Instructions for the USAID Organizational Capacity Assessment (OCA) Tool

What is the OCA?

The Organizational Capacity Assessment (OCA) is a structured tool for a **facilitated self-assessment of an organization's capacity followed by action planning for capacity improvements**. The self-assessment approach increases ownership of the action plan. The OCA format helps the organization reflect on its processes and functions, and score itself against benchmarks. Based on the discussions and the scoring, the organization shape and sets priorities for actions it can take to strengthen its capacity.

The process is facilitated by individuals outside the organization (USAID staff or other partners). The facilitators guide the process in a neutral way, helping the participants understand the characteristics of different levels of capacity so they can assess their own strengths and weaknesses. The process can promote information sharing, a healthy internal dialogue, and consensus building by including representatives from various units and levels of the organization. It can also help build relationships and trust within the organization and between the organization and USAID or another USAID partner organization.[1]

The organization's participants (management, staff, and sometimes, board members) discuss institutional abilities, systems, procedures, and policies in various capacity areas. Then, they reach agreement on a set of scores based on statements that reflect different capacity levels. The scoring is guided by the participants' understanding of how their organizational processes work. The scores are supported by justifications, explanations and supporting documentation for each item. However, since the OCA is not an audit, external review, or evaluation the scores are not "corrected" by the external facilitators.

Action planning is the most important part of the process, not the self-assessment scores. Many donors have found that capacity development activities are more likely to bring about sustainable change if the client organizations have strong ownership of the action plans.[2] Consequently, the partner organization sets the priorities for addressing its weaknesses and the path forward. For each of the identified areas for improvement, the action plan designates next steps, lead and other staff responsible for overseeing each priority item, a timeline for capacity development activities, resource requirements, and possible sources of technical assistance. The action plan should be for the whole organization, not just the USAID-funded project. Annex 5 presents a short history of the OCA.

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[1] USAID also supports a complementary approach, Human and institutional Capacity Development (HICD), which is based on an external diagnosis by certified experts. A handbook on HICD is available at http://pdf.usaid.gov/pdf_docs/pnadw783.pdf

[2] Baser, Heather et al. 2011. Lessons Learned and Actions for Busan and Beyond: Synthesis Report, Prepared for the OECD Cairo Workshop on Capacity Development from Concepts to Implementation, 28-29 March 2011.

How is the OCA Used?

The OCA is one of the most important tools supporting USAID's Local Solutions Initiative.[3] The Local Solutions team recommends its use by local organizations with direct or indirect awards soon after the award and once or twice more during the award period. The representatives of the local organization discuss each aspect of capacity addressed in the OCA and reach a consensus on scores on a scale of one to four, with four representing the highest capacity in the standard USAID tool. The USAID OCA is based on the consensus scores of the participants, rather than averages of the scores of each individual. The facilitator supports the organization's discussion and self-scoring and helps them develop a manageable action plan.

To encourage consistency in comparisons and conclusive decisions, facilitators should inform participants that an organization should meet all of the criteria for a particular score and avoid using half scores. However, facilitators should not argue if the participants feel that a different score better reflects the capacity of the organization. The OCA scores are less important than the process of discussing the organization's strengths and weaknesses, action planning, and relationship building.

The action plan identifies priority issues to be addressed, the lead and secondary responsibilities, preliminary timing, and resource and technical assistance requirements for each issue. The local organization should take the lead in identifying the proposed actions and priorities and resources needed because the extent of its ownership of the action plan will affect the likelihood that it will be carried out. The action plans can also help USAID plan its mentoring and technical assistance, coordinate with the capacity development resources available from other service providers, and broker mutually beneficially connections among local organizations. Figure 1 summarizes key characteristics of the USAID OCA.

The OCA is facilitated by USAID staff or contractors who help guide the partner organization through the process and ask probing questions to stimulate deeper discussions. Questions should begin by asking for objective data relevant to the area at hand, encouraging the partner organization to consider that information before they start to interpret it and ascribe scores. There should be at least two facilitators for each section of the OCA. The number of facilitators in a session should be small relative to the number of participants from the organization. It may be desirable for different individuals to facilitate certain sections, especially the financial management sections that require specialized expertise. In addition, a translator may also be needed if the facilitators are not fluent in the partner organization's preferred language.

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[3] See Local Capacity Development Suggested Approaches: An Additional Help Document for ADS 201. http://www.usaid.gov/ads/policy/200/201saf

Self -Assessment by Client Organizations

Facilitated by USAID Staff or Service Providers

Two to Three Day Process

Focused on Priorities for Improvements and Action Planning

Standard Recommended Tool

Can Integrate With NUPAS

Repeat Applications Over Time

FIGURE 1. Key Characteristics of the OCA

USAID staff, other partner organizations, and consultants can serve as the facilitators. It can be useful for one or more USAID mission staff to be on the team of facilitators so they can gain a better understanding of their local partners and deepen their relationships with them. Some USAID missions have found it particularly useful to include Agreement Officer Representatives (AORs) or Contract Officer Representatives (CORs), Activity Manager, and a member of the financial management staff OCA facilitation teams. However, staff constraints may limit the participation of mission staff on OCA facilitation teams because the OCA process is time consuming and many missions have supporting an increasing number of local partners.

Some important characteristics of a good facilitator include the ability to 1) listen attentively and non-judgmentally, 2) understand what is being said as well as non-verbal cues, 3) encourage broad participation in the discussions, 4) gently guide the discussion back on track if it veers off course, 5) sense whether participants do not understand something, 6) decide whether guiding questions from the facilitator's guide need to be used or adapted, 7) think quickly and formulate additional probing questions to follow up on what has been said, 8) tactfully challenge participants to rethink if their responses are contradictory or not supported by the evidence, and 8) ensure that the action planning is complete.

To be a good OCA facilitator, some mission staff will need to interact with partner organizations in a different way than their usual roles, especially if their jobs focus on auditing or compliance. This may require some training. Mission staff who have expertise in capacity development or monitoring and evaluation are more likely to already have the right mix of skills to facilitate an OCA. Many countries have local capacity development service providers who would be good OCA facilitators.

Whether the facilitators are USAID staff or other partners, the facilitators will need to be sensitive to how USAID is perceived by the organization. Although perceptions will vary, USAID will still be viewed as a current and future donor. Consequently, it may be challenging to get organizations to be open about their weaknesses, especially during their first OCA. Even if the organization insists on giving itself top scores on all items, the facilitators will need to probe for potential areas of improvement in the action planning stage.

The capacity development priorities identified through the OCA can be supported through the existing USAID award; a separate award from USAID or another donor, the local organizations' own efforts; and the activities of governments, non-governmental organizations, and the private sector. USAID recommends designing direct and indirect awards for local organizations that are flexible, allowing adjustments in budgets and activities to accommodate capacity development priorities identified in the OCA. However, some action items might not have significant financial costs.

Capacity Areas Included in the OCA

The OCA addresses seven areas of organizational capacity (table 1). Each of the above capacity areas is divided into sub-areas. Although USAID recommends use of the whole OCA, some organizations may choose to focus on a subset of the above capacity types.

TABLE 1. Seven Areas of Organizational Capacity Included in the OCA

1.   Governance and legal structure
2.   Financial management and internal control systems
3.   Administration and procurement systems
4.   Human resources management
5.   Program management
6.   Project performance management
7.   Organizational management and sustainability

USAID generally recommends addressing all seven capacity areas to ensure that important ones are not left out. However, if an organization only wants to focus on certain areas, their interest should be accommodated since the purpose is identifying the organization's own capacity development priorities. For example, an organization may already be aware that it has a sound governance and legal structure, but needs to do more to improve its internal controls. The organization will also know that some sub-sections, such as advocacy skills and use of volunteers, may not be relevant for its programs. However, if the facilitators think there are important and relevant weaknesses in areas that the organization proposes to omit, they can encourage the organization to include these areas.

Decisions on what sections and sub-sections to cover should be made before the OCA workshop so that the appropriate people can be invited to participate, supporting documentation can be collected, and a more accurate schedule can be put together. If the scope of the OCA was not set in advance, it can be discussed at the beginning of the workshop.

The scope of an OCA can also be changed during the workshop to accommodate delays or changing views on the priorities. Organizations can delve most deeply into the areas where they feel the greatest need for a conversation on what is working and what might be improved. If time is limiting, completing the action plan is more important than scoring all sub-sections, but some discussion of a sub-section may be needed to support effective action planning in that area.

If the workshop is significantly behind schedule, the facilitators should ask whether the participants want to adjust the schedule, spend less time on the scoring to leave more time for action planning, or narrow the list of sections and sub-sections to be addressed. Facilitators should not pressure participants to end a productive conversation on one relevant topic prematurely to move to the next topic. Instead, encourage the participants to reach a deliberate, consensus decision on whether to continue with the current topic or move on.

When is the OCA Used?

The OCA is usually conducted shortly after an organization has received a direct or indirect award from USAID. This timing establishes the organization's baseline capacity and empowers the partner to set its own initial priorities for capacity development during the project period, whether or not they will be supported by their current USAID award. If there are no Special Award Conditions to be fulfilled, the initial OCA would typically be done within 3-6 months of the award date. If possible, try to accommodate the timing of the OCA to meet the needs of the organization. For example, an organization might want to link the OCA workshop to a board meeting or strategic planning retreat

The OCA addresses a broader range of capacity than USAID's Non-US Organizations Pre-Award Survey (NUPAS), which focuses on financial management and US Government compliance requirements.   The NUPAS is the recommended tool for a responsibility determination for direct grants and cooperative agreements to non-US organizations below a threshold dollar value.[4]

Unlike the NUPAS, the OCA is for the partner organization's own benefit. It is not tied to USAID requirements for direct awards. It is usually done after award issuance, and is not required prior to obligation of funds.The OCA is also relevant for organizations that receive sub-awards from USAID partners. Although designed for civil society organizations, it can also be useful for private businesses and government agencies.

USAID generally discourages use of the OCA before a direct or indirect award is made for two reasons. First, USAID has a different standard tool for pre-award responsibility determinations, the NUPAS. Second, USAID does not want to provide an incentive for an organization to bias its self assessment of capacity in an OCA by giving the impression that a good score will increase the likelihood of receiving an award. However, if a decision to make an award has been made and communicated to an organization, it may be possible to encourage use of an OCA to define capacity development activities that will be included in the project or a parallel project.

USAID missions and partners should think about the best timing for the first OCA, depending on the capacity of the organization and whether it has already had a prior award or an OCA. Some missions prefer to defer the first OCA until after the organization has met Special Award Conditions resulting from the NUPAS, if extensive capacity improvements are needed to meet these conditions. The

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[4]The current threshold value is $5 million. The NUPAS is available at http://forward.inside.usaid.gov/content/non-us-organization-pre-award-survey-nupas.

rationale for this view is that fulfilling the Special Award Conditions should be the top priority for an organization, rather than focusing on new issues identified through the OCA.

It is not necessary to defer the first OCA if the organization can address the Special Award Conditions without much difficulty. Moreover, it may not be desirable to postpone development of an action plan to address other aspects of organizational capacity, but the timetable for implementing other LCD activities will need to consider the efforts to meet the Special Award Conditions. In fact, other USAID experience has shown that additional capacity development efforts can complement rather than compete with fulfillment of the Special Award Conditions.

Repeating the OCA at the middle and end of a project can contribute to the efficiency, effectiveness, and sustainability of partner organizations by identifying changing capacity development priorities and demonstrating progress. The USAID/Washington Local Solutions Team recommends that an organization go through the OCA process two to three times, depending on the length of the award and capacity of the organization. For example, in a five-year project, it may be useful to have the second OCA one to three years after the one. A third OCA could be done three to six months before the expected end date to show progress during the project and plan follow-up support. Some organizations may find it useful to repeat the OCA annually, but this is often too soon for the prior year's priority needs to have changed very much.
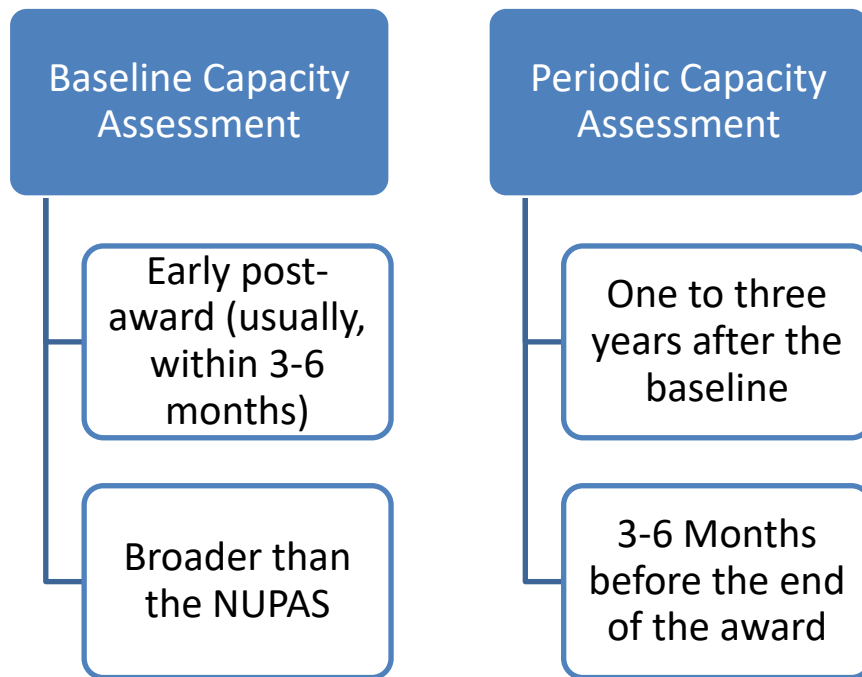
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│  Baseline Capacity  │        │  Periodic Capacity  │
│     Assessment      │        │     Assessment      │
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        │  │ Early post-  │            │  │ One to three │
        │  │ award (usually,│          │  │ years after the│
        │  │ within 3-6   │            │  │  baseline    │
        │  │  months)     │            │  │              │
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           │ Broader than │               │ 3-6 Months   │
           │  the NUPAS   │               │ before the end│
           │              │               │ of the award │
           └──────────────┘               └──────────────┘
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FIGURE 2. Timing of the OCA

Different Versions of the USAID OCA

Since there may be occasional corrections or updates, check for the latest USAID OCA before using the tool. The OCA will be available for internal as well as external viewers. It will be posted in the USAID Forward Local Solutions intranet site tools and resources, ProgramNet, and the USAID public website.

The OCA is available in four versions (table 2). These versions differ in whether they include additional guiding questions for facilitators and the sub-sections that correspond to items covered in the Non US Organizations Pre-Award Survey. The additional questions in the facilitator's guide version can help local organizations arrive at their capacity ratings and identify specific areas where improvements or additional data are needed and help ensure that sufficient information is gathered to support the ratings. The facilitators should be flexible in adapting the guiding questions to fit the context. Both the basic and facilitator's guide versions contain lists of types of resource documents and possible participants for each sub-section.

TABLE 2. The Four Versions of the USAID OCA

	Basic Version	Facilitator's Guide With Additional Supporting Questions
Full tool	1	2
Excluding sub-sections covered in the NUPAS	3	4

In deciding whether to use the facilitator's guide version or the basic version, consider the local organization's ability and interest in delving into issues more deeply, the amount of time available, and the experience and skills of the facilitators. The facilitator's guide can stimulate more in-depth discussions while the basic version may be useful for a rapid capacity assessment. There can be a risk that too many questions can actually stifle a discussion. Participants will get bored if all of the facilitator's guide questions are read verbatim instead of being woven skillfully into the conversation. A hybrid approach can also be followed, using the detailed questions in the facilitator's guide **selectively** to drill down further on certain sub-sections of most interest to the organization or clarify the more technical sections (such as financial management).

Similarly, even if the facilitator's guide questions are not used, the facilitators should avoid reading each of the basic items aloud verbatim. A common pitfall for inexperienced facilitators, especially those in their first training, is to read everything out loud in a monotone. After becoming thoroughly familiar with the tool, facilitators will be able to paraphrase questions in more of a conversation or discussion. Start with a discussion around those broader points in the section and sub-section objectives. Skip any specific questions that are not relevant for the organization or have alreadybeen covered in the general discussion. facilitators should use their judgment in deciding what questions are needed to enable the

organization to make sound self-assessment and support action planning. Facilitators will need to be very familiar with the tool so that they can do this effectively.

If an organization has had a NUPAS within the past year, the first OCA after the award does not have to include the starred sub-sections that correspond to similar NUPAS items (the NUPAS scores can be used instead). Nevertheless, it may still be useful to include the starred sub-sections in their first OCA because they are not identical to the corresponding NUPAS items and the capacity of the organization may have changed if it addressed any Special Award Conditions or more than a year has passed since the pre-award survey. Before deciding to omit the NUPAS-related items in the first OCA, an organization should consider whether additional discussion of issues raised in the NUPAS would be useful for the capacity development action plan. In either case, the starred sub-sections would normally be included in later repeat applications of the OCA. Because USAID does not generally require grantees with fixed obligation grants (FOGs) to have a pre-award survey, the NUPAS-related items would normally be included in a FOG recipient's first OCA.

Since the OCA is optional, it can be applied in full or in part, whenever it is used. Some partner organizations may only be interested in a subset of the OCA because they have already identified general priorities for capacity development. Although the facilitators may encourage the organization to use the whole OCA unless it recently went through the NUPAS process or used another OCA-like tool, they should allow the organization to focus on a part of the tool if it wants to do so.

The OCA can either be conducted with a single set of participants for all sections or different participants for the various sections. The first page of every section lists suggestions for important participants with relevant functions for that set of items. Relying on a single set of participants can increase communications and learning across organizational divisions. However, if separate teams work on different sections simultaneously, the OCA can be done more quickly and with less total staff time.

The time required to complete an organization's first OCA depends on whether the 1) basic or facilitator's guide version is used, 2) the organization has prior experience with the OCA or similar tools, 3) sub-sections corresponding to NUPAS items are revisited, and 4) all other sub-sections are included. Typically, a full initial application takes two to three full days if all of the NUPAS-related items are included. If the starred items are not repeated, the first OCA might only take one to two days. Less time would be required for the initial OCA if the partner organization only wants to focus on particular sections of the tool. The OCA will also take less time if there are concurrent sessions on the various topics with different participants. A subsequent OCA might take less time than the initial one since participants may already be familiar with the process and tool and the organization may be better prepared with supporting documentation for the ratings.

To reduce miscommunications and avoid slowing down the process, the OCA discussions and action planning should be conducted in the language most familiar to the participants from the local

organization. Facilitators who have good fluency in this language should be selected. Since the OCA contains many technical terms, USAID/Washington will provide high-quality translations of the basic form and facilitator's guide version in French, Spanish, Arabic, Portuguese, and Russian. Where other languages are more prevalent, USAID missions may want to consider obtaining a good standard translation locally, rather than relying on ad hoc or simultaneous translations.

Paving the Way for an OCA

The OCA process begins before the workshop discussions. Before scheduling the workshop, the facilitators should ensure that the organization's senior officials and staff understand the purpose of the tool and are willing to take part in a free and open process before it starts. The first step is an initial letter describing the purpose of the OCA and the process. Ideally, this would be done at least six to eight weeks before an OCA workshop is anticipated. Annex 1 contains a sample initial letters that can be adapted by the facilitation team.

The initial letter call should reiterate that the OCA is not an external review or audit and that the discussions and findings will not affect the status of their current award or their prospects for an additional award. Note that the full workshop may take two or three days (less if NUPAS items are not repeated) and will need to involve a range of management and staff, although not necessarily for the whole time. The letter should then ask if the organization is willing to participate in the process and whether the proposed timing would be convenient. A follow-up phone call should be made if a timely reply is not received.

The initial letter should include a copy of the OCA tool. To avoid overwhelming the organization or encouraging some participants to answer the guiding questions in advance, share the basic version of the OCA even if the facilitator's guide will be used in the workshop. If the NUPAS-related items are going to be covered in the OCA, send the version with the starred sub-sections. Otherwise, send the abbreviated version that excludes the NUPAS-related items.

The OCA is meant to be a voluntary tool. Nevertheless, an OCA can be included as a required task in an award agreement or annual work plan approved by USAID. An OCA might not be very productive if the organization is an unwilling participant. However, USAID has found that some organizations that were initially skeptical of the OCA have found it to be a useful process.

If the organization does not want to participate, try to get a better understanding of the reasons why and whether their reluctance can be overcome with more information or assurances. If a key person within the organization is wary, talk with them in person. They may need reassurance on the confidentiality of the discussions and uses of the information or an explanation that the process and purpose are not the same as the previous pre-award survey (NUPAS).   If the reason is inconvenient timing, arrange a mutually agreeable alternative time, which might be later in the award.

If an organization has already had an OCA-like capacity assessment from another donor within the past year or so, ask for a copy of the previous report or action plan and compare the other tool to the USAID OCA. If the other capacity assessment tool was recent and comprehensive, it is not necessary to have the organization go through this process again. However, if the other assessments did not address all of the areas included in the OCA, it might be useful to apply just those sub-sections of the USAID OCA that do not duplicate the prior capacity assessment.

The OCA workshop should be scheduled on consecutive business days to keep the momentum going. It is better to plan for a three-day block of time and finish early than to agree on a two-day period and find that is not enough time. It is important to ensure that all key participants will be available. Periods around important deadlines or holidays should be avoided. Scheduling issues may make it necessary to alter the timing of some sessions later.

If possible, the workshop should be held at the offices of the partner organization so that additional staff can be brought in to help answer questions if needed and/or additional supporting documentation can be obtained quickly.   Locating the workshop at the partner organization's headquarters also reinforces the perception that this is their own self-assessment.   However, some organizations might not have suitable space available or may lack projection equipment. If the organization does not have a projector and screen, the facilitators may be able to provide portable equipment or low-tech flipcharts or blackboards or whiteboards can be used.

After the organization has agreed to participate in the OCA, send a second letter to get advance agreement on who will attend each session. Ideally, the second letter would be at least four weeks before the selected date. It should ask senior management to select the people who will be involved in the discussions.

The OCA workshop should have inclusive participation of representatives from all levels within the organization. In some cases, it may be useful to include one or more members of the organization's board of directors or advisory council. However, the presence of board members can limit free and open discussions by management and the staff.

If the organization is small, it is best to conduct the OCA in a plenary session with key management and staff discussing all of the capacity areas. It is often valuable for senior managers and key professionals to provide input outside their individual areas of responsibility. For example, the chief accountant may have a broad understanding of the organization that extends beyond the OCA section of finance and administration.

For large organizations, it may be useful to have different teams of participants for some or all sections of the OCA. Relying on concurrent sub-groups can be more efficient so that the OCA can be done faster. It might also be more effective if the organization is complex. If different teams are used, most of the participants should be chosen for their knowledge of the organization's systems and processes in those areas, but people with broader expertise and other organizational functions should be included in each team. Each team should include one or more members of senior management. Sub-groups that are not

run concurrently may have overlapping participants. There would also need to be different facilitators for concurrent discussions.

The ideal size of the discussion groups will vary with the size of the organization, individual and cultural factors, the facilitators' skills, and whether the group is covering the whole OCA or a part of it. Discussions can be prolonged or stifled if there are too many people in a room, although a good facilitator can help ensure that all voices are heard in an efficient manner. The ideal size might range from a minimum of five to ten people to a maximum of fifteen to twenty-five people. For small organizations, the ideal group size is likely to be lower.

A third letter should go out at least two weeks before the OCA, reiterating the dates, timing, location, logistics, and expected participants for each session. The third letter should ask the organization to circulate the OCA tool to the prospective participants. This advance review period will help the organization understand the tool, identify questions that need clarification, get started thinking about the items, and gather supporting documentation to justify their ratings. Although some individuals may want to go through the OCA form and assign preliminary scores, the organization should be instructed not to come up with consensus scores before the facilitated group process.

It can be helpful for the expected participants and facilitators to meet in person before the OCA workshop to discuss the process and build trust and confidence, but this would still need to be repeated at the start of the workshop.

To gather information for certain OCA items before the workshop, the organization can send a short survey to all board members and staff (including those not expected to participate in the workshop). However, these pre-OCA surveys are optional and should only be done if the organization wants to do them and there is enough time to collect and analyze the results in advance of the workshop. Annexes 3 and 4 contain some survey questionnaires for board members and management and staff that may be used as is or adapted. Mailed survey forms with handwritten responses would probably require take too long to obtain and tabulate. Electronic surveys (survey monkey) could be done in two weeks if the targeted respondents have access to the internet.

Some organizations may have existing data from prior client surveys or evaluations. Other organizations might want to do more extensive surveys later when there is less of a time constraint (this can be discussed during the OCA as a possible action plan item). If surveys are done, responses should be anonymous and a follow-up reminder sent to maximize the response rate. Annex 1 contains examples of surveys for staff and board members that can be adapted to meet the needs of the organization.

Conducting the OCA

Figure 3 summarizes the steps of the OCA process. Note that it does not mention preparation of a report on the OCA workshop since this is not required.

<u>Introduction and Overview</u>

The facilitators should begin by welcoming and thanking participants and reminding them that the OCA is their self-assessment of the strengths and challenges facing their organization. Emphasize that this is a learning opportunity for the organization and the main purpose is to help them establish realistic baselines and develop a detailed action plan for capacity improvements.

The facilitators should then describe the process that will be followed and the schedule and explain the roles and those of the participants. The facilitators should agree to treat all information as confidential and avoid sharing it with any other organizations or individuals without prior permission of the client. If the discussions of the various sections have different participants, the introductory remarks will need to be repeated for each group. Facilitators should then ask for questions from the organization.
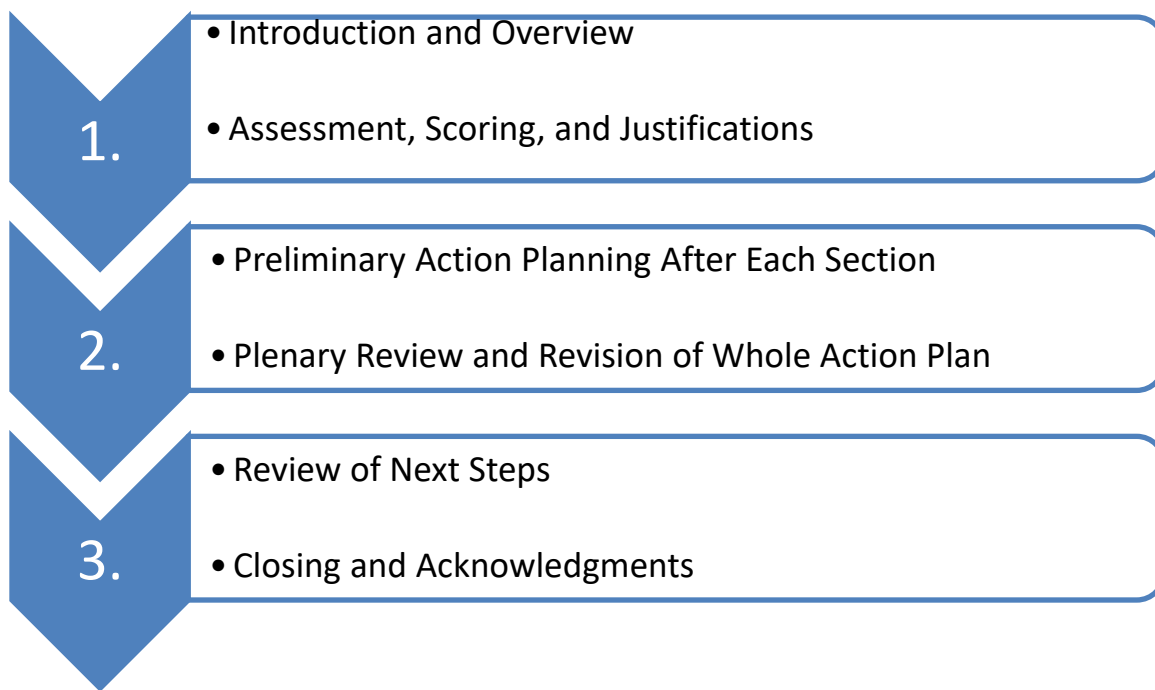

1.
- Introduction and Overview
- Assessment, Scoring, and Justifications

2.
- Preliminary Action Planning After Each Section
- Plenary Review and Revision of Whole Action Plan

3.
- Review of Next Steps
- Closing and Acknowledgments

FIGURE 3. Steps of the OCA Process

Facilitators should recognize the importance of initial social pleasantries before getting down to business. There is no single correct way of administering the OCA, but it is good to start each section with a brief overview of the sub-sections to be covered (this can be done by giving participants a list, rather than reading the sub-section headings aloud). It is best to go through each section in order and stick to one sub-section at a time, rather than jumping back and forth. Participants should be given a copy of the OCA, extra blank pages of the summary scoring sheet and action plan format. They should

also have access to paper, pens, post-its, markers, and wall-safe adhesive tape. To save time and boost morale, food and beverages should be available for breaks and lunch.

If this is a repeat OCA, the facilitators and partner participants should **not** bias the discussions by summarizing or providing the general results or scores from a previous OCA. Each OCA workshop is an independent process and the organization is likely to be in a different place and the participants may vary. In some cases, USAID has found that an organization that has strengthened its capacity will give itself lower scores in a subsequent OCA. This downward trend in scoring may stem from gaining a better appreciation of the components of higher capacity, a more accurate understanding of the organization's actual capacity, or increased trust that USAID and its partners will only use the results for positive purposes.

Self-Assessment Discussions and Scoring

The facilitators should help all participants feel comfortable during the process. The atmosphere should be pleasant and collaborative, and non-confrontational because this is not an audit or external evaluation. Responsibilities of the facilitators include

- Explaining terms and aspects of different capacity levels
- Making sure that participants understand the questions (Annex 6 contains definitions of some key terms)
- Asking additional, open-ended probing questions to get participants to clarify and expand their responses, including questions that are not in the facilitator's guide
- Ensuring that participants complete all items in full, especially the explanations/justification and action plan items
- Keeping the discussion focused and undistracted by tangential issues
- Encouraging all representatives to participate and fostering free and open discussions (for example, by asking "What does everyone else think about this?"
- Helping participants move toward their own consensus, without pushing them in any particular direction.

Since partner organization participants might not understand all of the elements of good capacity, the facilitators will need to be able to sense whether the questions were understood and provide additional explanations as needed. Participants from small or new organizations and those doing a capacity self-assessment for the first time may need more help from the facilitators than those from larger, more established organizations.

The most important skills for facilitators are listening, understanding what is said, and the ability to think up and communicate follow-up questions tailored to fit the context. Resources are available to help

build effective learning skills.[5] They should be sensitive to whether the participants understand what has been said. The process should promote discussion, rather than a rapid series of questions and short answers. Facilitators should not try to force their own views on the participants. Facilitators need to be culturally sensitive in their choice of clothing. Casual business attire may help facilitators and participants feel more comfortable.

If the facilitator's guide is used in conducting the OCA, facilitators should draw on the guiding questions as needed to get the conversation started and follow up to get additional information. In general, facilitators do not need to go through all of the guiding questions. The facilitator's guide questions are there to stimulate the discussion and elicit more detailed information if the discussion lags, wanders, or stays too general. **If facilitators do use the guiding questions, they should weave them into a conversation, rather than reading them verbatim.** Facilitators should not pressure participants to respond too quickly, either verbally or through body language. Participants who are introverted or prefer to defer initially to higher-level staff need time to feel comfortable about speaking. The facilitators will need to allow for the silences and know when to intervene.

Facilitators should think about whether additional open-ended questions, including those in the facilitator's guide and others needed to move the discussion along. <u>Open-ended questions</u> require a detailed response, unlike yes or no questions that often stop a conversation. Facilitators should watch for signs that the client organization participants do not understand terms or concepts and rephrase them as needed. For example, participants might not know what a sub-award means or what constitutes "complex reporting requirements" or which donors have complex requirements. Alternatively, the facilitators can ask the local organization to list their funders and describe their reporting requirements. Then the facilitators can use their own judgment about whether these awards carried complex reporting requirements.

In general, the questions in a sub-section should move from objective statements of fact to reflective questions () andthen interpretive questions Examples of objective statements include how many times something has occurred in the last year, the size of the annual budget, and number of staff. Reflective questions include has the organization had financial reporting challenges and are there opportunities for staff development. Interpretive questions might address whether the organization can manage complex reporting requirements or adequately support subgrantees. This order will help base the discussion on facts, rather than prior beliefs or assumptions of management and staff. Open-ended questions are particularly good at starting conversations and are encouraged before the reflective and interpretive questions in each sub-section.

What happens if the facilitators disagree with the organization's ratings of its capacity? Since the OCA is a self-assessment and the numerical ratings are less important than the action planning, the facilitators should not argue over the scores. However, the facilitators can clarify the terminology and ask additional probing questions to prompt better explanations

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[5] Burley-Allen, Madelyn. 1995. <u>Listening: The Forgotten Skill: A Self-Teaching Guide. New York</u>: John Wiley and Sons. Dodge, Cole and Gavin Bennett. 2011. <u>Changing Minds: A Guide for Facilitated Participatory Planning</u>, Ottawa: International Development Research Centre.

If one or more individuals dominate the discussion too much, the facilitators should emphasize the importance of the group discussion process for obtaining broad participation from different levels and units of the organization. Or, lower-level staff may have concerns about speaking up in front of senior officials or leaving a bad impression of the current capacity of the organization. In either case, the facilitators will need to apply culturally sensitive methods of encouraging broader participation. Annex 2 contains some useful tips to help facilitators deal with these and other problems.

The OCA tool includes a standard scoresheet with a column for entering justifications, examples, quality issues, and gaps. Since the scoresheet is in Word, the size of the cells can be expanded as needed. The scoresheet can be modified as desired. The facilitators should make sure that the facilitators and participants for each section are recorded on the OCA form. Facilitators should avoid negative language like asking an organization about its "deficiencies". Questions should be phrased in a positive manner to identify current conditions and priorities for improvements.

USAID does not require or even recommend extensive note-taking or preparation of a full report on the OCA workshop. If an organization wants to take notes or make an audio or video recording of the session, it may do so, but the facilitators should explain that this could have a negative effect on the openness of the discussions. If notes or a report are desired, it is best if they are done by the organization itself, rather than the facilitators, to help ensure that they are owned by the organization.

Instead of notes or a full report, it is best to devote more effort to filling out the explanations and justifications on the OCA Score Sheets and completing all parts of the Action Plan forms. It is generally best if the score sheets and action plans are completed by the organization itself so that they are viewed as their own products. However, the facilitators can record the scores and action plan items if it would help the partner organization participants to focus on the discussion.   In either case, the recording should be done in a way that is easy for all to view and refer back to during the workshop.

Action Planning

The action plan should relate to the review of issues and self-scoring, prioritize issues the organization sees as most significant to address, and identify specific steps to address issues. A strong action plan elaborates the steps, timing and responsibility for each action item as well as the need for any external capacity development interventions, tools, or resources. The critical aspect is for the local organization to take the lead in identifying the actions, and have ownership of the planned changes to systems and processes.

The facilitators should set the stage for action planning by informing participants that 1) action items may not be necessary for some sub-sections, 2) some sub-sections may have multiple action items, and 3) a sub-section score of 4 does not mean that there is no need for any action items. Although the facilitators should understand that it is the organization's own action plan, they will get a sense of whether action items may be advisable from the group's discussions of each sub-section. The facilitators can remind participants if the prior discussion implied a possible need for an action plan

item. To avoid repeating prior deliberations, action planning should be done right after the discussion and scoring of each sub-section.

The OCA tool includes a recommended format for the action plan -- a table that summarizes the results. The format can be modified as desired. It shows the action items that correspond to each subsection number. An initial priority is assigned to each action plan item using a scale of one to five (with one as the highest priority). The participants also agree on a planned start and end date and an internal lead person and other key internal people tasked with moving the action item forward. They should also estimate the resources and technical assistance needed for each action item. The format also includes a final column, which is used later for monitoring the status of action plan items.

The participants should complete all items in the action plan template, recognizing that the initial consensus is a first draft that will need further discussion after the first round has been done for all action items. It is best to document the scores and action plan items directly into a computer and display them on a projector screen so that they can be viewed and reviewed. If that is not possible, flipcharts, whiteboards, or blackboards can be used. If flipcharts are used, pages with the action plan format should be prepared in advance. After a whole section has been finished, the preliminary action plan for each of the sub-sections should be reviewed by the participants working on that section and revised if desired.

After the action planning for all sections has been finished, the facilitators or participants should compile all of the action items into one plan. If this has to be done by hand, it may take a couple of hours. If computerized, it may be done in a few minutes. It would also be useful for the facilitators to compile a list of all of the items assigned each of the priority levels. In either case, it may be a good time to take a break before regrouping for the final plenary sessions.

In the final plenary sessions, the participants present the action plan section by section and consider whether there is broad agreement or any changes should be made in the priorities, scheduling, responsibilities, or resources needed. As a result of the final discussion comparing items across different sections of the OCA, some action items may be revised, dropped, accelerated, or deferred. This step is especially important if the different OCA sections were handled by different groups of participants. It may be more of a review if all of the action planning was done by a single team.

It can be useful to prepare spiderweb graphs that show the current scores and compare them to the scores from any earlier applications of the OCA. It is best to prepare the graphs just before the concluding session of the workshop, but it can be done after the workshop is over. To keep the graphs from being too cluttered, it is best to have one graph showing the average scores for the OCA as a whole, one graph with average scores for the seven sections, and seven graphs with the average scores for the the sub-sections of each section. Figure 3 shows changes in average scores for the first section of the OCA over three applications of the tool (series).
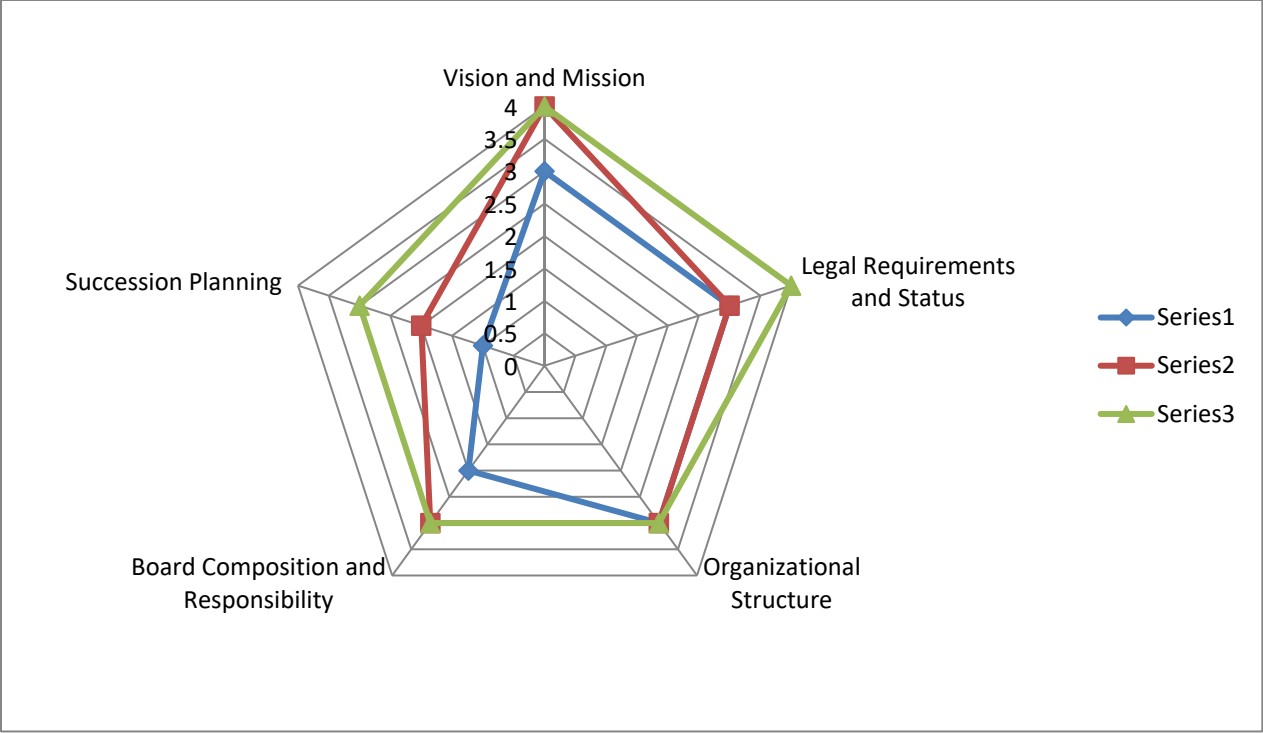
FIGURE 3. Changes in OCA Governance and Legal Structure Scores Over Three Applications

Concluding the Workshop

Facilitators should conclude the workshop by thanking the participants and encouraging the organization to make further changes in the action plan after the workshop, as needed.   It may also be useful for the partner organization to seek feedback on the final action plan from board members or senior managers who were unable to participate in the workshop. If this is the final OCA under a USAID award, the facilitators should recommend that the organization continue doing periodic self-assessment of its capacity development needs.

USAID does not require completion of evaluation forms on the OCA workshop. If the facilitators want to get written evaluation comments to help them improve their future performance and they plan to use the information, they can prepare a feedback form to get participant comments. Another option is to reserve 15-30 minutes for participant feedback after the OCA has been finished. One way to do this is for the facilitators to set up flipchart with the headings "Plus", "Minus", and "To Change" to record what the participants liked about the process, did not like, or would recommend doing differently in the future. A "temperature gauge" graph is another format that can be used to get feedback on participant satisfaction with the various sessions.

OCA Follow-Up and Monitoring

To elevate the status of the planned capacity development activities, it is a good practice for an organization to build the action plan into its overall annual workplan or strategic plan or the workplan for a USAID-supported project. If the organization does not have an annual organizational workplan or USAID-funded project, the OCA action plan can remain a stand-alone document.

These action plans can help USAID missions and partner service providers plan their mentoring, training, and technical assistance for the local organizations. USAID awards to third parties to provide goods, equipment, training, or services to a local organization should include language allowing adjustments based on the specific actions identified in the local organization's action plan. USAID also can use the action plan to broker mutually beneficial connections among local organizations.

The OCA action plan format was also designed to be useful in monitoring implementation progress. The participating organization has primary responsibility for implementation and monitoring of its action plan for capacity development. The schedule, people assigned responsibility for each item, and resources will need to be reviewed and updated periodically. Small or less well-established organizations may have more difficulty implementing their action plans, unless USAID or another donor has stepped up with the needed support.

Partner organizations should designate someone to check with each of the designated lead persons on the status, progress, and constraints affecting implementation of each action item on a regular basis. USAID recommends that organizations review their progress at least twice a year, but preferably at the end of each quarter. After each review, management should consider whether the priorities, schedule, and responsibilities should be revised.

For projects with local capacity development components or metrics, USAID missions should consider designating a staff person or contractor responsible for monitoring OCA action plan progress. Normally, this would be the AOR, COR, or Activity Manager. The USAID/Washington Local Solutions Team discourages use of OCA scores as an indicator for monitoring and evaluation of individual awards because that may discourage the primary purpose of encouraging free discussions and frank self-assessments.

USAID has prepared some lists of illustrative indicators for monitoring and evaluation of local capacity development projects that are not tied to OCA scores. These optional indicators can be used for projects providing direct or indirect support of local organization capacity. Users should select the indicators best aligned to a particular project and context.[6]

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[6] See http://forward.inside.usaid.gov/content/two-resources-me-indicators-lcd-projects

Annex 1. Sample Letters for Pre-OCA Communications

A. **Initial Introductory Letter**

Dear ----,

The US Agency for International Development (USAID) would like to help your organization conduct a self-assessment of its current capacity and prepare an action plan for capacity development. This Organizational Capacity Assessment (OCA) process is for your benefit; it is not an external review or evaluation. The purpose of the OCA is to help your organization identify areas that need improvement and your priorities and next steps for improving systems, policies, and procedures. The OCA is normally done shortly after an award from USAID and is repeated once or twice during the award period.

The OCA is a workshop that usually takes two to three days and addresses the following capacity areas:

1. Governance and legal structure
2. Financial management and internal control systems
3. Administration and procurement systems
4. Human resources management
5. Program management
6. Project performance management
7. Organizational management and sustainability

The workshop should be inclusive, with representatives from management and staff from various units and levels in your organization. If your organization thinks it would be useful, you can also invite board members to participate. The OCA workshop will be facilitated by a small number of representatives *[from USAID and/or its partner organization, …]*.

The OCA can either be conducted with plenary discussions addressing all of the sections or with sub-groups handling some sub-sections in concurrent sessions. For small organizations, we recommend plenary workshop sessions. If the OCA is conducted in plenary, we suggest a minimum of six to ten people and maximum of fifteen to twenty-five people

Large, complex organizations may find it more efficient to rely on sub-groups. If there are concurrent sub-groups, each group should have six to ten people. Sub-groups would include some participants chosen for their relevance for specific sections of the OCA, but each team should also include people with broader expertise and other organizational functions and members of senior management.

The OCA workshop is *[a requirement of your support from USAID/voluntary process that is highly recommended by USAID. If voluntary: Is your organization willing to go through the OCA process?]*. What are your organization's preferences for using plenary discussions versus concurrent sub-groups?

If possible, we would like to have the OCA workshop at your offices so that it will be convenient for your participants and you can easily get questions answered by others and access supporting documentation. Would this be feasible?

We would like to hold an OCA workshop during three consecutive days during the month of *[…]* if that is convenient for you. Please propose some dates during this month or another month if this timing does not work. What are the usual work hours at your organization? Please also let us know whether a projector, screen, laptop, blackboard or whiteboard, and flipchart stands would be available or will need to be arranged by us.

We are *[enclosing/separately sending]* a copy of the OCA tool so that you will have a better understanding of what is involved.

We are also enclosing some <u>optional</u> survey questionnaires that you might want to send to all board members and the entire staff (including those not expected to participate in the OCA workshop) and a random sample of the organization's clients. It would be most useful if this information can be obtained before the OCA workshop. The fastest way to collect and tabulate the results of these questionnaires would be to use an email service, such as Survey Monkey, which is available for free.

Thank you for your partnership with USAID and all of your good work.

B. **Second Letter**

Dear ---,

Thank you for agreeing to participate in the Organizational Capacity Assessment (OCA) process with *[USAID and/or its partner organization, …].* As we agreed, the OCA workshop will occur *[list dates and times].* It will be held at *[your offices/another location].* As discussed, the OCA will be held in [*one plenary group/some concurrent sessions with different sub-groups. If concurrent sessions: How many different sub-groups do you propose and how many sessions will run concurrently?*]

The next step is for you to identify the specific participants for the workshop, in consultation with the facilitators. The initial page of each section of the OCA lists some possible participants to consider including in the discussions, either as plenary or sub-group members. [*If in plenary: we suggest a minimum of six to ten people and maximum of fifteen to twenty-five people. If sub-groups: Each sub-group should have six to ten people. All sub-groups should include more members of senior management. Sub-groups that are not run concurrently may have overlapping participants.*]

1. Governance and legal structure
2. Financial management and internal control systems
3. Administration and procurement systems
4. Human resources management
5. Program management
6. Project performance management
7. Organizational management and sustainability

If desired, one of the facilitators would be glad to meet with you to help identify the participants. If you would prefer to do this on your own, please send us a list of the selected participants by name and position within the organization. *[We are emailing the OCA tool to you/enclosing another copy of the OCA tool].* Please circulate the [*electronic or paper copies of the*] OCA tool to each of the expected participants and confirm their availability on the agreed dates. It would be helpful if the participants have read the OCA and can gather relevant supporting documentation for the group workshop. However, the participants do not need to come to the workshop with proposed scores or a completed scoresheet.

The OCA process will be facilitated by the following people: [list names and affiliations and indicates whether they will facilitate plenary or sub-group discussions. If sub-group facilitators, identify the topics that they will facilitate]. If you are using the optional survey questionnaires for board members, staff, and a sample of clients, it would be good to send out a follow-up reminder about completing the surveys.

Please let us know whether you have any questions about the process or logistics.

Thank you again for your interest in the OCA.

Third Letter

Dear ---,

Your organization has designated you to participate in an Organizational Capacity Assessment (OCA). The OCA is a facilitated self-assessment of an organization's capacity followed by action planning for capacity improvements. The OCA workshop will be held on [--- at ----]. It will be facilitated by [*….]*, but it is your organization's own internal assessment and action plan. It is not an external audit or evaluation.

We are enclosing a draft agenda. Your participation is requested for the *[entire workshop/the sessions on … on the following days -- …].* Lunch *[will/ will not]* be provided.

A copy of the OCA tool is attached. **Please read it before the workshop and bring any supporting documentation that can be useful in the discussions.** You are not required to do any scoring in advance since the group discussions at the workshop will result in consensus scores. The discussions will also lead to preparation of an action plan. The action plan is the most important part of the OCA, not the scores. For each of the identified areas for improvement, the action plan will list next steps, lead and other staff responsible for overseeing each priority item, a timeline for capacity development activities, resource requirements, and possible sources of technical assistance.

Please confirm your availability to both *[the facilitator and the organization's contact person]*. If you are not able to attend, can you designate an alternate?

Annex 2. Tips for OCA Facilitators

Facilitating meetings is a skill that requires a combination of diplomacy and control. Personal motivations and interpersonal issues can enable or derail the OCA process. Some of the common problems are listed below along with potential solutions for the facilitators.[7]

Managing the Facilitators and Organizers

1. Difficulty in comprehension: language or cultural variations

Response: Recognize differences and speak slowly and articulately. Set a model for others by gently asking them to speak louder, clearer, or slower. Avoid using words like "should" or showing emotions through your body language. Always check by reviewing facial expressions and body language if people understand and are paying attention or by asking directly if anything needs repeating or clarification.

Managing Personalities

1. Dominators: One or more people taking an excessively large a role in the discussions, inhibiting others from speaking

Response: If the dominator is a senior manager or supervisor, remind them of the importance of encouraging full and frank discussions. In some instances, it may be necessary to split senior managers and staff into two groups, but this should be a last resort. Other dominators can be gently interrupted at a well chosen point and a facilitator can then quickly summarize their positions. Then ask, "What do others things about this?"   If no one speaks up, call on some individuals by name and ask whether they would like to add anything on this issue.

2. Wallflowers: Participants are shy or reluctant to share their views.

Response: Encourage people who may have relevant expertise or experience based on their positions within the organization or previous interventions to participate by calling on them by name.

3. Chronic complainers: People who are unproductively negative

Response: Although complaints are often legitimate and can lead to productive change, excessive or poorly expressed negativity can undermine morale. If chronic complainers are disruptive, summarize

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[7] Some of the material is drawn from http://www.joanlloyd.com/Managing/Five-tips-for-managing-group0-dynamics,-in-meetings.aspx as accessed September 3, 2012.

their concerns in a more neutral way and ask them to come up with positive potential solutions. Use active listening phrases like "I heard that you are concerned about …", rather than "you said…." If that does not work, ask the group whether they agree or disagree with the issues and have any ideas for possible solutions.

4. Disrupters: Participants who stifle the process through hostile or abusive language or behavior

Response: Have a private conversation with disrupters and ask them to be more polite and respectful of the group so that they can be more effective in getting their views considered.   If problems continue, ask them if they want to prepare something in writing or withdraw from the process.

Managing Group Dynamics

1. Addressing defensiveness: Participants do not want to give an unfavorable impression of the organization

Response: The facilitators should begin the workshop by stating this is their organization's own self assessment and action planning process and that the facilitators will keep the discussions confidential. In the introduction, senior managers should also re-assure participants that they want full and open discussions. It may be necessary to repeat these assurances multiple times during the workshop if participants seem defensive, especially if new participants arrive after the initial introduction.

Since the OCA is a self-assessment, facilitators should avoid giving criticism or praise. Instead, encourage the organization to identify its own strengths and weaknesses. Facilitators should be gentle in asking questions and use neutral phrasing and body language.

2. Group is reluctant to speak up: Participants are shy, afraid to talk, or do not understand something

Response: Start the workshop and sub-group discussions with introductions and an icebreaker activity one to get people talking and feeling more comfortable.[8] Do additional icebreakers later if needed. If energy is lagging, it may be time for a break or standing and stretching. If there is still a reluctance to speak up, the facilitators need to diagnose the reasons for the problem If cultural issues and power relationships are inhibiting the discussion, it might be helpful to split into smaller groups addressing the same or different issues and report back to the plenary. It may take introverted people 7 seconds or longer to feel comfortable about answering questions. Pause, smile, and leave time for thinking and speaking. Longer silences often indicate that people did not understand the question or key terms. Ask the group to summarize the last question or discussion point to be sure that they understood it.

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[8] Icebreaker activities can be selected from International HIV/AIDS Alliance. 2002. One Hundred Ways to Energise Groups: Games to Use for Workshops, Meetings, and the Community. Brighton, UK: Prepared for UK DFID and USAID or Pollack, Stanley and Mary Fusoni. 2005. Moving Beyond Icebreakers: An Innovative Approach to Group Facilitation, Learning, and Action. Boston, MA: Center for Teen Empowerment.

Furthermore, periods of silence in a conversation are often normal and facilitators should not worry about these instances too much. Eventually, a participant will often break the silence if given the space and supportive verbal and non-verbal cues from the facilitators. If an issue has not been sufficiently addressed, restate it in a different way. If additional discussion does not seem to be forthcoming, ask if the group is ready to move on to the next topic.

3. Side conversations: Two or more people holding competing conversations within the larger group on relevant or non-relevant topics

Response: Stop talking and wait until it is quiet. If this happens at the beginning of a session or after a break, turn the lights off and on to signal that the discussions are resuming. Call on someone next to the people talking in a side conversation this may get them to stop without embarrassment. Remind the group of the importance of sharing comments with the whole group. If these more neutral approaches do not work, ask the individuals if there is something the want to add. If nothing works, have a private conversation with the individuals or give them a note.

Managing the Meeting

1. Group size is too large or small

Response: Avoid this problem by agreeing the number, types, and names of participants for the discussions on each section of the OCA in advance of the workshop. If key people do not turn out to be available, consider bringing in substitutes or changing split discussions to plenaries. If necessary, postpone the affected sections of the OCA to a later time during the scheduled workshop or subsequently.   If the group size is too large, split it up into sub-groups.

2. Scoring before the workshop: One or more participants brings OCA scores prepared in advance

Response: Since USAID recommends sharing the OCA with the organization in advance, some participants may arrive at the workshop with a proposed set of scores or even a complete scoresheet with explanations and justifications. This can be a good sign of interest and preparation because it indicates some thought and research have been done before the workshop. It only becomes a problem if the advance scoring reflects input from too few people or is rigidly promoted, rather than used as a starting point for the broader, facilitated group discussions.

3. Facilitators disagree with the organization's scores:

Response: Since the OCA is a self-assessment and the numerical ratings are less important than the action planning, the facilitators should not argue if they think the scores are too high or low. The

facilitators should clarify the terminology and ask additional probing questions if they think the participants did not understand items. The facilitators should also ask the participants to explain and justify their scores. In some cases, the participants will reconsider the original scores on their own. If not, the facilitators should move on to the next item.   Sometimes, participants will lower their scores in a repeat OCA after gaining a better understanding of the attributes of higher capacity.

4.   <u>Running behind or ahead of schedule</u>:

Response: A detailed schedule should be prepared in advance for the OCA workshop. However, it is common for the workshop to run behind or ahead of schedule, especially on the first day. The facilitators should be flexible in changing the schedule, subject to the availability of the expected participants. If the workshop is far behind schedule, the facilitators can ask if participants are willing to stay later or reduce the length of breaks during the scheduled days or continue on a later day.

To reduce the risk of running late, facilitators can try to keep the process moving and tactfully return tangential discussions to the topic at hand.   Facilitators can encourage use of a "parking lot" to record issues for later discussion during or after the OCA workshop. If the workshop is ahead of schedule, go back to parking lot issues or keep moving on and consider ending earlier than planned.

Action planning should not be left until the end of the workshop because it can often be the most time-consuming step and it is the most important part. Action planning should be done after each section of the OCA while the issues are fresh in participants' minds to avoid repeating discussions that were already done in the scoring.

Source: Adapted from Initiatives, Inc./JSI 2012.

Annex 3. Optional Pre-OCA Survey for Board Members

On the 5-point scale, 5 represents the highest performance and 1 the lowest performance. List N/A if not applicable or DNK if you do not know.

1. Does the Board have good written terms of reference for its functions?
    1   2   3   4   5 --N/A-----DNK (circle one)

    Comments:

    (OCA 1.4)

2. Are the board members drawn from a broad spectrum of society (gender, ethnic, religious, and demographic)?
    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 1.4)

3. Do all of the board members have appropriate experience, education, and skills?
    1   2   3   4   5 -N/A---DNK (circle one)

    Comments:

    (OCA 1.4)

4. How many full board meetings were held last year?   _____

    Comments:

    (OCA 1.4)

5. Are board meetings generally well attended?
    1   2   3   4   5 -N/A---DNK (circle one)

    Comments:

    (OCA 1.4)

6. Are board meetings effective?
    1   2   3   4   5 -N/A--DNK (circle one)

    Comments:

    (OCA 1.4)

7. Are the results of board meetings well documented?
    1   2   3   4   5 -N/A-----DNK (circle one)

    Comments:

    (OCA 1.4)

8. Does the board have defined term limits that are reasonable?
    1   2   3   4   5 -N/A-----DNK (circle one)

    Comments:

    (OCA 1.4)

9. Are there open and transparent procedures for electing or appointing and removing board members and officers?

   1   2   3   4   5 -N/A-----DNK (circle one)

   Comments:

   (OCA 1.4)

10. Is there a good written ethics policy for board members that is well enforced?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 1.4)

11. Is the board sufficiently independent of management?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 1.4)

12. Do all board members understand their functions and carry them out diligently?

    1   2   3   4   5 -N/A-----DNK (circle one)

    Comments:

    (OCA 1.4)

13. Have the board members received appropriate training?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 1.4)

14. Is any additional training for the board needed? If so, on what topics?

    (OCA 1.4)

15. Is the board effective in setting policies and strategies for the organization?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 1.4)

16. Is the board effective in oversight of finances and administration?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 1.4)

17. Is the board effective in oversight of programs and projects?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 1.4)

18. Does the organization have other current managers who could take over effectively from the current leader without major transitional problems?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 1.5)

19. Are the organization's financial management and accounting policies, procedures, and systems for functioning well?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 2.2 to 2.6)

20. Are the organization's <u>non-financial,</u> administrative policies, procedures, and systems functioning well?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 3.4)

21. Are the organization's programs and projects effective?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 6.5)

22. Are the organization's fundraising and new business development activities functioning well?
    1   2   3   4   5 -N/A-----DNK (circle one)

    Comments:

    (OCA 7.5)

Annex 4. Optional Pre-OCA Survey for Staff

On the 5-point scale, 5 represents the highest performance and 1 the lowest performance. List N/A if not applicable or DNK if you do not know.

1. Function within the organization (check one)
   a. Program and project design, implementation, monitoring, or evaluation _____
   b. Client service delivery _____
   c. Finance and accounting _____
   d. Administration, other than finance and accounting _____
   e. Support services _____

2. Role (check one)
   a. Supervises other staff _____
   b. Non-supervisory _____

3. How long have you been with the organization? (check one)
   a. Less than 1 year _____
   b. 1-3 years _____
   c. 3-5 years _____
   d. More than 5 years _____

4. Do you understand the mission (purpose) and vision (future goals) of the organization?
   1   2   3   4   5 - N/A-----DNK (circle one)

   Comments:

   (OCA 1.1)

5. Are the roles and responsibilities of others in the organization clear?
   1   2   3   4   5 - N/A-----DNK (circle one)

   Comments:

   (OCA 1.3)

6. Does the organization have good written guidance on operating policies and procedures that is consistently followed?

    1   2   3   4   5 -N/A-----DNK (circle one)

    Comments:

    (OCA 3.1)

7. Are the information technology systems (computers, servers, printers, etc.) of the organization adequate and reliable?

    1   2   3   4   5 -N/A-----DNK (circle one)

    Comments:

    (OCA 3.2)

8. Are the policies, procedures, and systems for travel approvals, advances, and reimbursements functioning well?

    1   2   3   4   5 -N/A-----DNK (circle one)

    Comments:

    (OCA 3.3)

9. Do you have a written job description that is up-to-date and discusses your roles and responsibilities, required qualifications and skills, and reporting and supervision?

   1   2   3   4   5   -N/A-----DNK (circle one)

   Comments:

   (OCA 4.1)

10. Does the organization consistently follow its written policies and procedures for decisions on hiring, promotions, and terminations?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 4.2)

11. Do you think the organization offers significant opportunities for salary increases and career advancement for you and other staff?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 4.3)

12. Have you received an appropriate amount of training and other staff development opportunities?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 4.3)

13. Do you fill out daily timesheets based on your actual hours of work on specific projects?
    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 4.5)

14. Are your salary payments consistently correct, complete, and on time?
    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 4.5)

15. Does the organization pay eligible staff overtime when it is required by law?
    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 4.5)

16. Do you have an approved written workplan describing your goals, tasks, and performance objectives or targets at least once a year?
    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

    (OCA 4.8)

17. Do you receive clear and detailed guidance for specific assignments?
    1   2   3   4   5   -N/A-----DNK (circle one)

Comments:

(OCA 4.8)

18. Have you received a timely written performance evaluation within the last 12 months?
    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

(OCA 4.9)

19. Does the organization make active efforts to ensure diversity in the gender, ethnic, religious, and cultural composition of management and staff?
    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

(OCA 4.10)

20. Does the organization do a good job in communicating with its clients (beneficiaries)?
    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

(OCA 5.4)

21. Does the organization consistently address culture and gender issues effectively in its programs?

    1   2   3   4   5 -N/A-----DNK (circle one)

    Comments:

    (OCA 5.5)

22. Are the organization's programs and projects effective?

1   2   3   4   5 -N/A-----DNK (circle one)

Comments:

(OCA 6.5)

23. Does the organization routinely involve you in strategic planning and major decision making?

    1   2   3   4   5 -N/A-----DNK (circle one)

    Comments:

    (OCA 7.1)

24. Does the organization regularly analyze and share good practices and lessons learned with staff?

    1   2   3   4   5 -N/A-----DNK (circle one)

    Comments:

    (OCA 7.4)

25. Does the organization routinely seek your input on major decisions and issues?

    1   2   3   4   5 -N/A-----DNK (circle one)

    Comments:

(OCA 7.6)

26. Does the organization do a good job of keeping you well informed on important decisions and issues?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

(OCA 7.6)

27. Do you feel comfortable raising issues about the organization's operations with your supervisor?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

(OCA 7.6)

28. Do you feel comfortable raising issues about the organization's operations with senior managers above the level of your supervisor?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

(OCA 7.6)

29. Does the organization communicate well with the media, general public, government, donors, private sector, and other organizations?

    1   2   3   4   5   -N/A-----DNK (circle one)

    Comments:

(OCA 7.7)

Annex 5. History of the OCA and Other Uses

USAID's current OCA was prepared after reviewing a large number of standard institutional assessment tools used by the Agency and its partners and other donors. Some of the key tools are mentioned below. USAID has also used the Institutional Development Framework (IDF) created by Mark Renzi of Management Systems International in 1996. The IDF differs from the OCA in that the facilitators provide technical assistance during the assessment.[9]

In 1997, the USAID Office of Private and Voluntary Cooperation supported the development of the Discussion-Oriented Organizational Self-Assessment (DOSA). The DOSA followed the participatory, results-oriented self-evaluation (PROSE) method proposed by Evan Bloom of PACT and Beryl Levinger of the Education Development Center. PACT subsequently built on the DOSA in developing its Organizational Assessment Tool (OCAT).

A later iteration of PACT's OCA emphasized development of a tool customized by the organization and use of participatory techiques (such as the bull's eye, evaluation matrix, role playing, bean mapping, brainstorm chain, radar mapping, structure or process mapping, color-coded voting, group headlines, voting beans, card ranking, match game, and bingo).[10] Since PACT uses the average scores of each participant, rather than consensus scores; the final scores may include decimal values. PACT has also used its OCA to compare an organization's capacity to a cohort of similar organizations. However, USAID recommends maintaining the confidentiality of an organization's OCA results to avoid biasing the self-assessment process.

RTI International has a Local Partner Organization Capacity Assessment Framework (LPOCA) that includes its pre-award assessment of subcontractor financial capacity. The LPOCA uses a five-point scale. However, the LPOCA scoresheet does not ask for explanations and justifications and it is not tied to action planning.[11]

The most important influence on the first versions of USAID's current OCA was the New Partners Initiatives (NPI) tool developed in 2009 by Initiatives Inc. and John Snow Incorporated (JSI).[12] After USAID developed the Non-US Organizations Pre-Award Survey, it substantially revised the OCA internally in mid-2012 to integrate it with the NUPAS. Around the same time, USAID also expanded the OCA facilitator's guide to include a more comprehensive set of questions. The 2012 USAID revision of the OCA and facilitator's guide stimulated further changes in the Initiatives Inc./JSI versions later that year. In January of 2014, USAID substantially revised the OCA and facilitator's guide, adding new sub-sections,

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[9] Additional information on early OCA-like tools and general issues in measurement of institutional capacity development can be found in USAID. 2000. "Measuring Institutional Capacity ," TIPS No. 15. http://pdf.usaid.gov/pdf_docs/PNACG612.pdf

[10] PACT. ND. PACT's Organizational Capacity Assessment (OCA) Facilitator's Handbook. Washington, DC. http://www.csokenya.or.ke/site/uploads/resource/222.pdf

[11] RTI International. ND. Local Partner Organization Capacity Assessment. Research Triangle Park, NC.

[12] The NPI OCA was funded under the USAID-funded New Partner's Initiatives Technical Assistance (NuPITA) Contract No. GHS-I-00-07-00002-00 and the CDC/HRSA-funded New Partner's Initiatives Technical Assistance (TA-NPI) Contract No. 200-204-05316

splitting others that combined multiple aspects of capacity, and removing duplication. USAID also wrote more clear and specific criteria for the capacity scores and included more detailed questions in the facilitator's guide to help stimulate the discussions. [13]

USAID also encourages the adaptation of the OCA for specific sectors. For example, an earlier version of the USAID OCA was adapted for small or nascent civil society organizations working in LGBT programming. This adaptation used a five-point scale to better distinguish between different levels of lower capacity.[14] Adapted OCAs could also include technical capacity in areas, such as health.

USAID missions and regional bureaus are asked to track the average total OCA scores for their operating unit each year for optional reporting to USAID/Washington. This reporting is at the aggregate level, rather than the level of individual organizations. These scores are rolled up for their whole portfolio in one of the standard, annual, cross-cutting indicators of local capacity development (F indicators). The optional indicator is based on the average percent score on the OCAs conducted during the reporting year for local organizations with direct or indirect awards. Other similar capacity assessment rating tools can also be used in reporting on this indicator; it does not have to be the USAID OCA. However, annual OCA scores are not completely comparable across years because a different mix of organizations will be included each year since most do not do an OCA annually and different individuals within an organization may be involved in the OCA ratings in subsequent applications.

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[14]RTI International and Partners in Health Research. 2013. LGBTI CSO Capacity Assessment Facilitator's Guide. Research Triangle Park, NC: Prepared for the USAID Pathways for Participation Project.

Annex 6. Definitions of Key Terms[15]

Accounting: The process of recording, classifying, and interpreting financial transactions that occur within an organization.

Accruals-Based Accounting: An accounting method in which revenues are recognized when goods and services are sold or a funding agreement is signed and expenses are recognized when the purchase occurs or expires or an obligation to pay for goods and services is incurred. In accruals-based accounting, the organization does not have to wait until revenues are actually received or expenses are paid to record the transaction.

Adverse Opinion Report: An auditor's determination that the financial statements are materially misstated and that the errors have a pervasive effect on the statements. Also, see qualified and unqualified audits.

Advisory Committee: A group of independent experts and influential people that shares information and makes recommendations to an organization on mission, vision, strategies and operations, but does not have a decision-making role or legal responsibility for oversight (unlike a board of directors). An advisory board often 1) gives input to inform the decisions of an organization's senior management; 2) provides coaching to improve the skills of senior managers; 3) reviews the financial management, efficiency, and effectiveness of the organization; 4) helps the organization in its fundraising activities.

Advocacy: Providing support for a cause or issue representing the interests of particular groups to influence public-policy and resource allocation decisions. Methods for advocacy can include mass and social media campaigns, advertising, public speaking, research, polling, lobbying, participation in legal proceedings, and organizing client groups for voting and other actions,.

Assets: Resources owned by an organization or business that can be used for future operations or converted to money. Examples are cash; receivables; land; buildings; vehicles; equipment; raw materials; inventories; prepaid insurance and other costs; and patents, trademarks, and licenses. Long-term assets have an expected life of one year or more while short-term assets have an expected life of less than one year.

Board of Directors: An external entity responsible with legal responsibility for major decision-making or oversight of the activities of an organization or company. Typical duties include 1) establishing the mission and vision, broad policies, and strategies; 2) hiring, supporting, and reviewing the performance of the chief executive, 3) helping to ensure adequate financial resources; 4) approving annual budgets; 5) accountability to the stakeholders for the organization's performance; and 6) setting compensation for senior management. The board of directors has more extensive roles than an advisory committee. Also known as a board of trustees or board of governors.

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[15] Some of these definitions were adapted from 1) Deloitte. 2014. Public Financial Management Primer: Leadership in Public Financial Management. Washington, DC. Prepared for USAID; 2) RTI International and Partners in Health Research. 2013. LGBTI CSO Capacity Assessment Facilitator's Guide. Research Triangle Park, NC: Prepared for the USAID Pathways for Participation Project; and 3) wikipedia and other online resources.

Budgeting: The ability to estimate direct and indirect costs and plan the use of financial resources within expected financial constraints.

Financial Audit: A systematic and independent examination of financial data, records, and statements to assess their accuracy, completeness, and ability to support reliable financial reporting and provide a fair view of the organization's financial position, results of operations, and cash flows in conformity with local laws, regulations, or generally accepted accounting principles.

Fundraising: The ability to secure the financial resources needed for organizational operations and sustainability from unrestricted grants or donations, restricted grants or contracts for projects, and fees or sale of goods and services to clients and other entities.

Cash Based Accounting: An accounting method in which revenues are recognized when cash, checks, or electronic payments are actually received and expenditures are recognized when payments for goods and services have been made. Cash-based accounting is distinguished from accruals-based account or a hybrid system.

Chart of Accounts (COA): - The basic building blocks of an accounting system, listing all accounts (categories) used in budgeting, recording, and reporting revenues, expenditures, assets, and liabilities. Each account is coded with a reference number indicating the department or unit responsible for the transaction, program or purpose, and nature of the transaction. Also called an accounts classification.

Compliance: The degree of adherence to legal and regulatory requirements and donor terms and conditions and required management systems and procedures.

Compliance Audits: Audits that examine one or more programs or functions to assess whether the organization is using resources appropriately and efficiently in accordance with legal and donor requirements.

Disclaimer of Opinion. An auditor's determination that it could not form or present an opinion on an organization's financial statements because the auditor 1) was not independent or had a conflict of interest; 2) could not get sufficient, appropriate audit evidence as a result of the client's limitation on its scope; 3) concluded that circumstance indicate the client has a substantial risk of not being a going concern within the next 12 months; or 4) there are significant uncertainties in the business operations of the client.

Effectiveness: The ability to achieve the expected results of operations (outputs, sub-purposes or outcomes, and purposes) over a defined time period.

Efficiency: The ability to carry out operations at the lowest possible cost (money and/or time).

Evaluations: Periodic, special, systematic assessments of performance, impact, and lessons learned that are typically more extensive than monitoring. Under current USAID policy, evaluations are external – commissioned and carried out by entities unaffiliated with the USAID award recipients.

Financial management system: Policies, procedures, and technologies for collection, safeguarding, and tracking of revenues and other assets; ensuring appropriate and efficient use of resources for expenditures; and proper reporting of transactions.

Financial Reporting: The communication of financial information to inform interested parties about the decision-making process and enhance government transparency throughout the entire budget cycle.

Fixed Assets: :Land; buildings; vehicles; equipment, machines, and tools; furniture and other capital items purchased for long-term use (greater than one year) that are not for sale in the ordinary course of operations. Fixed assets other than land are depreciated to reflect their current value.

Fixed Asset Register: A database or other system of documentation of the value of assets, date of acquisition, and other information needed to for depreciation, control and tax purposes.

General Ledger: The main consolidated accounting records of finanical transactions over the life of an organization. The general ledger generally includes accounts for budget, assets, liabilities, revenues, and expenses consistent with the chart of accounts. It may be derived from a series of subsidiary ledgers. The general ledger shows the balances and debits and credits under each account, but does not provide detailed information on the transactions. It is used to prepare financial statements.

Human Resources Management: The ability to attract, select, train, assess, motivate, supervise, and reward employees and create effective staff leadership and a conducive organizational culture while ensuring compliance with labor laws.

Governance: The exercise of authority, involving the process and capacity to formulate, implement, and enforce laws and public policies and provide services.

Hybrid Cash/Accruals Based Accounting: A conservative accounting system that records revenues on a cash basis (when cash, checks, or electronic payments are received) and expenditures on an accruals basis (when an obligation is incurred).

Internal Controls: Systems, policies, and procedures to reasonably ensure orderly, ethical, and efficient operations in accordance with the organization's mission; compliance with laws and regulations; and reduce risks of waste, fraud, abuse, and mismanagement. These include segregation of duties within processes; appropriate authorization of transactions; safeguards over inventory and assets; efficiency of processes or operations; good record keeping and documentation; and reporting and use of the information.

Inventories: The value of goods waiting to be sold. Inventories are classified as a current asset and reported as the cost of raw materials, work-in-process, and finished goods.

Journal (accounting): A detailed list of each accounting transaction. Posted amounts are taken from the journal and put into the general ledger.

Knowledge Management: Ability to systematically identify, analyze, store, retrieve, and share information and lessons learned within the organization.

Liabilities: Obligations that a business is expected to pay within the next year (short-term) or after one year (long-term). Liabilities may include payables, loans, bonds, notes, pension benefits, leases, and taxes.

Line Item Budgets: Budgets based on the cost of specific categories of inputs (such as salaries and benefits, electricity, and vehicle fuel). Line item budgets focus on the resources spent, but do not provide information on the intended results. Also known as input budgeting.

Mission Statement: A statement of the current purpose of an organization that is used to guide its strategies and decisions. Mission statements often include the purpose of the organization, the types of goods and services it will provide, and its primary stakeholders.

Monitoring: An organization's ongoing, internal, routine processes for tracking the timeliness, efficiency, and quality of activities; effectiveness of results (outputs, outcomes, and impacts); achievements versus targets; and risks, opportunities, and challenges. Monitoring helps to ensure accountability internally and to clients, and other stakeholders. It supports donor and legal reporting requirements and helps identify the need for mid-course corrections in approaches and operations.

Needs Assessment: A process for determining the gaps between current and desired conditions.

Obligation: An approved agreement to incur a cost (expenditure) in accruals-based accounting.

Organizational Structure: The roles and responsibilities of all departments or functions and lines of authority, including governance and operations.

Organization Chart: A chart showing the formal organizational structure, including management and reporting roles and staff responsibilities. Also known as an organogram.

Payables: Amount of money an organization owes for goods and services that it has already received from others and are expected to be paid within a short period of time. Payables are classified as a current liability. Also known as accounts payable.

Petty Cash: A small fund of money for rapid reimbursement of incidental expenses.

Procurement: The acquisition of goods, services or works from an outside external source and the process of using funds and carrying out transactions to pay for them.

Program Budgeting: A budgeting system that groups revenues and expenditures by program.

Qualified Audit: An independent auditor's determination that an organization's financial statements are incorrect or incomplete in at least one aspect, but without a pervasive effect on the usefulness of statements. A qualified audit may be given if the financial statements materially misstate an account

balance, class of transaction or disclosure or if there is insufficient information to support them. Also, see adverse opinion report and unqualified audit.

Receivables: Amount of money owed to the organization for goods and services that have already been provided to others and are expected to be received within a short period of time. Receivables are classified as a current asset. Also known as accounts receivable.

Recruitment: The ability to hire qualified personnel to fill new and vacant positions.

Retention: The ability to keep existing staff within an organization, either in their current jobs or positions with different responsibilities.

Stakeholder Analysis: Identification, consultation and assessment of a broad range of potentially interested groups to gain a better understanding of their problems and potential solutions; assess interests and resources of organizations and groups; increase participation in project design and implementation to improve likelihood of success; incorporate local and traditional knowledge; and learn what others are already doing or plan to do on their behalf.

Stakeholders: People, groups, and institutions with an interest in project success or ability to contribute to project objectives or impede them. Examples of stakeholders include clients and targeted beneficiaries; other private sector actors; national, provincial, and local government agencies; donors and development assistance agencies; and civil society organizations.

Strategic Plan: An organizational or business plan that covers an extended period (usually 3-5 years or more). Strategic plans often address an organization's vision, mission, and goals; current situation, external environment, and expected future trends; capacity; current and future resource requirements and sources; processes for major decisions; types of actions most likely to achieve the desired results; and timetable.

Sub-Awards: Grants or contracts that an organization is expected to provide to other organizations and manage under agreements with its funders. A sub-award management system may include guidelines for eligibility, financial management and donor compliance requirements, oversight, and responsibilities for implementation, monitoring, and evaluation.

SWOT Analysis: Strengths, weaknesses, opportunities, and threats analysis commonly used in business or strategic plans

Transparency: A form of accountability that is based on accessibility and openness of information.

Unqualified Audit: An independent auditor's determination that an organization's financial records and statements are fairly and appropriately presented with no material misstatements. Also, see disclaimer of opinion, and qualified audit report

Values: Shared principles, beliefs, and ethical standards that contribute to an organization's culture.

Vision: An organization's aspirations for its future state at the end of a certain period of time. These aspirations may include size, status, strategies, accomplishments, and values. The vision helps set the direction for organization.