financial revue of the NGO and what was the outcome?
- How well is the organization performing in terms of financial analysis/cost effectiveness?

Service Delivery

Sectoral Expertise

- For what areas of expertise is the NGO particularly well known?
- What requests have been submitted to the NGO for the expansion or extension of the programs to new target areas?
- Has the NGO changed areas of focus over the past years?

Constituency Ownership

- How do participants in NGO projects contribute to the design, management and evaluation of their projects?
- To what extent do mutually developed plans exist for the constituency to assume management responsibility for service delivery?

Impact Assessment

- Does the NGO have mechanisms for integrating results of program evaluations into its planning process and for adapting and changing program direction and approach in response to information received?
- What type of indicators are identified to measure achievements of results and how is base line data collected?

External Relations

Constituency Relations

- What is the state of the relationships between the NGO and its constituency?
- Is the NGO situated in reasonable proximity to the constituency it serves?

- Approximately how many representatives of the NGO's constituency have volunteered to participate in program activities over the past year?

Inter-NGO Collaboration

- How does the NGO collaborate with other NGOs?
- Does the NGO establish national or international linkages with other NGOs?
- Has the NGO recently developed any coalitions of other NGOs?

Government Collaboration

- How does the NGO participate in government planning processes and structures?
- What is the state of its relationships with relevant sections of the government?

Donor Collaboration

- What is the state of relationships between the NGO and its donors?
- Has the NGO participated in policy making dialogues with donors over the past year?

Public Relations

- To what extent is the NGO well known to the general public?
- Has the NGO undertaken specific public relations activities over the past year?
- What type of information does the NGO publish and disseminate to the general public?

Local Resources

- Are any of the Board members from the private sector?
- How does the NGO promote collaborative efforts with other sectors of the community, both private and public?

Media

- What use does the NGO make of mass media resources to disseminate information about itself and its achievements?

Sustainability

Program/Benefit Sustainability

- How can the NGO demonstrate that the constituents it serves are active participants in programs and activities?
- Are there examples of NGO programs for which management responsibility was eventually assumed by constituents?
- What are the NGO's program phase-out procedures?

Organizational Sustainability

- How is the NGO's vision similar or different from other NGOs working in the same sector?
- In which umbrella organizations is the NGO a member?
- Are any of current programs conducted in partnership with international NGOs, universities, research institutes or other groups?

Financial Sustainability

- What percentage of program costs is the NGO recovering from the community?
- Does the NGO have fee for services cost structure?

Resource Base Sustainability

- What are the existing sources of the organization's financial resources?

- Is there a longer-term business/funding/resource development plan for the needed financial resources?
- What awareness does top management show of the sources and mechanisms available for securing funding?
- Is there a realizable plan for long-term support of the programs?

Section VI - How To Analyze Your Information

In earlier sections of the Handbook we examined Participatory Monitoring & Evaluation using the OCAT model and its associated concepts -- The Seven Components of Organizational Effectiveness, The Four Stages and Characteristics of NGO Development, and The Organizational Capacity Assessment Process. In this section we examine the next logical step in using OCAT -- Analyzing Your Information. It is in this section that we will examine how to take the results of the assessment, how to analyze them and how to transform them into reporting formats meaningful to an NGO, Pact/Ethiopia and to any other group, such as a donor organization, interested in having a "snapshot" view of an NGO's organizational capacity.

Before the analysis process begins however, it is appropriate to review several OCAT associated concepts in order to understand how they are translated from concepts into quantifiable measurements. Below, we will briefly review the Seven Components of Organizational effectiveness, the Stages of NGO Development and the relationship between them. We will look at the OCAT Assessment Sheet and the method for transforming the 1 through 6 assessment scale into ratings at various levels. And finally we will examine how to produce useful reports based on the ratings.

The Seven Components of Organizational Effectiveness

The OCAT's Seven Components of Organizational Effectiveness -- Governance, Management Practices, Human Resources, Financial Resources, Service Delivery, External Relations, and Sustainability -- are the broadest or highest level of measurement of and NGO's organizational capacity. Each of the components has associated with it a series of categories and in turn each category can be broken down into individual elements. During the process of conducting an organizational capacity assessment, as previously discussed in earlier sections of the Handbook, interviewers do not assess or assign a rating to the individual OCAT components nor to each component's individual categories. What the assessment team does is to examine the NGO at the most rudimentary level and assign a rating of 1 through 6 for each OCAT element. The ratings given to each set of elements are then calculated separately to arrive at ratings for the each category under which the sets of elements fall. In turn the sets of categories for each of the seven components are calculated to arrive at a separate rating for each component. This notion of assigning ratings at the lowest or element level and deriving ratings for the higher category level and finally to the highest component level is called in OCAT, ***rolling up***.

OCAT Assessment Sheet Rating Scale	
1	Needs urgent attention and improvement
2	Needs attention
3	Needs improvement on fairly wide scale but not major or urgent
4	Needs improvement in limited aspects, but not major or urgent
5	Room for some improvement
6	No need for immediate improvement

Using the rolling up method has several advantages. It permits the assessment team, the NGO itself or Pact/Ethiopia to observe and almost immediately ascertain, especially at the component level, where the strengths and weaknesses in an NGO's organizational capacity exist. If for example the results of an assessment indicate that an NGO's capacity appears to be particularly weak in the Financial Resources component, each category falling under this component can be examined to further pinpoint a specific area of weakness. To further get to the source of the weakness the individual elements may be studied and corrective measure taken to reinforce the NGO's capacity in that area. Using the rolling up method also allows for a comparison of an NGO to itself over time as separate assessments are carried out. Another advantage is that the method can provide substantiated evidence, particularly important to the donor community, that the interventions chosen to correct a particular weakness may have had a positive impact on the NGO if over time and with subsequent assessments, ratings at the category level increase.

The Four Stages and Characteristics of NGO Development

Using the OCAT Assessment, as described above, we discussed the process of assigning ratings which give an indication of an NGO's strength and weaknesses. But how do these ratings relate to the stages of NGO development? It is at this point that we must look at the relationship between the ratings obtained during the assessment process and the four stages of NGO development.

Stages of Organizational Development

Nascent: The NGO is in the earliest stages of development. All the components measured by OCAT are in rudimentary form or non-existent.
Emerging: The NGO is developing some capacity. Structures for governance, management practices, human resources, financial resources and service delivery are in place and functioning.
Expanding: The NGO has a track record of achievement; its work is recognized by its constituency, the government, the private business sector, and other NGOs active in the same sector.
Mature: The NGO is fully functioning and sustainable, with a diversified resource base and partnership relationships with national and international networks.

The OCAT rating scale of 1 through 6 has been designed so that the ratings actually assigned to individual elements, when calculated at the category level, provide an indication of where the NGO is in its stage of development for that particular category., This also holds true for the calculations made on ratings for categories falling under each component. For example, if when a calculation is made on all elements under the Financial Reporting category of the Financial Resource component, and the result is a rating of 4 , we could say that for the Financial Reporting category, the NGO needs to improve Financial Reporting in limited aspects, but it is not major or urgent. This statement may in fact be important for the pinpointing needed areas of improvement but it does not lend itself to describing where the NGO is in its development in the area of Financial Reporting. To deal with this issue the OCAT equates rating for categories and components to the four stages of development as described in the table below.

Equating Rating Scale to Stages of Development

Rating			Stage
1.0	to	1.4	Nascent
1.5	to	2.9	Emerging
3.0	to	4.4	Expanding
4.5	to	6.0	Mature

Using the OCAT Rating Sheet

The OCAT Rating Sheet (see page 73), has been developed to facilitate the team's work in processing the results of an single organizational capacity assessment or to track the results of up to four different assessments for the same NGO Once the assessment has been completed, a team member transfers the individual element ratings from the assessment sheet to the rating sheet and begins calculating ratings at the category and component levels. In carrying out the calculations, the team member simply finds the average for all elements under each category and writes the result to the nearest decimal in the box at the category level for those elements. It is important remember however that if one or more elements for a particular category has or have not been rated that it or they not be included in the calculation. This in turn is also true when calculating the average for a component. Categories for which there is no average are not to be included in calculating the rating for the component.

Calculating Averages for Categories and Components

For Categories: Sum all elements under each category and divide by the number of elements that have actually been rated. Do not include elements that have not been rated. Write the result to one decimal place in the category box.

For Components: Sum all categories under each component and divide by the number of categories that have been rated. Do not include categories for which there is no rating. Write the result to one decimal place in the component box.

The OCAT Rating Sheet, as presented in this Handbook, is paper-based. A team member can simply photocopy the rating sheet from the Handbook, transfer the element ratings from the OCAT Assessment Sheet and carry out the necessary calculations.

The OCAT Rating Sheet process can be optimized however by employing a spreadsheet application such at Microsoft Excel, Novell Quattro Pro or Lotus Corporation Lotus 1-2-3. The principal advantage of using a spreadsheet is that if the team decides to modify one or more element ratings the changes will be automatically be calculated at the category and component levels. Using a spreadsheet package also provides the advantage of being able to transform the numeric results of the assessment process into graphic representations of the data. Samples of graphic representations of organizational assessments are provided in Section VII of this Handbook.

PACT
Organizational Capacity Assessment Tool
Rating Sheet

Name of NGO: ____________________

Date of 1st Assessment:	Conducted by:
Date of 2nd Assessment:	Conducted by:
Date of 3rd Assessment:	Conducted by:
Date of 4th Assessment:	Conducted by:

	1st Assessment	2nd Assessment	3rd Assessment	4th Assessment
A. Governance				
1. Board				
a. The Board provides overall policy...				
b. The Board provides accountability...				
c. The Board is composed of...				
d. The Board is capable of carrying...				
e. Mechanisms are in place for...				
f. Board respects by-laws concerning...				
g. Board members work in voluntary...				
2. Mission/Goal				
a. The NGO has clearly articulated...				
b. The NGO's mission is understood...				
c. Strategies are aligned with mission...				
d. Operational planning is jointly...				
3. Constituency				
a. There is a well defined...				
b. There is a recognition of the...				
c. There are regular surveys of...				
d. The constituency is regularly...				
e. The Board executes its role of...				
4. Leadership				
a. Board and senior management...				
b. Senior management's relationship...				
c. Leadership is accessible and...				

5. Legal Status				
a NGO is properly registered .				
b NGO benefits from financial and...				
B. Management Practices				
1. Organizational Structure				
a. NGO has an organizational...				
2. Information Systems				
a. System exist to collect, analyze and...				
3. Administrative Procedures				
a. Administrative procedures and...				
b. Procedures and operating manuals...				
4. Personnel				
a. Recruitment, employment and...				
5. Planning				
a Operating plans are developed,...				
b. Resources are planned for and...				
c. Input from constituents is included...				
d. Staff is involved in planning.				
6. Program Development				
a. Constituents and staff are involved...				
b An M&E system exists				
7. Program Reporting				
a. NGO regularly reports on activities...				
b. NGO publishes and disseminates...				
C. Human Resources				
1. Human Resources Development				
a Human resources development...				
b. Staff training plan is based on the...				
c. Opportunities exist to integrate...				
d. Evaluations and promotions are...				
2. Staff Roles				
a. Job descriptions are well defined...				
b. Clearly established links exist...				
c. Job descriptions are applied and...				
3. Work Organization				
a. Staff meetings are regularly...				

b Staff participates in management...				
c Team work is encouraged				
d. Information is shared freely among...				
e Staff encouraged to take initiative...				
4. Diversity Issues				
a. Diversity of constituents is reflected...				
5. Supervisory Practices				
a. Supervision occurs on a regular...				
b. Grievance and conflict resolution...				
6. Salary and Benefits				
a. Salaries are clearly structured and...				
b. Benefits policy is written and...				
c. NGO conforms to standard tax and...				
D. Financial Resources				
1. Accounting				
a. Appropriate and adequate...				
b. Account categories exist for...				
2. Budgeting				
a. Regular budgeting process is...				
b. Staff is responsible for preparation...				
3. Financial/Inventory Controls				
a. Adequate financial and inventory...				
b. Internal and external financial...				
c Adequate procurement procedures...				
4. Financial Reporting				
a. Financial reporting is accurate and...				
b. Reports are used for planning.				
c. NGO has a system for reporting on...				
E. Service Delivery				
1. Sectoral Expertise				
a. Relevant sectoral expertise exists...				
b Expertise is credible and...				
c NGO is capable of adapting...				
2. Constituency Ownership				
a Program priorities and services are...				
b. Constituency perceives delivery is...				
c. Appropriate structures exist to...				

3. Impact Assessment				
a. Indicators of success and impact...				
b Baseline data measurements are...				
c. Impact assessments are used to...				
F. External Relations				
1. Constituency Relations				
a. NGO is seen as credible and a...				
b. NGO is able to attract volunteer...				
c. The NGO - constituency...				
2. Inter-NGO Collaboration				
a. GO networks and shared resources...				
b. NGO plays leadership role in...				
3. Government Collaboration				
a. NGO has contacts with decisions...				
b. Exchange of resources occur...				
c. NGO plans and activities are...				
4. Donor Collaboration				
a. NGO has diversified contacts...				
b. NGO is regarded as a credible and...				
c. NGO has the opportunity to engage...				
5. Public Relations				
a. NGO understands how to conduct...				
b. NGO image is clearly articulated...				
c. Information on the NGO is...				
6. Local Resources				
a. NGO has relations with private...				
b. NGO is perceived as a community...				
7. Media				
a. NGO understands how to work...				
b. NGO is well known and their...				
c. NGO uses media as means to...				
G. Sustainability				
1. Program/Benefit Sustainability				
a. NGO program activities are...				
b. NGO program activities can...				
c. NGO had developed systems for...				
d. NGO has developed phasing-out...				

e. Local institutions have been...				
2. Organizational Sustainability				
a. NGO has a shared vision of its role...				
b. NGO participates as a full and...				
c. NGO is a member of and shares...				
d. NGO has partnerships with INGOs...				
3. Financial Sustainability				
a. NGO has understanding of and...				
b. NGO has fee for services and/or...				
4. Resources Base Sustainability				
a. Understanding of importance and...				
b. Local resources capacity has been...				
c. Resource base is diversified.				
d. Provisions for additional resources...				
e. Proposal writing and fund raising...				

Section VII - Sample Assessment Results and Reports

Using OCAT with its associated Assessment and Rating Sheets provides the opportunity of transforming assessment results into meaningful type of reports that can serve as diagnostic tools, baseline measurements, monitoring and evaluation instruments and educational tools as well as a number of other purposes (see **How to Use OCAT Assessment Results** in Section III for a complete discussion). The sample reports in this section are examples of these uses. Of particular importance in using OCAT is that it allows for reports tailored to meet the needs of all groups involved in the assessment process. Previously in the Handbook it is noted that there are several audiences involved in the assessment process and OCAT recognizes that these audiences need reporting results in varying formats. OCAT provides for reporting at three different levels: for the NGO, for Pact/Ethiopia and for Pact's donor, USAID.

The reports presented in this section were produced by using a spreadsheet application with graphics capabilities. More precisely, the OCAT Rating Sheet format was created in a spreadsheet format and the rolled up data results were extracted to provide the input for these reports.

NGO Level Reports

Reports to meet the needs of an NGO are designed to provide as much detail as possible surrounding the capacity assessments undertaken. The sample reports that follow were developed to provide this level of detail.

Organizational Capacity Assessment - Rating Report
(page 81)

The OCAT - Rating Report graphically represents the results of an assessment with exacting detail. It can be used by an NGO to very quickly see where their organizational capacity strengths and weakness are located and assist both the NGO and Pact in planning corrective courses of action.

Organizational Capacity Assessment - NGO XYZ 02/02/96
(page 89)

This report is designed to present a synthesis or "snap shot" view of an organizational assessment conducted at particular point in time. Data from the element level is rolled up to the component level and results for each of the seven components of organizational effectiveness is presented, equating the ratings for the components to the associated stage of development.

Organizational Capacity Assessments - NGO XYZ 02/02/96--11/23/98
(page 90)

This report is similar to the above except that it presents the results of four capacity assessments that were carried out over the specified period for the NGO in question. It offers the advantage to the NGO of seeing on a single sheet where they where the are making progress in the seven areas of organizational effectiveness.

Pact Level Reports

Organizational Capacity Assessments - NGO XYZ 02/02/96--11/23/98
(page 90)

In addition to serving the needs of an NGO this report is useful to a Pact program officer, enabling him/her to track the NGO's development over time.

Organizational Capacity Assessments - All Project NGOs 1996-1998
(page 91)

The OCAT - All Project NGOs Report is a synthesis or aggregation of data collected on all NGOs to which Pact has provided assessment assistance.

Donor Level Reports

Organizational Capacity Assessments - All Project NGOs 1996-1998
(page 91)

As well as being of value to Pact as a reporting tool, this report can serve to demonstrate to a donor that Pact efforts in capacity strengthening are having a positive effect over time.

Organizational Capacity Assessments - All Food Security NGOs 02/02/96-12/23/98
(page 92)

The All OCAT - All Food Security NGOs Report is useful in representing organizational growth in a specific sector.

PACT

ORGANIZATIONAL CAPACITY ASSESSMENT - RATING REPORT

Name of NGO:	
Date of Assessment	
Conducted by:	

Rating Scale

Needs urgent attention and improvement	▮
Needs attention	▮▮
Needs improvement on fairly wide scale, but not major or urgent	▮▮▮
Needs improvement in limited aspects, but not major or urgent	▮▮▮▮
Room for some improvement	▮▮▮▮▮
No need for immediate improvement	▮▮▮▮▮▮

A. GOVERNANCE

1. Board	
a. The Board provides overall policy direction and oversight.	▮▮▮▮
b. The Board provides accountability and credibility.	▮▮▮▮
c. The Board is composed of committed members who represent the diverse interests of the constituents.	▮▮▮
d. The Board is capable of carrying out key roles such as policy formulation, fund raising, public relations and lobbying.	▮▮▮
e. Mechanisms are in place for obtaining appropriate input from constituency.	▮▮▮
f. Board respects by-laws concerning fixed terms of office and a quorum.	▮▮▮▮▮
g. Board members work in voluntary and unpaid capacity.	▮▮▮▮▮
2. Mission/Goal	
a. The NGO's has clearly articulated mission/goal.	▮▮▮▮▮
b. The NGO's mission is understood by staff, constituency and the public.	▮▮▮

c Strategies are aligned with mission, realistic and take the form of clear objective statements as to how they can be achieved.	▮▮▮
d. Operational planning is jointly conducted by senior management, staff and constituency	▮▮
3. Constituency	
a There is a well defined constituency base.	▮▮
b. There is a recognition of the constituency as partners.	▮▮▮
c. There are regular surveys of constituency needs and findings are integrated into the planning process.	▮▮
d. The constituency is regularly involved in the review of the NGO's mission and strategies.	▮▮
e. The Board executes its role of advocate for constituents.	
4. Leadership	
a. Board and senior management have clear understanding of their roles and responsibilities as providers of overall direction.	▮▮▮
b. Senior management's relationship to staff is participatory, transparent and management decisions are delegated.	▮▮▮▮
c. Leadership is accessible and fosters participation of constituents.	▮▮▮
5. Legal Status	
a. NGO is properly registered according to local regulations.	▮▮▮▮▮▮
b. NGO benefits from the financial and legal status allowable under local law.	▮▮

B. MANAGEMENT PRACTICES

1. Organizational Structure	
a. NGO has an organizational structure with clearly defined lines of authority and responsibilities	▮▮
2. Information Management	
a. Systems exist to collect, analyze and disseminate data and information.	▮▮
3. Administrative Procedures	
a. Administrative procedures and operating manuals exists and are followed	▮▮▮▮
b. Procedures and operating manuals are updated regularly.	▮▮▮▮
4. Personnel	
a. Recruitment, employment and personnel practices are clearly defined and followed.	▮▮▮▮

5. **Planning**	
a. Operating plans are developed, reviewed, updated and reflect a strategic plan.	▮▮▮
b. Resources are planned for and allocated properly.	▮▮▮
c. Input from constituents is included in planning.	▮▮
d. Staff is involved in planning.	▮▮
6. **Program Development**	
a. Constituents and staff are involved in program design, implementation and evaluation.	▮▮
b. An M&E System exists incorporating identification of indicators, collection and analysis of data, evaluation of impact and processes for program modifications.	
7. **Program Reporting**	▮▮▮
a. NGO regularly reports on activities and results of evaluations.	▮▮▮
b. NGO publishes and disseminates reports on lessons learned.	▮▮

C. HUMAN RESOURCES

1. **Human Resources Development**	
a. Human resources development planning takes places.	▮▮
b. Staff training plan based on NGO's capacity needs and strategic objectives.	▮▮
c. Opportunities exist to integrate skills acquired in training into the work environment.	▮▮▮
d. Evaluations and promotions are based on performance and are equitable.	
2. **Staff Roles**	
a. Jobs descriptions are well defined, documented, respected and regularly updated.	▮▮▮▮
b. Clearly established links exist between staff capacity and NGO mission.	▮▮▮▮
c. Job descriptions are applied and used to measure staff performance.	
3. **Work Organization**	
a. Staff meetings are regularly scheduled.	▮▮▮
b. Staff participates in management decisions.	▮▮
c. Team work is encouraged.	▮▮▮

d. Information is shared freely among all staff members.	▮▮
e. Staff encouraged to take initiative and to be self-motivated.	▮▮
4. Diversity Issues	
a. Diversity of constituents is reflected in the composition of the board and staff.	▮▮▮
5. Supervisory Practices	
a. Supervision occurs on regular basis.	▮▮▮
b. Grievance and conflict resolution procedures are in place and practiced.	▮▮▮
6. Salary and Benefits	
a. Salaries are clearly structured and competitive.	▮▮▮
b. Benefits policy is clearly structured.	▮▮▮
c. NGO conforms to standard tax and labor regulations and requirements.	

D. FINANCIAL RESOURCES

1. Accounting	
a. Appropriate and adequate financial procedures and reporting systems are in place.	▮▮▮▮▮
b. Account categories exist for separating project funds.	▮▮▮▮
2. Budgeting	
a. Regular budgeting process is developed and integrated into annual operating plans.	▮▮▮▮
b. Staff is responsible for preparation and management of project budgets.	▮▮▮
3. Financial/Inventory Controls	
a. Adequate financial and inventory controls exist and are implemented.	▮▮▮▮▮
b. Internal and external financial reviews are performed with regular and appropriate frequency to assure transparency.	
c. Adequate procurement procedures are in place.	▮▮▮▮▮
4. Financial Reporting	
a. Financial reporting is accurate and timely.	▮▮▮▮▮
b. Reports are used for planning.	▮▮▮▮
c. NGO has a system for reporting on financial status.	▮▮▮▮▮

E. SERVICE DELIVERY

1. Sectoral Expertise	
a. Relevant sectoral expertise exists within organization.	▮▮▮
b. Expertise is credible and recognized by the development community.	▮▮▮
c. NGO is capable of adapting program and service delivery to the changing needs of constituency.	▮▮
2. Constituency Ownership	
a. Program priorities and services are defined in collaboration with constituency and are based on need and institutional capacity.	▮▮
b. Constituency perceives service delivery is adequate and cost effective.	
c. Appropriate structures exist to reach grassroots.	▮▮
3. Impact Assessment	
a. Indicators of success and impact have been jointly identified and established for each objective.	▮
b. Baseline data measurements are monitored and regularly analyzed.	▮
c. Impact assessments are used to adjust programs as required.	▮

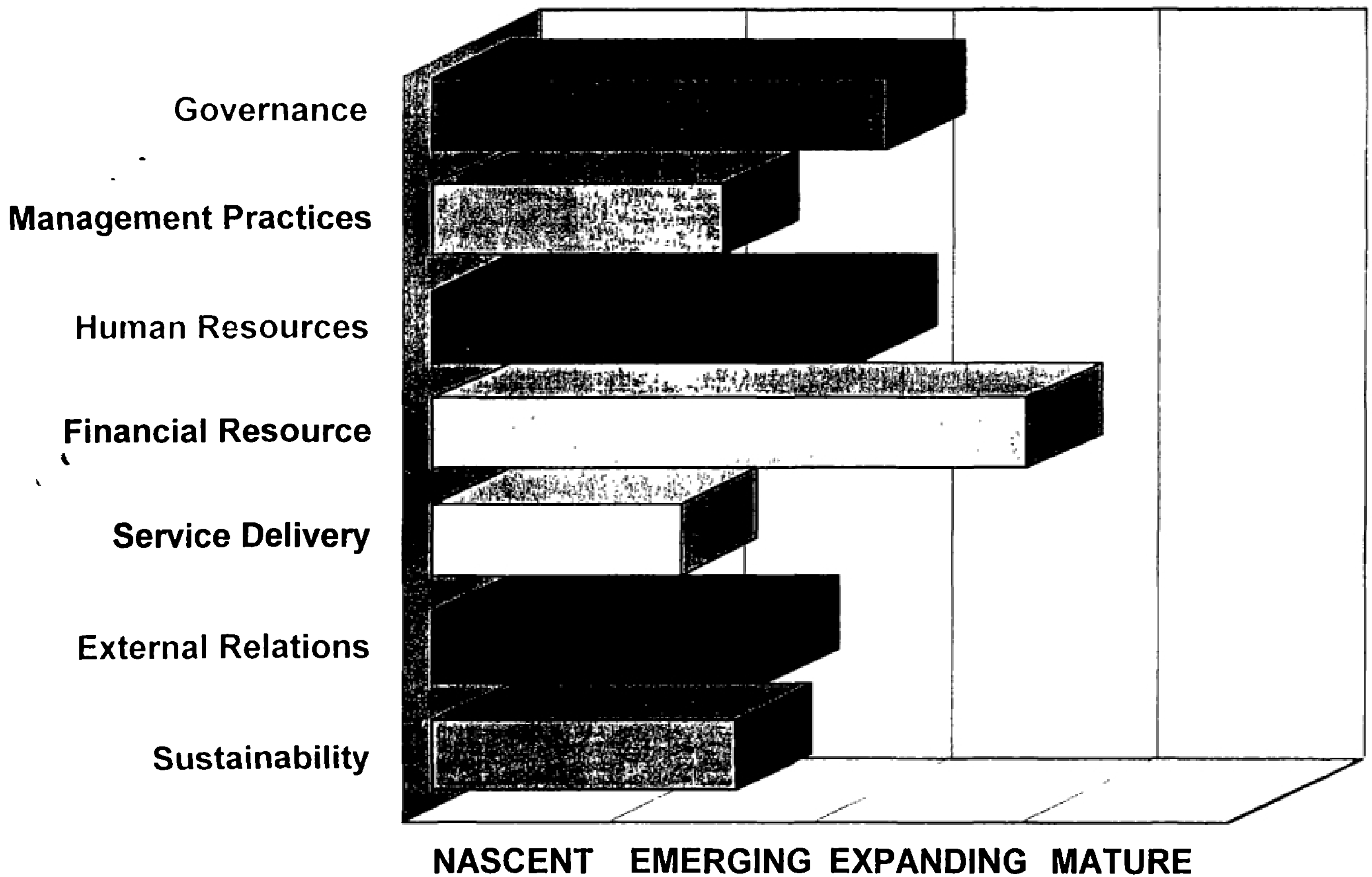
F. EXTERNAL RELATIONS

1. Constituency Relations	
a. NGO is seen as credible and a valuable resource to constituency.	▮▮
b. NGO is able to attract volunteer support.	▮▮
c. The NGO - constituency relationship is one of full partners serving a common purpose.	▮▮
2. Inter-NGO Collaboration	
a. NGO networks and shares resources with national and international NGOs	▮▮
b. NGO plays leadership role in promoting coalitions, networks and mechanisms for advocacy.	▮▮▮
3. Government Collaboration	
a. NGO has contacts with decision makers and is able to engage policy makers in dialogue.	▮▮
b. Exchange of resources occur between NGO and Government (training, TA, material resource, etc.).	▮
c. NGO plans and activities are integrated into national plan.	▮

c. NGO is a member of and shares information with umbrella organizations and networks.	
d. NGO has partnerships with INGOs, universities, research institutes and others.	
3. Financial Sustainability	
a. NGO has understanding of and ability to develop diversified resources to contribute to long-term activities.	
b. NGO has fee for services and/or other cost recovery mechanisms built into service delivery.	
4. Resource Base Sustainability	
a. Understanding of importance and need for an alternative resource base exits and a diversification plan is developed.	
b. Local resources capacity has been identified.	
c. Resource base is diversified.	
d. Provisions for additional resources to finance activities exist and plans are being developed.	
e. Proposal writing and fund raising capacity exist.	

Organizational Capacity Assessment

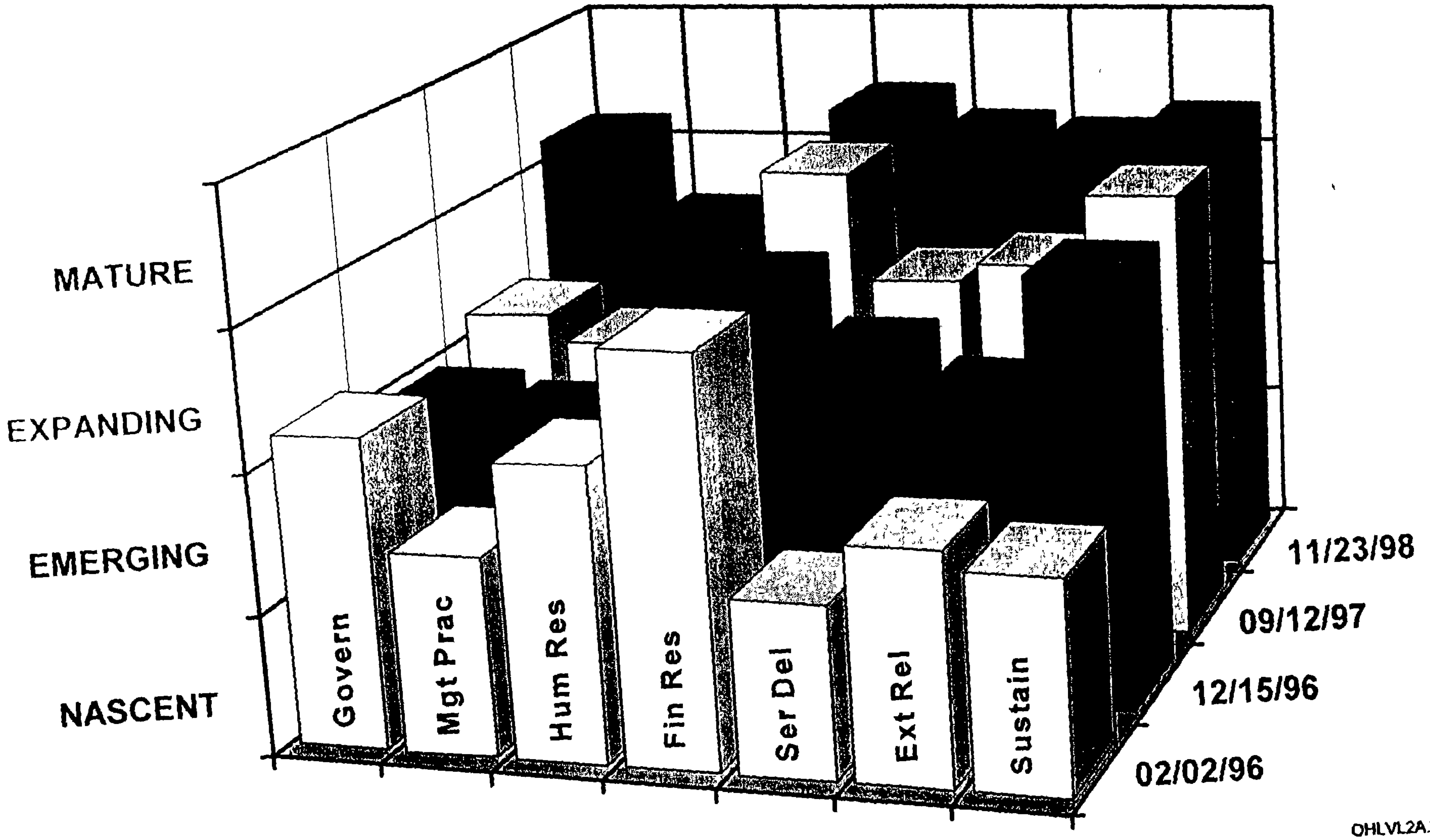
NGO XYZ - - 02/02/96



2

Organizational Capacity Assessments

NGO XYZ 02/02/96 -- 11/23/98



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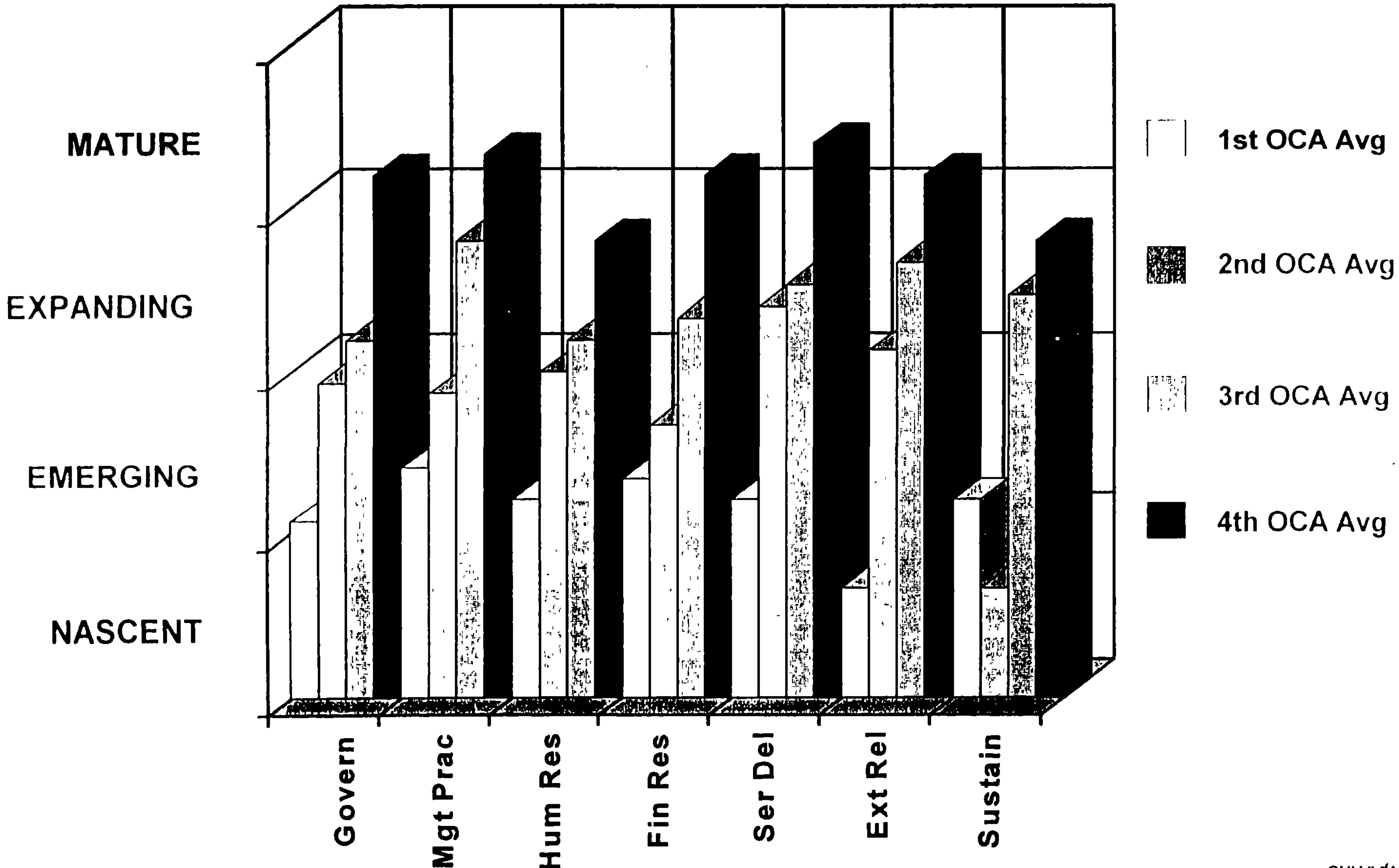
Organizational Capacity Assessments

All Project NGOs 1996 -- 1998



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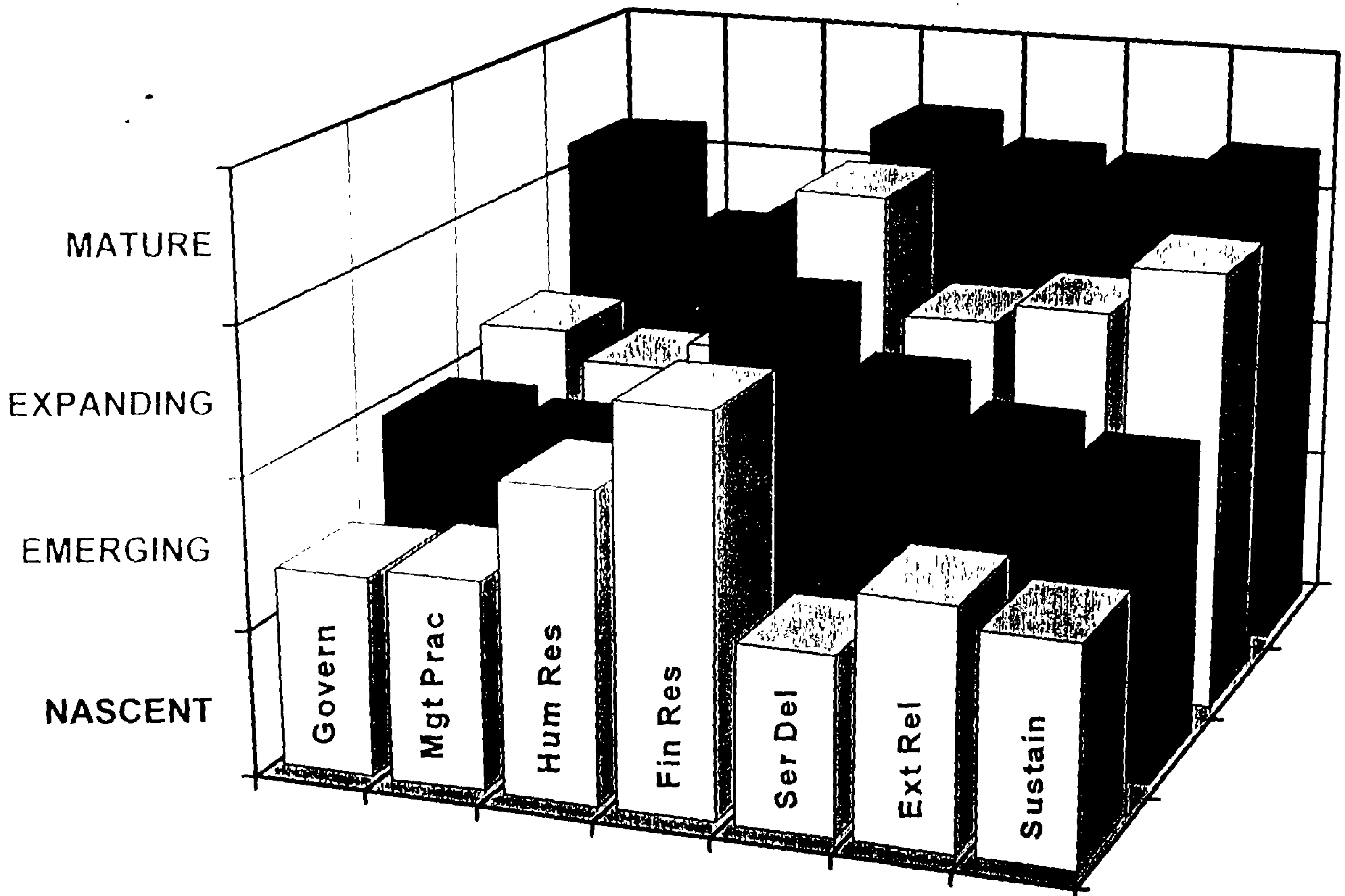
4

Organizational Capacity Assessments

All Food Security NGOs 06/02/96 -- 12/23/98



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Section IX - Glossary

Accountability	The responsibility for the justification of expenditures, decisions, or the results of one's own efforts. (see transparency)
Accounting system	Method or process to maintain and verify financial accounts.
Accuracy	The extent to which an evaluation is truthful or valid in what it says about a program, project or material.
Achievement	A manifested performance determined by some type of assessment.
Activity	Action taken or work performed within a project in order to transorm inputs (funds materials) into outputs (organizations, buildings).
Administration	The management of an organization.
Appraisal	Overall assessment of the relevance, feasibility and sustainability of a project prior to making a deccision on whether to undertake it.
Assessment	Often used as a synonym for evaluation. The term is sometimes restricted to processes that are focused on quantitative approaches.
Attrition	Loss of subjects from a defined sample during the course of a longitudinal study.
Audience(s)	Consumers of the evaluation: those who will or should read or hear of the evaluation, either during or at the end of the evaluation process. Includes those persons who will be guided by the evaluation in making decisions and all others who have a stake in the evaluation (see stakeholders).
Audit	An official analysis of an organizations accounts.
Background	The contextual information that describes the reasons for the project, its goals, objectives and stakeholders' information needs.
Baseline	Facts about the conditions or performance of subjects prior to treatment or intervention.
Beneficiaries	The direct (intended) or indirect target group that receive benefits from a project.
Bias	A consistent alignment with one point of view.

Board of Directors	(Or equivalent governing body) serves to provide overall policy direction to an organization, ensures effective organizational planning, monitors its functioning in relation to the plan or policy direction which it has set and oversight of its management.
Budgeting	The process of planning the amount of money needed or available for a specific project or period of time (eg. an annual budget).
Case Study	An intensive, detailed description and analysis of a single project or program in its environment.
Checklist Approach	Checklists are the principal instrument for practical evaluation: especially for investigating the thoroughness of implementation.
Client	(1) Person, group or agency that commissioned the evaluation. (2) USAID term for beneficiary under re-engineering design.
Coding	To translate a given set of data or items into computer-readable categories.
Communication	The sharing of relevant information among concerned individuals or groups.
Component	A physically or temporally discrete part of a whole. It is any segment that can be combined with others to make a whole.
Conceptual scheme	A set of concepts that generate hypotheses and simplify description.
Conclusions (of an evaluation)	Final judgments and recommendations.
Conflict resolution	A process to resolve opposition or differences of opinion among individuals or groups.
Constituency	A body or group of supporters or concerned inviduals.
Content analysis	A process of systematically determining the characteristics of a body of material or practices.
Control Group	A group that does not receive a service. The function of a control group is to determine the extent to which the same effect occurs without the service. The control group must be closely matched to the experimental group.
Correlation	A statistical measure of the degree of relationship between variables.
Cost analysis	The practical process of calculating the cost of something that is being evaluated. Cost analysis looks at: (1) costs to whom; (2) costs of what type; and (3) costs during what period.
Cost-benefit analysis	This process estimates the overall cost and benefit of each alternative product or program.

Cost effectiveness	This analysis determines what a program or procedure costs against what it does (effectiveness). Is this product or program worth its costs?
Criteria, criterion	A criterion (variable) is whatever is used to measure as success.
Cross-sectional study	A cross-section is a random sample of a population which is examined at one point in time.
Delivery system	The link between the product or service and the immediate consumer (the recipient population).
Descriptive statistics	Those that involve summarizing, tabulating, organizing and graphing data for the purpose of describing objects or individuals that have been measured or observed.
Design	The process of stipulating the investigatory procedures to be followed in doing a certain evaluation.
Development Objective	The main overall objective that the project is meant to contribute to in the long run, and which explains the reason why it is implemented.
Dissemination	The process of communicating information to specific audiences for the purpose of extending knowledge, and, in some cases, with a view to modifying policies and practices.
Diversity	Refering to individual or group differences.
Effectiveness	A measure of the extent to which a project or program is successful in achieving its objectives.
Efficiency	A measure of the "productivity" of the implementation process - how economically inputs are converted into outputs.
Evaluation	A systematic and independent examination of a project in order to determine its efficiency, effectiveness, impact, sustainability and the relevance of its objectives.
Executive report	An abbreviated report that has been tailored specifically to address the concerns and questions of a person whose function is to administer a program or project.
Executive summary	A non-technical summary statement designed to provide a quick overview of the full-length report on which it is based.
External evaluation	Evaluation conducted by an evaluator from outside of the organization within which the object of the study is housed.
External factor	Event, condition or decision which is necessary for project success, but which are largely or completely beyond the control of project management.

External relations	Interaction between an organizaation and its environment to ensure that it is noting and responding appropriately to the social, political, ecological, economic and other forces and events around it.
Extrapolate	To infer an unknown from something that is known.
Feasibility	The extent to which an evaluation is appropriate for implementation in practical settings.
Field test	The study of a program or project in settings like those where it is to be used.
Financial control	Methods to oversee and verify expenditures.
Financial resources	The resources required to purchase goods and services needed to conduct its affairs, record and account for financial transactions and monitor and report on its financial status. It involves adequate resources and necessary cash flow and diverse resource base and long-term plans for meeting its resource needs.
Flow Chart	A graphic representation of a set of decisions that is set up to guide the management of projects, including evaluations.
Focus group	A group selected for its relevance to an evaluation that is engaged by a trained facilitator in a series of discussions designed for sharing insights, ideas and observations on a topic of concern.
Goal	See: Development Objective
Governance	The provision of leadership and direction to an organization.
Government collaboration	To work jointly or cooperate with government agencies or representatives.
Human resources	Include management, staff, members, volunteers, constituents, donors and Board members who have skills. motivation and opportunity to contribute to an organization.
Human resource development	Involves acquiring and applying relevant skills and knowledge, as well as appropriate values and proper attitudes, among members of an organization.
Immediate objective	The immediate reason for a project. The effect which the project is expected to achieve if completed successfully and on time.
Impact	The positive or negative changes produced, direct or indirect, as the result of a program or project.
Impact evaluation	An evaluation focused on outcomes or pay-off.
Implementation evaluation	Assessing program delivery.

Indicator	A factor, variable or observation that is empirically connected with the criterion variable, a correlate.
Input	The funds, personnel, materials, ect. of a project which are necessary to produce the intended output.
Institutional development	Changes that are sought in social structures, in the patterns and arrangements of society; the context in which the NGO community functions.
Instrument	An assessment device adopted, adapted or constructed for the purpose of an evaluation.
Internal evaluator	Internal evaluations are those done by project staff.
Leadership	That which fosters involvement and participation of membership and the community or constituents who are the people that an organaization exists to serve. It is composed of management and a Board which articulates and maintains the direction of an NGO.
Legal Status	Whether or not an organization is a legal entity and conforms to the laws governing their creation and operation within a specific country.
Local resources	Means, to achieve or fulfill objectives, that can be drawn upon in the context of an organization's activities.
LogFrame	(1) Management tool which facilitates planning, execution and evaluation of a project. (2) The summary of a project in the form of a matrix that remains valid during project implementation but can be modified.
Longitudinal study	An investigation or study in which a particular group is followed over a substantial period of time to discover changes due to a specified influence.
Management systems	The mechanisms intended to coordinate activities and facilitate processes within an organization.
Matrix	An arrangement of rows and columns used to display components of evaluation design.
Mean	Also called "average". For a collection of raw data, the mean is obtained by adding all scores and dividing by the number of subjects involved in the analysis.
Measurement	Determination of the magnitude of a quantity.
Median	The point in a distribution which divides the group into two, as nearly as possible.
Mission	The goal which an organization hopes to achieve through its activities.

Mode	The value which occurs more often than any other. If all scores occur with the same frequency, there is no mode. If the two highest scores values occur with the same frequency there are two modes.
Monitoring	Continuous or periodic surveillance of the physical implmentation or a project to ensure that inputs, activities, outputs and external factors are proceeding according to plan.
Monitoring and Evaluation system	A manual or electronic system for collecting and analyzing data and integrating the resulting information into operational planning an decision making, program monitoring and evaluation.
Needs assessment	Using a diagnostic definition, need is anything essential for a satisfactory mode of existence or level of performance. The essential point of a needs assessment for evaluation is the identification of performance needs.
Norm	A single value, or a distribution of values, constituting the typical performance of a given group.
Objective	A specific description of an intended outcome.
Observation	The process of direct sensory inspection involving trained observers.
Operational planning	The translation of long-term strategies into specific objectives and activities for specified time periods such as a program or financial year. It is based on reviews of outcomes of previous planning, assessment of resource availability and contectual analysis.
Organizational culture	The manner in which an organization learns to prceive, think, feel about and respond to situations affecting its purpose, program and operations. It is based on the history, experiences, traditions, language and values shared by members.
Organizational development	An ongoing process that optimizes an organization's performance in relation to its goals, resources, and environment.
Outcome	Post-intervention effects.
Output	The results that can be guaranteed by the project as a consequence of its activities.
Paradigm	A general concept of or model which may be very influential in shaping its development.
Personnel	A body of employees involved in planning/carrying out an organization's activities.
Planning	The process of detailing and formulating how something is to be done.

Process evaluation	Refers to the evaluation of the intervention. It focuses entirely on the variables between input and output.
Product	A process or product resulting from an intervention.
Program	The general effort that marshals staff and a group of related services or projects toward defined and funded goals.
Project	A planned undertaking designed to achieve certain specific objectives within a given budget and within a specified period of time.
Project matrix	A summary of project design which identifies the key elements, external factors and expected consequences of completing the projecct successfully.
Public relations	The maintenance of a favorable public image.
Purpose	See immediate objective.
Qualitative evaluation	The part of an evaluation that is primarily descriptive and interpretative and may or may not lend itself to quantitative treatment.
Quantitative evaluation	An approach involving the use of numerical measurements and data analysis based on statistical methods.
Recommendations	Suggestions for specific appropriate actions based upon analytic approaches to the program components.
Relevance	The degree to which the rationale and objectives of a project are, or remain, pertinent, significant and worthwhile, in relation to the identified priority needs and concerns.
Replication	Repeating interventions or evaluation with all essentials unchanged. Replications are often difficult to evaluate because of changes in design or execution.
Research	The general field of disciplined investigation.
Resource base	The means available for an organization to achieve its objectives.
Result	See output
Secondary data analysis	A re-analysis of data using the same or other appropriate procedures to verify the accuracy of the results of the initial analysis or for answering different questions.
Sectoral expertise	The area or field (e.g., health, agriculture, environment, etc.) in which an organization has gained skill or knowledge.

Service delivery	The programs and services carried out by NGOs that are appropriate, cost-effective and of quality.
Significance	Overall significance represents the total synthesis of all you have learned about the merit or worth of the program or project. This is different from statistical significance which may be testing one of several conditions of a program or project.
Staff development	Effective linking of theory to practice. Application of theory is enhanced when guided technical application (mentoring) provides follow-on support to individuals and organizations as a regular component of training programs.
Staff roles	The effective functions of individual members of an organization.
Stakeholder	A program's stakeholder is one who has credibility, power or other capital invested in the project and thus can be held to be to some degree at risk with it.
Statistic	A summary number that is typically used to describe a characteristic of a sample.
Strategy	A systematic plan of action to reach pre-defined goals.
Strategic planning	The process of refining a vision and mission and determining the long-term strategies an NGO will follow to achieve the mission.
Summary	A short re-statement of the main points of a report.
Sustainability	The extent to which a partner country institutions will continue to pursue the objective after project is over. Involves programs, institutions and funding.
Target group	(Direct beneficiaries). The specific group for whose benefit the project or program is underaken; closely related to impact and relevance.
Training	Seeks to improve an individual's or group's understanding of their roles in relation to the organization's mission; enhances their ability to respond more effectively through the acquisition of new skills.
Transparency	Extent to which an NGO conducts its affairs in a mannger which is clear and easily understood by all stakeholders (see accountability)
Treatment	Whatever is being investigated; in particular, whatever is being applied or supplied to, or done by, the experimental group to distinguish them from the comparison group.

Triangulation	An attempt to get a fix on a phenomenon or measurement by approaching it via several independent routes. It can be more than three routes. This effort provides redundant measurement.
Unanticipated outcomes	A result of a program that was unexpected. Often used as a synonym for side-effects but only a loose equivalent.
Utilization (of evaluation)	Use and impact are terms used as substitutes for utilization. Sometimes seen as the equivalent of implementation but this applies only to evaluations which contain recommendations.
Validity	The soundness of the use and interpretation of a measure.
Work organization	The systematic assignment of tasks and responsibilities.

ANNEX I
Revised OCAT

Annex -

PACT

Organizational Capacity Assessment Tool - Ranking Sheet

Name of NGO:
Date of Assement:
Assement Conducted by:

Rating Scale

1	Needs urgent attention and improvement
2	Needs attention
3	Needs improvement on fairly wide scale, but not major or urgent
4	Needs improvement in limited aspects, but not major or urgent
5	Room or some improvement
6	No need for immediate improvement

A. Governance

1. Board	
a. The board provides overall policy direction and oversight.	
b. The board provides accountability and credibility.	
c. The Board is composed of committed members	
d. The Board represents the varied interests of the constituents	
e. The board is capable of carrying out key roles such as policy formulation, fund rising, public relation and lobbying.	
f. Mechanism are in place for obtaining appropriate input from the constituency.	
g. Board respects by-laws concerninig fixed terms of office and quorum.	

h. Board members work in voluntary and unpaid capacity

2. Mission / Goal	
a. The NGO has articulated mission / goal.	
b. The NGO's mission is understood by staff and constituency.	
c. The NGO's mission is understood by the public.	
d. Strategic objectives are aligned with mission, and are realistic.	

e Operational planning is jointly conducted by senior management, staff and constituency	

3. Constituency	
a There is a well defined constituency base.	
b. There are regular surveys of constituency needs.	
c. Survey findings on constituency needs are integrated into the planning process.	
d.The constituency is regularly involved in the review of the NGO's mission and strategies.	
e. The board executes its role of advocate for constituents.	

4. Leadership	
a. Board and senior management have a clear understanding of their roles and responsibilities as providers of overall direction.	
b. Senior management's relationship to staff is participatory, transparent and management decisions are delegated.	
c. Leadership is accessible and fosters participation of constituents.	

B. MANAGEMENT PRACTICES

1. Organization Structure	
a. NGO has an organizational structure with clearly defined lines of authority and responsibilities	
b.NGO function adheres to the organisational structure	

2. Information Systems	
a. Systems exist to collect, analyze and disseminate data and information.	

3. Administrative Procedures	
a. Administrative procedures manual exist	
b. Administrative procedures manual are followed/adhered to	
c. Operating manuals exist and are followed.	
d.Procedures and operating manuals are updated regularly.	

4. Personnel	
a. Recruitment, employment and personnel practices are clearly defined and followed.	

5. Planning	
a. Operating plans are developed and reflect a strategic plan.	
b. Operating plans are reviewed and updated.	
c. Resources are planned for and allocated properly.	

6. Program Development	
a. Constituents and staff are involved in program design, implementation, monitoring and evaluation.	
b. An M/E system exists incorporating identification of indicators and processes for program modifications.	

7. Program Reporting	
a. NGO regularly reports on activities	
b. NGO regularly reports on results of evaluations.	
c. NGO publishes and disseminates reports on lessons learned.	
C. HUMAN RESOURCES	
1. Human Resources Development	
a. Human resources development planning takes places.	
b. Staff training plan is based on the NGO's capacity needs and strategic objectives.	
c. Opportunities exist to integrate skills acquired in training into the work environment.	
d. Evaluations and promotions are based on performance.	

2. Staff Roles	
a. Jobs descriptions are well defined and documented.	
b. Job descriptions are applied, updated and used to measure staff performance	
c. Clearly established links exist between staff capacity and NGO mission.	

3. **Work Organization**	
a. Staff meetings are regularly scheduled.	
b. Staff participates in management decisions.	
c. Team work is encouraged.	
d. Information is shared freely among all staff members.	
e. Staff encouraged to take initiative and to be self-motivated.	

4. **Diversity Issues**	
a. Diversity of constituents is reflected in the composition of the board and staff.	

5. **Supervisory Practices**	
a.Supervision occurs on a regular basis.	
b. Grievance handling procedures are in place and practised.	
6. **Salary and Benefits**	
a. Salaries are clearly structured and competitive.	
b. Benefits policy is written and practiced	
c. NGO confirms to standard tax and labor regulations and rrequirements	

D. FINANCIAL RESOURCES

1. **Accounting**	
a. Appropriate and adequate financial procedures and reporting systems are in place.	
b. Account categories exist for separating project funds.	

2. **Budgeting**	
a. Regular budgeting process is developed and integrated into annual operating plans.	
b. Staff is responsible for preparation, implementation and monitoring of project budgets.	

3. Financial / Inventory Controls	
a. Adequate financial and inventory controls exist.	
b. Internal and external financial reviews are performed with regular and appropriate frequency to assure transparency.	
c Adequate procurement procedures are in place	

4. Financial Reporting	
a. Financial reporting is accurate.	
b. Financial reporting is timely.	
c. Reports are used for planning.	
d. NGO has a system for reporting on financial status.	

E. SERVICE DELIVERY

1. Sectoral Expertise	
a. Relevant sectoral expertise exists within organization.	
b. Expertise is credible and recognized by the development community.	
c. NGO is capable of adapting program and service delivery to the changing needs of constituency.	

2. Constituency Ownership	
a. Program priorities and services are defined in collaboration with constituency .	
b. Program priorities and services are based on need and institutional capacity.	
c.Constituency perceives service delivery is adequate and cost effective.	
d.Appropriate structures exist to reach grassroots.	

3. Impact Assessment	
a. Indicators have been jointly identified (with the relevant stakeholders) and established for each objective.	
b. Indicators are evaluated against base line data and programs are adjusted as required.	

F. EXTERNAL RELATIONS

1. Constituency Relations	
a. NGO is seen as credible and a valuable resource to constituency.	
b. NGO is able to attract volunteer support.	
c. The NGO - constituency relationship is one of full partners serving a common purpose.	

2. Inter- NGO Collaboration	
a. NGO networks and shares resources with national & International NGOs	
b. NGO plays a role in promoting coalitions, networks.	
c. NGO plays advocacy role .	

3. Government Collaboration	
a. NGO has contacts with decision makers and is able to engage policy makers in dialogue.	
b. Exchange of resource occur between NGO and Government (training, TA, material resource, etc.).	
c. NGO plans and activities are integrated into natioanl plan	

4. Donor Collaboration	
a. NGO has diversified contacts within the donor community.	
b. NGO is regarded as a credible and valuable resource to donor(s).	
c. NGO has the opportunity to engage in open and frank dialogue with donor(s).	

5. Public Relations	
a. NGO understands how to conduct and engage in public relations.	
b. NGO image is clearly articulated and is well known.	
c. Information on the NGO is available and mechanism for disemination exist	

6. Local Resources	

a NGO has relations with private business sector for technical expertise, material and human resources (such as Board members and /or other).	
b NGO is perceived as a community partner.	

7. Media	
a NGO is well known and their opinions and experiences are solicited by media.	
b.NGO uses media as means to inform public about its work and/or mount public education campaigns	

G. SUSTAINABILITY

1. Program / Benefit Sustainability	
a. NGO program activities are supported by those it serves because the benefits are important to and owned by the constituency.	
b. NGO program activities can continue due to behavioral changes in constituency.	
c. NGO has developed systems for short and long-term continuity.	
d. NGO has developed phasing- out strategies	
e. Local institutions have been identified to provide continuing support.	

2. Organizational Sustainability	
a. NGO has a shared vision of its role and the skills to interact with other partners in civil society.	
b. NGO participates as a full and equal partner in the development process.	
c. NGO is a member of and shares information with umbrella organizations and networks.	
d. NGO has partnerships with INGOs, universities, research institutes, civic society and the private sector in general.	

3. Financial Sustainability	
a. NGO has fee for services and/or other cost recovery mechanisms built into service delivery.	

4. Resource Base sustainability	
a. understnding of importance and need for an alternative resurce base exists and diversification plan developed	
b.Resource base is diversified and local resources capacity has been identified.	
c. Proposal writing and fund raising capacity exist.	

Annex II
Reporting Format

GUIDELINES
TRANSFORMING PACT/OCAT RESULTS INTO REPORTING FORMATS

The technical results of the OCAT should be interpreted and narrated in standard, easy to read report formats to enable all the stakeholders and other users to understand the situation of the organization and to clarify subtleties which cannot be explained quantitatively. The report should provide sufficient information so as to be able to stand on its own. The following format provides a clear an simple way to organize the report and to present the findings.

The report is organized as follows:

Title Page
Acronyms (Optional)
Executive Summary
Table of Contents

1. Introduction and Background

1.1. Background
1.2. Objectives

2. Methodology

2.1 Framework
2.2 Information Gathering
2.3 Information Analysis
2.4 Limitation/Constraints

3. Analysis and findings

3.1 Strengths and Weaknesses for each component of organizational effectiveness.
3.2 SWOT/SLOT analysis

4. Conclusions and Recommendations

4.1. Conclusions
4.2. Recommendations
4.3. Options for Pact's Interventions

3. Analysis of the Findings

3.3. Strengths and Weaknesses

This section should include an interpretation of the results within the context of the NGOs activities. Weaknesses and strengths should be identified for each of the components and sub-components, following the OCAT Questionnaire format 1-7. Specific indicators may be elaborated in detail in an effort to clarify the problems and articulate areas of possible interventions. identify components which may need further assessment.

4. Conclusions and Recommendations

4.1. Conclusions
4.2. Recommendations
4.3. Options for Pact's Intervention

In this section conclusions should be on an analysis of the findings which requires an relationship between both. The conclusions facilitate the formulation of general and specific recommendations to address the NGO's needs for organizational capacity building or strengthening both the short and long term. The recommendations can be further divided into: areas where external assistance such as technical assistance, mentoring or training may be required; or areas where the organization can manage its own change.

Conclusions and Recommendations could include options for Pact or suggestions for specific interventions from other organizations which cold meet the NGOs needs or respond to plans which it has already made. suggestions for how best to provide feed-back to participates can be made.

5. Annexes

This section should include relevant documents, data, table, assessment ranking, organization structure, a glossary, and other pertinent information as the evaluators deem necessary. Each annex should be numbered and listed by title in the table of contents.

TOPIC	SUB-TOPIC	STRENGTH	WEAKNESS
D. Financial Resources	a. Accounting		
	b. Budgeting		
	c. Controls Financial/Inventory controls		
	d. Reporting		
E. Service Delivery	a. Sectoral Expertise		
	b. Constituency ownership		
	c. Impact Assessment		
F. External Relations	a. Constituency Relations		
	b. Inter-NGO collaboration		
	c. Government collaboration		
	d. Donor Collaboration		
	e. Public Relations		
	f. Local Resources		
	g. Media		
G. Sustainability	a. Programme/Benefit sustainability		
	b. Organizational sustainability		
	c. Financial sustainability		
	d. Resource base sustainability		

OCAT ASSESSMENT - SWOT ANALYSIS

TOPIC	SUB-TOPIC	STRENGTH	WEAKNESS
A. GOVERNANCE	a. Board		
	b. Mission/Goal		
	c. Constituency		
	d. Leadership		
B. Management Practices	a. Organizational Structure		
	b. Information Systems		
	c. Administrative Procedures		
	d. Personnel		
	e. Planning		
	f. Programme Development		
	g. Programme Reporting		
C. Human Resources	a. Human Resources Development		
	b. Staff role		
	c. Work organization		
	d. Diversity issues		
	e. Supervisory practices		
	f. Salary and Benefits		