NEW PARTNERS INITIATIVE TECHNICAL ASSISTANCE PROJECT (NuPITA)

Building NGO Capacity Using the Organizational Capacity Assessment Tool

August 2011

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The NuPITA Project

The **New Partners Initiative Technical Assistance (NuPITA) Project** is a USAID-funded initiative to increase the quality of program implementation and strengthen the institutional capacity of 14 nongovernmental organizations that provide HIV prevention and care services in eight sub-Saharan African countries. These 14 organizations are PEPFAR New Partners Initiative (NPI) Round 2 and Round 3 grantees.

Implemented by John Snow, Inc., and partner, Initiatives Inc., with offices in Kampala, Uganda and Nairobi, Kenya, the project provides technical assistance (TA) to the NPI grantees in HIV prevention and care services, financial management and compliance with USG regulations, and organizational development (OD).

NuPITA provides technical assistance to:

Round 2 NPI Partners

American Refugee Committee International (ARC) – Minnesota, USA, working in Uganda
Camfed USA Foundation (Camfed) – California, USA, working in Tanzania
Children's Emergency Relief International (CERI) – Texas, USA, working in South Africa
Integrated Community Based Initiatives (ICOBI) – Bushenyi District, Uganda
Tearfund* – Teddington, United Kingdom, working in Kenya
Woord en Daad – Gorinchem, Netherlands, working in South Africa

Round 3 NPI Partners

Ananda Marga Universal Relief Team (AMURT) – Maryland, USA, working in Kenya
European Cooperative for Rural Development (EUCORD) – Brussels, Belgium, working in Nigeria
François-Xavier Bagnoud Foundation (FXB) – New York, USA, working in Rwanda and Uganda
GOAL – Dublin, Ireland, working in Uganda
Grassroots Alliance for Community Education (G.R.A.C.E.) – working in Kenya
Kindernothlife (KNH) – Duisburg, Germany, working in Kenya
WellShare – Minnesota, USA, working in Uganda
Retrak – Manchester, United Kingdom, working in Uganda and Ethiopia
Tearfund* – Teddington, United Kingdom, working in Zambia

A critical component of the NuPITA capacity-building process is to assess where an organization falls along a continuum of management processes.

*NuPITA is assisting Tearfund affiliates in two countries

ASSESSING ORGANIZATIONAL CAPACITY

The extent of the AIDS epidemic has challenged the public health sector of many developing countries. NGOs are stepping up outreach to their communities with prevention and care services. In line with the US Government's emphasis on country ownership, the PEPFAR-funded New Partners Initiative (NPI) was designed to increase the number of local partners who have the capacity to effectively implement high-quality HIV services and be a sustainable support to their respective national strategies.

From 2007 to 2013, NPI awarded three-year cooperative agreements to 54 CBOs, FBOs, and NGOs with little to no experience working with the U.S. Government. Using a far-sighted strategy, NPI simultaneously awarded contracts to technical assistance providers to support the grantees in becoming more sustainable by improving their compliance and accountability, strengthening their management systems, and developing their ability to deliver effective care and prevention programs.

John Snow, Inc. (JSI) in collaboration with Initiatives Inc. was awarded a contract to assist 14 organizations working in eight countries in Sub-Saharan Africa, which in turn supported 85 community-based sub-partners. Together, JSI and Initiatives formed the New Partners Initiative Technical Assistance project (NuPITA). NuPITA's first task was to define a capacity building approach that could address the varied experience and capacities of the NPI partners.

Creating an Assessment Framework

NuPITA designed its organizational assessment model to enable organizational learning, foster team sharing and encourage reflective self-assessment within partner organizations. It tailored its Organizational Capacity Assessment (OCA) tool to help organizations assess their management systems, service delivery processes, and ensure compliance with donor policies and regulations. The OCA has seven components, divided into 45 measurable best practices in management and program implementation. The framework guides organizations to rank themselves from 1.0 (limited capacity) to 4.0 (strong capacity) and identify the elements necessary for improvement. The assessment is conducted three times over the course of the partners' projects: first as a stand alone OCA; then as a combined technical and organizational assessment or TOCA; and finally as a close-out OCA or CLOCA, generating a retrospective review of progress.

NuPITA conducted the OCA as an interactive self-assessment, bringing together staff from all departments at each partner organization, both at headquarters and in the field, for the two- to three-day assessment. Not intended to be a scientific method, the value of the OCA is in its collaborative, self-assessment process. The framework offers organizations a chance to reflect on their current status against recognized best practices. Lively discussions are also an opportunity for management, administration, and program staff to learn how each functions, strengthening the team and reinforcing the inter-relatedness of the seven OCA components.

NuPITA facilitators bring expertise in compliance, organizational development, and programs and use probing questions and document reviews to guide the process that culminates in an action plan. The action plan details the interventions and technical assistance necessary for moving forward, assigns responsibilities, and sets timelines for completing activities. Each action plan provides a road map for the organization's next steps as well as NuPITA's targeted technical assistance.

OCA

The first OCA serves as a baseline; when repeated on an annual basis, the process allows partners to compare their progress over time. NuPITA facilitators found that many partner organizations understood the process and its benefits better after the first OCA and a year of technical support. As a result, many were more realistic in their appraisal in subsequent OCAs, decreasing their capacity scores while emphasizing their improvement plans.

TOCA

In Year 2, NuPITA augmented the OCA by adding a technical assessment component, resulting in a technical and organizational capacity assessment (TOCA) in which partners assess HIV management and delivery in organizational-specific service areas. Partners examine global standards for program strategies, service delivery, community involvement, referrals, training, and monitoring for each HIV service. Using tools relevant to their scope of work, partners review their organizational plans, leadership, logistics systems, and quality of HIV services against global standards. To strengthen their relevance to the national strategy, NuPITA encourages organizations to link to national guidelines and coordinating committees to ensure their programs are compliant with current HIV protocols.

CLOCA

The final step in the assessment progression is the CLOCA, or close-out OCA, in Year 3. The CLOCA measures capacity development over three years and includes qualitative questions to help organizations reflect on their progress over the life of the project, share successes and challenges, and celebrate accom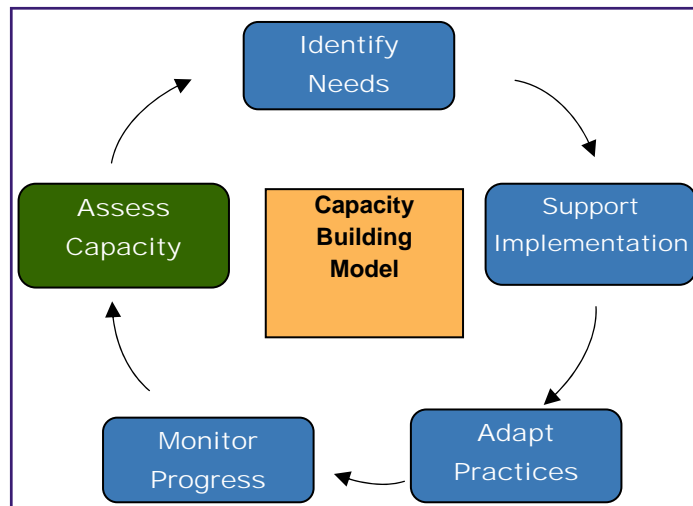plishments. At the same time, the CLOCA provides lessons learned for NuPITA and USAID on how to improve the NPI approach.

Capacity Building Approach

NuPITA's capacity building strategy began with the launch of the project, bringing grantees together to form a sharing network to learn from one another. The model is cyclical, and begins with an assessment to identify needs, setting the stage for planning, providing TA through teaching, modeling, mentoring, and peer learning, and then assisting implementation at the organizational level. Monitoring effectiveness of the changes leads to final adaptation, bringing the cycle back to re-assessment to measure overall progress in capacity development.

Assessment and Planning

The OCA was critical in identifying strengths and challenges that needed to be addressed across and within organizations. Building on assessment scores and partner action plans, NuPITA developed an annual implementation plan to strengthen partners' self-sufficiency and sustainability. The plan covered group and partner-specific trainings to address compliance, monitoring and evaluation, human resources, support supervision, and leadership; short-term NPI Advisors to help partners address policy development, financial management and monitoring and evaluation; structured visits to NPI and non-NPI programs to demonstrate new processes; one-on-one support from organizational development, program and compliance staff to conduct financial and policy reviews and audits, and to develop databases; executive seminars to strengthen leadership; and USAID-sponsored state-of-the-art (SOTA) workshops on technical advances and close-out assistance.

Implementation

The OCA experience and action plans led to organizational changes. NuPITA provided technical support for some of these changes, such as hiring consultants to help build internal capacity in financial management over a period of months, working one-on-one with organizations to develop or revise personnel policy manuals, or reviewing and commenting on draft project work-

Capacity Building Model

Identify Needs → Support Implementation → Adapt Practices → Monitor Progress → Assess Capacity → (Identify Needs)

plans. Partners reviewed and revised organograms to improve efficiency and developed or revised job descriptions and established performance reviews to help staff perform more effectively. Other partners clarified the roles and responsibilities of their boards to better guide the organizations. Many created a more comprehensive program planning process with community input. Partners acquired and utilized recognized national and, at times, international standards for HIV service delivery and monitoring. Others created strategic plans to guide organizational direction.

Monitoring and Adapting

Determining how effective the changes are is part of the monitoring process allowing organizations to make adjustments based on information and analysis to meet their needs and those of their sub-partners and global programs. The NPI grant has given NuPITA's partners greater confidence, and some have found that their more efficient management and organizational systems are very helpful in attracting new donor funding.

The following seven partners' stories illustrate their path to capacity development through assessment, action planning, and a commitment to improve performance. The final section, Rolling out the OCA, highlights how four partners adapted the OCA tool to the needs of their global organizations and sub-partners.

GOVERNANCE

At its heart, good governance means the responsible management of an organization's resources. Transparency, accountability, effective management, and rule of law are essential components of good governance.

The objective of the OCA domain on **governance** is to assess the NGO's motivation and stability, and review its guiding principles, structure, and oversight.

Governance Best Practices

- Clear vision and mission to drive the organization
- Organizational structure aligns with mission
- Board involved and capable of guiding the organization
- Legally registered and compliant with tax laws
- Succession plan in place

EUROPEAN COOPERATIVE FOR RURAL DEVELOPMENT (EUCORD)

EUCORD is a Brussels-based not-for-profit organization. The NPI-funded Children of Hope (CH) Project, primed by EUCORD and implemented with WEWE, Widows & Orphans Empowerment Organization, is building the capacity of nine small NGOs to prevent the spread of HIV and AIDS and meet the needs of orphans and vulnerable children (OVC) and their households in Nigeria.

Both EUCORD and WEWE are young organizations, though EUCORD has a strong board: Its members come from corporate backgrounds and have a focused commitment to developing public-private-partnerships. For EUCORD, the added value of NPI was the gift of time. NuPITA facilitated a strategic plan-ning workshop for the EUCORD board in the first year of the NPI grant. "We had a chance to plan,"

"I am using the OCA tool with 9 sub-grantees. The tools have become our organization bible. We use the same tools and same process with some minor changes."

Joseph Egwuonwu,
WEWE Executive Director
and Children of Hope
Chief of Party

said Hendrik Knipscheer, EUCORD's Managing Director. " Deciding long-term goals was a key outcome for us."

WEWE is a small organization, founded by a group of friends who wanted to help widows and orphans. Through NPI, EUCORD saw the opportunity to build WEWE's capacity. The OCA provided a chance to assess WEWE's strengths and challenges and offered an array of opportunities for the small Nigerian organization. "The process was an eye-opener," said Joe Egwuonwu, WEWE Founder, "We saw if we wanted to remain viable in the NGO world we had to improve. The requirements of the award weren't anything we could have anticipated."

WEWE has benefited from the mentorship of Henk, his tireless efforts to encourage the board to look for new projects, and his search for private sector partnerships to support WEWE's HIV and AIDS projects.

"The OCA was a new tool for me and a very useful one, especially as action plans are revisited," Henk reflected. "I've done some strategic planning, and you need good facilitators. We would never have been able to afford the caliber of people we got from NuPITA."

NuPITA organized a resource mobilization workshop for WEWE and its partners. Plans are underway to conduct a strategic planning workshop and a board strengthening workshop to discuss board practices and procedures for WEWE's board and board members from selected sub-partners. It will also host a leadership forum to address the needs and interests of Nigerian board members and NGO executives.

EUCORD's Managing Director also plans to use OCAs in the future as a first step in designing projects with local NGOs. "We want to institutionalize the use of OCAs in our work with NGOs and I guess there's no better praise than that."

The results of the OCA process will be long lasting for both organizations. "We felt empowered to fulfill our commitment to our community," said Joe.

Henk noted the effects of the process. "We now have organizational charts and share information." He further recognized how NuPITA encouraged growth. "The NuPITA team facilitated, but the ownership of the results rested with me and my staff."

> *"The biggest impact from NuPITA was that we now have organizational charts and we share information. The NuPITA team facilitated but ownership of the results rested with me and my staff."*
>
> Hendrik Knipscheer, Managing Director, EUCORD

EUCORD/WEWE
Accomplishments in Governance

- The EUCORD board was actively engaged in the development of the new strategic plan and accompanying business plan.
- The EUCORD board is conscious of the need to maintain a balanced set of skills and diversity and has recruited a new female member who brings a wealth of experience in medical anthropology.
- WEWE models active leadership and has strongly encouraged the Executive Directors of its sub-partners to take initiatives that will strengthen their organizations' structures and services.
- WEWE led the efforts of child protection committees to register as community-based organizations, thus strengthening and institutionalizing their capacity to partner with local authorities.

ADMINISTRATION

Clear administrative policies and procedures are the core of a well-functioning organization. Administrative systems and policies do not need to be complex to be effective. Rather, they should be as simple as possible while meeting the needs of the organization. Developing and improving administrative systems takes time and requires long-term commitment and a continuous review process, but when an organization is well-administered, it is well-positioned to support staff and programs.

Under the **administration** domain, the OCA assesses an organization's functionality by measuring the quality of its administrative systems as well as its capacity to develop and apply policies and procedures, and the extent of staff knowledge and understanding of these systems. A key focus is compliance with USG's well-honed rules and regulations in all administrative areas.

Administration Best Practices

Complete and documented policies and procedures that are known and understood by staff, including:

- Administrative
- Travel
- Procurement
- Fixed assets
- Branding/marking

RETRAK

"Retrak is one of the very few organizations working full time with street children—kids who live and sleep on the streets. They are the most marginalized of the marginalized—you read their stories and how they turned their lives around, and it's next to impossible not to be emotional about it."

David Hopewell,
Finance Director

Retrak, in both **Uganda** and **Ethiopia,** works with orphans and vulnerable children (OVC) who live full time on the street. Their NPI project goal is to provide short-term care and protection to OVC on the street, and to support families to meet the needs of the OVC in the long term.

The NPI award came at an opportune moment for Retrak. "For us it was an absolutely amazing award," said Finance Director David Hopewell. "The PEPFAR award was important to us, but NuPITA really enhanced its value. Prior to that, we felt ready to develop into a bigger and more influential organization, but knew we needed much better processes."

"The administrative weaknesses at Retrak reflected the inherent difficulties and gaps faced by a small 'founder's organization' which was seeking to grow, so for us it was a heaven-sent opportunity to address and develop our policies and procedures," David said, reflecting on where Retrak stood at the start of the OCA process. "We spent a lot of time writing new polices and used NuPITA expertise extensively, especially with trainings. We didn't have

formal branding or travel policies, for example, and as a result we are now much more aware of our own brand when dealing with sub-grantees and especially aware of brand protection.

We also now have a very rigorous due-diligence process which we took from NuPITA trainings. However it is in the human resource and finance areas where we have seen maximum benefit, including robust documented policies in place."

To everyone's surprise, the OCA experience proved to be much friendlier than expected. "They sat around the table with us and explained everything," said Maggie Crewes, Ethiopia Country Director. "We thought they were going to impose things on us but we saw it was a facilitative process and that [the NuPITA team] would help us, not only to be USAID compliant, but as an organization."

Although the initial OCA administration scores were low, David said, "It confirmed our intuitive feeling that we were doing really good work but lacked the underpinning systems to support the organization."

Retrak took advantage of the many NuPITA TA supports, including using a short-term NPI Compliance Advisor to help field offices train the full staff on manuals and new systems. They participated in a NuPITA compliance activity that involved staff members from all Retrak programs—HQ, Uganda, and Ethiopia—and focused on developing a stronger "team" presence in administration to increase consistency across the organization.

"We didn't realize how significant the OCA process would be to us as an organization," Maggie said, acknowledging the huge benefits for an organization poised and eager to grow.

As he reflected on Retrak's progress with NuPITA, David wishes there was one more OCA category. "There's a point in the process where it's not unreasonable to expect to get the maximum scores. It would be great if we were left with a category beyond OCA best practices, perhaps a 'world class' category, we could aspire to."

> "*On the administrative side, we had a strong vision and mission, and a strong strategic plan, but gaps in other administrative areas. The biggest help was having NuPITA advise us as to how to go about filling those gaps.*"
>
> Maggie Crewes,
> Country Director, Ethiopia

RETRAK
Accomplishments in Administration

- Four manuals—Human Resources, Employee Handbook, Finance, and Procurement—have been developed, approved by the board, and fully disseminated to staff in UK, Uganda, and Ethiopia.
- Approval and authority thresholds are in place and compliant with USG thresholds.
- Travel policies and procedures are documented. An internal approval process is in place for travel; international travel is pre-approved by the donor for the NPI project as contractually required.
- A USG branding/marking plan for the NPI project was approved by USAID and is being implemented.

HUMAN RESOURCE MANAGEMENT

Strong human resource (HR) management systems improve employee performance and enhance staff motivation and productivity which in turn increases organizational effectiveness. HR departments manage an organization's *human* capital. It is their job to attract the best people for their programs, and for the populations they serve. In addition to hiring the right people to manage and perform specific jobs, effective HR builds staff commitment and loyalty and keeps them up-to-date about organizational plans. HR management systems should create a sympathetic liaison between workers and management.

The **HR management** domain addresses an organization's ability to maintain a skilled, satisfied workforce and assess how operations and staff time are managed. This component also reviews human resource management systems and processes, and how they relate to strategic goals to deliver quality programs.

HR Management Best Practices
- Job descriptions are clear and updated
- The organization has clear recruitment procedures and approaches for retaining staff
- Personnel policies and procedures are clearly documented and supportive
- Timekeeping procedures are in place to provide data for better planning and budgeting
- Performance appraisals are conducted and documented annually

ANANDA MARGA UNIVERSAL RELIEF TEAM (AMURT)

AMURT/USA through its **Kenya** field office supports 3,000 orphans and 1,000 people living with HIV in underserved communities in Nairobi, Mombasa, and Kisumu under the NPI grant. HIV prevention activities are also a major emphasis of the AMURT program.

Executive Director Peter Sage noted that AMURT is a coalition of organizations, and he commented on the changes brought about by the NPI award: "Through the grant we've been able to transform administrative programs and, through interacting with chapters, go from an organization of good-hearted people who want to do well, and transform into a more professional organization."

As noted during the organizational assessment held in May 2010, AMURT/Kenya's score in the human resources domain jumped over a point after months of hard work and collaboration with the NuPITA team.

Dr. Jitendra Kumar, Director of AMURT/Kenya, remarked on HR processes before NPI: "We had many projects but did not have proper HR structures. We were not handling paperwork properly, interviews were not properly done, and our policies were not clear. We knew employees had rights and needed benefits but we didn't realize it was an issue that needed to be seriously addressed."

NuPITA assistance has included training and follow up support on the key elements of human resources, reviewing draft HR policy manuals, providing feedback on time management, and establishing the USG-required drug-free workplace policy.

"The word 'team' is in our name, so we want to strengthen our capacity to build a team. We want HR to focus on excellence in terms of recruitment, attracting team players and high –caliber professionals, to consciously build a team and create a congenial culture in the workplace and project areas."

Peter Sage,
Executive Director,
AMURT

Administrative/HR Manager Evelyn Otachi listed several areas where AMURT/Kenya realized major changes. "We strengthened job descriptions and performance management and looked for supervision strategies. During the NuPITA HR training we examined how other organizations did their documentation, and sat down with staff and involved them in the implementation process. We came out with a comprehensive structure and supervision strategies to accommodate everyone ."

A remaining HR challenge for AMURT is volunteer retention, as the organization relies heavily on volunteers to do its work. AMURT has a standardized volunteer manual with new policies for volunteer orientation. AMURT has also developed

more user-friendly volunteer timesheets to improve accuracy and support cost-share needs. NuPITA is assisting AMURT in these initiatives.

The NuPITA team offered an array of TA support and AMURT eagerly took advantage of many of them. "It was our first experience and we really loved it," Peter said. "We were eager to learn. We have taken the OCA model internally to other AMURT chapters and the capacity-building effects have multiplied and rippled throughout the AMURT global network."

Comparison of AMURT Human Resource Management Scores
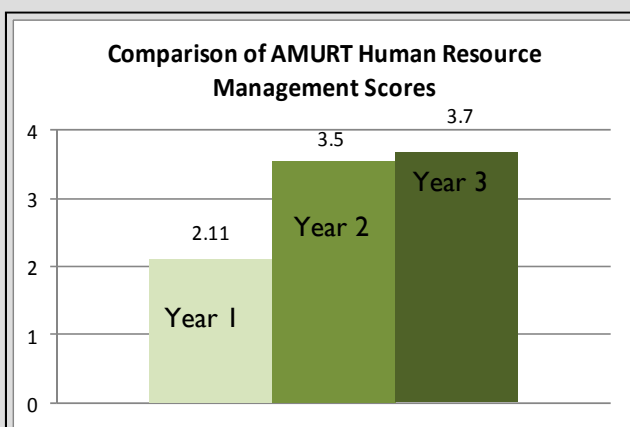
AMURT
Accomplishments in Human Resource Management

- Recruitment now follows a standardized process of advertising and interviewing with a 6-month probation period for new hires. AMURT has a retention plan and training programs, and conducts team-building exercises.

- The organization now has a comprehensive and USG-compliant personnel manual. AMURT field staff are reviewing policies and are encouraged to ask questions about what is not clear. Staff now sign a statement confirming they have received, read, and understood the personnel policy and agree to abide by it.

- Timesheets are signed on schedule by the supervisor and the employee.

- There is a defined salary scale and processes for salary increases linked to performance evaluations; staff salaries will be reviewed after a completed full year of service.

ORGANIZATIONAL MANAGEMENT

The strength and sustainability of an organization is directly linked to the quality of its management and leadership. This domain examines how an organization functions internally and externally, how it plans with staff and stakeholders, and how it ensures future financial sustainability.

The OCA component concerning **organizational management** assesses whether the strategic plan flows from a clearly stated mission, and whether an organization operates in a systematic manner. Does it coordinate and partner with others, and does management facilitate growth by regularly reviewing planning processes and how external relationships and information are managed so that new opportunities can be identified and actualized?

Organizational Management Best Practices

- Strategic plan reflects mission and informs workplans
- Processes in place to manage change and seek new opportunities
- Mechanisms for sharing information and best practices are instituted
- Internal communications are open and staff is involved in decision-making

ASSOCIATION FRANCOIS-XAVIER BAGNOUD (FXB)

"People hear wonderful stories about our work but without specific numbers how do they know it's true? We had to start collecting data and the NuPITA team was very helpful. With their help, and with the FXB Center at Harvard, we established an extremely good system. In just one year we got amazing data!"

Bilgé Bassani,
CEO, FXB International

FXB is an international development organization founded in 1989. FXB International designed the FXB Village Network Model, a comprehensive, three-year program to transform the lives of OVC and their caregivers. The organization's NPI funding is helping to launch 20 new villages in Uganda and Rwanda.

CEO Bilgé Bassani remembers, "FXB started out as a foundation 20 years ago and had a very small staff and [was] using the endowment money of its founder. They had an effective methodology, the basic management systems, but didn't have the extensive management systems required for growth."

Through the OCA process, FXB offices in Geneva, New York, Rwanda, and Uganda identified organizational management as an area in need of attention, especially strategic planning, workplanning, and change management.

Managing change and aligning the strategic plan with mission and goals are important steps for an organization in transition. With that in mind, the NuPITA team shared samples of strategic plans, reviewed FXB's drafts, and provided comments. As the organization focused on developing its NPI workplan, NuPITA sponsored and facilitated a meeting. It was the first time country teams

had gathered to jointly draft their plans. Workplan monitoring strategies were discussed and are now being implemented.

Monthly workplan reviews are now conducted at the field level, and FXB makes concerted efforts to consult staff about changes to staff policies and procedures.

"We always had a workplan but with NuPITA's urging we developed something more comprehensive," concedes Bilgé. "What we have now is much better, and it is a confidence-building element for outside donors."

Effective communication with field staff is essential for an organization that has FXB's global reach. Participatory processes were not unfamiliar to the organization because the creation of an FXB village begins with a highly participatory process to integrate local concerns, but the gap in communication and participa-

tion between management and staff needed attention.

The global strategic planning process for 2010-2014 was enriched by joint collaboration with FXB field offices, resulting in more realistic projections.

FXB has used the lessons learned from NuPITA to redefine and improve organization management processes in its worldwide programs.

"When the NPI grant ends, we will continue expanding the OCA to our other field operations. It's very logical and empowering and the kind of technique I hope other organizations will use. If someone did a comparison study, I'm sure they would find that this capacity-building approach works best."

Bilgé Bassani,
CEO, FXB International

FXB International
Accomplishments in Organizational Management

- New Global Strategic Plan for 2010-2014 involved field offices, which helped create more realistic projections.

- FXB management now makes a concerted effort to consult staff on changes to staff policies and procedures.

- Initiated a Graduate Tracer Study to learn how FXB program graduates perform years after support has ended. Study findings could influence future programming.

- Fundraising team knows FXB's resource mobilization target and is exploring options for expanding the resource base.

- Discussions at the board level cascade to program levels; in-country directors encourage staff to provide ideas before final decisions are made.

FINANCIAL MANAGEMENT

How an organization's finances are managed impacts all management systems because, by nature, financial matters facilitate and maintain those systems. Financial plans should be linked and tailored to specific organizational goals, and when they are well-functioning and compliant, can attract key partnerships and help leverage resources to strengthen sustainability.

The objective of the OCA **financial management** domain is to measure the organization's ability to develop and apply financial policies and procedures, examine the existence and quality of financial systems, and assess how well staff know and understand them. A key focus across all categories is bringing organizations into compliance with USG rules and regulations regarding all financial systems, policies, and procedures.

Financial Management Best Practices

- Well-documented financial systems and financial controls
- Financial files documented and audit-ready
- Financial reporting procedures known and understood by staff
- Systems in place to track, report and document cost-share

MFESANE

Mfesane was founded in South Africa in the early 1970s and works to address the health concerns of informal settlements and other communities where socially-dislocated people are at high risk of HIV infection.

The NPI grant awarded to Woord en Daad, a Dutch-based FBO, supports Mfesane's ambitious, holistic program with components in HIV counseling and testing, home-based care, peer education, and OVC. Mfesane has been a partner of Woord en Daad for over 20 years.

Though Mfesane welcomed the NPI grant, it was soon clear how daunting it would be to manage the award. "We had no experience with USAID money," said Finance Manager Rowan Abels. "And we were overwhelmed by the expectations and high standards, and by the way things needed to be done."

Because meeting USG requirements meant upgrading systems and procedures across the organization, Mfesane was eager to go through the OCA process and utilize the technical assistance offered by NuPITA. "We wanted to raise our standards to a very high level," said Senior Finance Officer David Kadira.

"We produced monthly reports before USAID of course, but with NuPITA standards, we had to do more regular and thorough reports and we've achieved that. We were never really late and if we were, there were reasons. But the audit! It was quite different from anything I was used to!"

Rowan Abels,
Finance Manager

"We had a financial policy but we did not include details, such as approval limits," David noted.

Rowan remembered the organization before the NPI grant: "Everything was controlled from the central office—by myself and the CEO—because at that stage we were small. We didn't have travel policies because it was just the two of us traveling."

First, a NuPITA team of financial management and compliance experts made technical assistance visits, and reviewed Mfesane's policies and procedures in detail with key staff. That collaboration resulted in the organization's first comprehensive financial manual, revisions to their financial management system, and a list of action items to carry them forward.

The remarkable progress Mfesane documented between the two OCA assessments attests to management's commitment and the support it received from Woord en Daad, NuPITA, and resident NuPITA-supported advisors. Mfesane's financial management success was validated when it achieved a positive USAID audit report in 2010.

David summarizes: "When the NuPITA team visited in 2008 for the first OCA, we were worried, but thanks to their assistance, we really improved our internal control systems."

"All in all," said Rowan. "The OCA process was very good and all inclusive, and because of that we developed an organization with high standards. We're taking that knowledge with us into the future ."

Comparison of Mfesane Financial Management Scores

Year	Score
Year 1	1.8
Year 2	3.3
Year 3	3.8
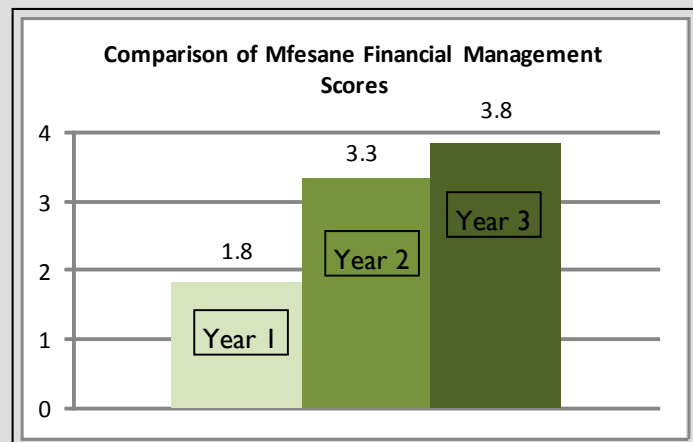
Mfesane
Accomplishments in Financial Management

- Financial policies and procedures manual upgraded and revised as required.
- Separation of duties and approval matrix are clearly documented.
- Financial files are adequately maintained as verified by the audit.
- USAID and statutory audit is completed and reports have been shared with the board.
- Cost-share has been collected and documented.

PROGRAM MANAGEMENT

Building organizational capacity improves the way an organization plans and delivers services as well as how it manages relationships with donors. An organization enhances its standing in the communities it serves by offering well-managed programs. Efficient, well-monitored programs also attract partners and funding.

The OCA domain for **program management** assess the organization's ability to respond to donor requirements and implement comprehensive programs that respond to local needs with sensitivity. It helps the organization measure how well it manages sub-grants with partner organizations, and helps ensure that programs meet the needs of their communities.

**Program Management
Best Practices**

- Understands and complies with donor requirements

- Establishes policies and procedures for supporting sub-grantees

- Builds access to care through referral systems

- Ensures community is involved in program planning and that culture and gender concerns inform strategies

INTEGRATED COMMUNITY-BASED INITIATIVES (ICOBI)

"We are most proud of the communities that raised us, nurtured us and in our contributions to them, we feel overjoyed seeing our efforts creating a positive difference in their lives."

Noel Mwebaze,
OVC Project Manager,
ICOBI

ICOBI is an indigenous, non-denominational NGO founded in 1994 and headquartered in southwestern Uganda. Under the NPI grant, ICOBI reached 19,188 orphans and vulnerable children (OVC) and is providing 15,938 with at least four supportive services.

Noel Mwebaze, ICOBI OVC Project Manager, was honest in his appraisal of where ICOBI stood as an organization when it started the first OCA. "It was the first time we came together to examine systems and grade ourselves. We were able to assess scores and together agree where we

were failing. Some wanted to score ourselves higher, but I said, 'No, this is where we are, we must start from here.'"

Their baseline assessment for overall performance put ICOBI at average USG grant implementation capacity; program management was identified as an area most in need of improvement and the place where gains would have the most significant impact.

From the beginning, a part-time NPI Advisor funded by NuPITA worked with ICOBI on donor compliance-related issues. A full-time NPI Advi-

sor with significant OVC expertise also provided on-site technical assistance during ICOBI's first year of implementation. These advisors helped the ICOBI team to prioritize and complete the tasks identified in their OCA action plan.

The NuPITA team also provided trainings and individual coaching and mentoring to help ICOBI staff create reporting tools, monitoring and evaluation systems, and processes for improved management and oversight of local partners.

ICOBI was particularly weak in the area of referrals, but with NuPITA's help, it established and formalized referral systems, ensuring its communities were linked to health and support services that ICOBI did not provide.

Looking forward to future improvements, Noel said, "Capacity building is a continuous process. The challenge is that NPI is coming to an end,
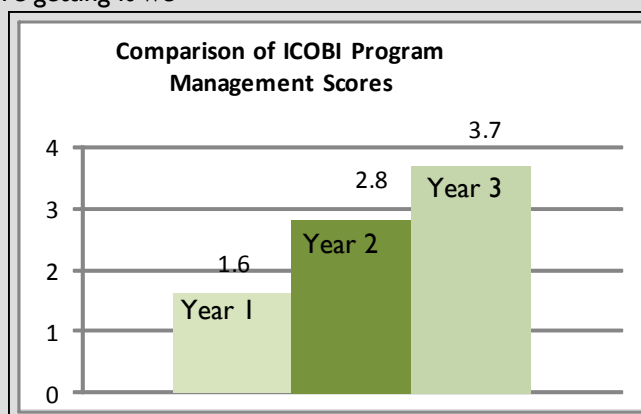
but we are always looking for opportunities for our staff and organization as a whole."

He is enthusiastic about the results of ICOBI's participation in NPI, and most especially, about the value-added offered by NuPITA.

"I want to recognize the importance of the capacity building that came with this grant. Before getting it we thought ICOBI was in good shape but if we had not gone through the process with the technical assistance of NuPITA, I do not believe we would have succeeded in all these ways. If it is possible, future

funding should continue to offer capacity-building to grantees. It is of great value."

Comparison of ICOBI Program Management Scores

- Year 1: 1.6
- Year 2: 2.8
- Year 3: 3.7

(Scale 0 to 4)

ICOBI
Accomplishments in Program Management

- Developed procedures for sub-grant monitoring and supervision, and included the activities in its workplan and budgeted for them, thus ensuring they would be achieved.

- Prepared annual reports for stakeholders and donors that documented progress toward achieving targets, lessons learned, and best practices.

- Created and documented a referral network to ensure comprehensive services and referral slips/forms for easy follow-up and monitoring.

- Designed a Performance Management Plan and M&E system that incorporated output and outcome indicators to share information with communities.

- Trained all staff on gender and culture-based violence to improve the quality of OVC care. Recruited senior staff with a gender-sensitive perspective.

PROJECT PERFORMANCE MANAGEMENT

The quality of an organization's services are defined by the standards for delivering care and the systems and processes for supervision to ensure staff adhere to and monitor progress.

The OCA **project performance management** domain assesses an organization's ability to implement high-quality programs that meet recognized standards. It provides an opportunity to ensure that project activities are progressing according to approved workplans, and that monitoring and evaluation systems are operational so that performance is measured against standards and indicators. It assesses supervisory and field management systems, and seeks to ensure that monitoring and evaluation data and client satisfaction feedback are used for continuous project quality improvement.

Regular support supervision is vital to helping staff and volunteers understand and adhere to standards. Setting and collecting data on key indicators helps organizations analyze progress, identify achievements and gaps in service delivery, and determine their root causes. These processes improve the quality and effectiveness of services provided to communities and clients.

Project Performance Management Best Practices

- Operates with a realistic workplan and budget
- Monitoring and evaluation systems track progress
- Solid systems oversee field office administrative and program operations
- Service delivery standards are documented and utilized to monitor performance
- Supportive supervision is provided to staff and partners

THE GRASSROOTS ALLIANCE FOR COMMUNITY EDUCATION (G.R.A.C.E.)

G.R.A.C.E. is a nonprofit organization in Kenya whose mission is to enhance the capacity of CBOs for self-determined, high-impact and sustainable initiatives leading to better health and development. Under the NPI program, G.R.A.C.E has expanded its activities in Early Childhood Development Centers to provide education grants to ECD teachers enrolled in government colleges, train OVC caregivers, and mobilize the community to better serve that population.

Natasha Martin, CEO, knew that capacity building support was part of an NPI award, but she and her colleague, Director Pascal Mailu, were still not sure such a small organization would qualify as a new partner. "We had five employees in Nairobi and half a dozen at our farm." And though they were thrilled to receive the grant, the NuPITA-supported launch opened their eyes to the level of detail required to meet the obligations of the grant.

"After the NuPITA team came, we

saw what we had to do 'right' to be successful in the NPI system," said Natasha. "There were a lot more reporting requirements, which, because we were a small group of five, we didn't have in place."

"Yes," Pascal agrees. "There were quite a number of preparatory activities and a timeline, but it helped that we held the OCA in our office, which ensured that all staff were involved. Everyone had a chance to speak out about improvements and changes."

> *"Our interest is to build on the experiences and knowledge base gained in the last three years, courtesy of the NPI grant. We also appreciate the enhanced capacity of our CBOs, and know that together, we will continue adhering to our motto of listening to the voices at the grassroots level."*
>
> Natasha Martin, CEO, G.R.A.C.E.

Through the assessment processes, G.R.A.C.E. team members recognized that they were not reaching their HIV prevention targets.

Natasha remembers, "We were so busy with other areas of intervention. That was an eye-opener for management, and we had to make some strategic decisions, after which we made great progress in the area of HIV programming. If we hadn't gone through the assessment process we wouldn't have made such strides."

NuPITA provided a full-time NPI Compliance Advisor, and G.R.A.C.E. staff attended group trainings such as the USG State of the Art conference on HIV programming, and M&E and quality assurance trainings.

Natasha and Pascal were both quite surprised by the amount of support NuPITA

offered. "It was almost unbelievable! We couldn't take advantage of everything or we wouldn't have been able to do our own work. We had to choose carefully and decide what was most beneficial. But no matter what area, there was a training to benefit from!"

What do they see as next steps in growing their NGO? "Our interest is to build on the experiences and knowledge base gained in the last three years courtesy of the NPI grant. We also appreciate the enhanced capacity of our CBOs, and know that together, we will continue adhering to our motto of listening to the voices at the grassroots level."

Comparison of G.R.A.C.E. Project Performance Management Scores

Year	Score
Year 1	1.2
Year 2	3.2
	3.8
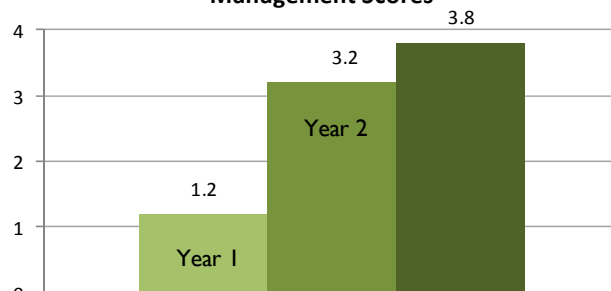
G.R.A.C.E.
Accomplishments in Project Performance Management

- Workplan and budget development processes have improved.

- Formal sub-grant agreements are signed and partners oriented on terms and conditions.

- Monthly meetings held with partners to provide oversight and supportive supervision.

- M&E plan is in place and data is regularly collected and being utilized for decisionmaking.

- National and PEPFAR standards are being used to assist in the development of more organization-specific standards.

ROLLING OUT THE OCA

Rolling Out the OCA Process: The Experience of Four NPI Grantees

NuPITA and NPI partners set the stage for growth. Learning from that model, organizations incorporated the OCA into their own capacity-building approach. This section describes how NPI grantees went on to adapt and expand the tool to meet the needs of their sub-partners.

Many NuPITA partners worked through local community-based or faith-based organizations. Some were forming these relationships for the first time; most knew little about their sub-partners' capacities or the best ways to help them mature as organizations and service providers. Realizing how helpful the OCA process had been for them, many partners decided the tool would also assist their sub-partners to engage in the same healthy discussions about how their systems and processes measured against best practices, to recognize their strengths and challenges, and create evidence-based action plans. At the same time, modeling NuPITA's approach, it could guide the NPI grantees to target technical assistance to their sub-partners' areas of need.

ARC, a U.S. organization, works with three sub-partners to provide HBC, HCT, PMTCT, and prevention services to internally displaced populations in Uganda. It was the first NPI partner to realize the value of conducting an initial assessment with its

sub-partners and did so soon after completing its own OCA with NuPITA assistance. The OCA led the sub-partners to develop concrete action plans based on actual need and take responsibility for achieving those plans. It also provided ARC with the means to create a technical assistance plan that helped prioritize its time and effort, customize support, and develop joint trainings based on common needs. ARC used supervision and technical follow-up visits to help sub-partners achieve their action plans. NuPITA provided additional support as needed to help ARC in this process.

The sub-partners realized they had work to do in areas such as human resources, finance, and monitoring and evaluation. The sub-partners' OCAs spurred them to develop more comprehensive HR policy manuals, improve financial compliance and staff time management, and gain a better understanding of monitoring and evaluation and program standards. The combination of organizational capacity development and technical support contributed to improved quality of program implementation.

Tearfund partnered with six FBOs to provide HIV care and support and PMTCT services in Kenya.

Many of the FBOs lacked strong governance structures and received limited support and guidance from their boards. The OCA provided an opportunity for board and staff to work together and assess current capacity and areas needing improvement. Boards and CEOs learned that their financial management systems and processes were not transparent or efficient, thus putting their organizations at risk and decreasing their chances of getting new funding.

Tearfund helped its partners develop responsive action plans and used them to leverage additional support from NuPITA in financial management, resource mobilization, and governance. According to Charity Njeru, Tearfund Kenya NPI Project Manager, "We can confidently say all organizations have, to their delight, developed and implemented sound financial management procedures."

WEWE, the local partner of EUCORD, implements the Children of

EUCORD staff present their organization at a NuPITA conference, 2010

Hope (COH) Project in Nigeria. Working with nine sub-partners, it seeks to reach and improve the quality of life for orphans and vulnerable children. As a new organization, WEWE had a clear understanding of the importance of building organizational structures and strengths. Faced with the task of supporting its sub-partners, WEWE grasped that the OCA would help them understand their sub-partners' capacity and how best they could be supported. The OCA action plan was invaluable in guiding supervision visits, allowing WEWE to streamline efforts and focus on key areas, such as performance management and HR systems, and to use standards to guide service delivery. According to Deputy Chief of Party Patience Jibunoh the partners valued the assessment: "It was an eye opener and helped us uncover our strengths and weaknesses as well as understand what policies and procedures are necessary. They understand that when they complete their action plans they will be in a better position to apply for and get funding from donors."

Understanding best practices for organizational systems, setting standards and achievable goals, and developing action plans to address areas of need are all OCA outcomes that organizations and their partners have found helpful in the NuPITA capacity-building process. Some organizations went beyond the OCA tool to meet their overall planning and monitoring needs.

CLOCA assessment at GOAL, 2011

Woord en Daad, based in the Netherlands, supports 32 FBOs across the globe, but had a limited understanding of the FBO's capacities. After the organization's first NuPITA-led OCA, Woord en Daad was impressed with the insights the process gave into its own performance and decided to adapt the tool for use with its sub-partners. To support Woord en Daad, NuPITA provided a one-day training for facilitators and the Woord en Daad OCA team, who then went on to conduct 32 OCAs between June and October 2009.

Woord en Daad identified four objectives it wanted the OCA process to help them:

1. Create a uniform assessment of organizational capacities across partners
2. Provide an opportunity for organizational learning
3. Form a basis for comprehensive organizational development
4. Establish clear criteria for the formation of regional alliances

Woord en Daad amended the process and tool to meet these objectives, and added an additional section on policy and the theory of change using a negotiated consensus methodology to assist scoring decisions. The OCA helped Woord en Daad to prioritize partners, focusing on those that had the strength to receive and manage funds and implement programs while still supporting others to build their capacity until they could become full partners.

In the end, Woord en Daad achieved all four of its objectives and concluded that the OCA tool is a good instrument for mutual learning and for understanding processes. To achieve an even more robust picture of the organization, Woord en Daad went on to create OCA *plus,* a set of four instruments, which formed its policy for Planning, Monitoring, Evaluation and Learning.

Photo by Robin Hammond

The NuPITA partners have benefited considerably from the OCA tool and process. The self-assessment methodology and self-driven action plans have allowed them to prioritize their needs for institutional and technical strengthening and call on assistance according to their own pace. Iterative improvements to these organizations' policies and procedures, program implementation, and management over the life of their USAID cooperative agreements have led to greater sustainability of HIV services, ensuring that their target communities and clients will benefit long after the NPI program concludes. That so many NPI partner organizations have in turn utilized the OCA tool within their own organizations and to enhance the performance of their partners is a testament to its effectiveness.

ACRONYMS

	ACRONYMS
AIDS	acquired immunodeficiency syndrome
CBO	community-based organization
CLOCA	Close-Out Organizational Capacity Assessment
ECD	early childhood development
FBO	faith-based organization
HBC	home-based care
HCT	HIV counseling and testing
HIV	human immunodeficiency virus
HR	human resources
JSI	John Snow, Inc.
M&E	monitoring and evaluation
NGO	nongovernment organization
NPI	New Partners Initiative
OCA	Organizational Capacity Assessment
OD	organizational development
OVC	orphans and vulnerable children
PEPFAR	President's Emergency Plan for AIDS Relief
PMTCT	prevention of mother-to-child transmission
QA	quality assurance
TA	technical assistance
TOCA	Technical and Organizational Capacity Assessment
USAID	United States Agency for International Development
USG	United States Government

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