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**FADCANIC Capacity Building Activity  
Quarterly Report  
January 1-March 31, 2012**



**Submitted by:**

**American Institutes for Research (AIR)**

## SUMMARY OF THE PROJECT

Title of Project: FADCANIC Capacity-Building Activity under the EQUIP1 Project “Expansion of Centers of Excellence in Nicaragua with Emphasis on the APA Methodology (EXCELENCIA)”

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## **EXECUTIVE SUMMARY**

The FADCANIC Capacity Building Activity is an 18-month activity funded by USAID/Nicaragua under the EQUIP1/EXCELENCIA Project, implemented by the American Institutes for Research (AIR).

The Foundation for the Autonomy and Development of the Atlantic Coast (FADCANIC) is a civil society, non-governmental organization located in the multi-ethnic region of Caribbean Nicaragua. The organization is a major implementer of development projects in this region of Nicaragua, with a particular focus on environmental, agricultural, education, and youth development programs, and funding from diverse organizations and funders.

AIR provides FADCANIC with technical assistance in institutional and programmatic areas to manage USAID funds according to USAID standards. The objective of the activity is to strengthen FADCANIC's capacity to manage USAID funds, and to know, master, and comply with USAID's complex requirements for adequate program implementation, including reporting and achieving results.

AIR assists FADCANIC in developing management practices in the areas of administration and finance, personnel management, monitoring and evaluation, and strategic planning. AIR also provides technical programmatic assistance in approaches in working with youth to develop activities that will introduce life skills and better employment opportunities.

The agreement modification initiating the activity was signed in July, 2011; implementation and technical assistance will be completed by the end of calendar year 2012, to allow time for close-out. Activities under each result during the January-March 2012 period are described below.

### **RESULT 1: FADCANIC's ORGANIZATIONAL, MANAGEMENT, MONITORING & EVALUATION SYSTEMS IMPROVED**

During this quarter, the local consultants working in the finance and m&e areas completed the first phase of their work and reported back information that is now being used to plan training sessions and next steps with FADCANIC staff.

The strategic planning specialist provided training and orientation to the members of the strategic planning committee, and the group then worked intensively on an analysis of organizational strengths and weaknesses and strategic themes for the future. The AIR human resources specialist developed draft plans and training topics to be carried out, based on her visit last quarter and on continued discussions with her counterpart.

Additional details in each area are described below.

#### **3.1 Administration and Finance**

During this quarter the local finance specialist, José Antonio Cordoba, carried out his review of procedures and completed his consultancy report. We will here discuss the status of two major areas covered in the report, the review of the recently drafted procedural manuals and their level

of implementation, and the process of transitioning the role of Administrative and Financial Director.

A thorough review of the seven recently developed manuals (Manual de Organización, Manual de Política y Normas, Manual de Procedimientos Administrativos Financieros, Manual de Puestos, Reglamento Interno de Trabajo, Reglamento Organizacional, and Manual de Sistema de Control Interno) determined that the documents are well-adapted to the needs and requirements of the organization and its work and are reasonable and in compliance with universally applied norms, policies, and procedure. Additionally, they generally correspond well to the policies and procedures of USAID.

Senior FADCANIC finance staff indicates that the manuals have been approved by FADCANIC and are currently being implemented. FADCANIC leadership has a process underway in which staff members have been oriented in the use of the manuals and asked to provide feedback on any modifications/suggestions. As part of this process, FADCANIC staff have set a target date of June for completing the revision, evaluating staff suggestions and feedback, and deciding whether modifications or adjustments are needed.

However, the review indicates that use of the manuals is not yet widespread; the issues with procedures that have been identified during the review stem mainly from the incomplete application/use of the procedures described in the manuals.

Additionally, some issues with the manuals were cited. These include a few minor suggestions, such as the inclusion of a flowchart for processes described in the manuals, as well as a couple of more substantive omissions, including the lack of a clearly defined travel advance policy, as well as the need to close the loop on purchasing processes through the use of a document that indicates that a good was received by the person who will use it, as back-up for payment to the vendor.

While it is evident that there is still work to be done on the widespread and consistent use of the manuals, the advantage is that the manuals themselves are of good quality, adapted to the organization, and generally in accordance with standard and accepted procedures and USAID norms. This therefore makes them a very good foundation for moving forward.

Proposed next steps include discussing and outlining with FADCANIC leadership the process for reviewing and incorporating feedback with staff and updating/finalization of manuals, including the addition of a travel advance policy, and then planning and rolling-out training for consistent use of the manuals.

Regarding the transfer of the administrative and financial director role from Ms. Thalia Coe to Ms. Grethel Aguilar, this is in process. FADCANIC leadership has indicated that the plan is to have the transfer completed by 6/30/2012 through a gradual transition, so as not to slow down other work, with Ms. Coe moving to a role focused on strengthening financial procedures through staff training and consistent organizational use and application of the manuals.

While there is evidence of the gradual transfer of responsibilities and roles underway, there is a perception that the same level of authority is not being delegated to the new designate for the role, which may lead to challenges in full ownership/transfer of the position's functions.

The transfer of major financial activities to the Bluefields office appears to be well underway, with the Managua office playing more of a support role and less of a primary one.

Additional information covered in more detail in the report includes the mention of several strengths, such as the existence of a well-designed and secure automated accounting system, useful and well-developed manuals, and collaborative and well-prepared staff. Recent advances noted include regular inventory updates and the fact that properties and goods are now insured through LaFise Insurance. Other items still to address include the need to update petty cost procedures to match those outlined in the manuals, the lack of updated staff contracts for many staff members, and the concern regarding cash payments for salaries for workers in offices in regions where there are no banks available. This is due primarily to concern for workers transporting the cash; possible helpful steps include insurance for those involved in the process, as well as discussions with banks in the region regarding the possibility of establishing payroll services in these communities.

Given the sensitive nature of some of the financial information being dealt with, and particularly information regarding indirect rates, it may be appropriate to have a discussion with FADCANIC leadership and USAID to confirm next steps in this direction. While the FADCANIC team has been collaborative, this is a clearly a sensitive topic, and it may be useful to clarify the priorities and responsibilities of each of the stakeholders. A discussion about next steps and plans for this content area with counterparts at FADCANIC to come to a common understanding is recommended. The participation of USAID personnel, particularly with regards to the plans in terms of the establishment of an indirect rate, would be valuable.

### **3.2 Personnel Management**

Based on her trip last quarter and discussions with her FADCANIC counterpart, the AIR HR specialist has developed a draft workplan. Priority actions for the coming year include ensuring that all staff members have up to date job descriptions and providing training to managers on the value of job descriptions and the importance of linking them to hiring processes and performance management expectations.

Another area of focus is the development of a recruitment training module, which will provide guidance and tools for all steps of the recruiting process, including the development of position descriptions, interviewing skills and tools, and communications with candidates. The plan also includes the creation of an exit interview procedure and the establishment of a process of monitoring staff attrition and collecting and using data from departing staff.

FADCANIC is currently creating an employee database, so that standard information on all employees will be readily available to authorized personnel. The establishment of the database will facilitate the drafting of a staffing plan, which is another item that the AIR and FADCANIC HR specialists will work on. It will include information on all staff members, the period of

performance of their projects, for those who are project-funded, and information on the skills and expertise of each. This will provide useful information on current and forecasted staffing needs and availability for program implementation.

The AIR specialist is also working on tools for performance management and training materials for staff managers, which will be shared with the FADCANIC specialist. During her next trip she will collaborate with FADCANIC HR staff on a test run of use and training in these tools, for revision and adaptation before wider training of staff managers led by FADCANIC personnel with assistance from the AIR specialists.

## **Monitoring and Evaluation**

During this quarter, the local m&e specialist carried out a diagnostic of organizational needs in the area of monitoring and evaluation. The draft findings of the report confirmed organizational capacity in this area as basic. Several areas of weakness were identified, including:

- FADCANIC does not have a system for rigorous monitoring & evaluation of projects due to a lack of staff capacity, the lack of organizational processes for in-depth project monitoring, and the scarcity of resources dedicated to this area.
- Often, staff responsible for monitoring and evaluation functions of a given project are not trained in this area. They often fulfill the dual function of project management and m&e, with the management and implementation part taking most of their time. Monitoring that is conducted for most projects mainly rests at the level of tracking progress against the workplan, as opposed to the periodic collection and analysis of data against indicators that is then used to guide and inform the project (and the organization as a whole).
- Project information is generally collected quarterly, but usually responds mainly to the progress tracking function described above; other types of information gathered are often not collected in a timely manner and may be of uncertain reliability. Additionally, staff members lack the time or capacity to analyze this information and apply the findings to the work that they are doing.

Capacity-building plans in this area are focused on a few different tracks. Several topics will be valuable for a large number of FADCANIC staff who implement and support programs; these training sessions respond to organizational needs that have been expressed. These staff members will not become m&e experts, but will be better prepared to collect data and plan and carry out meaningful monitoring of the programs they support and manage.

Apart from this, specialized training for FADCANIC m&e specialists will also be provided. Options for this more specialized training are being explored currently, and are expected to be a combination of customized sessions developed by the AIR m&e staff, and courses/training programs offered by local or international institutions.

The first set of trainings that is being developed is described below; further trainings will be developed based on progress in these trainings, and on continued discussions with FADCANIC staff.

### **EXCEL training**

Audience: M&E staff; program managers in FADCANIC central office(s); project coordinators in the field (both RAAN and RAAS staff)

Duration: 2 days

Anticipated participant number: Approx. 20

### **Basic concepts of M&E**

Audience: M&E staff; program managers in FADCANIC central office(s) (both RAAN and RAAS staff).

Duration: 2-3 days

Anticipated participant number: Approx. 10

#### Possible add-on sessions:

- In depth practical session focused on a particular project (2-3 projects could be covered).
- Development of PMPs for USAID-funded projects and other donors-funded projects, and for internal use in managing projects.

### **ACCESS-based database systems**

Audience: M&E staff; program managers and FADCANIC leadership

Duration: 1 day

Anticipated participant number: Approx. 10

## **3.3 Strategic Planning**

The strategic planning specialist continued work with the counterpart FADCANIC strategic planning team. While there have been some unforeseen delays in the strategic planning process, significant progress was made this quarter. This has been facilitated by the collaborative and participatory approach to the work and the active role played FADCANIC's strategic planning team, as well as the support of senior leadership for the process, as evidenced by willingness to invest time and resources in the process.

During this quarter, the AIR specialist prepared and delivered a two-hour training session designed to introduce members of the strategic planning team to basic concepts of strategic management and planning. The strategic planning team then analyzed and identified organizational strengths and weaknesses and external opportunities and threats using data collected during the October and November 2011 activities. Additional information was collected through interviews with ten members of the strategic planning team and staff who are members of the Board of Directors and/or the General Assembly of FADCANIC. The purpose of the interviews was to collect data regarding strategic issues facing the organization; a list of strategic themes and directions for discussion and feedback has now been developed.

The strategic planning process underway was also highlighted during the FADCANIC General Assembly (March 26-28, 2012), during which the specialist facilitated a discussion on the current organizational state of FADCANIC and received feedback regarding the strategic themes presented and discussed in small groups.

As a next step, FADCANIC leadership will hold a retreat with the strategic planning specialist and with members of the board of directors and members of the strategic planning team to discuss and make decisions regarding the content of the draft strategic plan.

The next phase of the strategic planning process will involve considerable work and meeting time on the part of the staff and leaders. The impact of day-to-day work may become challenging to the process, as delays so far have resulted mainly from other urgent work-related issues. Continued efforts to be flexible and to balance the need to move forward with the development of the strategic plan with the demands of the organization's work will be necessary.

An important issue raised during this quarter as the process continues is how the strategic planning process will incorporate and build upon the goals and strategies that emerge from the larger capacity-building effort being undertaken at the same time. This is relevant for all areas, but in particular in terms of the monitoring and evaluation of the implementation of the strategic plan. The m&e specialists will be involved in ensuring that the strategic plan includes elements and tools for the monitoring its implementation.

## **RESULT 2: FADCANIC's CAPABILITY TO IMPLEMENT YOUTH DEVELOPMENT PROGRAMS IMPROVED**

AIR will support FADCANIC in developing integrated capacity in this area, and in improving positioning to implement projects in this field. Several of FADCANIC's current projects have youth development elements and these can be supported and strengthened. However, it is also important to focus on continued development toward an integrated youth development approach that corresponds to the needs and issues in the communities FADCANIC serves, as opposed to only separate components in various projects.

Working with a Nicaraguan specialist, the team will review baseline capacity in this programmatic area in more depth early in the next quarter, and then recommendations and a capacity-building workplan will be finalized in collaboration with FADCANIC staff in order to guide capacity building activities during the duration of the project.

## **PROJECT MONITORING AND EVALUATION**

During the quarter the project team had a teleconference with the USAID AOR and the Mission's monitoring and evaluation specialist regarding the project monitoring plan. A revised PMP was submitted based on the suggestions and comments of USAID personnel.

## **ACHIEVEMENTS AND LESSONS LEARNED**

- The strategic planning process has allowed team members to begin a systemic review of organizational values, mission, and vision and explore strategic issues facing the organization. It has also raised awareness of how existing organizational dynamics and culture impact the implementation and sustainability of organizational change.
- Once the strategic plan is defined, a critical question will be the human and financial resources available to implement the agreed upon change strategies, as well as the disposition and willingness of organizational leaders to change existing policies and create and carry out new ones.
- The finance support area is in some ways a more complicated topic than many of the others, as it deals with sensitive information that organizations such as FADCANIC often do not share with outside actors or partners. Further clarification and discussion with FADCANIC of USAID priorities and AIR's role in this area may be useful moving forward.
- The non-traditional structure of the project has in some respects provided challenges in implementation, since AIR does not have a permanent field presence to facilitate communication and logistical aspects of implementation.
- AIR recognizes the need to expedite implementation of activities and is looking at ways to facilitate this, including opening a local bank account so that local consultant payments and activities can be funded more quickly, and having someone on the ground in Nicaragua who can when needed assist in coordinating activities and communications among the different components.

## **ACTIVITIES PLANNED FOR NEXT QUARTER**

- Strategic planning retreat with board members
- Draft of strategic plan completed
- Carry out trainings in basic m&e concepts, Excel, and database programs
- Review of capacity and needs in youth programming and finalization of recommendations and capacity-building plan for youth programming
- HR specialist travel to develop training tools and sessions with FADCANIC counterpart