A Composite Framework for Assessing the Capacity of Development Organizations

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Numerous frameworks for describing or assessing the institutional capacity of development organizations are in development and use. Several, tailored for use with private voluntary organizations (PVOs) and local non-governmental organizations (NGOs), have been developed under USAID auspices by contractors and PVOs themselves. This is a timely emphasis. Past history in measuring institutional capacity in the development arena reflects real conceptual and practical limitations.

Fortunately there is a great deal of similarity in these new frameworks, reflecting the fact that there is a well-developed emerging consensus on the attributes that make for effective and sustainable institutions. Where frameworks differ is in emphasis, semantics, and in the way certain attributes are defined or clustered. "Governance," for example, can refer to the relatively narrow issue of an organizations legal (governing) structure or it can be a category encompassing the organization's culture, mission and values. "Management" can be used to refer rather narrowly to management systems and procedures or be used in the much broader sense of strategy and leadership. "Strategic Management" can include factors of governance and a sense of vision or mission.

There is no right or wrong way to use these or any of the concepts used to define institutional attributes. But since there is common ground on the key attributes, despite some variation in how terms are used, it is useful to illustrate the array of institutional attributes as defined under several current frameworks (see Figure 1).

This summary does not do justice to the richness of these frameworks, most of which provide sub-categories and/or indicators to give substance and meaning to the attributes. Another point worth noting is that many of these frameworks come with highly participatory suggestions as to how they are to be used. That is, the purpose often is not simply to judge an organization's capacity but rather to provide a learning tool for institutional self-understanding and a launching pad for capacity enhancement. In this approach, assessment teams play a facilitating role and participants rather than external assessors take the lead in determining the relative capacity of their own organization.

Most frameworks use perception scales or indices as the measuring device along various continuums of organizational development (usually tied to a specific organizational unit of analysis). This enables some quantification of results in a relative, if not absolute, sense. Typically capacity is assessed along each measurement dimension using a numeric scale from, say, one to five. This permits calculation of both category and comprehensive "scores" and these scores can be benchmarked and compared over time or between organizations. The theory behind the use of scales or indexes attached to well-defined categories and indicators is that much of the impact of subjectivity is removed from the process.

At the same time, collaborative discussion around index scores creates opportunity for valuable processes of consensus building and shared learning among assessment team members. This is true whether the team is from a single organization or a group of partner organizations. Discussion around assessment scores can be a valuable first step in defining and building commitment to new capacity building agendas. Some formats combine a process focus with pre-discussion research by an assessment team.

A set of common categories of institutional capacity is offered here as a basis for discussion of USAID success in supporting capacity improvements among its PVO and NGO partners (and, by extension, their partners).

The matrix in Figure 1 provides a comparative look at several institutional assessment frameworks and offers a composite set of attributes drawn from these examples. That composite set includes eleven attributes organized into three clusters as follows:

Institutional Resources
- Legal Structure and Governance
- Human Resources
- Management Systems and Practices
- Financial Resources

Institutional Performance
- Program Results
- Networking and External Relations
- Application of Technical Knowledge
- Constituency Empowerment

Institutional Sustainability
- Organizational Autonomy
- Leadership
- Organizational Learning

Institutional resources represents the attributes an organization possesses or controls and consists of its basic legal structure, assured access to human, financial, technical, and other resources, and its management systems and structure, including performance management systems. *Institutional performance* measures an institution's program, services, or other impacts as a result of how effectively it employs its institutional and technical resources. For PVOs and NGOs, external relations and the empowerment of civil society are frequently key intended outcomes. Institutional performance assesses both efficiency and effectiveness at a point in time. *Institutional Sustainability* incorporates more forward-looking attributes such as organizational autonomy, leadership, and learning capacity which, in turn, help ensure sustainability and self-reliance in the future.

These composite clusters and the organization of the characteristics of all the models into the particular clusters of the matrix have been determined by the authors. References and additional information on the institutional capacity models compared in the matrix are as follows:

- "ISR" (Institutional Self Reliance) is based on "Institutional Self Reliance: A Framework for Assessment" by Jerry VanSant (Center for International Development Working Paper, Research Triangle Institute, 1991). In this framework, originally prepared for the UNDP, assessment categories are clustered by *Institutional Formation* (institutional stock, human resources, financial resources), *Institutional Function* (management, environmental mastery, program delivery) and *Institutional Condition* (Character, Leadership). Each assessment category is further defined by a set of indicators measuring the related attributes. The concept of "institutional stock" in this framework refers to the physical, technical, and structural resources possessed by, controlled by, or otherwise available to the institution. These resources, along with human and financial resources, comprise the systemic assets of an organization that are then converted into functional outputs and impact.

- "OCAT" is based on "Organizational Assessment Capacity Tool: A Handbook on Participatory Monitoring and Evaluation" (PACT, 1996). The seven characteristics in the Figure 1 matrix represent clusters in the OCAT framework within which there are the following subheadings: *Governance* (Board, Mission/Goal, Constituency, Leadership, Legal Status); *Management Practices* (Organizational Structure, Information Systems, Administrative Procedures, Personnel, Planning, Program Development, Program Reporting); *Human Resources* (Human Resources Development, Staff Roles, Work Organization, Diversity Issues, Supervisory Practices, Salary and Benefits); *Financial Resources* (Accounting, Budgeting, Financial/Inventory controls, Financial Reporting); *Service* Delivery (Sectoral Expertise, Constituency Ownership, Impact Assessment), *External Relations* (Constituency Relations, Inter-NGO Collaboration, Government Collaboration, Donor Collaboration, Public Relations, Local Resources, Media); *Sustainability* (Program/Benefit Sustainability, Organizational Sustainability, Financial Sustainability, Resource Base Sustainability). OCAT categorizes NGOs into four distinct stages of development according to their competence in the seven OCAT components of organizational effectiveness. OCAT defines these stages as nascent, emerging, expanding, and mature. An NGO is not necessarily at the same stage of development on all the components.

- "DOSA" is based on "New Directions in Organizational Capacity Building" (1998 DOSA Workshop Report, PACT and EDC, 1998). DOSA was designed to be used by a PVO's own "capacity team" working alongside a trained facilitator. The assessment process itself should model the organizational change it is designed to promote. Uniquely in DOSA, assessment is keyed to group discussion of "critical incidents that are "closely connected to the organization's ability to promote significant and lasting change." DOSA provides two kinds of measures: a capacity score (perceptions of strengths and weaknesses) and a consensus score (degree of agreement among assessment team). There is no clustering in the DOSA framework but the six "capacity areas" in the DOSA framework each serves as a category for a number of related attributes which are the basis for measurement. DOSA is seen by its creators as a "process tool" for capacity-building, not a static assessment tool. It can be "redesigned" each time by the particular community using it; that is, the categories are guidelines, not fixes parameters.

- "TTAP" is based on "Training and Technical Assistance Plan" (Counterpart International, 1999). TTAP is a process-oriented approach in which each capacity component is used as the basis for a participatory workshop session. The six components in the TTAP framework and their related subheadings are *Financial Sustainability* (Funding Sources, Fundraising, Financial Management); *Governance* (Mission/Objectives, Governing Body/Board, Process of Decision Making); *Products and Services* (Customers, Feedback, Product Promotion); *Human Resources* (Staff, Members, Volunteers); *Management* (Administration, Information Systems, Reporting); *Interaction with the Environment* (Public Relations, Business Relations, Mass Media). For each of these, TTAP provides indicators representing "productive activity" and "needs urgent attention" as a basis for discussion.

- "ISA" is the "Institutional Strength Assessment" Methodology developed under the USDAID/PVC-supported Child Survival Technical Support Project (CSTS) implemented by Macro International, Inc. ISA is itself a compilation of common areas of institutional capacity based on a review of sixteen instruments developed in the 1995-1999 period (including DOSA, OCAT, and OCI). In its present form (defined as a "first cut") ISA reduces 55 separate capacity areas defined by these 16 tools into eight general capacity areas. A particular feature of ISA is its identification of "use and management of technical knowledge and skills" as a category separate from management skills of human resources. This seems appropriate for service delivery organizations (health services in the case of the organizations for which ISA is being developed). ISA is being designed to support participatory self-assessment which CSTS has determined is preferred by most NGO to external assessment of institutional capacity.

- "IDF" refers to the Institutional Development Framework developed by Management Systems International (MSI). It is part of a broader toolkit that also includes an Institutional Development Profile (a graphic representation of an organization's rank on each assessment component) and an Institutional Development Calculation sheet (a table format for tracking progress on each component). Together these are designed to help an organization determine where it stands on a variety of organizational components, identify priority areas of improvement, set targets, and measure progress over time. IDF identifies five capacity areas, largely focused on organizational resources. These include Oversight/Vision (board, mission, autonomy, Management Resources, Human Resources, Financial Resources, and External Resources (ability to work with communities, government, other NGOs).

- "OCI" is the "Organizational Capacity Indicator" scale of the Christian Reformed World Relief Committee (CRWRC) drawn from "Partnering to Build and Measure Organizational Capacity" (CRWRC, 1997). This publication, described as an inquiry into partnership and organizational capacity building by CRWRC and over 100 NGO partners (assisted by the Weatherhead School of Management as Case Western Reserve University under the USAID-supported GEM project), presents four similar frameworks developed by CWRWC partners in East Africa, West Africa, Latin America, and Asia. OCI is a composite tool developed by CRWRC. It is not intended as a standardized methodology but rather a framework within which an organization can create its own capacity monitoring tool through a process of sharing experiences related to each component of capacity. The objective is for each organization to be able to measure itself against its own vision for the future. There is no

clustering in the OCI framework. CRWRC, however, offers a separate set of attributes of effective partnership: practice appreciation, contextualize everything, think organically, emphasize learning, and create systems for mutual accountability.

- "Fisher" is based on "Non governments: NGOs and the Political Development of the Third world," by Julie Fisher (Kumarian Press, 1997). The attributes noted in the matrix are not presented as an organizational capacity framework as such. Rather they are described as the keys to organizational autonomy which Ms. Fisher believes is the most important attribute for NGOs to be effective in their local context. Because Fisher's study is probably the most rigorously research-based of any of the capacity frameworks discussed here, it is worth including. Several attributes are unique to her presentation such as an organization's basic commitment to autonomy, its ability to use research-based social and managerial knowledge to undergird policy advocacy, and its field-based experience training government workers (particularly relevant to developing policy influence).

Also worthy of note is the "NGO Sustainability Index" developed by the Office of Democracy and Governance of USAID's Bureau for Europe and Eurasia. This index differs from the organizational assessment tools above in two major respects. First, it measure's the *collective* strength of the NGO sector in a country or region. Second, it measures not only organizational attributes but also recognizes the importance of factors in the environment that affect NGO development and sustainability. Factors in the NGO Sustainability Index include:

- The Legal Environment
- Organizational Capacity
- Financial Viability
- The Political and Advocacy Environment
- NGO Public Image
- Service Provision Effectiveness
- Sectoral Infrastructure (including access to intermediary support organizations).

Experience with these tools raises questions of trade-offs in their use. A standardized tool, applied consistently over time or across organizations for comparative purposes, provides a valuable benchmarking and evaluation tool. A tool intended for local adaptation and conceptualization in a participatory process keyed to a local NGOs own mission and strategic objectives provides a useful learning and planning device but may lose some relevance for assessment.

Finding balance between these extremes with a mix of common elements and contextual tailoring may be the most fruitful avenue for future development.

Figure 1 Attributes of Institutional Capacity

Composite Attributes	ISR	OCAT	DOSA	TTAP	ISA	IDF	OCI	Fisher
Institutional Resources								
Legal Structure and Governance	- Institutional Stock	- Governance						
Human Resources	- Human Resources	- Human Resources	- Human Resource Management	- Human Resources	- Human Resource Management	- Human Resources	- Teamwork	- Technical expertise
Management Systems and Practices	- Management	- Management Practices		- Management	- Management Practices	- Management Resources	- Management	- Social and managerial knowledge
Access to Financial Resources	- Financial Resources	- Financial Resources	- Financial Resource Management	Financial Sustainability	- Financial Resource Management	- Financial Resources		- Financial diversification
***Institutional* Performance**								
Program Results	- Program Delivery	- Service Delivery	- Service Delivery	- Products and Services			- Results Attainment	- field training experience
Networking and External Relations	- Environmental Mastery	- External Relations	- External Relations	- Interaction with the Environment		- External Resources	- Networking - Communication	- mass base
Application of Technical Knowledge					- Use and Management of Technical Knowledge			
Constituency Empowerment							- Empowerment	
***Institutional* Sustainability**								
Organizational Autonomy	- Institutional Condition	- Sustainability		- Governance	- Sustainability	- Oversight/ Vision	- Spirituality and Faith	
Leadership	- Leadership		- Strategic Management		- Strategic Management		- Tranformational Leadership	- Organizational commitment
Organizational Learning			- Organizational Learning		- Organizational Learning		- Community and Culture	- Strategic knowledge

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