Participatory Monitoring, Evaluation and Reporting

An Organisational Development Perspective for South African NGOs

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Published by Pact/South Africa, 6th Floor Sable Centre, 41 de Korte Street, Braamfontein, 2001, South Africa

Produced with support from the United States Agency for International Development in South Africa

1998

Cover and text by Page Arts, Cape Town
Edited by Stephen Heyns

Typeset in Palatino

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Preface

Up until the 1980s, the development community traditionally provided aid to non-governmental organisations (NGOs) in the form of programme and project funding, technical assistance, equipment, and training or study tours. The thinking at the time was that through these forms of assistance inputs, NGOs would be better positioned to meet the development needs of their constituents. During the 1980s, however, it was recognised that while NGOs were being empowered to implement development programmes, insufficient concern was being paid to strengthening their organisational capacity in order to positively impact their long-term sustainability. Organisational sustainability, in terms of enhanced effectiveness and efficiency, was seen as both the key to the future existence of NGOs and their ability to carry on their roles in the development process. Organisational capacity was viewed as an area that had to be addressed. This evolution in thinking continued into the current decade and funders continued to provide traditional inputs to NGOs, but they also began to channel portions of their funding toward improving organisational sustainability.

In recent years there has been a dramatic decline in availability of funding resources. Accompanying this phenomenon are increasing demands on funders to account for their expenditures and programs. As pressures on funders have increased, they, in turn, have stepped up demands on their development partners to become more effective and accountable. The decline in available funds and the heightened demand for accountability are occurring at the same time that NGOs have redirected activities from relief to development. These NGOs are facing more vocal demands and expectations from their own communities. This is resulting in increased awareness that, to be truly constructive, development assistance must be targeted at organisational sustainability.

The response among development partners has been to improve their organisational capacity and to measure and report on their efforts. The problem they face is the lack of tools for assessing and reporting on their organisational capacity. This handbook aims to address these issues. It is intended to help both internal and external efforts to strengthen organisations and to provide a framework for documenting and reporting the effects of these efforts. The handbook, however, reaches beyond the issue of measuring organisational capacity. It introduces organisational capacity within the context of a comprehensive participatory monitoring, evaluation and reporting (PME&R) system. It explains – through monitoring (the process of tracking inputs) and evaluation (the process of measuring outputs) – how effective organisational capacity building is. Moreover, the handbook explains how the PME&R system can be adapted to measure and report on how organisations are achieving their development objectives while measuring changes in organisational capacity. Processes presented in this publication have been developed and tested in a number of countries throughout Africa since 1996.

This South African edition reflects, and builds upon, earlier efforts within the South African context. This methodology combines existing knowledge in organisational development, monitoring and evaluation, and participation in an innovative way to produce a comprehensive approach to assessing and reporting on the strengths and weaknesses of NGOs. The approach is descriptive rather than prescriptive and reflects the context in which it is developed and applied. Possible applications range from internal self-assessments to external evaluations by a funding agency, and from comprehensive assessments of all elements of organisational functioning to rapid assessments of key targeted elements.

The framework presented will enhance the capacity of South African NGOs and their partner organisations to build more sustainable organisations, report more effectively to all stakeholders, monitor and evaluate the use and impact of resources, and measure organisational change. This is achieved while building awareness and capacity because the methodology requires participation of all key stakeholders. This toolkit will assist NGOs to be more responsive to target communities while allowing them to better use their scarce resources for maximum benefit.

Participatory monitoring, evaluation and reporting: An organisational development perspective for South African NGOs is not a comprehensive training and facilitation manual. It is a collection of basic PME&R activities that can be used by experienced evaluators to *introduce* the concepts. This handbook identifies basic competencies identified by Pact and its partners, but the ideas and activities may be useful to others as well.

Acknowledgments

The authors wish to recognise all the South African consultants and representatives of South African NGOs who gave so generously of their time and expertise in a series of workshops during which the organisational capacity assessment tool, developed and field-tested in other countries in the region, was analysed and revised to reflect the context and needs of South Africa. Many of these same organisations shared documentation which was reviewed to verify workshop findings.

Without the tireless efforts of a number of others, we would not have reached such a specifically contextualized PME&R approach for the South African NGO sector. Our gratitude is extended to Marilyn Richards, Bulelwa Belu-Toni, Gloria Mbokota, Thoko Moja, Pinky Mashigo, Rams Ramashia, and Reuben Mogano. Based on this wealth of experience and knowledge the authors, who co-facilitated the workshops and reviewed the

Section 1: Introduction

1.1 Using this book

The underlying foundations of PME&R are not new. PME&R builds extensively on the fundamentals of the logical framework analysis and the results framework (see side bar overleaf). However, PME&R makes significant leaps in several areas.

It greatly expands the role of reporting. It more tightly links, unifies and strengthens relationships between monitoring, evaluation and reporting. And it blankets the ME&R process with a participatory approach. Much of the terminology used in PME&R comes from the results framework.

Participatory monitoring, evaluation and reporting: an OD perspective for South African NGOs comprises four sections and a number of appendices. The reader is encouraged to study the sections in sequence to fully understand PME&R. Care has been taken, however, to create each section so it may stand by itself and the reader may find similar subject matter presented in more than one section.

Section 1: Introduction – introduces the reader to PME&R. It outlines how the elements are linked with one another, the role of PME&R in building the sustainable organisational capacity of NGOs, and organisational development in the context of South African NGOs. The Organisational Capacity Assessment Tool (OCAT) is briefly introduced within the context of PME&R.

Section 2: Participatory Monitoring, Evaluation and Reporting – deals in more detail with each of the processes of PME&R: why participation is important and how to achieve effective stakeholder participation; the role of monitoring in sustaining progress towards better organisational effectiveness; how evaluation through the use of OCAT helps an organisation to

Logical Framework Analysis:	A project planning tool used to test the logic of a plan of action by examining the means to a project's end.
Results Framework:	A results-oriented management tool used to test the logic of a plan of action by examining the means to a project's end.
Participatory Monitoring, Evaluation and Reporting (PME&R):	A systematic project management tool designed to reveal the degree of effectiveness and efficiency in the achievement of objectives.
Organisational Capacity Assessment Tool (OCAT):	One of the set of measurements used in PME&R to determine the level of an NGO's organisational capacity.

assess where it is doing well and identify areas which need organisational capacity building; and the critical role of reporting in keeping stakeholders informed.

Section 3: Applying the Organisational Capacity Assessment Tool – is a detailed explanation of how to practically apply the OCAT within the process of evaluation and how to use the results of the tool. It contains a detailed set of indicators of organisational capacity, arranged according to four stages of organisational development – nascent, emerging, expanding and mature.

It contains details of how to gather information, including suggested questions. It also includes the OCAT Assessment Sheet, Rating Sheet and Rating Report and some examples of how to use them. In the material on reporting in this section a structure for text-based reports is suggested, as well as examples of how information can be presented graphically.

Section 4: Building and Maintaining an Information System for PME&R – focuses on building and managing a PME&R information system. In a step-by-step way it explains how to design and implement an information system to support monitoring, evaluation and reporting in an NGO, using the OCAT as an example of a set of indicators specifically structured to evaluate an organisation's capacity.

The appendices comprise a bibliography of readings on the subject, a glossary of terms, and the various OCAT-related worksheets and reference materials. The worksheet tools and reference materials are included here so that they can be photocopied freely by anyone wishing to make use of them.

The PME&R system discussed in this book was developed specifically from the perspective of organisational development within the South African NGO sector. It can be transferred to NGO sectors in other countries where capacity building is an objective, but country-specific contextualisation of the OCAT Assessment Sheet, Rating Sheet, and ranking mechanism are necessary. The concepts of PME&R are adaptable and applicable outside the NGO environment. They can be implemented almost anywhere where there is commitment to stakeholder involvement and the desire to measure change. PME&R can also be used in many other sectors, such as education or health, where the objective may not be building organisational capacity.

1.2 Challenges facing the NGO sector in South Africa

South African NGOs have faced a host of new challenges since the inception of the first democratically elected government in 1994.

Loss of leadership

NGOs housed much of the country's intelligentsia during the anti-apartheid era. Naturally, then, communities and the political leadership requested NGO leaders to make themselves available for the national, provincial, and local elections. When these people took office as elected politicians, they invited the cadre of NGO leadership which had replaced them to run their bureaucracies. Likewise, many former NGO leaders have found new roles for themselves within the private sector. These events have contributed to significant 'brain drain' from NGOs. The new tier of leadership in the sector must chart a strategic course for the sector without the benefit of the experience which their predecessors took into government. Although equally committed, some of these new leaders have not yet had the opportunity to develop the same level of experience in managing and leading an organisation as their predecessors.

Funding crises

After the historic 1994 elections, several foreign governments which had previously funded NGOs began negotiating bilateral funding arrangements with South Africa's new government. Once a legitimate government was in power, many funders preferred to establish a government-to-government relationship with the understanding that NGOs would be used as implementing agencies. Furthermore, politicians who were previously on a disinvestment campaign called for reinvestment. This has meant that certain foreign corporations no longer feel compelled to fund NGOs as a justification for their work in South Africa. In addition, social investment funds from South African corporations which previously supported NGOs have been diverted to other sectors. Organisations which depended on those funders now find themselves scrambling to identify new sources of revenue for their programmes.

Role confusion

During the apartheid days, the mission of NGOs seemed clear. They were dealing with an enemy in a hostile environment. With democratic elections, many NGOs recognised the need to shift their focus in response to changing conditions in South Africa, but very few could discern what this new strategic focus should be. Should NGOs play a 'watchdog' role? Should they collaborate fully with the new government? Should they contribute towards development of policy, engage in advocacy or be deliverers of services? Although NGOs recognised the need for their continued existence as a natural component of civil society, they nevertheless experienced a profound crisis as to how to contribute to and participate in civil society most effectively. This sense of role confusion persists within the NGO sector today as they ponder what role they should play in order to add value to the overall development process.

Increased pressure to deliver

When NGOs and their funding partners were still preoccupied by the struggle against apartheid, there was little pressure on them to maintain professional standards and to deliver tangible results. Today stakeholders are demanding much more. Government, donors and communities served by NGOs are now demanding that they show that they can contribute to South Africa's development process. Despite initial misgivings, many government officials have realised that the government cannot single-handedly address the staggering legacy of apartheid, and have turned to NGOs for help. But in order to continue to be regarded as players in development, NGOs must show they have the capacity 'to deliver'. This means that they must know how to tender for government contracts; write business plans; manage large amounts of money for projects which require timely delivery of services; and properly account for financial disbursements. NGOs are under increasing pressure to prove their contribution to the country's development. This means that better monitoring, evaluation and reporting systems need to be put into place in order to determine whether projects are achieving the desired effect.

Sustainability and the NGO sector

'Sector sustainability' refers to the long-term continuation of an organisation, programme or project. The question of NGO sustainability must be viewed from four different perspectives, namely, programme, organisational, financial and resource base sustainability.

Programme sustainability occurs when stakeholders perceive that the services which they are receiving are of sufficient importance and value that they are willing to assume responsibility and ownership for them. Thus, NGOs can develop a phasing-out strategy for their programme activities because local institutions have been identified to provide continuing services and support.

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

Financial sustainability requires identification of and improved access to diversified resources – innovative fundraising strategies/ plans; implementing cost recovery and income generation initiatives; and forging partnerships with government, other NGOs and the private business sector to assure long-term survival.

Finally, *resource base sustainability* occurs when an organisation understands the importance of and need for an alternative resource base, develops a diversification plan and successfully implements it.

With funder monies in the form of large grants and donations to individual NGOs becoming increasingly rare, financial and resource base sustainability will become a greater challenge for the NGO sector. NGOs are now increasingly aware of the need to raise funds on their own if they are to survive.

1.3 A rationale for participatory monitoring, evaluation and reporting

Historically funders have carried out regularly scheduled programme and project evaluations, occasionally at the mid-term but almost always towards the end of a funding cycle. They were usually carried out by independent, external experts who did not necessarily understand the context in which NGOs operated and were selective about which issues were examined. They seldom looked at an organisation as a functioning unit but tended to identify individual organisational component weaknesses related to the delivery of specific services to funders. Since project funding was ending, in most cases, there was not much incentive or opportunity for an organisation to improve. These evaluations were viewed with suspicion and fear as they were seen as judgments which would affect future funding opportunities.

In the post-apartheid era international support, which once flowed so freely, has decreased. Funding which continues to be made available is arriving with new conditionality, namely better transparency and accountability. These changes come at a time when experienced black South African leadership has moved into government and the private sector, creating something of a leadership vacuum. The new generation of leaders often lacks experience and does not always have a comprehensive concept of how organisations function.

Organisational capacity assessment aims to identify issues and collect information which will help an organisation to devise strategies to enhance its capacity and effectiveness. This approach is a systematic effort to measure performance and diagnose organisational need. It allows for the identification of things which are developing favourably so that an organisation can build on these to strengthen areas where there are gaps in capacity. Data generated through regular assessments will substantiate any growth in organisational capacity and highlight any areas which need attention.

The organisational capacity assessment methodology has been built into a comprehensive monitoring, evaluation and reporting system. The process of undertaking an organisational capacity assessment is intended to enhance the capacity of an organisation to undertake further monitoring, evaluation and reporting activities while having an impact on its overall competence. The participatory methodology is intended to enhance organisational capacity and empower stakeholders. The purpose is to build capacity and ensure sustainable organisational development of South African NGOs through a focused and holistic approach.

Because most NGOs are unique, the framework is not meant to be prescriptive, but rather to serve as a guide allowing each organisation to do its own analysis and formulate its own conclusions. The proposed process will further empower those involved by helping them to learn about their organisation and about strategies for supporting themselves. Through promoting sustainability in four key areas – programme/benefit, organisational, financial and resource-base – this process will allow NGOs to develop their capacity for ongoing learning. All components are of equal importance and it is the balance between stronger and weaker elements that is central to effective organisational functioning.

Practitioners of organisational development may argue that while they support the more traditional components – organisational functioning, governance, management practices, human resources, financial resources, and external relations – they do not see sustainability as being compatible with these. Others will argue that sustainability is an element of all these aspects of an organisation. Both may be right. However, to maintain our focus on building sustainable local organisations, we must ensure that targeted support for sustainability starts in the design phase and is monitored throughout the life of an organisation. It is for this reason that it has been placed at the centre of the organisational capacity assessment model.

Organisational development is viewed as a dynamic and interactive process. The organisational capacity assessment methodology classifies NGO development into four distinct stages – nascent, emerging, expanding, and mature – according to competence in seven categories of organisation effectiveness. An NGO is not necessarily at the same stage of development with regard to all of the components at the same time. Levels of competence do not reflect age, size, or available resources. Rather, they are a subtle combination of leadership, resources, and stakeholder involvement. Levels of competence will change over time. What was once a strength may become an area of need when a change of leadership, change of programme focus, or a funding crisis occurs. A mature organisation is a dynamic one made up of components of varying stages of development. A mature organisation is able to recognise and balance strengths and weaknesses.

Participatory monitoring, evaluation and reporting (PME&R) takes into account that organisations function in a dynamic socio-economic and political context with stakeholders and civil society partners which influence organisational effectiveness. It is for this reason that representatives of all relevant stakeholders should be involved and that the external environment be considered integral to the assessment. To ensure this involvement, participation is a key element of this methodology.

Effective organisations are dynamic in that they reflect the context and culture in which they function and are able to adapt to the changing needs of stakeholders, and the circumstances in which they work and live. It is essential that the context of each organisation be negotiated with key stakeholders to assure the NGO is meeting real needs while building its capacity to take on more responsibilities and decreasing its dependence on external resources and resource providers.

In the PME&R framework monitoring, evaluation and reporting are complementary but distinct processes. In undertaking the monitoring process, an NGO tracks and quantifies inputs such as the number of people trained or level of technical assistance it provides to a programme or project. The evaluation process involves the development and use of indicators for the purpose of measuring change in organisational capacity. Once an organisation has been assessed, the information collected provides a set of baseline data against which to measure future change. An NGO can then rely on the inputs it has tracked to determine the extent to which inputs are influencing change in capacity. When data indicate unexpected results, further evaluations can be undertaken to determine what corrections or adjustments, if any, are required. Reporting provides a vital link between the monitoring and evaluation processes – in itself it is the process that transforms data into information. In the PME&R framework, reporting requirements are determined with the involvement of all stakeholders before the data collection begins.

In South Africa, as in the other countries where the PME&R framework has been introduced, the key components and elements of effective organisational functioning were identified and defined in collaboration with representatives of the NGO community and local organisational development consultants. It was only once agreement had been reached on the components in the South African context that the Organisational Capacity Assessment Tool was tested, revised and adapted to reflect the local modalities. While it is a fact that the names of the components have differed somewhat from country to country, the content has been similar. For example, boards of directors, boards of trustees and management committees are all responsible for oversight and policy development.

This PME&R methodology for measuring organisational capacity has been designed for multiple uses which include diagnosis, baseline measurement, planning, monitoring, evaluation, reporting, awareness building and commitment, and assessing needs for training and technical assistance. It is important, however, to identify the specific purpose of the PME&R system before starting so that the system can be built on appropriate questions and methodology.

1.4 Organisational development in the South African context

Programmes and projects require competent organisations to transform labour, land, resources and technology into ongoing improvements in people's lives. Investment in organisations enables development in other areas.

The tools and techniques described in this book will allow South African NGOs to identify current organisational strengths and weaknesses to establish a plan for improvement that includes mechanisms to measure change. Ideally this will enable NGOs involved in organisational capacity strengthening to contribute to building the capacity of development organisations. These development organisations will then have greater competence in, impact on, and influence over key sectors of developmental life in their own communities, something which is relevant to the lives of the poor and disadvantaged.

Strong organisations are essential for:

a) cost-effective transformation of inputs into outputs
b) ongoing participation of stakeholders
c) mobilisation and regulation of local resources
d) resolution and management of conflicts
e) effective control in the division of benefits
f) monitoring, evaluation and validation of externally supported change
g) translation of government policy into practice
h) in more recent times, the empowerment of people to assume some aspects of, and more responsibility for, their development, the development of their organisations, and the fostering of democratic change.

NGOs and their leadership, in the process of enhancing their own organisational strengths and those of the sector as a whole, will benefit from an understanding of the complementary relationships among institutional development, organisational development, training/technical assistance, human resource development and the seven components identified by the Organisational Capacity Assessment Tool (OCAT) – governance, management practices, human resources, financial resources, service delivery, external relations and sustainability.

Institutional development

Institutional development deals with changes that are sought in social structures, in the patterns and arrangements of society. It is both a developmental strategy and an organisational intervention. As a developmental strategy, institutional development aims to promote and facilitate the establishment of a thriving community of local development organisations. As an organisational development intervention, institutional development assists local institutions to become more effective, viable, autonomous and legitimate. Institutional development is a participatory process. Members and constituents of an organisation become committed to improving the functioning of their organisation by identifying its needs and themselves determining how to address these needs.

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

- building the foundations of a South African NGO sector which advances its role in socio-economic development and

ensures accountability and responsibility;
- enhancing collaboration and co-operation through supporting NGO networks, associations and councils to make NGOs a more cohesive force in national, regional and international development; stimulating and institutionalising an NGO-based perspective in the context of South Africa; and ensuring involvement of NGOs in national and local policy development.

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

The response to the current social and economic needs of the population should be part of long-term strategies for sustained material and institutional development in South Africa and the region. Such strategies require the involvement and the participation of local organisations. Institutional development must, therefore, take into account the short-term objectives of these organisations to respond to the needs of the local population while enhancing their capacity to address longer-term development and sustainability issues.

South African NGOs must come to a mutually shared understanding of what institutional development will mean in their context, whom it is to serve, and how it can be achieved. It is essential that the context – the forces and values in which the NGO community functions – be understood in establishing the goals and objectives of institutional development.

Organisational development

Organisational development is an ongoing process that optimises an organisation's performance in relation to its goals, resources and environment. It addresses change within the NGOs themselves, even when these changes are meant to help in the development of their own institutionalisation. Development-oriented NGOs need to be aware that institutions transcend individual organisations and require different goals, strategies, time scales and tools to bring about the desired changes.

Training/technical assistance

Training/technical assistance, when taken as one of a number of components of an overall development strategy, can be effective in improving an organisation's functioning. Training can be formalised, structured, informal or experiential. It seeks to improve individual and group understanding of problem identification and enhances the ability to respond more effectively through the acquisition of new skills. Training, however, addresses only a limited number of systems in an organisation and depends on the structures and strategies of the organisation to facilitate and encourage individuals to utilise the acquired knowledge and skills to bring about change. Preference should always be given to organisational capacity building rather than to training.

Human resource development

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

Organisational assessment

Organisational assessment may be defined as a tool which can help internal and external evaluators determine how an organisation is placed compared to a template of 'best practices' for an organisation. Such an assessment will allow an organisation to identify where it is under-performing and where help is needed.

While certain aspects of organisational functioning are common to all NGOs (like competent financial accounting), there is no model template for all NGOs. The elements of a healthy organisation need to be worked out for each country and perhaps for different types of NGOs (like community-based organisations, networks and coalitions).

National NGOs work to strengthen the capacity of community organisations to deliver services and represent their constituents. These organisations should collaboratively identify a programme to chart where they are currently, where they want to be, how they will get there, and how they will know when they have achieved their goal. The data obtained through the organisational capacity assessment can provide a basis for communication and planning between NGOs and their partners.

The Organisational Capacity Assessment Tool

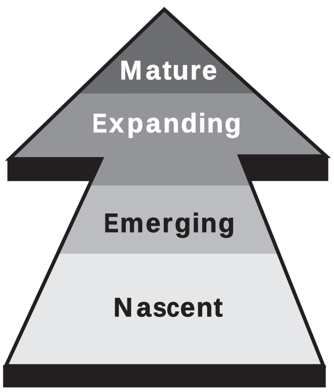
The Organisational Capacity Assessment Tool (OCAT) is designed for a variety of purposes. It can be used, as a whole or in part, to:

a) serve as a diagnostic instrument to determine the stage of organisational maturity and the specific changes needed to strengthen an NGO's development
b) establish a baseline measure of the existing structure and capability of an NGO
c) monitor and evaluate progress toward the organisational development objectives of an NGO
d) serve as a means to educate NGO staff users about the components and attributes of an effective NGO
e) create a strong and shared commitment to change within the NGO
f) assess training needs of the staff of an NGO and provide a framework for a training curriculum
g) complement financial audits and programme impact reports to provide a comprehensive evaluation of the viability or potential for growth of an NGO
h) obtain a rapid assessment or 'snapshot' of the NGO by administering selective questions
i) serve as a basis on which to design improved systems and procedures.

Stages of organisational development

OCAT categorises NGOs into four stages of development according to their competence in seven components of organisation effectiveness: governance, management practices, human resources, financial resources, service delivery, external relations and

Stages of organisational development



Mature: The NGO is fully functioning and sustainable, with a diversified resource base and partnership relationships with national and international networks.

Expanding: The NGO has a track record of achievement; its work is recognised by its constituency, the government, the private business sector and other NGOs active in the same sector.

Emerging: The NGO is developing some capacity. Structures for governance, management practices, human resources, financial resources and service delivery are in place and functioning.

Nascent: The NGO is in the earliest stages of development. All the components measured by OCAT are in rudimentary form or non-existent.

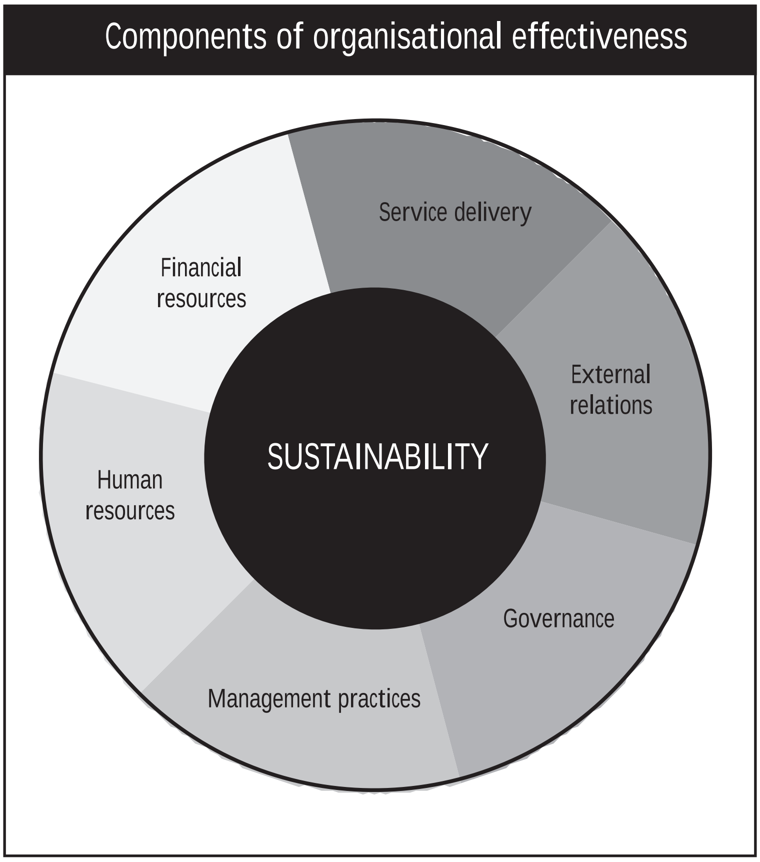
sustainability. The stages of development are dynamic and interactive. An NGO is not necessarily at the same stage of development in regard to all the components.

OCAT identifies the characteristic criteria or indicators of performance for each of the seven components of organisational effectiveness.

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

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

OCAT provides information required for an assessor or assessment team to identify the components and standards of an NGO's performance. This assessment tool is not intended to prescribe the same form and structure for every NGO. Since the



criteria used to measure capacity are relative, as described above, they ensure that OCAT is not prescriptive unless the assessor or assessment team inserts a set of absolute standards from a definite source.

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

Suggested organisational development interventions
Organisational performance and capacity

Governance	Management practices	Human resources	Financial resources	Service delivery	External relations	Sustainability
Board	Organisational structure and culture	Human resource development	Accounting	Sectoral expertise	Stakeholder relations	Programme benefit sustainability
Mission/goal	Information systems	Staff roles	Budgeting	Assessment	Inter-NGO collaboration	Organisational sustainability
Stakeholders	Administrative procedures	Work organisation	Financial/stock taking controls	Stakeholder commitment/ ownership	Funder collaboration	Financial sustainability
Leadership	Personnel	Diversity issues	Financial reporting	Marketing & awareness building	Government collaboration	Resource base sustainability
Legal status	Planning	Human resource management	Diversification of income base		Public relations	
	Programme development				Local resources	
	Programme reporting				Media	
	Risk management					

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

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

To develop the OCAT, Pact consulted with a group of South African NGOs in a series of interviews and site visits to identify NGO needs and resources for monitoring and evaluation (M&E). The OCAT assessment and rating sheets were drafted and then field tested by the consultants on NGOs varying in size, capacity, sector and role. The tool was further refined and revised based on the outcome of the field tests.

The objectives of the OCAT are to identify organisational strengths and weaknesses at a point in time and then to establish training, technical assistance or other appropriate interventions which will strengthen the overall functioning of the organisation in a targeted and systematic process. The information gathered through use of the OCAT provides data against which an organisation's development can be monitored and measured over time.

Governance

Governance refers to the leadership and direction of an NGO. Leadership involves articulating and maintaining a vision and mission for the NGO which is shared by the board of directors/trustees or other oversight bodies. The board provides direction, maintains independent oversight of the management, and ensures that effective strategic planning takes place. The board can help to identify and procure additional resources for activities, carry out public relations, and lobby government for effective policy development or reform. It can bring additional professional and technical expertise to an NGO by inviting legal, financial, marketing and other technical specialists to join it.

Management is responsible for day-to-day operations, ensuring that the NGO implements the policy established by the board. These responsibilities separate the functions of the board and management.

Effective leadership fosters the involvement and participation of NGO members, staff and other stakeholders in all aspects of organisational activities. This is facilitated when NGO members and communities work together with management and the board to articulate a shared vision of the future, to identify the mission by which they will attain that vision, and to determine realistic and clear objectives.

Management practices

'Management practices' refer to the mechanisms used to co-ordinate activities and facilitate processes within the organisation. These practices include organisational structure and culture, planning, personnel, programme development, administrative procedures, risk management, information systems, and programme reporting.

Planning must be:

1) Long-term – this is the process of refining the vision and mission of an organisation and determining the long-term strategies needed to achieve its mission.
2) Short-to-medium term – this is the translation of the longer-term strategies into specific objectives for a specified period of time.

Effective planning requires effective monitoring, evaluation and reporting systems, the outcomes of previous planning, the identification and assessment of resource availability and an understanding of the contextual factors that impact on the NGO. Staff and stakeholder involvement enhances planning by benefiting from their insight and helping to ensure their commitment. Programme or project plans are best implemented when supported by a management plan that identifies requirements for technical assistance; financial, logistical and human resource needs; and budgets and schedules for delivery. Other operating mechanisms which need to be in place are administration of offices and office services; records, cash, equipment and materials; and personnel information. Organisational culture reflects how those who work to achieve its mission perceive, think, feel about and respond to situations affecting the NGO's purpose, programme and operations.

Human resources

'Human resources' refer to all the people connected in any way with the work of the NGO. Among these are management, staff, members, communities, funders and board members. These stakeholders should have the motivation, the opportunity and the skills required to contribute in meaningful ways to the organisation. Mechanisms for decision making, conflict resolution, communication, and meeting protocol are as important as job organisation and work allocation.

In a mature NGO, job descriptions and task assignments will be updated to match changing plans, priorities and conditions. Work will be allocated to ensure co-ordination, communication and smooth work flow. Staff and communities will be asked to perform tasks that fit their skills and expertise. Opportunities to upgrade skills or develop new ones will be provided as these are needed to do the work of the NGO.

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

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

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

Relationships with stakeholders are enhanced through the clarification and communication of this shared culture. Aspects of the diversity of stakeholders as defined in the South African Constitution should be acknowledged and incorporated into the organisational culture of an NGO.

Financial resources

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

Financial systems and procedures should be integrated with the strategic and implementation plans of an NGO; they must meet internal requirements as well as those of funders and other partners. By producing reports and other information in the form and frequency requested by funders and by submitting regularly to independent audits, an NGO will demonstrate that it meets these requirements.

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

The management of an NGO needs to ensure that it is in compliance with the legal, fiduciary, and labour regulations of its country in a cost-effective manner. These are some of the same organisational capacities that each NGO should be assisting its target community to acquire to ensure long-term sustainability of programme services and more independence for the community.

Service delivery

An important component for success and effectiveness of an NGO is quality service delivery – appropriate services provided in a cost-effective way that can be sustained. Sustainability involves the

Requirements for effective service delivery	
Technical and sectoral expertise:	Current information about sectoral theory, methods and techniques; skill in applying the information; and access to specialised sectoral assistance when necessary.
Impact assessment:	Identifying baseline information about the conditions that an NGO programme is attempting to address, measurable objectives, and clear indicators with which to monitor and measure the success of a programme.
Ownership of and participation in a programme:	Stakeholders become partners in defining the problems,identifying solutions, and choosing appropriate and relevant methods with which to resolve them. Stakeholder involvement ensures the validity of a service, assures that real needs are met, and could lead to eventual cost-recovery through community support.

eventual assumption of service-delivery responsibilities by target communities themselves.

External relations

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

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

A successful NGO should strengthen its relationship with government without compromising its integrity and independence. It should ensure that its activities relate to sectoral coalitions and other bodies or development agencies and the national NGO coalition, and it should respect NGO legislation. In addition, NGOs should participate in lobbying and advocacy networks to influence legislation, national and regional planning for the benefit of the larger community.

Sustainability

Sustainability refers to the long-term continuation of an organisation, programme or project. Sustainability results when adequate mechanisms are put in place to maintain the six components – governance, management practices, human resources, financial resources, service delivery and external relations.

Programme or benefit sustainability occurs when partners and other stakeholders perceive that services are important and of value to them; when they feel a sense of ownership; when programme activities can continue because beneficiaries' behaviour has changed; or when local institutions have been identified to provide continuing services and support, allowing the NGO to develop a phasing-out strategy.

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

Section 2: Participatory monitoring, evaluation and reporting

2.1 Introduction

Participatory monitoring, evaluation and reporting is a democratic process for examining the values, progress, constraints and achievements of projects and programmes by stakeholders. It recognises and values the subtle contributions of local people and empowers them to become involved and contribute to a nation's development progress.

Indicators are an indispensable management tool at the heart of a PME&R system – they define the data needed to compare actual results with planned results over time. By collecting data regularly on activity inputs, outputs, processes and results, NGOs can monitor progress towards their programme objectives. PME&R requires NGOs to use a participatory approach in selecting indicators for their monitoring systems. Collaborating closely with development partners at each step of the indicator selection process has many benefits. It makes good sense to draw on the experience of others and obtain their support throughout the process.

One goal of PME&R is to share skills and to establish capacity for self-assessment. By identifying these goals as a priority, projects can anticipate that groups to which they provide services will develop the ability to periodically undertake self-directed assessments. When done properly, PME&R promotes empowerment, confidence-building, self-esteem and independence among stakeholders who, through their involvement in all phases – planning ME&R approaches, collecting data, analysing, reporting and reviewing findings – contribute to the framing of objectives, choice of performance indicators and measurement of performance for these indicators. Active participation of partners and stakeholders in performance monitoring and evaluation builds 'ownership', encourages joint actions based on mutual understanding of performance issues and successes, and can contribute to strengthened future planning and action.

Using PME&R requires a commitment to and understanding of the purpose and benefits it can bring to projects and organisations. Established guidelines often dictate that projects be assessed according to a fixed set of criteria when in fact much more is going on. Measurement of established guidelines alone cannot always or accurately capture the true impact of projects on women, groups and other intended beneficiaries. Thus, PME&R enables organisations to identify and articulate what its members believe to be important while developing the skills and capacity to conduct evaluation activities.

In order to adopt PME&R as a key evaluation strategy, several things need to happen.

a) Staff and project partners need to have the opportunity to explore what assessment is in general, and what PME&R is in particular.

b) Staff and project partners need to reflect on and structure mechanisms for sharing what they have learned with members.

c) Staff and project partners need to spend time in the field doing PME&R.

d) If impact is to be assessed, this activity requires adequate time and resources.

e) If participants are to appreciate the value of assessment, activities must be useful from the start.

2.2 A frame of reference for PME&R

Participation

Participation is a process of inquiry and dialogue through which stakeholders (all persons who are concerned with something) share ideas in ways that help them to have a multi-dimensional perception of their needs. Building a ME&R system with effective participation will ensure that stakeholders feel a sense of ownership of the system and a commitment to it.

Monitoring

Monitoring can be defined as the ongoing process of tracking inputs and determining, based on the comparison of actual input levels to target input level, whether an evaluation is necessary. It focuses on the regular collection of information to track programmes and projects and to alert management as to whether the actual results are being achieved as planned.

Monitoring alerts managers to problems or successes and assists in diagnosing the sources of any problem or 'slippage' in implementing the intended project schedule.

Evaluation

The notion of evaluation has been around a long time. The Chinese had a large functional evaluation system in place as long ago as 2000 BC, but evaluation has always meant different things to different people and has taken place in different contexts. It can be synonymous with test, descriptions, documentation or management. The dictionary provides a comprehensive definition: 'systematic investigation of the worth or merit of an activity'.

Over the years, evaluation has frequently been viewed as an adversarial process. Its main use has been to provide a 'thumbs-up' or 'thumbs-down' judgment about a programme or project. As such, it has all too often been considered by programme or project directors as an external imposition which is threatening, disruptive and not very helpful to project staff. Evaluations should be conducted for action-related reasons and the information provided should facilitate deciding on a course of action.

Reporting

Stakeholders need to be kept informed about an NGO's activities. PME&R systems have to be designed in such a way that they are able to generate appropriate reports for the various audiences (for example, funders, communities and staff).

Why monitor, evaluate and report?

The collection and analysis of information is necessary to improve:

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

Purposes of ME&R

1. To assess understanding of project goals, objectives, strategies and time-lines.
2. To assess ongoing project activities.
3. To assess whether or not the project is being conducted as planned.
4. To assess progress in meeting the project's goals.
5. To assess impact of project activities on individuals and groups of individuals.
6. To assess whether or not the project is addressing the needs of 'special needs' populations.
7. To assess the project's success.

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

Appraisal of PME&R

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

Time

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

Quality of information

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

Training required

Training in facilitation of PME&R is undoubtedly far more involved than that required for traditional evaluation mechanisms. Evaluators must develop and maintain a deep understanding of what monitoring and evaluation is in general and what PME&R is in particular. With this understanding they must be immersed in the process and be allowed adequate time to reflect upon their experience. Experience has shown that where PME&R is carried out, the benefits appear to ripple out to other groups and projects. PME&R cannot be adequately explained, it must be experienced if it is to be understood. Through the training experience, which includes role play/simulation and application, participants have an understanding of, and feel for, the process of facilitating PME&R. Once in place, these skills and abilities can be applied in other situations.

Readiness of the participants

The ability to take responsibility for self-assessment requires a certain level of collective maturity. To conduct an effective assessment, the group must have advanced beyond the initial stages of group development and have cohesion and a certain level of shared experience and history. The skills required to implement a PME&R approach should be assessed as the group itself matures. It has been demonstrated that participating in a PME&R process has directly assisted groups to progress in their development.

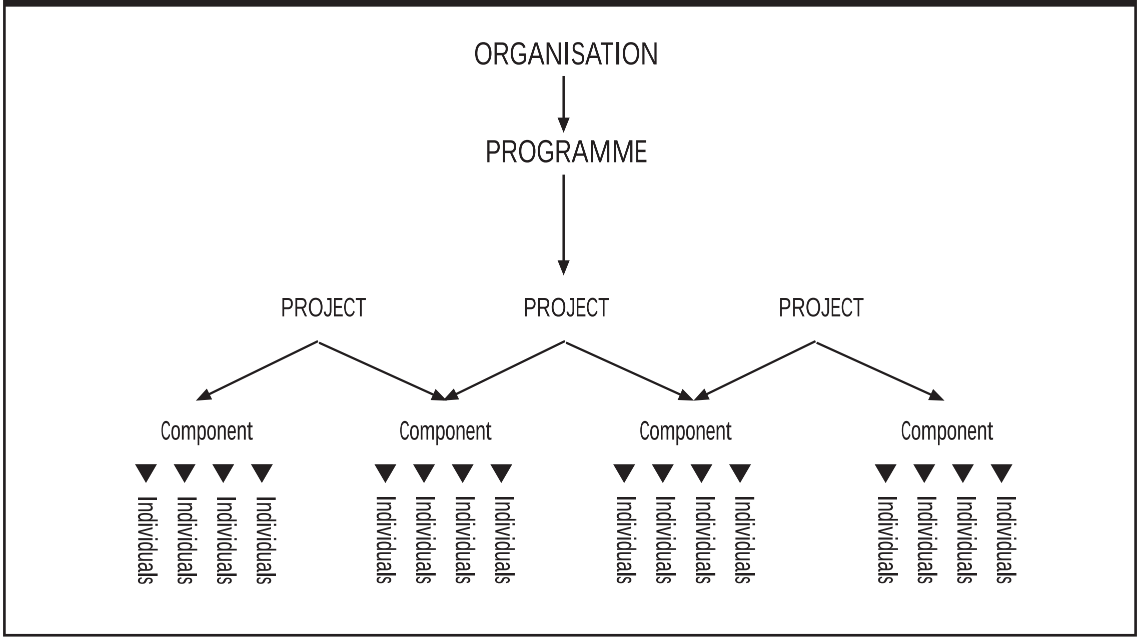
Levels of monitoring, evaluation & reporting

An *organisation* is the construct in which programmes are identified, implemented and carried out. The various definitions used to explain organisational development all include the concept that it is an ongoing process that optimises an organisation's performance in relation to its goals, resources and environment.

A *programme* is a co-ordinated approach to explore a specific area related to an organisation's mission. A *project* is a particular developmental activity funded by that programme. *Individuals* are those stakeholders who have an interest and/or participate in a project.

An organisation initiates a programme on the assumption of a policy goal (for example, to strengthen the capacity of NGOs). It then funds a series of discrete projects or activities to explore how useful these activities and strategies are in specific situations. Thus, organisations undertake programmes which consist of a collection of projects that involve individuals or groups of individuals who seek to meet a defined set of goals and objectives. Monitoring, evaluation and reporting covers all of these levels for different reasons at different times. Result-oriented development is concerned with the links between these various levels and specific objectives.

Levels of ME&R



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

Project monitoring and evaluation, in contrast, focuses on individual projects. Ideally, *project monitoring*, design and data collection begin soon after a project is funded and occur on a regularly scheduled basis. Project monitoring may lead to, and support recommendations to continue, modify and/or stop certain project activities or strategies. *Project evaluation* may also include examination of specific components or impact on the individuals or groups which are targeted by the programme.

ME&R systems

An ME&R system is the process or approach used to collect and analyse data. These systems include inputs, indicators, baseline data and performance targets for all objectives, support objectives and special objectives, means for tracking critical assumptions, and monitoring plans to manage data collection. Data must be collected and analysed regularly on the objectives and intermediate results. An important consideration when developing an ME&R system is to minimise interference with project functioning. Make as few demands as possible on project personnel and participants. Avoid procedures which may be perceived as threatening or critical.

Monitoring systems are based on the regular and planned collection of data and analysis of results. Systems provide information on inputs, activities, outcomes or results at all levels that enable managers to track progress toward achieving objectives, results and activity output.

Evaluations support and complement a monitoring system. They are structured analytical efforts to answer specific management questions about the performance of programmes or activities. Evaluations may be used to find out what is really going on when performance monitoring data indicate unexpected results. Evaluations can also be used to assess the basic development concepts underlying our strategies – Is change occurring as we expected? Are our interventions efficient? The challenge is to further the idea that monitoring, evaluation and reporting are tools that not only measure, but can also contribute to success. Impact measurements are almost always measures of change and there is no hard and fast rule for deciding when changes should or should not be made.

Getting started with monitoring, evaluation and reporting

Steps in conducting ME&R

There are five phases involved in an ME&R process and all are critical for provision of useful information. Initially an organisation may need to include a M&E design and training plan for these phases until staff become familiar with the concepts and methods. If the information gathered is not perceived as valuable or useful, or the information is not credible or feasible, or the report is presented too late or is written inappropriately, then an ME&R process will not contribute to good decision-making.

Phases in conducting ME&R
1. Development of M&E questions.
2. Matching of questions to appropriate information-gathering techniques.
3. Collection of data.
4. Analysis of data.
5. Dissemination of information.

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

1. Clarify goals and objectives.
2. Identify and involve key stakeholders.
3. Describe the interventions to be monitored and/or evaluated.
4. Formulate potential questions of interest to all stakeholders and audiences.
5. Identify and determine available resources.
6. Prioritise questions and eliminate inappropriate ones.

In developing an ME&R approach, it may be useful to consider the following questions:

- Who is the information for and who will use the findings?
- What kinds of information are needed?
- How is the information to be used (For what purposes are you conducting ME&R activities)?
- When is the information needed and in what form?
- What resources are available to conduct ME&R activities?
- Given the answers to the preceding questions, what methods are appropriate?

Once an ME&R system and implementation plans are established, the following criteria should be taken into account when planning activities around discrete projects:

- Who will use the information and for what purpose?
- Will the information to be gathered provide answers not presently available?
- Is the information important to a major group or several stakeholders?
- Will the information be of continuing interest?
- Is it possible to obtain the required information, given the financial and human resources?
- Does the time available to gather information meet the needs of decision makers?

If there are limited ME&R resources, it is best to adhere to simpler approaches and basic data gathering. However, it is essential that a system be established to meet programme and project objectives.

Designing a monitoring, evaluation and reporting system

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

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

ME&R is designed to address a number of questions. These questions can be used as a check-list to determine if all relevant elements are included in the description of the project/programme or organisation, providing the basis for an ME&R system:

General

- Why was the project or organisation developed? What is the problem or need that it is attempting to address?
- What are the activities and strategies that will address the problem or need which was identified? What is the intervention?
- How will participants benefit?
- What are the expected outcomes?
- Where will the project be located (programmatically and geographically)?
- For how long will the project operate (When will it begin and end)?

Stakeholders' interests

- Who are the stakeholders, that is, those who have credibility, power or other resources involved in the project?
- Who are the people interested in the project who may not be involved?
- Who are the people opposed to the project?

- What do stakeholders want to know?
- Which questions are most important to which stakeholders?
- Which questions are secondary in importance?
- Where do concerns coincide?
- Where are they in conflict?
- Who are the beneficiaries/partners to be served?

Resources

- How much does the programme cost?
- Who are the donors and what are their reporting requirements?
- What is the budget for the programme?
- What human, material and institutional resources are needed?
- How much of these resources is needed for ME&R? For dissemination of information?
- How can the project become sustainable? What resources will be required? Where might required resources exist? Does the project or organisation have the means to secure required resources? How much time will be required to secure additional resources?

ME&R

- What are the measurable outcomes which the project wants to achieve? What is expected of the project in the short run? In the longer run?
- What arrangements have been made for data collection? What are the understandings regarding record keeping, responding to surveys and participation in ME&R?

Information gathering

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

Determinants of information gathering techniques	
1.	Select a general methodological approach.
2.	Determine what sources of data would provide the information needed and assess the feasibility of the alternatives.
3.	Select data collection techniques to gather the desired information from the identified sources.
4.	Develop a design matrix which includes general questions, sub-questions, variables to be examined and instruments/approaches for gathering data, respondents, and a data-collection schedule.

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

Sources of information

These include:

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

Data analysis

The steps to be followed for data analysis and interpretation differ, depending on the type of data. Interpretation of qualitative data may in some cases be limited to descriptive narratives, but other data may lend itself to systematic analyses through the use of quantitative approaches. Assessments frequently collect both quantitative and qualitative data. There are instances where qualitative data are quantified for easier analysis.

Analysis includes several steps:

1. Check the raw data and prepare it for analysis.
2. Conduct an initial analysis based on the ME&R plan.
3. Conduct an additional analysis based on the initial results.
4. Integrate and synthesise findings.

Uses of information

Information can be used to:

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

Reporting results

The final stage is reporting what has been found. While reporting can be thought of as simply creating a written document, successful reporting rests on giving careful thought to the creation and presentation of the information. Special attention should be given to the stakeholders and the constructive part they can play. As more stakeholders become involved, attention to, and use of, ME&R activities will increase.

The communication of findings involves several considerations:

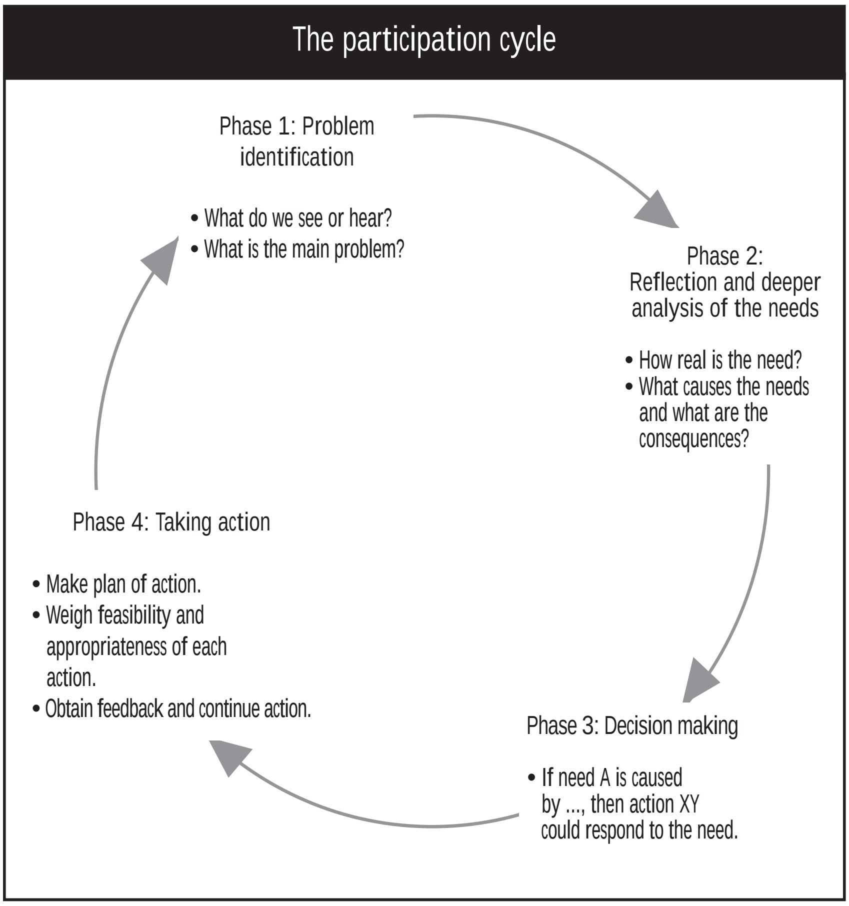
- providing information to targeted audiences
- customising reports and other presentations to make them compelling
- delivering reports and other presentations in a timely fashion so that they are useful.

2.3 Participation

The role of participation in the empowerment process

In many development circles the word 'participation' has been limited to the process whereby authorities (for example, government), NGOs or funders mobilise beneficiaries to take part in an activity which is decided by professionals and experts on behalf of the targeted communities. In a participatory model, this process is called short-circuiting.

Participation is understood to mean a process of inquiry and dialogue through which persons concerned (stakeholders) share ideas in ways that help them to have a multi-dimensional perception of their needs. The causes and effects of these needs are analysed by stakeholders so that decisions for effective future common action can be made. Furthermore, all stakeholders will identify preliminary indicators to implement



activities and then assess progress through monitoring and evaluation based on their objectives. By this definition, participation is a four-phase cycle: problem identification, followed by reflection and deeper analysis, enabling a decision to be made, which is followed by an action plan.

Participatory short-circuiting, which is currently being followed by many development agencies, takes the process straight from Phase 1 to Phase 4. The agencies may identify needs which are in line with real community needs, but the causes of the needs and decisions about what to do about them are determined by these development agents alone. They then disseminate information and attempt to mobilise communities for action with the hope of instilling a sense of ownership of, and commitment to, the development activity. In most cases, short-circuiting causes projects to fail. To ensure effective participation, planning should include all stakeholders in all four phases of the cycle.

When participation passes through all four stages, in the proper sequence, and the cycle is completed, it is more likely that participants will develop a sense of ownership and commitment, take responsibility and be accountable for their decisions. Having been able to exercise decision-making power, they gain confidence (identity) and pride (satisfaction) in their development undertakings.

Stakeholders

A stakeholder is an individual or group of individuals with a direct interest or 'stake' in a particular sector. This interest, for the most part, is positive, but stakeholders may also be individuals or groups who oppose certain activities in a particular sector. Individuals and groups within this sector interact according to the social and cultural concerns of those individuals or groups. Those who have a stake in a sector want to have a say in decision-making and the planning of activities within it.

Decision-making occurs on many levels – international, national, regional (state or provincial), district, sub-district (locality), community, group, household, and individual. Cutting across these decision-making levels are various types of people, many of whom may be relevant in the design, implementation, monitoring and evaluation of an activity. Those who are particularly relevant may be referred to as 'stakeholders'.

Communities are not homogeneous entities. There can be conflicting interests in any given community among various groupings within it. The social position of individuals within each group will often determine the extent to which people can or cannot interact within that community. One of the great challenges facing development workers is promoting agreement among people with varying and often conflicting interests within the community. Conflicts also occur between the community and other societal structures.

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

- dynamic economic transformation at international, national provincial and local levels
- the attempt by governments throughout the developing world to introduce effective systems of government at national, provincial and local levels
- the underpinning of socio-structural remnants of groups, clans, tribes, families and lineages striving to maintain identity and functional purpose in the face of the above.

Stakeholders are found within and outside the community:

- local farmers, fisherfolk, pastoralists, artisans, labourers and others
- non-governmental development groups
- commercial/industrial business people
- relevant government agencies

- private landowners
- tertiary institutions
- funders
- local institutions.

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

Socially sustainable development requires representatives of all stakeholder groups to meet, communicate and ultimately negotiate in good faith.

Key stakeholder questions

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

Participation and the empowerment process

The process of empowerment – which ought to mean ‘regain’ or ‘restore’ power – requires the transfer of power from, for example, outside authorities to community members. NGOs, governments and funders can only facilitate community empowerment. To gain power means that community members:

- have control over social knowledge, economic decisions and political powers.
- have influence over social factors, economic issues and decisions and policies.
- feel a sense of ownership of these dimensions of power.

The empowerment process

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

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

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

PME&R and participation

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

1. Origin of purpose/questions – evaluation and monitoring questions emerge from the interests and priorities of the participants.
2. Extended usefulness/application – participants develop an understanding of the purpose and importance of evaluation and the ability to conduct meaningful evaluations.
3. Skills development – through participation in the evaluation activity, participants develop the ability to collect, analyse and act on information.
4. Participant focus – involvement in participatory monitoring, evaluation and reporting activities empowers participants to take responsibility for assessing and articulating the impact a project is having on them, according to their priorities.

A strategy for advancing PME&R

Ideally, a structure for implementing PME&R should begin with workshops in which NGO staff and project partners focus on participatory methodologies and evaluation as a needs assessment and planning tool. The impact of training is further enhanced by training of trainers (TOT).

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

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

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

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

2.4 Monitoring

What is a monitoring plan?

A monitoring plan is a tool used to plan and manage the collection of data and sometimes includes plans for data analysis, reporting, and use. At minimum, a monitoring plan should include:

- a detailed definition of each indicator
- the source, method, frequency and schedule of data collection, and
- the team or individual responsible for ensuring data are available on schedule.

As part of the planning process, it is also advisable for NGOs to plan for:

- how the data will be analysed, and
- how it will be reported, reviewed, and used to inform decisions.

Plans should be updated as needed to ensure schedule and assignments remain current and reflect the programme activities.

Why are monitoring plans important?

A monitoring plan is a critical tool for planning, managing, and documenting data collection. It contributes to the effectiveness of the monitoring system by ensuring that comparable data will be collected on a regular and timely basis. These are essential elements in a credible ME&R system.

Monitoring plans promote the collection of comparable data by sufficiently documenting indicator definitions, sources and methods of data collection. This enables NGOs to collect comparable data over time, even when key personnel change.

Monitoring plans support timely collection of data by documenting the frequency and schedule of data collection as well as by assigning responsibilities to teams or individuals. NGOs should also consider developing plans for data analysis, reporting, and review efforts as part of the planning process. It makes sense to think through data collection, analysis, reporting and review as an integrated process. This will help keep the monitoring system on track and ensure that data collected is useful for decision-making. It is good practice to include such integrated plans in the monitoring plan.

Elements of a monitoring plan

The following elements should be considered for inclusion in a monitoring plan.

Plans for data collection

In its strategic plan, an NGO will have identified a few preliminary indicators. In some cases, preliminary baselines and targets will also have been provided in the strategic plan. The monitoring plan builds on this initial information, verifying or modifying the indicators, baselines and targets, and documenting decisions.

1. *Indicators and their definitions*. Indicators are measures that describe how well a programme is achieving its objectives; objectives are what we hope to accomplish. Indicators tell us specifically what to measure to determine whether the objectives have been achieved. They are usually quantitative observations which define how achievements will be measured along a scale. Each indicator needs a detailed

definition. Be precise about all technical elements of the indicator statement and include the unit of measurement in the definition. The definition should be detailed enough to ensure that different people at different times, given the task of collecting data for a given indicator, would collect identical types of data. Setting targets and attaining particular levels of achievement are different from identifying indicators. Examples of indicators could be whether an organisation has a grievance procedure in place, or whether it has the ability to tender for contracts.

2. *Data source.* Identify the data source for each indicator. The source is the entity from which the data is obtained, usually the unit/organisation that conducts the data collection effort. Data sources may include government departments, international organisations, other donors, NGOs and private firms. Be as specific about the source as possible so the same source can be used routinely. Switching data sources for the same indicator over time should be avoided because it can lead to inconsistencies and misinterpretations. Plans may refer to needs and means for strengthening the capacity of a particular data source to collect needed data on a regular basis, or for building special data collection efforts into NGO activities.

3. *Method of data collection.* Specify the method or approach to data collection for each indicator. Note whether it is primary data collection or is based on existing secondary data. For primary data collection, consider:
   - the unit of analysis (for example, individuals, communities, clinics or wells)
   - data disaggregation needs (by gender, age, ethnic group or location)
   - sampling techniques for selecting cases (random sampling and purposive sampling)
   - techniques or instruments for acquiring data on these selected cases (structured questionnaires, direct observation forms).

   For indicators based on secondary data, give the method of calculating the specific indicator data point and the sources of data. Note issues of data quality and reliability. For example, using secondary data from existing sources cuts costs and efforts, but its quality may not be as reliable. There are occasions when using secondary data is appropriate and adequate (for example, national survey data).

   Provide sufficient detail on the data collection or calculation method to enable it to be replicated.

4. *Frequency and schedule of data collection*. Monitoring systems must periodically gather comparable data to measure progress over time. But, depending on the indicator, it may make sense to collect data on a quarterly, annual, or less frequent basis. Monitoring plans can also usefully provide the schedules (dates) for data collection efforts. When planning the frequency and scheduling of data collection, an important factor to consider is management's needs for timely information for decision making.
5. *Responsibilities for acquiring data.* For each indicator, responsibility should be clearly assigned to a particular office, team, or individual.

Plans for data analysis, reporting, review and use

An effective performance monitoring system needs to plan not only for the collection of data, but also for data analysis, reporting, review, and use. It may not be possible to include everything in one document at one time, but NGOs should take the time to carefully plan all these aspects in an integrated fashion.

1. *Data analysis plans*. To the extent possible, plan in advance how data for individual indicators or groups of related indicators will be analysed. Identify data analysis techniques and data presentation formats to be used. Consider if and how the following aspects of data analysis will be undertaken:
   - Comparing disaggregated data – for indicators with disaggregated data, plan how it will be compared, displayed, and analysed (for example, gender disaggregation).
   - Comparing current performance against multiple criteria – for each indicator, plan how actual data will be compared with:
     a) past performance
     b) planned or targeted performance
     c) other relevant benchmarks.
   - Analysing relationships among indicators – plan how internal analyses of the data will examine interrelationships. For example:

     a) How will a set of indicators (if there are more than one) for a particular objective be analysed to reveal progress? What if only some of the indicators reveal progress?
     b) How will cause-effect relationships between an objective and a targeted results framework be analysed?

   c) How will activities be linked to achieving objectives and results?

- Analysing cost-effectiveness. When practical and feasible, plan for using data to compare systematically alternative programme approaches in terms of costs as well as results.

2. *Plans for complementary evaluations.* Traditional evaluation tends to be scheduled by funders at the mid- or end-point of a project. Regular monitoring allows for evaluations to be conducted only when data indicates a clear management need. It may not always be possible or desirable to predict years in advance when or why they will be needed. Nevertheless, NGOs may find it useful to plan on a regular basis what evaluation efforts are needed to complement information from the monitoring system. Internal assessments, to be held periodically during the year, may be a good time for such evaluation planning. For example, if the reviews reveal that certain targets are not being met, and if the reasons are unclear, then planning evaluations to investigate would be in order. Monitoring data may provide a trigger for an evaluation, for example, when results exceed expectations.

3. *Plans for communicating and using information*. Planning how monitoring information will be reported, reviewed, and used is critical for effective managing for results. Plan, schedule, and assign responsibilities for internal and external reviews, briefings, and reports. Clarify what, how and when management decisions will consider performance information. Specifically, plan for the following:

   - Programme impact reviews – do internal reviews of impact information at regular intervals during the year to assess progress toward achieving objectives and targets. In addition, activity-level reviews should be planned regularly by programme teams to assess if activity inputs, outputs, and processes support the achievement of results and objectives.

   - External reviews, reports, and briefings – plan for reporting and disseminating information to key stakeholder audiences such as relevant government counterparts, collaborating NGOs, other partners, funders, and the media. Communication techniques may include reports, oral briefings, videotapes, memos and newspaper articles.

   - Influencing management decisions – the ultimate aim of monitoring systems is to promote impact-based decision-making. To the extent that is possible, plan in advance what management decision making processes should be influenced by monitoring information. For example, budget discussions, programming decisions, evaluation designs/scopes of work, office retreats, management contracts, and personnel appraisals often benefit from the consideration of this information.

4. *Budget*. Estimate roughly the costs of collecting, analysing, and reporting performance data for a specific indicator. Identify the source of funds.

   If adequate data is already available from secondary sources, costs may be minimal. If primary data must be collected at the operating unit's expense, costs can vary depending on scope, method and frequency of data collection. Sample surveys may cost more than rapid appraisal methods. However, often these low-cost methods do not provide quantitative data that are sufficiently reliable or representative.

2.5 Evaluation

Participatory evaluation supports active involvement of those with a stake in the programme – NGO partners, beneficiaries, and other interested parties. Participation takes place throughout all phases of the evaluation: planning and design; collection and analysis of data; drafting of conclusions and recommendations; dissemination of results; and preparation of an action plan to modify programme performance.

Participatory evaluation	Traditional evaluation
• participant focus and ownership	• funder focus and ownership
• broad range of stakeholders participate	• stakeholders often don't participate
• focus on learning	• focus on accountability
• flexible design	• predetermined design
• rapid appraisal methods	• formal methods
• outsiders are facilitators	• outsiders are evaluators

Characteristics of participatory evaluation

Participatory evaluation has several characteristics that set it apart from traditional evaluation approaches. These include:

1. *Participant focus and ownership.* Participatory evaluation is primarily oriented to the information needs of programme stakeholders rather than the funding agency. Participation simply helps NGOs to conduct their own evaluations, thus building ownership and commitment to the results and facilitating follow-up action.
2. *Range of possible participation.* The range of stakeholders included and the roles they play may vary. For example, some evaluations may target only programme providers or beneficiaries, while others may include the full array of stakeholders.
3. *Participant input welcome.* Participating groups meet to communicate and negotiate to reach agreement on evaluation findings, address problems, and make plans to improve performance.
4. *Diversity of views encouraged.* Views and experiences of all participants are sought and recognised. More powerful stakeholders are encouraged to support the participation of less powerful ones.
5. *A learning process.* The process is a learning experience for participants. The emphasis is on identifying lessons learned that will help participants improve programme implementation, and on assessing whether targets were achieved.
6. *Flexible design.* While some preliminary planning for the evaluation may be necessary, design issues are decided (as far as possible) in the participatory process. Generally, evaluation questions and data collection and analysis methods are determined by the participants, not by outside evaluators.
7. *Practical orientation.* Good participatory evaluations are based on observable data. Rapid appraisal techniques are used to determine what happened and why.
8. *Driven by participants, not experts.* Participants, rather than outside evaluators, actually conduct the evaluation. However, one or more outside experts could actually serve as facilitators – that is, to provide a support function as mentor, trainer, group processor, negotiator, and/or methodologist.

Why conduct a participatory evaluation?

Experience has shown that participatory evaluation improves programme performance. Listening to and learning from programme beneficiaries, field staff, and other stakeholders who know why a programme is or is not working is critical to making improvements. Also, the more these insiders are involved in identifying evaluation questions and in gathering and analysing data, the more likely they are to use the information to improve the programme. This method empowers programme providers and beneficiaries to act on the knowledge gained through the evaluation process.

Advantages of participatory evaluations include:

- examining relevant issues by involving key stakeholders in evaluation design
- fostering participants' learning about the programme and its impact and enhancing their understanding of other stakeholders' points of view
- improving participants' evaluation skills
- mobilising stakeholders, enhancing teamwork, and building shared commitment to act on evaluation recommendations
- increasing the likelihood that evaluation information will be used to improve programme impact.

But there may be disadvantages which must be considered during the planning phase. For example participatory evaluation may:

- be less objective because programme staff or other stakeholders may use the opportunity to try to further their own interests at the expense of others
- be less useful in addressing highly technical issues
- require additional time and resources to identify and involve a wide range of stakeholders
- take participating staff away from ongoing activities.

An ME&R system is the process or approach used to collect and analyse data. These systems include inputs, indicators, baseline data and performance targets for all objectives, means for tracking critical assumptions, and monitoring plans to manage data collection. Data must be collected and analysed regularly on the objectives and intermediate results. When developing an ME&R system, minimise interference with project functioning by making as few demands as possible on project personnel and participants. Also, avoid procedures which may be perceived as threatening or critical.

Steps in conducting a participatory evaluation

Step 1: Decide if a participatory evaluation approach is appropriate

Participatory evaluations are especially useful when there are questions about implementation difficulties or programme effects on partners, or when information is wanted on stakeholders' knowledge of programme goals or their views of progress. Traditional evaluation approaches may be more suitable when there is a need for independent outside judgment, when specialised information is needed that only technical experts can provide, when key stakeholders don't have time to participate, or when such serious lack of agreement exists among stakeholders that a collaborative approach is likely to fail.

Step 2: Decide on the degree of participation

What groups will participate and what roles will they play? Participation may be broad, with a wide array of staff, partners, and others. It may, alternatively, target one or two of these groups. For example, if the aim is to identify what is hindering programme implementation, field staff may need to be involved. If the issue is a programme's effect on local communities, local partners may be the most appropriate participants. If the aim is to know if all stakeholders understand a programme's goals and view progress similarly, broad participation may be best.

Step 3: Prepare an evaluation plan

Consider the approach and the basic methods to be used, schedule, logistics and funding. Special attention should be paid to defining roles of the outside facilitator and participating stakeholders. As far as possible, decisions about evaluation questions, data collection instruments and analysis plans should be made during the participatory process, not at this point.

Step 4: Conduct the team planning meeting

The participatory evaluation process begins with a workshop attended by the facilitator and participants. The purpose is to build agreement on the aim of the evaluation; refine the scope of work and clarify roles and responsibilities of the participants and facilitator; review the schedule, logistical arrangements, and agenda; and train participants in basic data collection and analysis.

Assisted by the facilitator, participants identify the evaluation questions they want answered. The approach taken to identify questions may be open-ended or may stipulate broad areas of inquiry. Participants then select appropriate methods and develop data-gathering instruments and analysis plans to answer the questions.

Step 5: Conduct the evaluation

Participatory evaluations seek to maximise stakeholders' involvement in conducting the evaluation in order to promote learning. Participants define the questions and consider the data collection skills, methods, commitment of time and labour required. Participatory evaluations usually use rapid appraisal techniques, which are simpler, quicker and less costly than conventional sample surveys. Typically, facilitators are skilled in these methods, and they help train and guide other participants in their use.

Step 6: Analyse the data and build agreement on results

Once the data has been gathered, participatory approaches to analysing and interpreting help participants build a common body of knowledge. Once the analysis is complete, facilitators work with participants to reach agreement on findings, conclusions, and recommendations. Facilitators may need to negotiate among stakeholder groups if disagreements emerge. Developing a common understanding of the results, on the basis of the data gathered, becomes the cornerstone for group commitment to a plan of action.

Step 7: Prepare an action plan

Facilitators work with participants to prepare an action plan to improve programme performance. The knowledge shared by participants about a programme's strengths and weaknesses is turned into action. Empowered by knowledge, participants become agents of change and apply the lessons they have learned to improve performance.

The role of the evaluator

It is important to remember that different people will have questions and preconceptions about the evaluator's role. The role management skills of the evaluator will be under the spotlight, particularly during the initial contact with the NGO. Several role management strategies have proved effective for participatory evaluations:

1. *Set up visit/s prior to arriving for the interview, clarify the objectives of interviews and assist the NGO to identify stakeholders who will be involved.* The quality of the data collected is dependent on the stakeholders' understanding of why the questions are being asked and how the information will be used. It is therefore imperative that the NGO advises its stakeholders that they will be contacted by an evaluator and why. Following this initial contact, the evaluator can present a clear and comprehensive explanation for evaluation and begin building a relationship to elicit the best possible answers.
2. *Have a clear picture ahead of time of how you are going to explain your role as an evaluator.* This should be discussed, agreed upon and planned during the preparation for data collection. Emphasis should be placed on PME&R and the principal concern of the evaluation. Provide information about any relevant experience in working with NGOs or consulting, and explain that they do not need to worry about possible conflicts or breaches of confidentiality.
3. *Emphasise the role of stakeholders as experts in what happens in the organisation and its programmes.* Since much of the success of the evaluation depends on the quality of information provided by stakeholders, it is important to involve them in the study by emphasising *their* role in describing what they consider important about the NGO and its programmes, as well as their individual and collective roles within the organisation.
4. *Be sensitive, polite, considerate and helpful.* Recognise that because NGOs and stakeholders are busy, they are making an effort to participate in your evaluation. During the first contact it is best to ask general questions and to try to make positive comments, whenever appropriate, about the organisation and its programmes. Evaluators are there to learn, not to judge – they should therefore not be offering their 'expert' prescriptive opinion.
5. *Assure participants of confidentiality.* Assure participants that the confidentiality of all individuals will be protected, and therefore no names will be used in any reports of the evaluation results. The Organisational Capacity Assessment Tool (OCAT) should be shared with stakeholders and, when possible, be reviewed with them before the evaluation begins.
6. *Do not go into an interview with the assessment tool, rather refer to 'Some questions you can ask an NGO' on page 88.* The role of the

evaluator is to gain a clear understanding of the 'big' picture of the organisation's functioning. This is best done through open-ended and frank discussions in the form of a dialogue rather than an interrogation. Following a list of questions may influence responses, taking the interview where the evaluator wants it to go rather than providing a clear understanding of the organisation and its functioning.

7. *Keep a record of interviews and relevant comments.* Pay special attention to relevant information regarding organisational functioning, discrepancies and perceptions among various stakeholders. When working in a team, it is best for one person to ask questions and the other to record – it is more difficult to concentrate on what someone is saying to you while recording their words.
8. *Verify statements by referring to relevant documents and through observation.* In addition to the interviews with individuals and groups, it is important that all relevant written documentation be reviewed (for example, annual reports, project brochures, newsletters and minutes). It is not appropriate to request financial records or reports other than those in the public domain such as annual audits contained in annual reports. The existence of financial systems, paper-based or computerised, can be verified. Sometimes what one individual or group reports cannot be substantiated by others. Such discrepancies should be noted.
9. *Indicate how the information collected will be used.* The evaluator's assessment will be shared with the NGO's personnel before being finalised. Distribution of the final report will be at the discretion of the NGO.

Data sources

Think about your data needs as your visit progresses. During the assessment process, try to:

Meet a suitable range of representatives and record their names and titles including:

- administrators
- board members/trustees
- programme officers
- administrative staff
- support staff
- stakeholders
- government representatives.

Obtain relevant key documents including:

- the mission statement
- annual report/financial audit report
- programme descriptions/existing evaluations
- brochures/newsletters.

Observe:

- relevant programme and project sites
- dynamics among people
- the nature of meetings – who attends and who chairs
- the nature of the relationship between the organisation and stakeholders.

Evaluating through self-assessment

The organisational capacity assessment approach is designed to encourage self-assessment. Organisational capacity assessment is a key to planning for long-term sustainability of an NGO. This section is intended to assist NGOs to undertake self-assessments to measure their capacities and identify areas for growth in order to achieve and maintain sustainability. Self-assessments may also assist NGOs to meet the reporting requirements of their funders.

The organisational capacity assessment is designed for a variety of purposes. It can be used as a whole or in part:

- as a *diagnostic instrument* to determine the stage of an organisation's development and to identify specific changes needed to strengthen it
- to *establish a baseline measure* of the existing structure and capability for inclusion in an organisation's ME&R system
- to *monitor and evaluate progress* toward the organisational development objectives of an NGO
- to *assess training needs* of the staff of an NGO and provide a framework for a training programme
- to *complement financial audits and programme impact reports* which indicate the viability and potential for growth of an NGO
- to *obtain a rapid assessment* or 'snapshot' of the NGO by administering selective and relevant questions
- to serve as a basis on which to design *improved systems and procedures*.

Self-assessments are carried out by a staff team to enhance awareness and develop a commitment to organisational change. Effective self-assessment depends on an agreement for administering and analysing the assessment. To be effective this process must be:

- used as a means to educate NGO staff about the components and characteristics of an effective NGO
- adapted and interpreted by the assessment team.

It is important to reach agreement about the strengths and weaknesses of the NGO, to agree upon the organisational development needs, and to develop a proposed plan of action.

Organisational effectiveness requires competence in seven areas (see page 16). This competence will vary over time, depending on circumstances such as leadership or resources. No one organisation will be uniformly strong, or weak, in all components at any one time. The objective of a self-assessment is to identify organisational strengths and weaknesses. Then training, technical assistance or other appropriate interventions targeted to strengthen the overall functioning of the organisation can be planned. This will, of course, influence the allocation of organisational resources. The information gathered through the self-assessment provides data against which to monitor and measure organisational change over time. This baseline data can serve as a point of comparison to measure, through subsequent assessments, the impact of interventions and organisational development.

A detailed assessment carried out within an organisation helps to identify normal differences in capacity among the various components required to improve performance. This then provides a 'snapshot' of the NGO at a particular stage in its history. The process described in this manual provides an NGO with the information necessary to conduct self-assessments to identify their standards of performance for each component. It is not intended to prescribe the same form and structure for every NGO – the criteria used to measure capacity are relative.

The importance of self-assessments is that they improve:

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

Benefits and disadvantages of self-assessments

Self assessment can be carried out at a number of levels, namely, organisation, programme, project, or amongst individuals. For the purposes of this handbook we are referring specifically to organisational assessments. However, the benefits of self-assessments are similar at all levels.

Questions arise about the comparative benefits and disadvantages of using a participatory approach to self assessment. Some of the more important questions revolve around the readiness of participants, the time required to carry out the activities, the quality of information collected, and the training required.

Readiness of participants

The ability to take responsibility for self-assessment requires a certain level of collective maturity. To conduct an effective self-assessment, a group must be cohesive and have a certain level of shared experience and history. The skills required to implement an organisational self-assessment develop as a group matures. The act of participating in such a self-assessment is empowering in itself – it directly supports the development of the group.

Time

It may require more time to undertake a participatory self-assessment, but the quality of the information is better and the level of commitment among participants will be higher.

Quality of information

A participatory approach offers the opportunity for participants to generate, collect and analyse data as a group. By handing over control for questioning and data collection to the participants, some of the information may be lost, but other equally important information is invariably found. It is possible that the quantitative data may diminish slightly but the qualitative data offers striking images that cannot be found in numeric summaries of structured questionnaires and interviews. It is this blending of qualitative and quantitative data through participative strategies that lends credibility to the data collected.

Training

Initially training may be required to enable individuals within an organisation to become familiar with and develop first-hand experience of the various methodologies. This approach must be experienced to be understood. Once in place, these skills and abilities can easily be transferred into other situations and other sectors. The goal of self assessment is to transfer skills and build capacity in conducting assessments. By identifying this goal as a priority, management can anticipate that staff will develop the ability to periodically undertake self-directed assessments of the NGO or of a unit within the organisation.

The long-term advantages make self-assessment an important strategy to consider. It has the ability to provide a rich data source that grows with the participants' experience while leaving them with skills. It provides people who are directly affected with a voice. The findings and conclusions of the assessment are acceptable to the participants because of their sense of ownership of the process and the product.

A self-assessment of organisational capacity allows an NGO to identify current organisational strengths and weaknesses on which to establish a plan for improvement which includes indicators for measuring change. Certain aspects of organisational functioning, such as competent financial management, are common to all organisations, but there is no one template for all NGOs. The elements of a healthy NGO need to be worked out for each organisation. Self-assessment can provide a basis for communication and planning.

Team composition for self-assessments

For unit/division assessments it is best to include all staff members in the initial discussions. It is not necessary that all staff members agree on all points, but it is important that there be general agreement. Each staff unit can then select representatives to participate in the larger organisational assessment, both to share their team's analysis with the entire organisation's staff, and to respond to others' perception of their performance. For example, it is not uncommon in an organisation for administrative staff and programme staff to differ on what organisational priorities should be. However, for an organisation to function effectively, common ground must be found on which all staff groupings can negotiate. It is also important that stakeholders be involved in discussions regarding service delivery and overall assessment of the organisation's capacity.

An outsider can facilitate group discussions and agreement building without compromising the idea of a self-assessment. However, it is recommended that the organisation carry out an internal self-assessment before meeting with the external consultants.

Participation in self-assessment

A participatory self-assessment approach involves all relevant stakeholders in all phases of programme performance, monitoring and evaluation. In this way stakeholders identify their priorities which will be reflected in the framing of objectives, choice of indicators and measurement of performance.

'Participation' is understood to mean a democratic process of inquiry and dialogue through which all persons concerned share ideas in ways that help them to have a multi-dimensional perception of their needs and resources. By analysing the causes and effects of these needs, they are able to develop a common understanding of their organisation's strengths and weaknesses. The participatory process is intended to restore power to those involved so that they:

- have control over knowledge
- have influence over decisions and policies
- feel a sense of ownership of these dimensions of power.

Participatory interaction strengthens skills, promotes team building and helps to change knowledge, skills, attitudes and practice. People become empowered as they learn to participate as equals. Having identified the internal and external conditions affecting their performance they are able to decide how to change the root causes of the organisation's weaknesses. The extent to which staff members have control and influence in decision making and policy formulation, budgeting and resource allocation, and access to information indicates their level of empowerment.

Scope of a self-assessment

The scope of an organisational self-assessment is dependent on available human and financial resources. If the self-assessment is looked upon as a planning and team building exercise, it may be easier to justify allocating the necessary time and resources to the exercise. Careful planning and preparation for the self-assessment ensures that the time is well spent. The time required for an organisational self-assessment could depend on the size of the organisation. Larger organisations may require more time to be able to involve as many stakeholder groups as possible in each activity.

Team roles in a self-assessment

An individual or group should be made responsible for heading and monitoring the self-assessment exercise. This will ensure that the agreed-to time-schedule is adhered to, the necessary materials are made available, and that no steps are overlooked. Ideally, this individual or group should also be responsible for preparation and dissemination of the final report.

Once the decision is reached to carry out an organisational capacity assessment, it is imperative that the director informs all concerned stakeholders of this, and clearly states the objective, purpose and anticipated time frame of the exercise. The more clearly the self- assessment is presented to the staff and stakeholders of an organisation, the more likely it is that they will support the process. It must be clear that this is not about judging or testing individuals, but rather about building the capacity of the organisation. It is essential to stress the importance of participation in the process.

Each unit or department should meet as often as necessary to identify the strengths and weaknesses of their particular section. A facilitator and a rapporteur must be identified before undertaking the exercise. If there is to be more than one meeting, then it is best to use the same individuals each time to assure consistency. If there is more than one meeting it is essential that the rapporteur circulate the minutes of the previous discussion to all participants as soon as possible, before the next meeting is held. The exercise of identifying strengths and weaknesses can be facilitated by using the relevant sections from 'Some questions that you can ask an NGO' which appears on page 88. As mentioned elsewhere, it is not necessary that the team reach agreement on every point under discussion, but rather that there is a broad overall agreement on the issues.

Where it is not feasible to involve all unit staff in the larger organisational assessment, each unit must identify individuals to represent them and to present their findings. The purpose of bringing representatives of the entire organisation together, including stakeholders and community members, is to arrive at an agreed-upon score for each component of the organisation. This is to ensure that each unit understands the perceptions and concerns of others and has the opportunity to provide feedback and respond to feedback.

Relevant documents need to be identified for each group analysis. For example, financial reports and audits are essential for administrative staff. Programme reports or evaluations would be most helpful to programme staff. Existing long-term or implementation plans, budgets, minutes of meetings, annual reports, and newspaper articles may all prove useful. While it is not necessary for each individual to review all documents, volunteers could offer to review some relevant documents and report back to the larger group on their findings and observations. Written materials are an important part of the assessment.

2.6 Reporting

Reporting can be defined in various ways. For an accountant, it might mean the preparation and transmission of financial data, while to a project evaluator it might mean writing a lengthy interpretation of a project's successes and failures. In the context of PME&R, reporting is a planned and systematic operation by which data is processed, transformed into prescribed formats and distributed to partners to satisfy their information requirements.

Reporting information

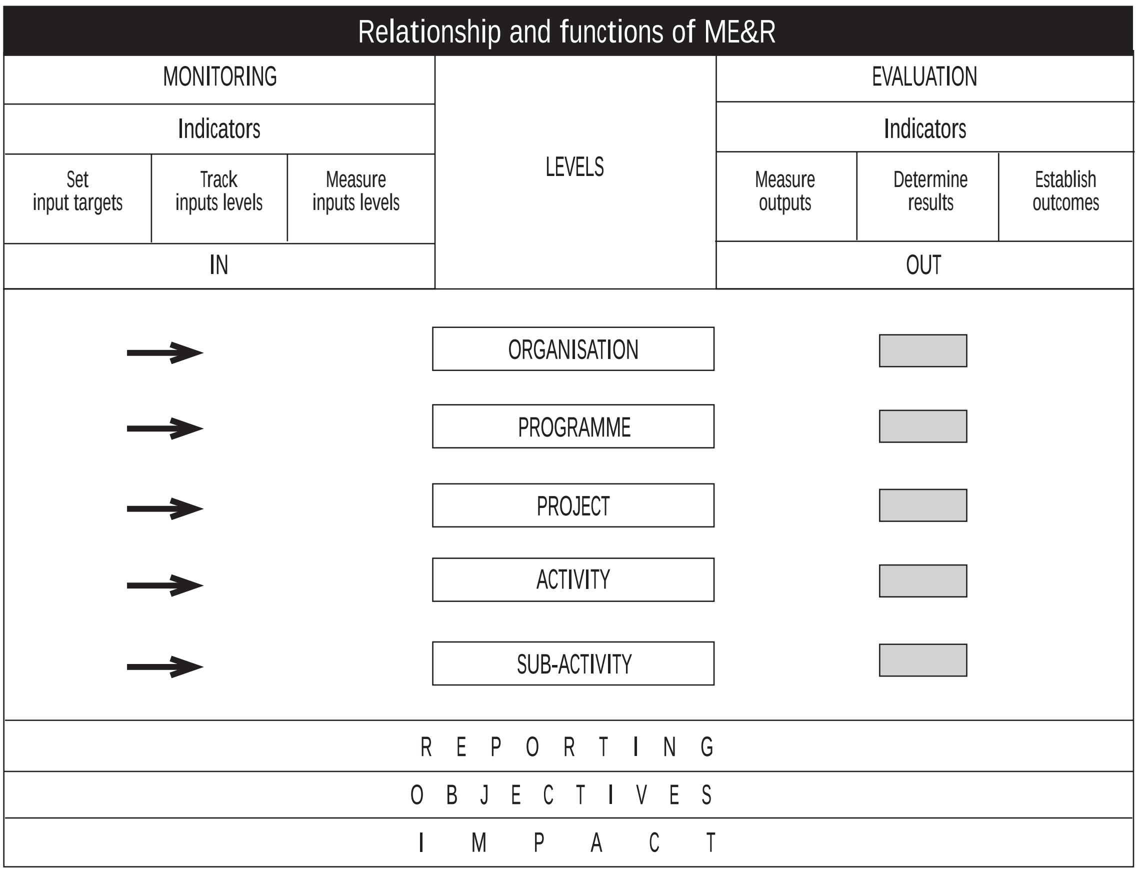
Before undertaking any monitoring and evaluation exercise, the most important question is 'what do we need to know?' Answering this question enables us to begin determining our reporting requirements in the broadest terms. In most cases the information derived from monitoring and evaluation operations is used to:

- establish a set of baseline information
- monitor progress
- diagnose bottlenecks
- present a financial picture of the organisation
- communicate information and relay data (facts)
- train staff
- determine whether objectives have been achieved
- ascertain impact.

Determining the general purposes of information is only the first step. We must then ask ourselves what specific data must be collected, processed and scrutinised if, for example, we want to generate a set of project baseline data for future comparison. At this point the data for the baseline measurement must be identified in terms of general *categories* and individual data *elements*.

Relationships and functions of ME&R

Monitoring examines inputs or elements provided for an event while evaluation is the process which examines the combined product derived from the inputs. Simply stated, monitoring looks at what goes ‘in’ to an event while evaluation studies what comes ‘out’ of it. Reporting, on the other hand, can occur during both the



monitoring and the evaluation processes. It is also used to determine, upon reflecting over both monitoring and evaluation reports, if an activity's objectives have been met and, at a higher level, how much impact it has had. Monitoring, evaluation and reporting can occur at various levels.

Reporting partners

Using the participatory approach to engage partners in monitoring and evaluation is discussed in previous sections. Specific partners are also identified. In terms of the reporting process however, identifying partners takes on a special significance because it recognises that information requirements are audience- or partner-dependent. For example, the information needs of a project manager will most certainly not be those of an NGO board member and the requirements of a project community stakeholder will not be the same as those of a funder. The type of report generated must be tailored to the needs of the particular user group. This does not mean that the requirements of a particular group of users are more important than the others, but it suggests that some users will need more detailed information than others. Generally, the closer or more directly involved information users are in a project, the more specific and detailed their needs are likely to be.

Formats

Once information requirements for each class of user have been determined, the most difficult part or segment of the reporting process is complete. Now appropriate reporting formats – the actual physical representation of the information – need to be identified. The first consideration, keeping in mind the class of information user, is to what use the information will be put. For example, some user classes may require a reflection of all the inputs provided to a project to date, others might require inputs for each reporting quarter. Each would require a different format.

Another consideration is how best to present the information. Given that visual representations of information like graphs often leave a stronger impression in users' minds, should a report best be presented graphically or do the users need the information in text format? These questions cannot and should not be answered only by the individual responsible for ME&R in an NGO. It may be useful to prepare mock-ups using fictional data, share these mock reports with users, and then decide which best meet the requirements of the different groups. Keep in mind that as users become more comfortable with the reporting process (as they have had time to work with the information) their information requirements will become more demanding and sophisticated. Be prepared to meet the challenge by modifying or enhancing the formats as user needs evolve.

Processing reporting data

In developing reports, keep in mind that many people use the terms data and information interchangeably. This may be acceptable in informal conversation, but in the context of PME&R there is a difference. *Data* is something used as a basis of discussion for calculating or measuring. For example, data might be the number of person days of technical assistance a consultant has provided to a project. When this data is processed, it can be converted into *information* – for example, the total person days of technical assistance for all consultants by subject area expertise. The data (the person days for an individual) may be required by one group of users, but the information (the total person days of technical assistance by subject matter) presents a different picture and may be more beneficial to another group.

Determining whether data or information should be incorporated into a report has implications for the way in which data will be collected and the way it will need to be processed.

One of the most common processing treatments is referred to as data aggregation. This refers to grouping the same type of data and applying a mathematical formula to it. The amount of aggregation may be related to the reporting level of the user – users with higher level needs will probably require more processed data.

Planned and systematic reporting

Establishing a reporting programme requires extensive planning. It must meet the information needs of all user groups and not be cumbersome to use. A careful plan will result in a system which can handle all necessary data elements but allow for expansion as reporting requirements evolve.

A systematic reporting operation takes into account a number of issues, the most important of which is the timeliness of the data used to produce the report. Data, once transformed into information, is not of much use if it is out of date.

For a PM&E reporting operation to be systematic, it is essential to establish a reporting frequency for each user group. Under normal circumstances, users who require more detailed reporting will probably require more frequent reports as well.

Section 3: Applying the Organisational Capacity Assessment Tool (OCAT)

3.1 Introduction

OCAT's seven components of organisational effectiveness – governance, management practices, human resources, financial resources, service delivery, external relations, and sustainability – are the broadest or highest level of measurement of an organisation's capacity. Each of the components has a series of categories of organisational capacity and each of these, in turn, has a series of individual elements.

Doing an organisational assessment has a number of steps:

1. Determining, together with the NGO concerned, what needs to be assessed.
2. Choosing appropriate questions to elicit the information which is required for the assessment.
3. Collecting the information by means of interviews.
4. Transcribing the interview information onto the OCAT assessment sheet.
5. Transferring the scores for each element used onto the OCAT rating sheet.
6. Calculating a score for each category and component, using the "rolling up" method.
7. Reporting the results of the assessment on the OCAT rating report.

Using the OCAT methodology, ratings can be assigned to elements of organisational capacity to give an indication of an NGO's strengths and weaknesses in each area.

Although organisations have many elements in common with other organisations, each one is

Example

Component A. GOVERNANCE

Category 1. Board

Elements

a. Board provides overall policy direction and oversight

b. Board provides accountability and credibility

c. Board is capable of carrying out key roles such as policy formulation, fund raising, public relations, financial oversight and lobbying

d. Board is composed of committed members who represent the varied interests of the stakeholders

e. Mechanisms are in place for obtaining appropriate input from stakeholders

f. Board executes its role of advocate for the community

OCAT assessment sheet rating scale

⓪ Not applicable, sufficient information is not available to assess element

① Needs urgent attention

② Needs major improvement

③ Needs improvement on a wide scale

④ Needs improvement in limited aspects

⑤ Acceptable, room for some improvement

⑥ Acceptable, needs maintaining

different. Before an OCAT assessment can be undertaken, the organisation must agree on the OCAT elements which suit what it does. These will then form the basis of the assessment of that particular organisation. Once appropriate information has been gathered by means of discussions with all the people concerned, the OCAT is introduced and an attempt is made to arrive at general agreement on the scoring of each component and the relevant elements. The scoring of the OCAT allows the findings of an assessment to be presented in a structured and consistent way.

Once the OCAT has been scored and discussed, the findings must be shared with the entire organisation including board members, the various stakeholders and community members, and government and funders where appropriate. This baseline of assessment results makes it possible to monitor the organisation's development. There should be continuous feedback on how the information is being used and what progress has been made in areas which need improvement.

3.2 Stages and characteristics of NGO development

The OCAT rating scale of 0–6 has been designed so that the ratings actually assigned to individual elements, when calculated at the category level, provide an indication of where the NGO is in its stage of development for that particular category. This also holds true for the calculations made on ratings for categories falling under each component.

If a calculation of all the elements under the 'financial reporting' category of the 'financial resource' component gives a rating of 4, we could say that the NGO needs to improve financial

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

reporting in limited aspects. This may help to pinpoint areas which need improvement, but it does not lend itself to describing where the NGO is in its development in financial resources. To deal with this issue, OCAT equates ratings for categories and components to the four stages of development as described in the table (right).

Equating rating scale to stages of development

Rating	Stage
0 to 1.4	Nascent
1.5 to 2.9	Emerging
3 to 4.4	Expanding
4.5 to 6	Mature

OCAT categories and stages of organisational development

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
GOVERNANCE				
Board	No board or independent body exists to provide policy direction or oversight. The board does not differentiate between oversight and management roles. If the board is beginning to provide oversight, it may not represent the varied interests of stakeholders. The board is not assisting management to identify legislators, influence public opinion or raise funds. Board members seem to lack commitment.	Members of the board or independent body have been identified but have not yet assumed a leadership role. The board is attempting to micro-manage rather than provide oversight. The board is not influencing public opinion or legislators. The board is not aware of the needs of stakeholders or role they could play.	The board's membership is stable and functioning. The board is able to differentiate between its role and that of management. The board has some members who are leaders in relevant fields but it lacks broader representation. The board is aware of its responsibility to provide oversight and represent the interests of stakeholders but is not consistently doing so. Mechanisms for obtaining input from stakeholders are in place but not being used consistently.	The board provides overall policy direction and oversight. The board provides accountability and credibility. The board's composition includes leaders in the field of the NGO's mission who are capable of carrying out such roles as policy direction, fundraising, public relations, financial oversight and lobbying. Board is composed of committed members who represent the varied interests of the stakeholders. Mechanisms are in place to obtain appropriate input from stakeholders. Board executes its role of advocate for the community.
Mission/ goal	The NGO has a vague idea of its mission and the contribution it is attempting to make. The mission is understood by only one or a few members of the board or senior management. The activities carried out by stakeholders may have little relationship to the mission of the NGO. Implementation plans are developed by senior management without input from staff or stakeholders.	The mission may be clarified internally but it is not widely understood by the public. The mission is not reflected in planning or job functions. Planning is done by senior management with little input from staff and stakeholders.	The vision and mission are clear to staff, stakeholders and outsiders. Strategies and objectives are aligned with the mission. Implementation planning may be conducted by senior management and linked to the budgeting process with some input from staff or stakeholders.	The NGO has clearly articulated mission/goals which are understood by all stakeholders. Strategies are aligned with mission, realistic and take the form of clear objective statements as to how they can be achieved. Implementation plans are jointly developed by senior management, staff and other appropriate stakeholders.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
GOVERNANCE				
Legal status	The NGO may or may not be legally registered according to local regulations. The NGO does not benefit from whatever fiduciary and taxation status is permissible under local law.	The NGO is registered but has not yet integrated financial and legal advice into planning and management decisions. The NGO is not in compliance with some local reporting and labour requirements.	The NGO has integrated appropriate expert advice into planning and management systems. The NGO is generally in compliance with local reporting, tax and labour requirements.	The NGO is properly registered according to local regulations. The NGO benefits from the financial and legal status permissible under local law.
Stake-holders	The NGO' s links with the stakeholders are weak. The NGO views its community as passive beneficiaries rather than as potential partners. The NGO does not serve as an advocate for the community. The NGO is unable to identify key stakeholders.	The NGO's outreach to stakeholders is improving. Certain influential members of the community may be consulted or invited to participate in some decisions because they are seen to have a stake in the outcome. Some awareness exists of the possible role of the NGO as an advocate for the community.	The NGO's stakeholders are well defined and their needs and views are considered in planning and decision-making. The NGO is involved in lobbying and other advocacy functions on behalf of the community. The NGO is coming to view the community and other stakeholders as partners.	The NGO's stakeholders are well-defined. The NGO recognises the community and other stakeholders as partners. Community needs assessments results are integrated into the planning process. The NGO' s mission and strategies are reviewed by stakeholders.
Leadership	There is an individual or a few individuals in the NGO who control most functions. Management style is directive and staff members primarily provide technical input. Management does not articulate clearly the NGO's purpose to staff. Board and senior management lack a clear understanding of their respective roles. Leadership lacks understanding of its responsibility to stakeholders.	Most decisions are made by the board, sometimes with input from one or two staff members. Staff has little understanding of how management makes decisions. Leadership is still seen primarily as directive and controlling, rather than enabling self-direction to employees and monitoring their performance. Leadership is aware of stakeholders but do not make themselves available.	Senior management's relationship to staff is more consultative and management decisions are delegated. Staff increasingly understand, but are not systematically involved in decision-making. Leadership understands that one of its primary roles is to provide overall direction and monitor performance, but it is still concerned with control. More effort is made by leadership to contact and involve stakeholders.	The board and senior management have a clear understanding of their roles and responsibilities as providers of overall direction. Leadership style of senior management is participatory. Senior management is responsible to all stakeholders. Leadership is accessible to all stakeholders.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
MANAGEMENT PRACTICES				
Organisa-tional structure and culture	The NGO has no clearly defined organisational structure and lines of authority and responsibility are not clearly defined. The NGO has no management policies. The NGO has no systems to measure congruence between stated mission and operational culture. The NGO has no system to ensure appropriate involvement of staff in decision making. The NGO has no operational systems to ensure mutual accountability.	The NGO has a defined organisational structure but lines of authority remain unclear and authority tends to be exercised by an individual or a few individuals. The NGO has developed systems and policies but they have not been implemented, are not regularly followed, nor have they been reviewed. Management policies do not yet reflect equality as defined by the South African Constitution.	The NGO has a defined organisational structure with clear lines of authority and responsibility. The NGO' s administration places emphasis on the areas of responsibility but does not confer the necessary authority on individuals to permit them to operate effectively. The NGO is not effectively incorporating the organisational structure into assigned tasks nor using it to assess organisational development or ensure accountability. Management policies ensure regular audits of organisational development and reflect equality as defined in the South African Constitution.	The NGO has a defined organisational structure with clear lines of authority and responsibility. Management policies to ensure regular audits of organisational development are in place. Management policies reflect equality as defined by the South African Constitution. Systems are in place to regularly measure congruence between stated mission and operating culture. Systems are in place to ensure appropriate involvement of all levels of staff in decision making. NGO has operational systems to ensure mutual accountability.
Planning	The NGO carries out some planning but with little or no input from staff and stakeholders. The NGO makes decisions and plans activities without reference to the agreed-upon strategies to achieve the mission. There is little assessment of the resources required to undertake activities. Plans, once implemented, are neither reviewed nor modified. Resources are not planned for nor allocated properly.	Annual operating plans are developed and reviewed primarily by senior staff without reference to the previous year's planning, analysis of resource availability or other factors which could affect implementation. Annual plans are developed with limited input from stakeholders or staff. Monitoring is not taking place and plans, once implemented, are not being revised. Planning continues to be short term and is based on available resources.	Strategic and short-term planning is conducted primarily by senior management. Staff and stakeholders may have some input in the planning but they are not involved in decision-making. There are occasional reviews and revisions of implementation plans. Some attempt is being made to identify and allocate additional resources.	Inputs from appropriate stakeholders are taken into account during planning. Implementation plans reflect a strategic plan. Implementation plans are updated. Resources are planned for and allocated properly. Flexibility exists to adjust plans as a result of the monitoring process.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
MANAGEMENT PRACTICES				
Personnel	There are no formal personnel procedures to administer salaries and benefits or to record personnel data. Formal employment procedures do not exist. Recruitment processes are not defined, transparent nor competitive. Management does not actively encourage mutual respect among staff. Recourse procedures do not exist.	Basic personnel administration systems exist but informal employment practices continue. Positions are not advertised externally and there are no common procedures for determining qualifications for employment, recruitment, hiring, and termination. Recourse procedures and mutual respect have not yet been integrated into the organisational culture.	The strategic value of human resources and the need to integrate personnel practices into the strategic planning process are not fully understood. All necessary personnel systems are formalised and implemented although occasionally informal mechanisms are used. Recourse procedures and mutual respect have been integrated into the organisational culture.	Selection criteria for staff are in place. The recruitment process is clearly defined. Recruitment processes are transparent and competitive. Job descriptions are clearly defined. Staff is deployed according to job descriptions. Management encourages mutual respect among staff. Staff are aware that recourse procedures for staff exist.
Programme development	Programme development is largely funder or staff-driven with little input from stakeholders and is managed on a project-by-project basis. Programme design, implementation, monitoring and evaluation, if done, are carried out based on funder requirements. Often the funder' s system is not well understood, is poorly implemented and badly managed. Monitoring, evaluation and reporting activities are not included in the programme design.	Individual projects are developed within an overall programmatic framework. Occasional evaluations conducted at the request of funders are undertaken by outsiders. Stakeholders are involved only as recipients of a programme. No comprehensive system exists for determining the purpose and objectives of programmes/projects nor for monitoring and evaluation.	A comprehensive system exists for programme development and implementation. This system is sometimes one imposed by a funder, or may have been developed by the NGO itself. Either system can provide the information required by the funder and allows for monitoring and evaluation to be carried out by the staff. Stakeholders are consulted on programme design and are involved in implementation and evaluation.	Stakeholders and staff are involved in programme design, implementation, monitoring, and evaluation. Programme design incorporates monitoring, evaluation, and reporting activities. Programme modifications reflect use of monitoring, evaluation, and reporting findings.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
MANAGEMENT PRACTICES				
Administrative procedures	No administrative procedures or manuals exist. Administrative procedures are informal and NGO staff lack a common understanding of them.	Administrative procedures are increasingly formalised. Administrative procedures are not being fully utilised. No administrative procedures or manuals exist.	Administrative systems are formalised and functioning. Administrative procedures and manuals exist but are not referred to regularly.	Administrative procedures and manuals exist. Administrative procedures are adhered to. Procedures and operating manuals are updated regularly.
Risk management	No systems exist to protect the NGO against organisational abuses. Audit and stock taking, if conducted, are irregular. No external audit is carried out.	Systems are in place to protect against organisational abuses but have not been implemented. Audits and stock taking continue to be sporadic. External audits carried out at funders' request.	Systems are in place but continue to be used on an irregular basis. Audits and stock taking are now integrated into planning. External audits are carried out annually.	Systems are in place to minimise organisational abuses. Regular audit of inventory is conducted. Annual external audit reports include a review of management practices. Recommendations on management practices in annual external audit reports are implemented.
Information systems	No system exists within the NGO to collect, analyse or disseminate data. Information is collected randomly and manually. Information is not shared among stakeholders.	Data utilisation potential is not understood. A rudimentary electronic information system is in place but is not accessible to all staff. Computers are used primarily for word-processing and book-keeping.	An information system is operational and most staff have access to it. The information system is still primarily used for word-processing and book-keeping but individual staff understand and use data on an ad hoc basis. There is no mechanism for integrating information from the system into the NGO's planning process. There is no mechanism to disseminate or solicit feedback.	Systems exist to collect, analyse, and report data and information. Trained personnel are in place to manage information systems. Systems are used to process, disseminate, and solicit feedback of information.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
MANAGEMENT PRACTICES				
Programme reporting	The NGO does not report on the results of activities or evaluations to stakeholders. The NGO is not sharing information based on lessons learned from activities and evaluations. The NGO does not have the ability to prepare regular activity or evaluation reports.	The NGO provides information on activities and evaluations only when requested or required by a funder. The NGO shares information on activities only as required. Report formats reflect funder needs.	The NGO does not yet have an effective system through which to share information on lessons learned from its experience. The NGO occasionally publishes the results of its activities and evaluations but it does not have a strategy for dissemination. The NGO has developed some flexible report formats to reflect needs of different stakeholders.	The NGO has the ability to produce appropriate reports. The NGO regularly prepares activity reports. The NGO regularly prepares evaluation reports. The NGO publishes and disseminates information on its operations. Reporting formats are flexible, varied and respond to stakeholder information requirements.
HUMAN RESOURCES				
Human resources development	The NGO does not conduct systematic appraisal of staff performance on which to plan for changes or improvements. The NGO is unable to plan for change to improve the performance of individuals through better work planning, training, development and promotion. There is little or no understanding of the relationship between staff performance and the achievement of NGO objectives. Personnel policies do not reflect equality as defined by the South African Constitution.	There is a good match between staff responsibilities and skill requirements. A staff appraisal system may exist but it is not necessarily based on job performance. The NGO has identified resources with which to conduct ad hoc training of staff. Personnel policies are not defined and do not yet reflect equality as defined by the South African Constitution.	The NGO has a performance-based appraisal system in place which is not always applied nor equitable. Staff are sometimes assigned and promoted according to their job performance. Staff development needs are assessed and used to develop training plans. Personnel policies reflect equality as defined in the South African Constitution.	A human resources development plan is in place. Staff training is based on capacity, needs and objectives. Opportunities exist to integrate skills acquired in training into the work environment. Job appraisals and promotions are performance-based and equitable. Personnel policies reflect equality as defined by the South African Constitution.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
HUMAN RESOURCES				
Human resources management	The NGO has no particular process to determine the relationship between human resource needs and programme objectives. The roles and job responsibilities of existing staff are unclear and changeable. The limited staff are expected to carry out responsibilities beyond their expertise and some essential tasks are not done by anyone. Job descriptions and work responsibilities are not documented. Job performance is not assessed and there is no plan to improve staff performance. The relationship between staff performance and the achievement of NGO programme objectives is not understood. Salaries are not competitive nor do benefits exist. Standard tax and labour regulations are not being respected. No mechanisms exist for grievance or conflict resolution.	The NGO has no process to analyse nor to identify work requirements and job functions. There is the beginning of a link between senior staff responsibilities and expertise but some gaps continue to exist in skill requirements. Job descriptions do exist, based on a supervisor's idea of the work to be accomplished. A job performance system may exist but it is not necessarily based on performance as defined in a job description. The NGO has identified some resources for ad hoc training of staff. Some benefits exist but salaries are not competitive. The NGO is respecting some existing tax and labour regulations. Procedures for grievance or conflict resolution are in place but not utilised.	Jobs are well-defined and documented in job descriptions and work assignments. All core skills required to perform job functions exist within the NGO. A performance-based appraisal system is in place and staff are assigned and promoted according to performance. Some human resource planning does take place but is still not integrated with job performance or the strategic planning process. A training plan exists based on an assessment of staff development needs. Salaries and benefits are structured but not fully competitive. Tax and labour regulations and requirements are generally respected. Grievance and conflict procedures are randomly followed.	Job descriptions are documented and updated. Job descriptions are respected. Clearly established links exist between staff capacity and the NGO mission. Salaries are clearly structured and competitive. The benefits policy is documented and implemented. The NGO conforms to standard tax and labour regulations and requirements. Supervision occurs on a regular basis. Grievance and conflict resolution procedures are used when necessary. Health and safety policy is in place.
Diversity	The staff and board do not represent the diversity of the community nor the interests of stakeholders.	No policy exists but among some levels of the NGO there is some awareness of and interest in the value and need for representation from the various members of the community.	Policies exist to diversify the board and staff but their composition does not yet fully reflect that of the community.	The diversity of the community is reflected in the composition of the board and staff.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
HUMAN RESOURCES				
Work organisation	There is little understanding of the need to organise work beyond issuing directives. No mechanisms are in place to co-ordinate work activities of different staff. There is little understanding of what it means to work as a team. Meetings are irregular, do not have a pre-determined purpose and agenda, are dominated by interests of a few, and do not reach concrete conclusions. Staff provide technical input only and are not involved in or informed of decisions. No formally recognised lines or mechanisms exist for intra-NGO communication.	Work is organised by supervisors. Little attention is paid to work flow or to consciously organising work beyond work plans. Individual, unit or project work plans are developed but these plans are not co-ordinated across functions. Regular meetings of staff are conducted according to known procedures. Selected staff are consulted on some decisions. Intra-NGO communication is conducted on an informal basis. Consciousness is developing on the part of staff and management that communication breakdowns and overlaps occur.	A top-down mentality continues to dominate and senior management make most major decisions. A variety of work methods are utilised. Staff are recognised as being able to make useful suggestions about how their own work should be organised. Team work is encouraged and work plans are shared across units and work sites. Communication is open and inter-hierarchical and links organisational unit/project structures. Staff know how to participate in meetings and are aware of how decisions are made.	Staff meetings are held regularly. Staff participates in management decisions. Team work is encouraged. Information is shared freely among all staff members. Staff teams are encouraged to take initiative and be self-motivated.
FINANCIAL RESOURCES				
Accounting	The NGO's financial procedures are incomplete. The NGO's accounts are not yet set up for individual projects and operating funds are not separated.	Basic financial recording systems are in place. Account categories exist and project funds are separated but some cross-project funding takes place.	Most of the NGO's funds are separated and it generally tries to avoid cross-project financing. Financial procedures and reporting systems are in place and function partially.	Financial procedures and reporting systems are in place and function fully. Account categories exist for separating project funds.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
FINANCIAL RESOURCES				
Budgeting	Budgets are inadequate and if they do exist are produced due to funder requirements. The use of budgets as a management tool is not understood and the reliability of projections is questionable. The NGO has no budget controls in place. The NGO has no financial unit to prepare and manage budgets.	Budgets are developed for project activities but are often over or underspent. The executive director or accountant are the only staff who know and understand budget information. Budget controls are not in place.	Total expenditures often diverge from budget projections. Department and organisational unit heads are consulted by financial manager(s) about budget planning and expenditures. The budget reflects programme plans. The budget is controlled on an ongoing basis.	The budgeting process is integrated into annual implementation plans. A financial unit responsible for the preparation management and implementation of the annual budget exists. Annual financial projections are made. The annual budget is implemented. The budget is controlled on an ongoing basis.
Stock controls/ audit	The NGO has no clear procedures for handling payables and receivables nor do procurement or stock controls exist. No audits or external financial reviews are performed.	The NGO has established financial controls but has not yet implemented procedures. Independent audits or external financial reviews are rarely performed and then only at the request of a funder. Stock controls have not been established nor implemented.	The NGO has adequate financial and stock control systems. Independent audits or external financial reviews are performed periodically at funder's request. Internal audits are being conducted on an ad hoc basis.	Stock control systems exist. Stock controls are followed. Procurement systems are in place. Procurement systems are being used. Internal audits are conducted on a regular basis. External audits are conducted on a regular basis. Expenses are controlled by project allocations.
Financial reporting	The NGO has no system for reporting on its financial status. If financial reports are produced they are donor-driven. Financial reports are inaccurate, incomplete, difficult to understand and not produced in a timely fashion. If financial reports exist they are not used for planning or review purposes.	The NGO has a system in place to produce financial reports but these are still produced in response to funder demand. Financial reports are not timely or complete enough to be used in long-term planning. Financial reports are not reviewed by the fiscal committee of the board.	The NGO occasionally produces accurate and complete financial reports which it makes available to the board and management. The NGO uses financial reports, when available, in long-term planning. Annual financial reports are prepared by external auditors and disseminated.	An annual financial report is prepared by a registered firm of auditors and is published and disseminated. Report includes balance sheet and attachments Report is reviewed by the fiscal committee of the board. Report is used for planning and review purposes.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
FINANCIAL RESOURCES				
Diversification of income base	The NGO is dependent on one funding source. The NGO lacks capacity to diversify funding base or tender for contracts. The NGO has no cost-recovery or income generation activities.	The NGO is aware of the need to diversify its funding base but has not yet developed a plan or strategy to do so. The NGO has not yet developed the capacity to tender for contracts.	The NGO has identified more than one international funder but has yet to develop local contacts. The NGO has developed a plan for cost-recovery and income generating activities but has yet to implement activities. The NGO has skills to tender for contracts but has yet to win any bids.	The NGO has multiple funders. A cost-recovery / income generation plan is in place. The NGO has the ability to tender for, and has won, contracts. The NGO has a strategy to diversify funding sources.
SERVICE DELIVERY				
Sectoral expertise	The NGO has some good ideas about how to meet needs of target groups. The NGO has little operational or programme experience. The NGO has no sectoral expertise or track record.	The NGO has increasing expertise in a targeted sector but is not yet recognised as an expert. The NGO has the capacity to access additional expertise as required in a targeted sector. The NGO continues to deliver services which do not always reflect the changing needs of stakeholders.	The NGO is recognised as having significant expertise in its targeted sector and is being invited to contribute to sectoral discussions. The NGO is able to deliver effective and appropriate services to stakeholders. The NGO is beginning to build fee-for-service and other cost recovery mechanisms into its service delivery.	The NGO has relevant sectoral expertise. Its expertise is recognised by the full range of stakeholders. The NGO is capable of adapting programme and service delivery to the evolving needs of stakeholders.
Stakeholder commitment/ ownership	The NGO' s services are defined by funders or managers with no involvement from stakeholders. The NGO' s programmes (since they do not reflect actual needs) are not efficient, adequate, cost-effective nor timely. The NGO is not providing capacity building training / technical assistance to stakeholders.	The NGO seeks stakeholder input into defining services but does not do so in a systematic or comprehensive manner. The NGO has identified resources for ad hoc training of stakeholders in programme and technical areas. The NGO' s programmes are not efficient, adequate, cost-effective or timely. The NGO has not identified resources to support the organisational capacity building of stakeholders.	The NGO has mechanisms in place to involve its stakeholders in project planning and implementation and monitoring and evaluation. The NGO has plans to transfer management responsibilities to stakeholders and to provide training and organisational development support to build its capacity. Programmes are becoming more efficient, adequate, cost-effective and timely.	Programme priorities are based on actual need. Programme priorities and services are defined in collaboration with stakeholders. Programmes are efficient, adequate, cost-effective, timely.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
SERVICE DELIVERY				
Assessment	The NGO does not have a system to monitor and evaluate its programme/project achievements. The NGO has no mechanism with which to determine impact indicators, establish baseline measures or assess the impact of its activities.	The NGO is able to assess individual projects to determine if projected activities took place as planned, and if specific project objectives were achieved, but the results are not used for programme adjustment. The NGO has no baseline data or system to monitor its activities. Results and indicators were developed at the request of funders.	The NGO has identified indicators without stakeholder involvement, collected baseline data with which to monitor project activities, but is not using the collected data for project modification. The NGO is aware of the need to develop assessment capacity to measure impact, but has not established a system.	Collaborative development of indicators. Indicators have been identified for each programme objective. Baseline and impact data are analysed regularly. Results of impact evaluations are used to make adjustments to the programme. Results are disseminated as appropriate/relevant.
Marketing and awareness building	The NGO makes no effort to market programmes to stakeholders. The NGO does not educate nor build awareness among stakeholders.	The NGO has no awareness of the need to market programmes. The NGO is educating and building awareness on an ad hoc basis based on available resources, not stakeholder need.	The NGO has undertaken marketing activities but still lacks a strategy. The NGO has a plan to build awareness and educate stakeholders.	Programmes are actively marketed to stakeholders. The NGO actively educates and builds awareness among stakeholders.
EXTERNAL RELATIONS				
Stakeholder relations	The NGO's agenda is largely funder- and management-driven with little or no input from stakeholders. The NGO is located in an urban centre and its headquarters are a long distance from where it carries out activities, making it difficult to involve stakeholders effectively. The NGO develops systems and programmes in a top-down manner.	The NGO's work is focused in the field and it is viewed as an ally by stakeholders. The NGO has growing credibility with its target stakeholders and with funders interested in the same programme sectors. The NGO is not yet viewed as a partner by stakeholders.	The NGO operates from a field project site. The NGO involves stakeholders in decision-making. The NGO views stakeholders as being responsible for providing counterpart resources. The NGO provides resources to enable target communities to develop organisational capacity.	The NGO is seen as credible by stakeholders. The NGO is seen as a valuable resource by stakeholders. NGO-stakeholder relationship is one of partnership for a common purpose.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
EXTERNAL RELATIONS				
Inter-NGO collaboration	The NGO does not have experience in working with other NGOs, either local or international. The NGO is not known or trusted by the NGO community. The NGO has no plans to work in collaboration with other NGOs active in the same region or same sector. The NGO has little understanding of its role in advocacy or development of public policy.	The NGO is increasingly known and trusted by others in the NGO community but as yet has little experience in working collaboratively with others.	The NGO works with international or other local NGOs. The NGO participates in and supports NGO networks, but as yet does not play a leadership role in any NGO coalitions. The NGO has undertaken random advocacy activities.	The NGO networks and shares resources with national and international NGOs. The NGO plays a role in promoting coalitions/ networks. The NGO participates in advocacy activities.
Government collaboration	The NGO does not collaborate with government agencies working in the same sector or geographical area. The NGO's relationship with government is adversarial.	The NGO has identified common interests which it shares with government and relations are friendly. The NGO collaborates with different government agencies or representatives on issues or activities in specific sectors.	The NGO's relationship with government is friendly and often informal. The NGO is sometimes called upon by government to carry out specific projects or collaborate on sectoral issues.	The NGO has contacts with decision makers. The NGO is able to engage in dialogue with policy makers. The NGO and government exchange resources. The NGO' s activities and recommendations are integrated into government' s development plans.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
EXTERNAL RELATIONS				
Funder collaboration	The NGO sees funders as a resource to finance activities and has not yet developed a relationship or made contributions to funder forums or agendas.	The NGO has received funding but has yet to establish a track record or to acquire sufficient credibility to be invited to participate in funder forums.	The NGO has a proven track record, has established its credibility and is invited by funders to contribute to discussions on sectoral issues.	The NGO has diversified contacts within the funding community. The NGO is seen as a credible and valuable resource by funders. The NGO has opportunity to engage in open and frank dialogue with funders.
Public relations	The NGO is not well known outside the range of its activities or stakeholders. The NGO has no clear image which it articulates or presents to the public. The NGO has not prepared a document for dissemination that provides information about its objectives or activities.	The NGO is known in its own community, but does little to promote its activities with the public or with key governmental decision makers. The NGO understands that public relations are important but has no ability to carry out PR activities.	The NGO has limited contact with key decision makers and has limited lines of communication with the public. The NGO has clear ideas on issues but has yet to develop them into a policy platform.	The NGO engages in public relations and has a positive image among stakeholders. The NGO' s objectives and goals are understood by stakeholders. Information is disseminated on the NGO' s activities.
Local resources	The NGO tends to view the private business sector with suspicion and distrust. The NGO does not work in co-operation with any part of the private sector to draw on resources, technical expertise or influence. The NGO's programmes are not based on local resource availability. The NGO is not an active participant in civil society activities.	The NGO has begun to identify local support in addition to that which it receives from stakeholders. The NGO seeks technical assistance from some private sector and government resources. The NGO purchases goods and services from the private sector.	The NGO draws support from the local private sector and government agencies but projects still depend on continued support from external funders. The NGO has recruited individuals from the private business sector to serve on its board or as technical advisors. The NGO is actively engaged with other civil society organisations.	The NGO has relations with the private sector for technical expertise, material and / or human resources. The NGO participates in community partnerships. The NGO has structures in place to facilitate working relations with civil society.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
EXTERNAL RELATIONS				
Media	The NGO has no relationship with the media, nor is its work known to them.	The NGO's activities are not known outside of its community. The NGO does not yet know how to access or use media to inform the public about its work.	The NGO has contacts in the media which it uses when it wishes to inform the public about an important issue. The NGO has received some attention and has been consulted by the media on relevant issues.	The NGO has a strategy to work with the media. The NGO has received positive media attention. The media consults with the NGO on relevant issues.
SUSTAINABILITY				
Programme/ benefit sustainability	The NGO stakeholders do not see or feel that they benefit from services or programmes. The NGO has no understanding or plan for continuity. The NGO is not working with local institutions. The NGO is not involved in skills-transfer activities.	The NGO stakeholders recognise the benefits from services and programmes, but do not yet have the means to continue them without assistance from the NGO. The NGO has yet to develop relationships with, and is not providing capacity building assistance to, local organisations.	The NGO stakeholders recognise the benefits of, and are involved in, decision-making for services and programmes but continue to rely on assistance from the NGO. The NGO has developed relationships with local organisations, is providing training and technical assistance to build capacity, but as yet has no phasing-out strategies.	The NGO' s programmes are supported by those being served. There is a sense of ownership of benefits by the community. The NGO has developed systems for the continution of its programme activities in accordance with changes in the community. The NGO has developed systems for continuation of its programme in the medium and long-term. The NGO has developed programmatic phasing-out strategies. The NGO ensures that local-level skills transfer takes place.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
SUSTAINABILITY				
Organisational sustainability	The NGO lacks a shared vision and skills to interact with other development partners in civil society The NGO has no understanding of its role as a partner in development. The NGO is not involved in coalitions and networks.	The NGO has a shared vision but as yet lacks the understanding and skills to interact with other development partners. The NGO is a member of coalitions and networks but is not yet able to provide leadership.	The NGO has a clear vision of its role and the skills necessary to participate in development activities. The NGO participates in NGO networks and coalitions, but is not yet playing a leadership role in the NGO community. The NGO is acknowledged to have expertise in a sector, but is not recognised as a leader nor consulted by funders or government.	The NGO has a shared vision of its role in society. The NGO is a member of key NGO networks. The NGO shares information in a proactive manner. The NGO is a participant in a dynamic development arena. The NGO has linkages with international NGOs, education institutions, government entities, research institutes, parastatals, civic institutions, and the private sector. The NGO has capacity to review its structures in response to organisational development needs. The NGO is aware of legislation affecting the NGO sector. The NGO contributes to the development of an enabling environment For the development of the NGO sector.
Financial sustainability	The NGO has limited capacity to access funding and does not recognise the need to diversify its resource base. The NGO has limited capacity to develop project funding proposals or respond to tenders. The NGO has not developed contacts or relationships with the local resource base.	The NGO has begun to understand the need to develop alternative resources but has no concrete direction or plan. The NGO has no relations with local government or private business sector organisations. The NGO is able to develop project funding proposals but does not have ready access to the funder community. The NGO does not have skills required to tender.	The NGO has begun to explore alternative resources through developing relationships with government and the private business sector. The NGO has secured alternative resources such as in kind and commodities donations and membership fees. The NGO has begun to diversify its funding base and to develop cost-recovery mechanisms and programmes. The NGO has tendered for contracts but has won very few bids.	The NGO has the ability to access diversified resources to contribute to its activities. The NGO has, where appropriate, fee-for-service and / or other cost recovery mechanisms built into service delivery. The NGO has a fund raising strategy and has the capacity to implement this strategy. Local fund raising opportunities have been identified. The NGO has capacity to develop proposals and respond to tenders and wins many bids.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
SUSTAINABILITY				
Resource base sustainability	The NGO's operating funds come from only one source and are raised for one short-term project at a time. The NGO has little understanding of the need to eventually become self-supporting and has not yet attempted to identify local resources. The NGO's funding is insufficient to meet plans or to provide project services.	The NGO has funding to cover short-term project costs and overhead costs. The NGO can prepare a multi-year programme budget but is still dependent on a single funder. The NGO is beginning to become aware of local resource generation possibilities but has not yet identified or mobilised them.	The NGO has funds for short-term expenses but has also developed a medium-term funding plan and strategies. The NGO is not dependent either for overhead or for programme expenses on a single funder. The NGO is able to recover a percentage of core costs through locally generated resources membership dues, fee-for services, regular fund-raising, etc.). The NGO has identified and accesses local resources from government and the private sector.	The NGO has identified a local resource base. The NGO has implemented a resource diversification plan. The NGO has plans to access additional resources to finance existing activities.

OCAT interviews

The OCAT assessment sheet should not be brought into an assessment interview – OCAT is not a questionnaire. Evaluators should become thoroughly familiar with the contents of the sheet before conducting the interview. Ranking should be completed only after the interview and after the interviewer has had the opportunity to discuss the proposed rating with other assessment team members. The suggested list of questions in this section may help to stimulate the discussion needed to gather the information for the assessment.

Because the objective of an OCAT interview is diagnostic, it is important that evaluators use either an open-ended, informal method, or the guided interview 'Some questions you can ask an NGO' on page 88. This allows respondents to speak freely without shaping their responses to what they think the interviewer might like to hear. The evaluator's role is to listen and not to judge – the quality of the assessment is determined to a large extent by the interviewer's ability to listen with an unbiased ear and attitude. The assessor's role during an interview is to understand how the organisation views itself, not to make recommendations about how it could function more effectively or to debate the merits of its approach.

Unstructured informal discussions

In this type of interview, information is freely exchanged between the evaluator and the person being interviewed. There is a spontaneous generation of questions that flow from the conversation. This type of interview is responsive to individual differences and situational changes. Questions can be individualised to suit the context and the language of the interviewee. The evaluator is less likely to be perceived as an adversary since the interview will take on the air of a discussion among equals, not an interrogation by an outsider. This style may require more time to get the necessary information and it may take several conversations with different sets of persons to arrive at a comprehensive picture. The interviewer does not ask the question in the same way to each group. The amount of data is larger and more difficult to analyse as the responses from different groups may not be applicable to the same measure.

Guided or thematic interview

In this type of interview there is an instrument that consists of a list of topics or issues to be discussed and inquired into during the course of the interview. The questions in the 'Some questions you can ask an NGO' guided interview on page 88 may be asked in random order to fit the flow of the discussion. This technique is focused in that the evaluator gathers the same information from the different persons interviewed. This approach is more systematic than the unstructured, informal discussion.

Avoiding bias in interviews

Interview questions can be framed in a number of ways to obtain the information needed. In constructing questions, take care not to frame them in a way that suggests a response, do not lead the person towards a certain type of answer. Using an open-ended question with no specified response provides more information about how the individual views the organisation and more options for clarifying those perceptions. Such questions permit those being interviewed to answer in their own language without restricting answers in any way. In contrast, close-ended questions tend to limit individual responses because a specific answer is required from the interviewer.

Interviewing tips

Regardless of the interview method or questioning format, interviewing involves asking questions, listening to and recording responses, and following up with additional appropriate questions. Some issues to consider in developing interviewing protocols and interviewing are as follows:

- Begin the interview with non-controversial questions.
- Start with questions that are straightforward and easy to answer.
- Follow with questions about interpretations, opinions, feelings about behaviours/action.
- Place knowledge questions in the context of programme activities and experiences – if this is not done, interviewees may feel like they are being tested.
- Ask background and demographic questions last – they can be boring.
- Have nothing with you except the materials needed for the interview.
- Establish rapport as quickly as possible with the interviewee.
- Explain your evaluation goals.
- Explain your role.
- Explain that information from the interview is confidential.
- If you want to tape the interview, ask for permission to do so.
- Think about the interview from your respondent's point of view.
- Make interviewees feel comfortable.

- Make the interview as pleasant as possible.
- Show interest in your interviewee – you are asking for help and information, you need to know what they know.
- Do not interview when you are becoming tired, frustrated and irritated. Avoid getting into a debate with the person.
- Allow the person time to think, then listen carefully to what they have to say.
- Be objective.
- Do not answer for the respondent.
- Do not rush onto the next question.
- Note concerns raised by the respondent.
- Use content-neutral problems to explore issues in-depth, for example, “Tell me more about that”. Keep the purpose of the interview in mind.
- End the interview by asking if there are any other relevant and important issues that were not covered in the interview or if there is anything that they want to ask you.
- Be sure to write the date, place, time, and respondent’s identity on the first page of your interview notes. Number the pages.
- Review your notes and make sure they are legible.
- Make sure that every question that should be answered has a response.
- Do not share previously collected data with the interviewee.

Guided interview: Some questions you can ask an NGO

Suggestions were made on page 66 for organising and implementing an organisational assessment using OCAT. Once the assessment team has been chosen, it selects items from the OCAT assessment sheet starting on page 98 which are appropriate for the NGO in question. It then has to collect the information for the assessment. Team interviewers should not carry the OCAT assessment sheet with them to the interviews, and they should not score the NGO during the interview sessions. This does not mean, however, that they must remember every item for which they would like to score the NGO. Instead, they might want to formulate questions designed to stimulate the kind of discussion which will provide the information. The sample questions below are provided for that purpose.

Careful consideration has been given to providing sample questions for every component of the OCAT. This does not mean, though, that every question must or should be asked by the interviewers. The interviewers may find that by asking one or two key questions relating to each OCAT component, sufficient discussion in the topic area will occur to make asking further questions in that area unnecessary.

Governance

Board

- Who constitutes the board or independent body overseeing the NGO?
- If there is no board or independent body, who oversees the management of the NGO?
- Are there members of the board or independent body who represent the diverse interests of the stakeholders?
- How does the board or independent body play a role in policy setting, planning, fundraising, conducting public relations, lobbying, overseeing the management and in monitoring the performance of the NGO?
- How does the board or independent body gather information about the needs and aspirations of the stakeholders and integrate this information into planning?
- Are there particular examples of instances where the board or independent body members have had to account to the NGO's stakeholders?
- Has the board undertaken advocacy activities on behalf of the stakeholders?

Mission/goals

- Which documents define the NGO's mission or goals?
- Are goals of the NGO achievable, given the economic, social, and political environment?
- Who defines the mission and goals of the NGO?
- To what extent do the implementation plans reflect the NGO's mission and goals?
- To what extent do the people in the organisation share the same understanding of the NGO's mission or goals?
- To what extent do the people in the organisation see it serving, in major ways, purposes that are different from those stated?

Legal status

- Does the organisation have legal status as a registered NGO?

Stakeholders

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

- What is the relationship between the NGO and its stakeholders?

Leadership

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

Management practices

Organisational structure

- Does the NGO have an organisational chart or documentation that describes roles, functions and responsibilities of all individuals?
- When last were the NGO's management policies reviewed/ updated?

Planning

- Who in the NGO is responsible for writing short and long-term work and implementation plans?
- Who is involved in the planning of events and the making of decisions?
- Are activities planned and decisions made in alignment with the strategies that have been identified for achieving the mission of the organisation?
- What are the procedures for recruiting and employing NGO employees?

Personnel

- See Human Resources on page 91 and 92.

Programme development

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

Administrative procedures

- What are the procedures for recording, filing, purchasing and intra-office communications?

- Are there some obviously unhelpful systems, policies or procedures?
- How often are administrative manuals reviewed and updated?
- Are there systems and procedures that deal with staffing issues?

Risk management

- Do external audit reports include a review of management practices?
- Are recommendations on management practices implemented?
- Has the NGO taken any steps to protect itself against staff abuse of resources?

Information systems

- Who is responsible for the NGO's monitoring, evaluation and reporting activities and what is/are the responsibilities of the person/s?
- How is the collection, analysis and dissemination of information organised in the NGO?
- How does the NGO use the information generated by the monitoring, evaluation and reporting system?

Programme reporting

- How does the NGO design, plan, and evaluate its programme activities?
- How does the NGO report on programme activities?

Human resources

Human resources development

- How long ago was the human resources development plan reviewed and updated?
- Have there been instances where staff members lacked sufficient skills to carry out programme implementation?
- How often is a staff member appraised?
- Who has participated in in-country or foreign skills enhancement training over the past year?
- How does the human resources development plan reflect equality as defined in the South African Constitution?

Human resources management

- Who is responsible for documenting and reviewing job descriptions?

- Are the tasks allocated according to the skills of the staff in the organisation?
- Have there been instances of conflict or grievances between or among staff over the past few years and, if so, how were they handled?
- What policies exist for determining recruitment, salaries and benefits?
- What incentives or rewards are offered by the organisation?
- Are salaries and benefits comparable with other NGOs?
- What is the role of staff in budget development?

Work organisation

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

Diversity issues

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

Financial resources

Accounting

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

Budgeting

- How often does the NGO conduct a budgeting process and does it coincide with the preparation of the annual operating plan?
- What system is in place to ensure that the NGO has the necessary cash to meet its needs in a timely manner?
- Does the fiscal committee of the board review the financial reports?
- Are there controls in place to prevent expenditure of funds in excess of approved, budgeted amounts?

Stock control audits

- Are there adequate requisitioning, purchasing, and stock control procedures in place?
- Are the pay, petty cash, transport, and procurement needs of the NGO and of the members, if appropriate, met as required?
- How often are internal and external financial audits conducted?

Financial reporting

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

Diversification of income base

- What is the NGO's funding source?
- Does the NGO have cost recovery / income generation plans?
- What is the NGO's future funding strategy?

Service delivery

Sectoral expertise

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

Stakeholder ownership

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

Assessment

- Does the NGO have mechanisms for integrating results of programme evaluations into its planning process and for adapting and changing programme direction and approach in response to information received?

- What types of indicators are identified to measure achievements of results and how is base line data collected?
- How does the organisation use information generated out of monitoring and evaluation activities?

Marketing and awareness building

- Does the NGO have a marketing strategy?
- How does the NGO raise awareness of its activities among its stakeholders?

External relations

Stakeholder relations

- What is the state of the relationships between the NGO and its different stakeholders?
- Is the NGO situated in reasonably close proximity to the community it serves?

Inter-NGO collaboration

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

Government collaboration

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

Funder collaboration

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

Public relations

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

Local resources

- What, if any, relationship does the NGO have with the private sector?
- How does the NGO promote collaborative efforts with other sectors of the community, both private and public?

Media

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

Sustainability

Programme/benefit sustainability

- How can the NGO demonstrate that the community it serves are active participants in programmes and activities?
- Are there examples of NGO programmes for which management responsibility was eventually assumed by communities?
- What are the NGO's programme phase-out procedures?
- Do the phase-out procedures include skills transfer?

Organisational sustainability

- How is the NGO's vision similar or different from other NGOs working in the same sector?
- Of which, if any, coalitions is the NGO a member?
- Are any of the current programmes conducted in partnership with international NGOs, universities, research institutes or other groups?
- What organisational development needs does the NGO have?

Financial sustainability

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

Resource base sustainability

- What are the existing sources of the organisation's financial resources?
- Is there a longer-term business/funding/resource development plan for the needed financial resources?
- What awareness does top management show of the sources and mechanisms available for securing funding?
- Is there a realisable plan for long-term support of the programmes?
- What strategies does the NGO have to diversify its funding base?

3.3 Processing and analysing the data

Using the OCAT assessment sheet

Having identified the areas for organisational capacity assessment and collected the necessary information through interviews, the data must be recorded in a structured way. The OCAT assessment sheet provides a means of recording the results of an organisational assessment.

The sheet is designed to be practical. It is structured around the seven *components* for organisational effectiveness (A–G). Each component is then broken down into *categories* (numbered in sequence) and each category contains a series of *elements* (lettered alphabetically, a, b, c,...). Each element has a rating box next to it. Assessment team members darken the circle of the agreed-upon rating. A rating of 0 next to an element indicates that the issue was not applicable, or insufficient information was obtained in order to provide an accurate ranking.

It is recommended the assessment sheet be photocopied directly from this book and used as the basis of the assessment. The sheet may be modified in terms of content, but its basic structure should not be changed. For example, the assessment team may decide to eliminate certain categories from an assessment because they do not apply to the organisation. If this is done categories *should not* be renumbered. If new categories are added, they should be placed at the end of the component's categories and numbered in sequence. This is to avoid any confusion when the time comes to transfer assessment sheet data to the OCAT rating sheet, discussed later in this handbook.

South African NGO **Organisational Capacity Assessment Tool** **Assessment Sheet**	
Name of NGO:	
Date of assessment:	
Conducted by:	
Rating scale	
⓪	Not applicable or sufficient information is not available to assess element
①	Needs urgent attention
②	Needs major improvement
③	Needs improvement on a wide scale
④	Needs improvement in limited aspects
⑤	Acceptable, room for some improvement
⑥	Acceptable, needs maintaining

A. GOVERNANCE	
1. Board	
a. Board provides overall policy direction and oversight	⓪ ① ② ③ ④ ⑤ ⑥
b. Board provides accountability and credibility	⓪ ① ② ③ ④ ⑤ ⑥
c. Board is capable of carrying out key roles such as policy formulation, fund raising, public relations, financial oversight and lobbying	⓪ ① ② ③ ④ ⑤ ⑥
d. Board is composed of committed members who represent the varied interests of the stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
e. Mechanisms are in place for obtaining appropriate input from stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
f. Board executes its role of advocate for the community	⓪ ① ② ③ ④ ⑤ ⑥
2. Mission/goals	
a. NGO has clearly articulated mission/goals	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO's mission is understood by all the stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
c. Strategies are aligned with mission	⓪ ① ② ③ ④ ⑤ ⑥
d. Strategies take the form of clear objective statements as to how they can be achieved	⓪ ① ② ③ ④ ⑤ ⑥
e. Implementation plans are jointly developed by senior management, staff and other appropriate stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
3. Legal status	
a. NGO is registered according to relevant legislation	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO benefits from the best financial and legal status permissible under South African law	⓪ ① ② ③ ④ ⑤ ⑥
4. Stakeholders	
a. NGO is able to identify key stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
b. There is recognition of the stakeholders as partners	⓪ ① ② ③ ④ ⑤ ⑥
c. Results of stakeholder needs assessments are integrated into the planning process	⓪ ① ② ③ ④ ⑤ ⑥
d. Stakeholders are involved in the review of NGO's mission and strategies	⓪ ① ② ③ ④ ⑤ ⑥
5. Leadership	
a. Board and senior management have a clear understanding of their respective roles and responsibilities as providers of overall direction	⓪ ① ② ③ ④ ⑤ ⑥
b. Leadership style of senior management is participatory	⓪ ① ② ③ ④ ⑤ ⑥
c. Senior management is accountable to key stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
d. Leadership is accessible to all stakeholders	⓪ ① ② ③ ④ ⑤ ⑥

B. MANAGEMENT PRACTICES	
1. Organisational structure and culture	
a. NGO has an organisational structure with clearly defined lines of authority and responsibility	⓪ ① ② ③ ④ ⑤ ⑥
b. Management policies are in place to ensure regular audits of organisational development	⓪ ① ② ③ ④ ⑤ ⑥
c. Management policies reflect equality as defined in the South African Constitution	⓪ ① ② ③ ④ ⑤ ⑥
d. Systems are in place for regular measure of congruence between stated mission and operating culture	⓪ ① ② ③ ④ ⑤ ⑥
e. Systems are in place to ensure appropriate involvement of all levels of staff in decision making	⓪ ① ② ③ ④ ⑤ ⑥
f. NGO has policies and procedures in place to ensure mutual accountability to key stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
2. Planning	
a. Inputs from appropriate stakeholders are taken into account during planning	⓪ ① ② ③ ④ ⑤ ⑥
b. Implementation plans reflect a strategic plan	⓪ ① ② ③ ④ ⑤ ⑥
c. Implementation plans are updated	⓪ ① ② ③ ④ ⑤ ⑥
d. Resources are planned for and allocated properly	⓪ ① ② ③ ④ ⑤ ⑥
e. Flexibility exists to adjust plans as a result of the monitoring process	⓪ ① ② ③ ④ ⑤ ⑥
3. Personnel	
a. Selection criteria for staff are in place	⓪ ① ② ③ ④ ⑤ ⑥
b. Recruitment process is clearly defined	⓪ ① ② ③ ④ ⑤ ⑥
c. Recruitment processes are transparent and competitive	⓪ ① ② ③ ④ ⑤ ⑥
d. Job descriptions are clearly defined	⓪ ① ② ③ ④ ⑤ ⑥
e. Staff is deployed according to job descriptions	⓪ ① ② ③ ④ ⑤ ⑥
f. Management encourages mutual respect among staff	⓪ ① ② ③ ④ ⑤ ⑥
g. Recourse procedures for staff exist	⓪ ① ② ③ ④ ⑤ ⑥
4. Programme development	
a. Stakeholders and staff are involved in programme design, implementation, monitoring and evaluation	⓪ ① ② ③ ④ ⑤ ⑥
b. Programme design incorporates monitoring, evaluation and reporting activities	⓪ ① ② ③ ④ ⑤ ⑥
c. Programme modifications reflect use of monitoring, evaluation and reporting findings	⓪ ① ② ③ ④ ⑤ ⑥

B. MANAGEMENT PRACTICES	
5. Administrative procedures	
a. Administrative procedures and manual exist	⓪ ① ② ③ ④ ⑤ ⑥
b. Administrative procedures are adhered to	⓪ ① ② ③ ④ ⑤ ⑥
c. Procedures and operating manuals are updated	⓪ ① ② ③ ④ ⑤ ⑥
6. Risk management	
a. Systems are in place to minimise organisational abuses	⓪ ① ② ③ ④ ⑤ ⑥
b. Regular audit of inventory is conducted	⓪ ① ② ③ ④ ⑤ ⑥
c. Annual external audit reports include a review of management practices	⓪ ① ② ③ ④ ⑤ ⑥
d. Recommendations on management practices in annual external audit reports are implemented	⓪ ① ② ③ ④ ⑤ ⑥
7. Information systems	
a. Systems exist to collect, analyse and report data and information	⓪ ① ② ③ ④ ⑤ ⑥
b. Trained personnel are in place to manage information systems	⓪ ① ② ③ ④ ⑤ ⑥
c. Systems are used to process, disseminate and solicit feedback of information	⓪ ① ② ③ ④ ⑤ ⑥
8. Programme reporting	
a. NGO has the ability to produce appropriate reports	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO regularly prepares activity reports	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO regularly prepares evaluation reports	⓪ ① ② ③ ④ ⑤ ⑥
d. NGO publishes and disseminates information on its operations	⓪ ① ② ③ ④ ⑤ ⑥
e. Report formats are flexible, varied and respond to stakeholder information requirements	⓪ ① ② ③ ④ ⑤ ⑥
C. HUMAN RESOURCES	
1. Human resources development	
a. Human resources development planning is in place	⓪ ① ② ③ ④ ⑤ ⑥
b. Staff training is based on capacity, needs and strategic objectives	⓪ ① ② ③ ④ ⑤ ⑥
c. Opportunities exist to integrate skills acquired in training into the work environment	⓪ ① ② ③ ④ ⑤ ⑥
d. Job appraisals are performance based and equitable	⓪ ① ② ③ ④ ⑤ ⑥
e. Job promotions are performance based and equitable	⓪ ① ② ③ ④ ⑤ ⑥
f. Personnel policies reflect equality as defined in the South African Constitution	⓪ ① ② ③ ④ ⑤ ⑥

C. HUMAN RESOURCES	
2. Human resources management	
a. Job descriptions are documented and updated	⓪ ① ② ③ ④ ⑤ ⑥
b. Job descriptions are respected	⓪ ① ② ③ ④ ⑤ ⑥
c. Clearly established links exist between staff capacity and the NGO mission	⓪ ① ② ③ ④ ⑤ ⑥
d. Salaries are clearly structured and competitive	⓪ ① ② ③ ④ ⑤ ⑥
e. Benefits policy is documented and implemented	⓪ ① ② ③ ④ ⑤ ⑥
f. NGO conforms to standard tax and labour regulations and requirements	⓪ ① ② ③ ④ ⑤ ⑥
g. Supervision occurs on a regular basis	⓪ ① ② ③ ④ ⑤ ⑥
h. Grievance and conflict resolution procedures are used when necessary	⓪ ① ② ③ ④ ⑤ ⑥
i. Health and safety policy is in place	⓪ ① ② ③ ④ ⑤ ⑥
3. Work organisation	
a. Staff meetings are held regularly	⓪ ① ② ③ ④ ⑤ ⑥
b. Staff participates in management decisions	⓪ ① ② ③ ④ ⑤ ⑥
c. Team work is encouraged	⓪ ① ② ③ ④ ⑤ ⑥
d. Information is shared freely among all staff members	⓪ ① ② ③ ④ ⑤ ⑥
e. Staff are encouraged to take initiative and be self-motivated	⓪ ① ② ③ ④ ⑤ ⑥
4. Diversity	
a. Diversity of the community is reflected in the composition of the board and staff	⓪ ① ② ③ ④ ⑤ ⑥
D. FINANCIAL RESOURCES	
1. Accounting	
a. Financial procedures and reporting systems are in place	⓪ ① ② ③ ④ ⑤ ⑥
b. Account categories exist for separating project funds	⓪ ① ② ③ ④ ⑤ ⑥
2. Budgeting	
a. Budgeting process is integrated into annual implementation plans	⓪ ① ② ③ ④ ⑤ ⑥
b. Financial unit responsible for the preparation, management and implementation of the annual budget exists	⓪ ① ② ③ ④ ⑤ ⑥
c. Annual financial projections are made	⓪ ① ② ③ ④ ⑤ ⑥
d. Annual budget is implemented	⓪ ① ② ③ ④ ⑤ ⑥
e. Budget is controlled on an ongoing basis	⓪ ① ② ③ ④ ⑤ ⑥

D. FINANCIAL RESOURCES							
3. Stock control							
a. Stock control systems exist	⓪	①	②	③	④	⑤	⑥
b. Stock controls are followed	⓪	①	②	③	④	⑤	⑥
c. Procurement systems are in place	⓪	①	②	③	④	⑤	⑥
d. Procurement systems are being used	⓪	①	②	③	④	⑤	⑥
e. Internal audits are conducted on a regular basis	⓪	①	②	③	④	⑤	⑥
f. External audits are conducted on a regular basis	⓪	①	②	③	④	⑤	⑥
g. Expenses by sector are controlled	⓪	①	②	③	④	⑤	⑥
4. Financial reporting							
a. Annual financial report is prepared by a registered firm of auditors	⓪	①	②	③	④	⑤	⑥
b. Report includes a balance sheet	⓪	①	②	③	④	⑤	⑥
c. Report includes attachments	⓪	①	②	③	④	⑤	⑥
d. Report is reviewed by the fiscal committee of the board	⓪	①	②	③	④	⑤	⑥
e. Report is used for planning and review purposes	⓪	①	②	③	④	⑤	⑥
f. Annual financial report is published and disseminated	⓪	①	②	③	④	⑤	⑥
5. Diversification of income base							
a. NGO has multiple funders	⓪	①	②	③	④	⑤	⑥
b. A cost recovery/income generation plan is in place	⓪	①	②	③	④	⑤	⑥
c. NGO has the ability to tender for contracts	⓪	①	②	③	④	⑤	⑥
d. NGO has a strategy to diversify funding sources	⓪	①	②	③	④	⑤	⑥
E. SERVICE DELIVERY							
1. Sectoral expertise							
a. Relevant sectoral expertise exists within the organisation	⓪	①	②	③	④	⑤	⑥
b. Expertise is recognised by the full range of stakeholders	⓪	①	②	③	④	⑤	⑥
c. NGO is capable of adapting programme and service delivery to changing needs of stakeholders	⓪	①	②	③	④	⑤	⑥
2. Stakeholder commitment/ownership							
a. Programme priorities are based on actual need	⓪	①	②	③	④	⑤	⑥
b. Programme priorities and services are defined in collaboration with stakeholders	⓪	①	②	③	④	⑤	⑥
c. Programmes are efficient, adequate, cost effective, timely	⓪	①	②	③	④	⑤	⑥

E. SERVICE DELIVERY	
3. Assessment	
a. Collaborative development of indicators	⓪ ① ② ③ ④ ⑤ ⑥
b. Indicators have been identified for each programme objective	⓪ ① ② ③ ④ ⑤ ⑥
c. Baseline and impact data are analysed regularly	⓪ ① ② ③ ④ ⑤ ⑥
d. Results of impact evaluations are used to make adjustments to the programme	⓪ ① ② ③ ④ ⑤ ⑥
e. Results are disseminated as appropriate/relevant	⓪ ① ② ③ ④ ⑤ ⑥
4. Marketing and awareness building	
a. Programmes are actively marketed to stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
b. Organisation actively educates and builds awareness among stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
F. EXTERNAL RELATIONS	
1. Stakeholder relations	
a. NGO is seen as credible by stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO is seen as a valuable resource by stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO-stakeholder relationship is one of partnership for a common purpose	⓪ ① ② ③ ④ ⑤ ⑥
2. Inter-NGO collaboration	
a. NGO networks and shares resources with national and international NGOs	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO plays a role in promoting coalitions/networks	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO participates in advocacy activities	⓪ ① ② ③ ④ ⑤ ⑥
3. Government collaboration	
a. NGO has contacts with decision makers	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO is able to engage policy makers in dialogue	⓪ ① ② ③ ④ ⑤ ⑥
c. Exchange of resources occurs between NGO and government	⓪ ① ② ③ ④ ⑤ ⑥
d. NGO activities and recommendations are integrated into government's development plans	⓪ ① ② ③ ④ ⑤ ⑥
4. Funder collaboration	
a. NGO has diversified contacts within the funding community	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO is seen as credible by funders	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO is seen as a valuable resource by funders	⓪ ① ② ③ ④ ⑤ ⑥
d. NGO has opportunity to engage in open and frank dialogue with funders	⓪ ① ② ③ ④ ⑤ ⑥

F. EXTERNAL RELATIONS	
5. Public relations	
a. NGO engages in public relations	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO's objectives and goals are understood by stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO has a positive image among stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
d. Information is disseminated on the NGO' s activities	⓪ ① ② ③ ④ ⑤ ⑥
6. Local resources	
a. NGO has relations with the private sector for technical expertise, material and/or human resources	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO participates in community partnerships	⓪ ① ② ③ ④ ⑤ ⑥
c. Structures are in place to facilitate working relations between NGO and civil society	⓪ ① ② ③ ④ ⑤ ⑥
7. Media	
a. NGO has a strategy to work with the media	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO has attracted positive media attention	⓪ ① ② ③ ④ ⑤ ⑥
c. Media consults the NGO on relevant issues	⓪ ① ② ③ ④ ⑤ ⑥
G. SUSTAINABILITY	
1. Programme/benefit sustainability	
a. Programmes are supported by those being served	⓪ ① ② ③ ④ ⑤ ⑥
b. Sense of ownership of benefits by the community	⓪ ① ② ③ ④ ⑤ ⑥
c. Programme activities can continue due to changes in community	⓪ ① ② ③ ④ ⑤ ⑥
d. NGO has developed systems for continuation of its programme in the medium and long-term	⓪ ① ② ③ ④ ⑤ ⑥
e. NGO has developed programmatic phasing-out strategies	⓪ ① ② ③ ④ ⑤ ⑥
f. NGO ensures that local level skills transfer takes place	⓪ ① ② ③ ④ ⑤ ⑥
2. Organisational sustainability	
a. NGO has a shared vision of its role in society	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO is a member of key NGO networks	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO shares information in a proactive manner	⓪ ① ② ③ ④ ⑤ ⑥
d. NGO is a participant in a dynamic development arena	⓪ ① ② ③ ④ ⑤ ⑥
e. NGO has linkages with international NGOs, education institutions, government entities, research institutes, parastatals, civic institutions and the private sector	⓪ ① ② ③ ④ ⑤ ⑥
f. NGO has capacity to review structures in response to organisational development needs	⓪ ① ② ③ ④ ⑤ ⑥
g. NGO is aware of legislation affecting the NGO sector	⓪ ① ② ③ ④ ⑤ ⑥
h. NGO influences NGO-enabling environment	⓪ ① ② ③ ④ ⑤ ⑥

G. SUSTAINABILITY	
3. Financial sustainability	
a. NGO has the ability to access diversified resources to contribute to its activities	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO has a fee for services and / or other cost recovery mechanisms built into service delivery where appropriate	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO has a fund raising strategy	⓪ ① ② ③ ④ ⑤ ⑥
d. NGO has capacity to implement the fund raising strategy	⓪ ① ② ③ ④ ⑤ ⑥
e. Local fund raising opportunities have been identified	⓪ ① ② ③ ④ ⑤ ⑥
f. NGO has capacity to develop proposals and respond to tenders	⓪ ① ② ③ ④ ⑤ ⑥
4. Resource base sustainability	
a. Local resource base has been identified	⓪ ① ② ③ ④ ⑤ ⑥
b. Resource diversification plan is in action	⓪ ① ② ③ ④ ⑤ ⑥
c. Plans to access additional resources to finance activities exist	⓪ ① ② ③ ④ ⑤ ⑥

Using the OCAT rating sheet

The OCAT rating sheet facilitates processing the results of a single organisational capacity assessment, or tracking the results of up to four different assessments for the same NGO. Once the assessment sheet has been completed, the individual element ratings are transferred to the rating sheet for calculation by the 'rolling up' method.

All elements under a category are added up and the average is worked out to the nearest single decimal place. If one or more elements for a particular category have not been rated, then they are not included in the calculation. This also applies to calculating the average for a component. Categories for which there is no average must not be included in calculating the rating for the component.

Calculating averages for categories and components	
For categories:	Add the rating score of all elements under each category and divide by the number of elements that have actually been rated. Do not include elements that have not been rated. Write the result to one decimal place in the category box.
For components:	Add the rating scores of all categories under each component and divide by the number of categories that have been rated. Do not include categories for which there is no rating. Write the result to one decimal place in the component box.

Rolling up

'Rolling up' is an important part of scoring an OCAT assessment. Ratings for individual categories are derived from the elements within that category; and ratings for individual components are derived from the ratings from the categories within that component.

The rolling up method has several advantages:

1. It allows the assessment team, and/or the NGO itself, to observe and almost immediately identify, especially at the component level, where the strengths and weaknesses in the organisation's capacity lie. If, for example, the results of an assessment indicate that an NGO's capacity appears to be particularly weak in the financial resources component, each category falling under this component can be examined to further pinpoint a specific area of weakness.
2. It allows individual elements to be studied further to get to the source of the weakness, so that corrective measures can be taken to improve the NGO's capacity in that area.
3. It allows for a comparison of an NGO to itself over time as separate assessments are carried out. Another advantage is

that the method can provide substantiated evidence, particularly important to the funding community, that the interventions chosen to correct a particular weakness may have had a positive impact on the NGO if, over time and with subsequent assessments, ratings at the category level increase.

The OCAT rating sheet should be photocopied and the element ratings from the assessment sheet transferred onto it.

Example:

	1st assessment	2nd assessment
A. GOVERNANCE	**3.1** (average of all individual governance category scores in this example – board, mission / goals, legal status)	
1. Board	**3.4**	
a. Board provides overall policy...	4	
b. Board provides accountability and...	4	
c. Board is capable of carrying out key roles...	3	
d. Board is composed of committed members...	3	
e. Mechanisms are in place for obtaining...	3	
f. Board executes its role of advocate...	(not included, therefore board elements total is divided by 5, not 6)	
2. Mission / goals	**3.4**	
a. NGO has clearly articulated mission...	5	
b. NGO's mission is understood by all the...	3	
c. Strategies are aligned with mission, ...	3	
d. Strategies take the form of clear...	3	
e. Implementation plans are jointly...	3	
3. Legal status	**2.5**	
a. NGO is registered according to...	2	
b. NGO benefits from the financial and...	3	

Pact Organisational Capacity Assessment Tool: Rating Sheet	
Name of NGO:	
Date of 1st assessment:	**Conducted by:**
Date of 2nd assessment	**Conducted by:**

	1st assessment	2nd assessment
A. GOVERNANCE		
1. Board		
a. Board provides overall policy direction and…		
b. Board provides accountability and credibility.		
c. Board is capable of carrying out key roles…		
d. Board is composed of committed…		
e. Mechanisms are in place for obtaining…		
f. Board executes its role of advocate…		
2. Mission/goals		
a. NGO has clearly articulated mission…		
b. NGO’ s mission is understood by all the…		
c. Strategies are aligned with mission, …		
d. Strategies take the form of clear…		
e. Implementation plans are jointly…		
3. Legal status		
a. NGO is registered according to…		
b. NGO benefits from the financial and…		
4. Stakeholders		
a. NGO is able to identify key…		
b. There is recognition of the stakeholders…		
c. Results of stakeholder needs…		
d. Stakeholders are involved in the review of …		
5. Leadership		
a. Board and senior management have…		
b. Leadership style of senior management…		
c. Senior management is accountable…		
d. Leadership is accessible to all…		

	1st assessment	2nd assessment
B. MANAGEMENT PRACTICES		
1. Organisational structure and culture		
a. NGO has an organisational structure…		
b. Management policies are in place to ensure…		
c. Management policies reflect equality…		
d. Systems are in place for regular measure…		
e. Systems are in place to ensure appropriate…		
f. NGO has policies and procedures in…		
2. Planning		
a. Inputs from appropriate stakeholders…		
b. Implementation plans reflect a strategic…		
c. Implementation plans are updated.		
d. Resources are planned for and allocated…		
e. Flexibility exists to adjust plans as a…		
3. Personnel		
a. Selection criteria for staff are in place.		
b. Recruitment process is clearly defined.		
c. Recruitment processes are transparent…		
d. Job descriptions are clearly defined.		
e. Staff is deployed according to job…		
f. Management encourages mutual…		
g. Recourse procedures for staff exist.		
4. Programme development		
a. Stakeholders and staff are involved…		
b. Programme design incorporates…		
c. Programme modifications reflect use…		
5. Administrative procedures		
a. Administrative procedures and…		
b. Administrative procedures are…		
c. Procedures and operating manuals…		

	1st assessment	2nd assessment
B. MANAGEMENT PRACTICES		
6. Risk management		
a. Systems are in place to minimise…		
b. Regular audit of inventory is conducted.		
c. Annual external audit report includes a…		
d. Recommendations on management…		
7. Information systems		
a. Systems exist to collect, analyse and…		
b. Trained personnel are in place to manage…		
c. Systems are used to process, disseminate…		
8. Programme reporting		
a. NGO has the ability to produce…		
b. NGO regularly prepares activity…		
c. NGO regularly prepares evaluation…		
d. NGO publishes and disseminates…		
e. Report formats are flexible, varied…		
C. HUMAN RESOURCES		
1. Human resources development		
a. Human resources development…		
b. Staff training is based on capacity…		
c. Opportunities exist to integrate…		
d. Job appraisals are performance based…		
e. Job promotions are performance based…		
f. Personnel policies reflect equality as…		
2. Human resources management		
a. Job descriptions are documented…		
b. Job descriptions are respected.		
c. Clearly established links exist…		
d. Salaries are clearly structured and…		
e. Benefits policy is documented and…		
f. NGO conforms to standard tax and…		
g. Supervision occurs on a regular basis.		
h. Grievance and conflict resolution…		
i. Health and safety policy is in place.		

	1st assessment	2nd assessment
C. HUMAN RESOURCES		
3. Work organisation		
a. Staff meetings are held regularly...		
b. Staff participates in management...		
c. Team work is encouraged.		
d. Information is shared freely among...		
e. Staff are encouraged to take initiative...		
4. Diversity		
a. Diversity of the community is reflected...		
D. FINANCIAL RESOURCES		
1. Accounting		
a. Financial procedures and reporting...		
b. Account categories exist for...		
2. Budgeting		
a. Budgeting process is integrated into...		
b. Financial unit responsible for the...		
c. Annual financial projections are...		
d. Annual budget is implemented.		
e. Budget is controlled on an ongoing...		
3. Stock control		
a. Stock control systems exist.		
b. Stock controls are followed.		
c. Procurement systems are in place.		
d. Procurement systems are being used.		
e. Internal audits are conducted on a regular...		
f. External audits are conducted on a regular...		
g. Expenses by sector are controlled.		
4. Financial reporting		
a. Annual financial report is prepared by a...		
b. Report includes a balance sheet.		
c. Report includes attachments.		
d. Report is reviewed by the fiscal...		
e. Report is used for planning and review...		
f. Annual financial report is published and...		

	1st assessment	2nd assessment
D. FINANCIAL RESOURCES		
5. Diversification of income base		
a. NGO has multiple funders.		
b. A cost recovery/income generation plan...		
c. NGO has the ability to tender for contracts.		
d. NGO has a strategy to diversify funding...		
E. SERVICE DELIVERY		
1. Sectoral expertise		
a. Relevant sectoral expertise exists...		
b. Expertise is recognised by the full range...		
c. NGO is capable of adapting programme...		
2. Stakeholder commitment/ownership		
a. Programme priorities are based on...		
b. Programme priorities and services are...		
c. Programmes are efficient, adequate...		
3. Assessment		
a. Collaborative development of indicators.		
b. Indicators have been identified for each...		
c. Baseline and impact data are analysed...		
d. Results of impact evaluations are used to...		
e. Results are disseminated as appropriate...		
4. Marketing and awareness building		
a. Programmes are actively marketed to...		
b. Organisation actively educates and builds...		
F. EXTERNAL RELATIONS		
1. Stakeholder relations		
a. NGO is seen as credible by stakeholders.		
b. NGO is seen as a valuable resource by...		
c. NGO-stakeholder relationship is...		
2. Inter-NGO collaboration		
a. NGO networks and shares resources...		
b. NGO plays a role in promoting coalitions...		
c. NGO participates in advocacy activities.		

	1st assessment	2nd assessment
F. EXTERNAL RELATIONS		
3. Government collaboration		
a. NGO has contacts with decision makers.		
b. NGO is able to engage policy makers…		
c. Exchange of resources occurs between…		
d. NGO activities and recommendations are…		
4. Funder collaboration		
a. NGO has diversified contacts within…		
b. NGO is seen as credible by funders.		
c. NGO is seen as a valuable resource…		
d. NGO has opportunity to engage in open…		
5. Public relations		
a. NGO engages in public relations.		
b. NGO' s objectives and goals are understood…		
c. NGO has a positive image among…		
d. Information is disseminated on the NGO's..		
6. Local resources		
a. NGO has relations with the private sector…		
b. NGO participates in community…		
c. Structures are in place to facilitate working…		
7. Media		
a. NGO has a strategy to work with the media.		
b. NGO has attracted positive…		
c. Media consults the NGO on relevant issues.		
G. SUSTAINABILITY		
1. Programme/benefit sustainability		
a. Programmes are supported by those being…		
b. Sense of ownership of benefits by the…		
c. Programme activities can continue due…		
d. NGO has developed systems for…		
e. NGO has developed programmatic…		
f. NGO ensures that local level skills…		

	1st assessment	2nd assessment
G. SUSTAINABILITY		
2. Organisational sustainability		
a. NGO has a shared vision of its role...		
b. NGO is a member of key NGO...		
c. NGO shares information in a proactive...		
d. NGO is a participant in a dynamic...		
e. NGO has linkages with international...		
f. NGO has capacity to review structures...		
g. NGO is aware of legislation affecting...		
h. NGO influences NGO-enabling...		
3. Financial sustainability		
a. NGO has the ability to access diversified...		
b. NGO has a fee for services and / or other...		
c. NGO has a fund raising strategy.		
d. NGO has capacity to implement the...		
e. Local fund raising opportunities have...		
f. NGO has capacity to develop proposals...		
4. Resource base sustainability		
a. Local resource base has been identified.		
b. Resource diversification plan is in action.		
c. Plans to access additional resources to...		

3.4 Reporting

OCAT assessment results can be transformed into reports which can be used as diagnostic tools, baseline measurements, evaluation tools and educational tools, among others. Reports must be tailored to meet the information needs of all user groups in the reporting hierarchy. One option is to create text-based reports where, for example, the results of the OCAT are represented by scores for each element. Reports of this type provide a high level of detail, but they take longer to read and understand. Graphs can convey complex information in a way which is easy to understand, but they provide less detail. The most appropriate reporting method, or combination of methods, must be chosen for the specific group which will use the report.

The reporting format which is selected will obviously also be a function of the tools which are available. The examples presented in this section were created using a simple spreadsheet application with graphics capabilities. However, appropriate text-based or graphic representations of the report data can be achieved with even the most basic tools.

As an example of reporting for different users, three reporting levels are suggested here: NGO-level reports, umbrella-level reports, and funder-level reports.

NGO-level reports

NGO level reports display the greatest detail in both text and graphic formats. This type of report allows the user to examine in detail the results of the organisational capacity assessment. Most NGOs would use these reports to identify strengths and diagnose problem areas for possible intervention.

Standardised Report Format for OCAT Results

The technical results of an OCAT assessment should be interpreted and narrated in standard, easy-to-read report formats. These should enable all the stakeholders and other users to understand the situation of the organisation and clarify subtleties which cannot be explained quantitatively. They should also provide enough information to be able to stand on their own. The Standardised Report Format for OCAT Results provides a clear and simple way to organise the report and to present the findings, conclusions and recommendations.

Outline

Title Page
Acronyms
Executive summary
Table of contents
Annexures/Appendices

1. Introduction and background
   - 1.1 Background
   - 1.2 Objectives
2. Methodology
   - 2.1 Framework
   - 2.2 Information gathering
   - 2.3 Information analysis
   - 2.4 Limitations/constraints
3. Analysis of the findings
   - 3.1 Strengths and weaknesses

4. Conclusions and recommendations
   4.1 Conclusions
   4.2 Recommendations
5. Annexures/appendices

Title page

The report should be entitled *An assessment report on the status of the organisational capacity of ....* The title page should include the names of the assessment team and the dates on which the assessment was carried out.

Acronyms

Acronyms used in the text should be spelled out here for easy reference.

Executive summary

The executive summary should be a brief presentation on what the NGO does, why the assessment was done, general findings, general conclusions and recommendations.

Table of contents

In the table of contents, the section headings should follow the numbering format suggested in these guidelines but this can be adapted where necessary.

Introduction and background

This section should include some background information on the NGO such as its history, the extent of its activities, an overview of its programmes, its geographic scope, the situation in which it operates, the objectives and the focus of its work. Issues to include are the context, the stakeholders, members and the community the NGO serves. The purpose and objectives of the evaluation should be presented and clarified.

Methodology

This section should include discussion of the following:
1) The general framework of the assessment
2) Techniques employed in information gathering
3) The participative methodology used
4) Tools used to collect and analyse the information
5) The composition of the assessment team
6) The range of stakeholders involved

7) The limitations or constraints in terms of information gathering, the tool or other constraints faced by the evaluation team.

Analysis of the findings

This section should include an interpretation of the results within the context of the NGO's activities. Weaknesses and strengths should be identified for each of the components and categories, following the OCAT Assessment Sheet format. Specific indicators may be elaborated in detail in an effort to clarify the problems and articulate areas of possible intervention. Identify components which may need further assessment.

Conclusions and recommendations

Conclusions sum up the findings of the assessment. They facilitate the formulation of general and specific recommendations to address short- and long-term organisational capacity strengthening. Recommendations could include suggestions for specific interventions such as technical assistance, mentoring, training, and identify areas where the organisation can manage its own change. Suggestions for how best to provide feedback to participants can be made here.

Annexures/appendices

This section should include relevant documents, data, tables, assessment ranking, organisational structure, a glossary and other information the evaluators deem necessary. Each annexure/ appendix should be numbered and listed by title in the table of contents.

Organisational Capacity Assessment Tool Rating Report

The Rating Report graphically represents the results of an assessment with precise detail. It can be used by an NGO to very quickly see organisational capacity strengths and weaknesses and assist the organisation to plan corrective action. The example overleaf shows what a rating report would look like.

South African NGO Organisational Capacity Assessment Tool Rating Report	
Name of NGO:	
Date of assessment:	
Conducted by:	
Rating scale:	
Not applicable or sufficient information is not available to assess element	
Needs urgent attention	■
Needs major improvement	■ ■
Needs improvement on a wide scale	■ ■ ■
Needs improvement in limited aspects	■ ■ ■ ■
Acceptable, room for some improvement	■ ■ ■ ■ ■
Acceptable, needs maintaining	■ ■ ■ ■ ■ ■

A. GOVERNANCE	
1. Board	
a. Board provides overall policy direction and oversight	
b. Board provides accountability and credibility	
c. Board is capable of carrying out key roles such as policy formulation, fund raising, public relations, financial oversight and lobbying	
d. Board is composed of committed members who represent the varied interests of the stakeholders	
e. Mechanisms are in place for obtaining appropriate input from stakeholders	
f. Board executes its role of advocate for the community	
2. Mission/goals	
a. NGO has clearly articulated mission/goals	
b. NGO' s mission is understood by all the stakeholders	
c. Strategies are aligned with mission	
d. Strategies take the form of clear objective statements as to how they can be achieved	
e. Implementation plans are jointly developed by senior management, staff and other appropriate stakeholders	
3. Legal status	
a. NGO is registered according to relevant legislation	
b. NGO benefits from the financial and legal status permissible under South African law	
4. Stakeholders	
a. NGO is able to identify key stakeholders	
b. There is recognition of the stakeholders as partners	
c. Results of stakeholder needs assessments are integrated into the planning process	
d. Stakeholders are involved in the review of NGO's mission and strategies	
5. Leadership	
a. Board and senior management have a clear understanding of their respective roles and responsibilities as providers of overall direction	
b. Leadership style of senior management is participatory	
c. Senior management is accountable to key stakeholders	
d. Leadership is accessible to all stakeholders	

B. MANAGEMENT PRACTICES	
1. Organisational structure and culture	
a. NGO has an organisational structure with clearly defined lines of authority and responsibility	
b. Management policies are in place to ensure regular audits of organisational development	
c. Management policies reflect equality as defined in the South African Constitution	
d. Systems are in place for regular measure of congruence between stated mission and operating culture	
e. Systems are in place to ensure appropriate involvement of all levels of staff in decision making	
f. NGO has policies and procedures in place to ensure mutual accountability to key stakeholders	
2. Planning	
a. Inputs from appropriate stakeholders are taken into account during planning	
b. Implementation plans reflect a strategic plan	
c. Implementation plans are updated	
d. Resources are planned for and allocated properly	
e. Flexibility exists to adjust plans as a result of the monitoring process	
3. Personnel	
a. Selection criteria for staff are in place	
b. Recruitment process is clearly defined	
c. Recruitment processes are transparent and competitive	
d. Job descriptions are clearly defined	
e. Staff is deployed according to job descriptions	
f. Management encourages mutual respect among staff	
g. Recourse procedures for staff exist	
4. Programme development	
a. Stakeholders and staff are involved in programme design, implementation, monitoring and evaluation	
b. Programme design incorporates monitoring, evaluation and reporting activities	
c. Programme modifications reflect use of monitoring, evaluation and reporting findings	

B. MANAGEMENT PRACTICES	
5. Administrative procedures	
a. Administrative procedures and manual exist	
b. Administrative procedures are adhered to	
c. Procedures and operating manuals are updated	
6. Risk management	
a. Systems are in place to minimise organisational abuses	
b. Regular audit of inventory is conducted	
c. Annual external audit reports include a review of management practices	
d. Recommendations on management practices in annual external audit reports are implemented	
7. Information systems	
a. Systems exist to collect, analyse and report data and information	
b. Trained personnel are in place to manage information systems	
c. Systems are used to process, disseminate and solicit feedback of information	
8. Programme reporting	
a. NGO has the ability to produce appropriate reports	
b. NGO regularly prepares activity reports	
c. NGO regularly prepares evaluation reports	
d. NGO publishes and disseminates information on its operations	
e. Report formats are flexible, varied and respond to stakeholder information requirements	
C. HUMAN RESOURCES	
1. Human resources development	
a. Human resources development planning is in place	
b. Staff training is based on capacity, needs and strategic objectives	
c. Opportunities exist to integrate skills acquired in training into the work environment	
d. Job appraisals are performance-based and equitable	
e. Job promotions are performance-based and equitable	
f. Personnel policies reflect equality as defined in the South African Constitution	

C. HUMAN RESOURCES	
2. Human resources management	
a. Job descriptions are documented and updated	
b. Job descriptions are respected	
c. Clearly established links exist between staff capacity and the NGO's mission	
d. Salaries are clearly structured and competitive	
e. Benefits policy is documented and implemented	
f. NGO conforms to standard tax and labour regulations and requirements	
g. Supervision occurs on a regular basis	
h. Grievance and conflict resolution procedures are used when necessary	
i. Health and safety policy is in place	
3. Work organisation	
a. Staff meetings are held regularly	
b. Staff participates in management decisions	
c. Team work is encouraged	
d. Information is shared freely among all staff members	
e. Staff are encouraged to take initiative and be self-motivated	
4. Diversity	
a. Diversity of the community is reflected in the composition of the board and staff	
D. FINANCIAL RESOURCES	
1. Accounting	
a. Financial procedures and reporting systems are in place	
b. Account categories exist for separating project funds	
2. Budgeting	
a. Budgeting process is integrated into annual implementation plans	
b. Financial unit responsible for the preparation, management and implementation of the annual budget exists	
c. Annual financial projections are made	
d. Annual budget is implemented	
e. Budget is controlled on an ongoing basis	

D. FINANCIAL RESOURCES	
3. Stock control	
a. Stock control systems exist	
b. Stock controls are followed	
c. Procurement systems are in place	
d. Procurement systems are being used	
e. Internal audits are conducted on a regular basis	
f. External audits are conducted on a regular basis	
g. Expenses by sector are controlled	
4. Financial reporting	
a. Annual financial report is prepared by a registered firm of auditors	
b. Report includes a balance sheet	
c. Report includes attachments	
d. Report is reviewed by the fiscal committee of the board	
e. Report is used for planning and review purposes	
f. Annual financial report is published and disseminated	
5. Diversification of income base	
a. NGO has multiple funders	
b. A cost recovery/income generation plan is in place	
c. NGO has the ability to tender for contracts	
d. NGO has a strategy to diversify funding sources	
E. SERVICE DELIVERY	
1. Sectoral expertise	
a. Relevant sectoral expertise exists within the organisation	
b. Expertise is recognised by the full range of stakeholders	
c. NGO is capable of adapting programme and service delivery to changing needs of stakeholders	
2. Stakeholder commitment/ownership	
a. Programme priorities are based on actual need	
b. Programme priorities and services are defined in collaboration with stakeholders	
c. Programmes are efficient, adequate, cost effective, timely	

E. SERVICE DELIVERY	
3. Assessment	
a. Collaborative development of indicators	
b. Indicators have been identified for each programme objective	
c. Baseline and impact data are analysed regularly	
d. Results of impact evaluations are used to make adjustments to the programme	
e. Results are disseminated as appropriate/relevant	
4. Marketing and awareness building	
a. Programmes are actively marketed to stakeholders	
b. Organisation actively educates and builds awareness among stakeholders	
F. EXTERNAL RELATIONS	
1. Stakeholder relations	
a. NGO is seen as credible by stakeholders	
b. NGO is seen as a valuable resource by stakeholders	
c. NGO-stakeholder relationship is one of partnership for a common purpose	
2. Inter-NGO collaboration	
a. NGO networks and shares resources with national and international NGOs	
b. NGO plays a role in promoting coalitions/networks	
c. NGO participates in advocacy activities	
3. Government collaboration	
a. NGO has contacts with decision makers	
b. NGO is able to engage policy makers in dialogue	
c. Exchange of resources occurs between NGO and government	
d. NGO activities and recommendations are integrated into government's development plans	
4. Funder collaboration	
a. NGO has diversified contacts within the funding community	
b. NGO is seen as credible by funders	
c. NGO is seen as a valuable resource by funders	
d. NGO has opportunity to engage in open and frank dialogue with funders	

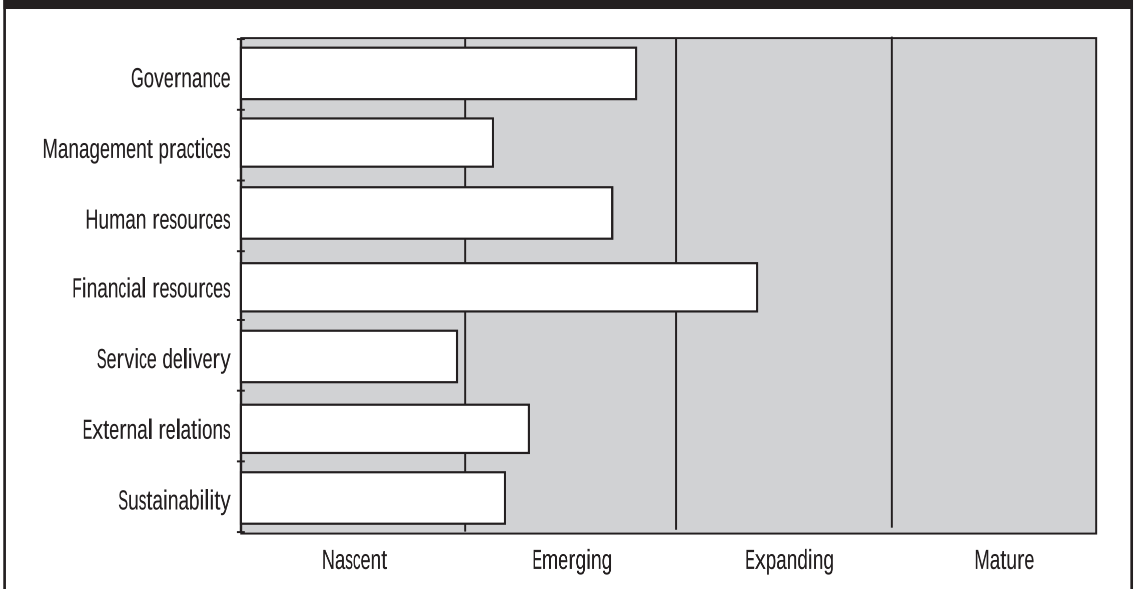
F. EXTERNAL RELATIONS	
5. Public relations	
a. NGO engages in public relations	
b. NGO's objectives and goals are understood by stakeholders	
c. NGO has a positive image among stakeholders	
d. Information is disseminated on the NGO' s activities	
6. Local resources	
a. NGO has relations with the private sector for technical expertise, material and/or human resources	
b. NGO participates in community partnerships	
c. Structures are in place to facilitate working relations between NGO and civil society	
7. Media	
a. NGO has a strategy to work with the media	
b. NGO has potential to attract positive media attention	
c. Media consults the NGO on relevant issues	
G. SUSTAINABILITY	
1. Programme/benefit sustainability	
a. Programmes are supported by those being served	
b. Sense of ownership of benefits by the community	
c. Programme activities can continue due to changes in community	
d. NGO has developed systems for continuation of its programme in the medium and long-term	
e. NGO has developed programmatic phasing-out strategies	
f. NGO ensures that local level skills transfer takes place	
2. Organisational sustainability	
a. NGO has a shared vision of its role in society	
b. NGO is a member of key NGO networks	
c. NGO shares information in a proactive manner	
d. NGO is a participant in a dynamic development arena	
e. NGO has linkages with international NGOs, education institutions, government entities, research institutes, parastatals, civic institutions and the private sector	
f. NGO has capacity to review structures in response to organisational development needs	
g. NGO is aware of legislation affecting the NGO sector	
h. NGO influences NGO-enabling environment	

G. SUSTAINABILITY	
3. Financial sustainability	
a. NGO has the ability to access diversified resources to contribute to its activities	
b. NGO has a fee for services and / or other cost recovery mechanisms built into service delivery where appropriate	
c. NGO has a fund raising strategy	
d. NGO has capacity to implement the fund raising strategy	
e. Local fund raising opportunities have been identified	
f. NGO has capacity to develop proposals and respond to tenders	
4. Resource base sustainability	
a. Local resource base has been identified	
b. Resource diversification plan is in action	
c. Plans to access additional resources to finance activities exist	

Organisational capacity assessment 'snapshot'

This example is designed to present a synthesis or 'snapshot' view of an organisational assessment conducted at a particular point in time. Data is rolled up first to the category level, then category data is rolled up to the component level and ratings are compared to the four stages of organisational development.

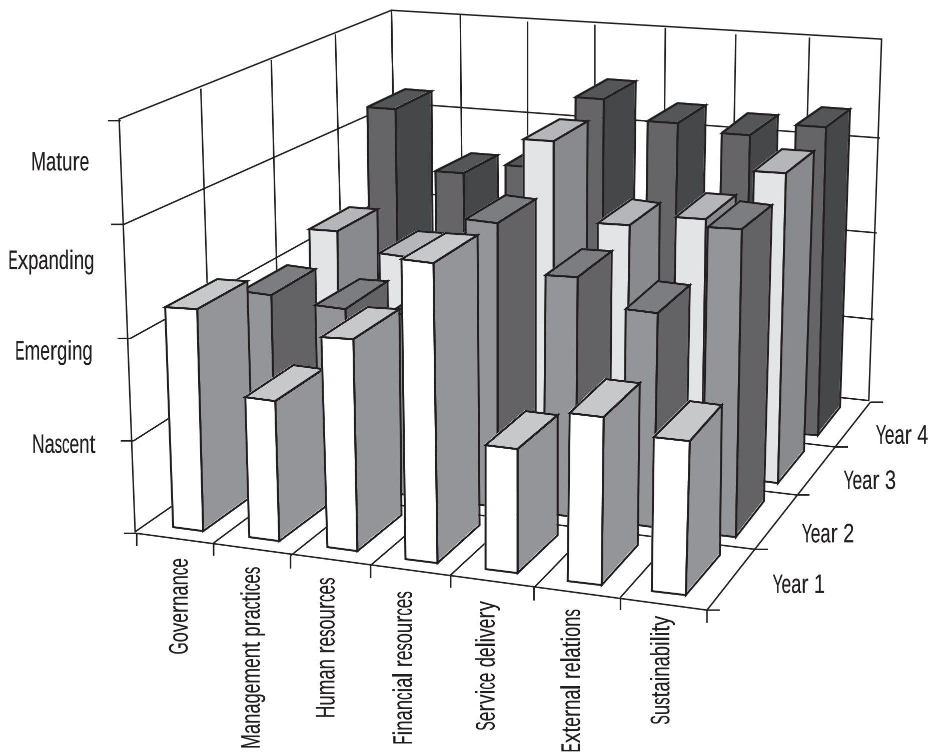
Figure A: Organisational capacity assessment: NGO XYZ 02 / 10 / 98



Organisational capacity assessment over a period of time

This example is similar to the umbrella group report for a single NGO, but it presents the results of four capacity assessments over a period of time. It offers the advantage of presenting, on a single page, the progress of an NGO in the seven areas of organisational effectiveness over a period of time.

Figure B: Organisational capacity assessments:
NGO X Year 1 – Year 4

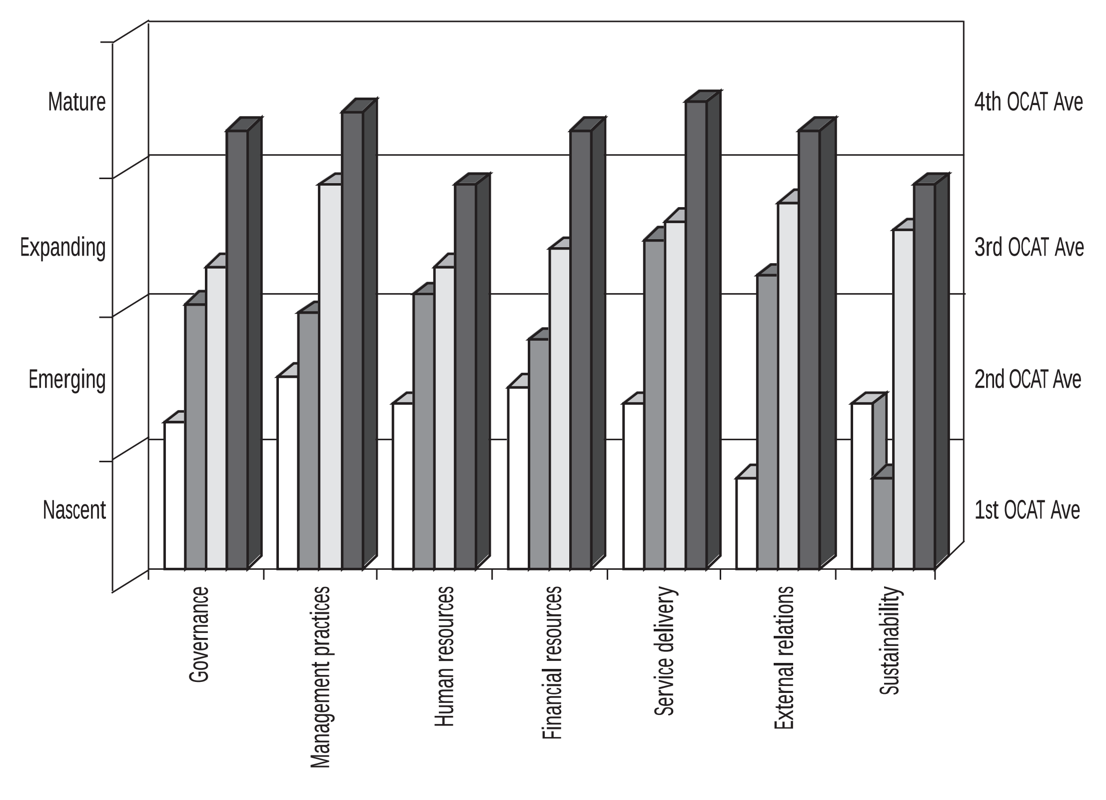


Umbrella-level reports

Umbrella-level reports provide a summary of the results of an organisational capacity assessment for a single NGO or a group of NGOs. An NGO umbrella group or coalition might benefit from this type of report if it is working with groups of NGO partners. These graphic reports represent a large amount of information on one page.

Examples of umbrella-level reports are the graphs in Figure B and Figure C. In addition to serving the needs of an NGO or group of NGOs, such a report would enable an umbrella organisation's programme officer to track organisational development over time. The example in Figure C presents a synthesis or aggregation of data collected on all NGOs to which an umbrella organisation has provided assessment assistance.

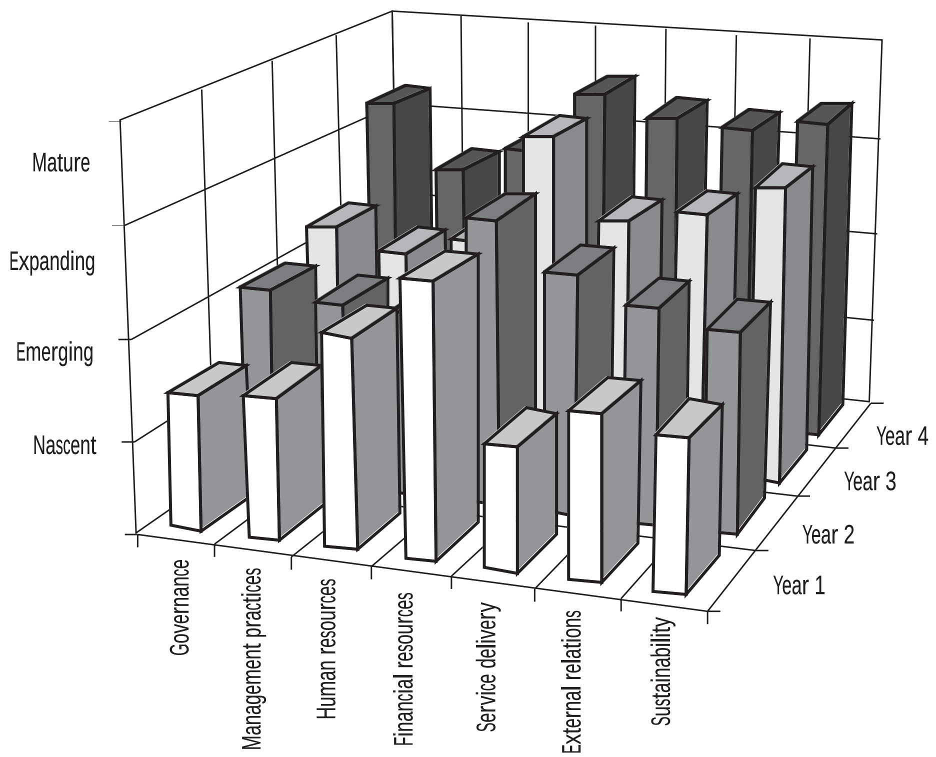
Figure C: Organisational capacity assessments:
All NGOs Assessment 1 – Assessment 4



Funder-level reports

Funder-level reports, in addition to providing the advantages of umbrella-level reports, display increases in organisational capacity over time for a single NGO, or a group of NGOs. If, for example, a funder was working to increase organisational capacity, it could use these reports to find out whether its objectives were being met, and how much impact it has had. The type of report illustrated in Figure C could be used to demonstrate to a funder that efforts in capacity strengthening are having a positive effect over time. Figure D is an example of how organisational growth in a specific sector can be represented.

Figure D: Organisational capacity assessments:
All democracy and governance NGOs Year 1 – Year 4



Section 4:
Building and managing an information system for PME&R

4.1 Introduction

Earlier sections of this book dealt with the use of the OCAT to evaluate an NGO's capacity and identify areas of weakness where interventions may be required.

The discussion focused on how the OCAT can be applied at any point in time, or even over an extended period, to trace the evolution of an NGO's organisational development. Attention was paid to reporting – the need to transform the results of the OCAT into meaningful reports and graphs which suit the needs of different user groups. A PME&R information system cannot be complete unless OCAT data is also linked to the equally important process of monitoring project inputs.

More attention is given in this section to the process of monitoring – the process of tracking types and quantities of inputs provided under a project. It is necessary to track what goes in to a project and, to a much greater extent, to measure and report on what comes out. The process of evaluation that most people are familiar with only looks at results, outputs and outcomes. However, in an era where accountability is so important, we can no longer be content with studying what happened. We must be in a position demonstrate that we know *why* it happened and how to replicate it elsewhere if necessary. By doing this we will come to understand the relationships between the tracking of inputs and the measuring of changes in organisational capacity. We will also have a better understanding of the role these two processes play in a project's results and its ability to achieve its objectives. The process of monitoring, when well planned and applied within a PME&R system, brings the user many giant steps closer to being able to achieve this.

This section deals with the conceptual and practical aspects of integrating OCAT into a PME&R information system. Because an effective system must be based on a complete understanding of monitoring, evaluation and reporting using the participatory approach, the reader is urged to study the rest of this book before starting to build a system.

Who needs a PME&R information system?

Increasingly NGOs are being informed that it is no longer sufficient to conduct evaluations in the old way. Many are being told that monitoring and evaluation must now become an integral part of their activities and a system should be put in place to handle all the data associated with monitoring and evaluation. The pleas are coming from funders and communities alike. At the same time the implications of building and managing such a system are not clearly understood. It requires a substantial investment on the part of the organisation in terms of time and effort. Does every organisation need a complete PME&R information system? The answer is a resounding 'no'. Taking the following list of factors into account may help an NGO to decide whether it needs a PME&R system:

- Does your organisation provide services?
- Does your organisation embrace the concepts of development partners and stakeholders?
- Does your organisation receive external funding to implement project activities or provide services?
- Does your organisation increasingly have to justify the merit, worth or validity of what it does?

If the answer to some or all of these questions is 'yes', a PME&R system will benefit your organisation. However, for a good system to be developed, the answer to the following questions should also be 'yes':

- Does your organisation have evaluation staff ready to incorporate and implement the concepts of PME&R?

- Is your organisation prepared to invest significant time and labour in building and managing a PME&R information system?

Information technologies for a PME&R system

When the term 'information system' is used, it is often assumed that it means software, computers and printers. This is not necessarily the case. For those with access to computers, the OCAT rating sheet lends itself nicely to being put on a computer spreadsheet for calculating averages and representing the results in graphs. In some countries a specific database software package has been used to deal with PME&R data. Even this sophisticated application requires a significant amount of time to enter the data, but it does make producing reports much easier.

While computer technologies can speed up the process of handling data and transforming it into information, it is possible to use older 'information technologies' like pencils, recording sheets and adding machines to fulfil the information requirements of your development partners. The PME&R information system proposed in this section is an example using paper-based technologies to handle data and produce reports. It is also the foundation for building and managing a system which can become more and more automated. A paper-based PME&R system lays the foundation on which an organisation can build a more advanced information system as its needs change.

4.2 Designing an information system

No matter what you want to build, there are certain design steps that are generally followed to achieve success efficiently. Building an information system is similar. Time and experience have shown that some plans work better than others and usually achieve the objective. Serious deviation from the plan can result in cost overruns and an unsatisfactory product. This section is intended to explain the basics of designing a solid information system.

The information system development plan

There are many variations of system development plans. Systems analysts and designers can argue the benefits and pitfalls of one system without ever reaching agreement. The important thing is finding the right system for the purpose at hand. The plan presented here is a synthesis of many that are being used successfully in designing PME&R systems in other countries. It contains all of the essential steps, using explanations which are easy to understand.

The development plan is composed of seven procedures or step-by-step methods for seeking a solution to a problem. Each one is made up of tasks or small units of work. The approach is very structured, meaning each procedure should receive proper attention before moving onto the following step. With the structured approach it is possible to return to an earlier procedure if it is discovered that incorrect assumptions or errors were made. This is a significant advantage – it is usually very difficult to get things right the first time around.

The plan also calls for a high level of participation on the part of the end-users – everyone from those who will enter the data to those who will receive reports from the system. The effectiveness of the system depends on input from end users – each one can provide valuable insights into building and managing a PME&R information system.

Defining the system

Defining the information system may sound difficult and daunting but it is actually straightforward. It requires formulating a clear statement which reflects a precise understanding of the scope and nature of a problem. For example, the challenge facing an organisation may be to improve its ability to effectively convey information to stakeholders about its ability to achieve its objectives.

Establishing a definition serves two purposes. It commits the organisation to developing an appropriate information system which will serve the needs of its stakeholders, and it serves as a benchmark against which the system can be measured once it is operational. Defining a system requires the input and agreement of all stakeholders. Developing a proposal to which stakeholders can respond often speeds up the system definition procedure dramatically.

Identifying reporting requirements

Identifying reporting requirements is the next procedure in building an information system. Unless this is done, it is impossible to know what data will eventually have to be collected. Reporting requirements are expressed in terms of stakeholder information needs – what it is that each stakeholder needs to know and in what form the information will most effectively serve these needs.

Particular attention must first be paid to recognising all possible stakeholder or user groups. Through techniques such as group brainstorming sessions and personal interviews, it is usually possible to find out what information is required and obtain a picture of the general content of the reports for each group of stakeholders.

Developing proposals for reporting formats speeds up this process because stakeholders have something to respond to – they can say what they like and don't like. The proposed formats do not have to contain real data, they are being used to help users identify as precisely as possible the information they will require. Be prepared to spend a considerable amount of time on this procedure – several attempts might be necessary to obtain enough information to move on to the next step.

Specifying operational requirements

Operational requirements can best be described as the way in which the information system must function. Typical examples of operational requirements are:

1. It must be useable by more than one data entry person at a time.
2. It must use the same data to produce similar reports for different user reporting levels.
3. It must lend itself to expansion as stakeholder reporting requirements evolve over time.

This procedure can be undertaken at nearly any time in the system building process. In fact, when interviewing end-users, it is very likely they will tell you how they would like to see the PME&R information system operate. What is important is that the operational requirements must be noted, preferably before determining software and hardware requirements, and definitely before the system building procedure begins. The best source of operational requirement information is the individuals who will manage the system and their supervisors.

Identifying data elements

In this procedure, the reporting requirements are transformed into data requirements or elements. This means deciding which pieces of raw data must be collected and processed in order to produce the reports requested by the information users.

Identifying data elements requires meticulous consideration and planning because there is often a tendency to collect too much data or collect it simply because it is available. Overloading an information system with data places a heavy load on the people responsible for running it. This may result in inaccurate data input into the system. Attention also needs to be given to how the data is to be entered. For example, the data format must be specified and used consistently throughout the system.

As this procedure gets under way, related data elements should be grouped together in order to create data files. Implementing this task during the identification of data elements procedure will facilitate work during the system-building procedure.

Determining equipment requirements

In this context equipment is defined as the tools, supplies, machinery or materials which will be required to operate the information system. 'Equipment' can refer to specifically designed ledger sheets in a paper-based system, or it could mean a certain software application running under a specific computer operating system environment.

It is essential to keep in mind that not all PME&R information systems require the latest technology to operate effectively. The decision needs to be made only after reviewing all previous procedures, taking into account the budgetary constraints of the organisation, and the ability of the organisation to manage the system once it is up and running.

Building the system

The procedure consists of three sub-procedures:

- system design
- developing or programming
- testing.

System design

In the system design, the information from all previous procedures is used to lay out a physical design of the system. It is here that the relationships and dependencies are established between the groups of data elements, or data files, in order to determine how data files interact with each other. The result of this sub-procedure is a schematic diagram. The diagram is used to guide the system builder through the procedures which follow.

System development

The sub-procedure of developing or programming the system comes next. If the information system is completely paper-based, the builder uses the design document to start the process of establishing what the data entry forms will look like; what data will be entered onto which paper forms; how the data will be entered; how the necessary data calculations (if they are required) will be performed; and how output, in the form of reports, will be generated.

Information systems built using spreadsheet or database management applications follow very much the same processes, except that program instructions automate and control data input, processing and report generation.

System testing

The testing sub-procedure wraps up the building of the system. The builder uses this time to ensure that the system functions correctly. If errors are found, then the system builder must locate the source of the problem, repair it, and test it again.

Users are normally not directly involved in any of these subprocedures, but a conscientious system builder should consult with them from time to time. This is done particularly to find out about the users' impressions of the 'look' and 'feel' of the system. Some system builders ask users to assist in the testing sub-procedure.

Throughout the system building procedure the builder asks whether the system is meeting the objectives laid out in the system definition. The system definition is the yardstick which will be used to determine if the system builder has completed the assignment and satisfied the organisation's requirements.

Writing system documentation

A crucial element of system development is documenting all the procedures which have been followed as the system development proceeds. This must be complete by the time the system plan has been implemented.

Technical documents

The technical documents describe in detail every aspect of the development process, from the point of defining the system through a detailed description of what went into the building of the system. No element should be ignored – a detailed record of the work which has been done to date must be put down in writing. This will enable a new system builder to build on what a previous one has done. Without a document of this type, or if documentation is insufficient, it may be necessary to repeat the entire process from the beginning. This would mean great additional expense to an organisation, and a significant delay in implementing the PME&R information system.

User documents

A user document or manual is crucial. Many users may be at a complete loss when using a newly-built PME&R system unless they can refer to a well-written user manual.

4.3 Building a PME&R information system

This section explains the practical steps in building an information system for monitoring, evaluating and reporting on an NGO's activities. Drawing extensively on the thinking and ideas of representatives of South African NGOs, it guides the reader through the process of building a system for working with PME&R data and transforming it into useful information. Once an information system has been established, it can be adapted and expanded as the organisation's needs change. Previous sections have emphasised the importance of participation in monitoring, evaluation and reporting – building a successful PME&R information system relies just as much on effective participation.

Step 1: Defining the PME&R system

One of the biggest problems facing South African NGOs today is examined here. This is developed into a problem statement to demonstrate a solid understanding of the nature and scope of the problem. The final task in this process is writing a system definition statement – the foundation on which the information system will be built.

The problem

1. Over the past several years South African NGOs have found that funding for project activities is more and more difficult to secure. There are many complex reasons for this, but what is important is that there is more competition for scarce funds and NGOs must strive to achieve long-term sustainability, both organisationally and programmatically.
2. NGOs have also recognised that funders are only keen to hand over money to organisations which can demonstrate the most effective and efficient possible use of resources. Funders are demanding greater accountability – they want to know how organisations are using their resources to bring about change in the best way, they want results, they want NGOs to show that they are achieving their objectives. Some funders also want to know which project interventions achieved the best results.
3. In the past NGOs have relied upon traditional mid- and end-of-project evaluations to determine the impact of what they are doing. This kind of evaluation is no longer providing answers quickly enough. It is now understood that, from the planning stages and during implementation, projects must be closely monitored to determine if results are being achieved. If they are not, corrective measures need to be taken.
4. Many South African NGOs are working to increase the capacity of the organisations or communities they work with. They do this to try to leave the people they serve in a better position to further their own development. To achieve this, the communities they serve must be equal partners in the development process. One of the ways in which this can be done is by providing communities with the information they need to achieve change.

The problem statement

NGOs need to be able to efficiently and effectively monitor, evaluate and report on the achievement of their objectives in an ongoing way to:

- improve project implementation and help to provide a better service to the target groups
- deal with problems as they arise
- assist in obtaining resources in a competitive funding environment where programme sustainability is increasingly emphasised
- enable the communities they serve to further their own development.

Svstem definition statement

NGOs require an information system which will enable them to efficiently and effectively measure all contributions made to a project, determine the effects of the contributions, enable them to take corrective action if required, show results, and demonstrate to all project stakeholders how well they have achieved their objectives.

Step 2: Identifying reporting requirements

The first task is to identify stakeholder groups. Once this is done, the information needs of the organisation used to assess whether objectives are being achieved can be determined, as well as the information required by each stakeholder group. In the South African context, stakeholders in development projects are generally considered to include international and/or local funders, representatives of the community being served by the NGO, the NGO's board of directors or trustees, its volunteers, director and project staff, and NGO coalitions or umbrella bodies.

At first glance it seems the information needs of the various groups seem very different. A closer examination shows that there are similarities, particularly if we accept the idea that the closer a group is to project implementation, the more detailed its information requirements are. Conversely, the more distant a group is from the project's day-to-day operations, the less detailed its information needs are. With this in mind we can ask stakeholders about their information needs and list these according to how close to or far from the project they are. Beginning with stakeholders and project staff who generally require the most detailed information, the structure might look like this:

Stakeholder group	General information requirements
• Community which is served by the project	• Communities are most concerned about having a say in what they perceive is needed to change their situation. This requires providing them with information on planned and actual contributions made to them by the NGO. The information must be presented in detail. They are also interested in having information about a project which will enable them to have an active voice in its implementation and in ongoing activities.
• NGO project staff	• The project staff has a need for a high level of detail surrounding the type of contributions made to the project for planning and tracking purposes. The degree of detail extends to tracking financial information as well as being able to categorise contributions. The staff also requires detailed information regarding the results of contributions to communities. Their concern is determining the difference the contributions have made towards achieving results/objectives. Staff feel they need this information on an ongoing and regular basis.
• NGO volunteers	• NGO volunteers appear to be involved in project implementation on an ad hoc basis. Some are more concerned with the details of project implementation than others. Their information needs tend to be more general in nature because they know what is being done for the communities they serve.
• NGO director	• The NGO's director requires enough information to determine if the project's objectives have been met to report to board members and funders and to substantiate the reports. There is the stated need to follow the work of the project implementation staff and measure staff performance.
• NGO board/trustee	•The NGO's board needs an overall picture of project activities and organisational performance. Their concerns relate to the NGO carrying out its mission in serving the project beneficiaries. In addition, in order to ensure future project funding, they require general project performance data to present to funders. The board also requires financial information for the purposes of oversight and policy review.
• South African NGO coalitions and associations	• Coalitions are not generally considered to be sponsors or funders of NGO activities. Nevertheless, they do need to have a general picture of NGO project performance, in some cases broken down by NGO type or sector.
• South African funders and international funders	• South African and international donors generally support a wide variety of NGO activities. They require comparison-type information on sectoral performance in order to determine where their funds are being invested most effectively.

A general determination of information requirements has been made here, but no specifics are possible yet. At this point it is necessary to move on to Step 3 to develop a framework for the information before it is possible to complete the identification of reporting requirements.

Step 3: Specifying operational requirements (indicators and measurement)

In this step it is necessary to look at how PME&R must operate according to the perceived needs of the NGO. At this point it has been established, briefly, that the NGO needs to:

- measure its performance
- communicate its performance to stakeholders.

We acknowledge that:

- the NGO's experience in monitoring, evaluation and reporting requires strengthening
- the individuals within the NGO who are most likely to be called upon to use and manage the PME&R system will be the project staff
- with time, the staff's experience will grow and their PME&R information system requirements will become more sophisticated.

Therefore, the most workable solution would be to start with a paper-based PME&R system which allows for expansion and growth according to the changing needs of the NGO and the resources it has available. A framework must be devised to organise monitoring and evaluation data. When this has been done, the reporting requirements from Step 2 can be refined.

A monitoring and evaluation framework

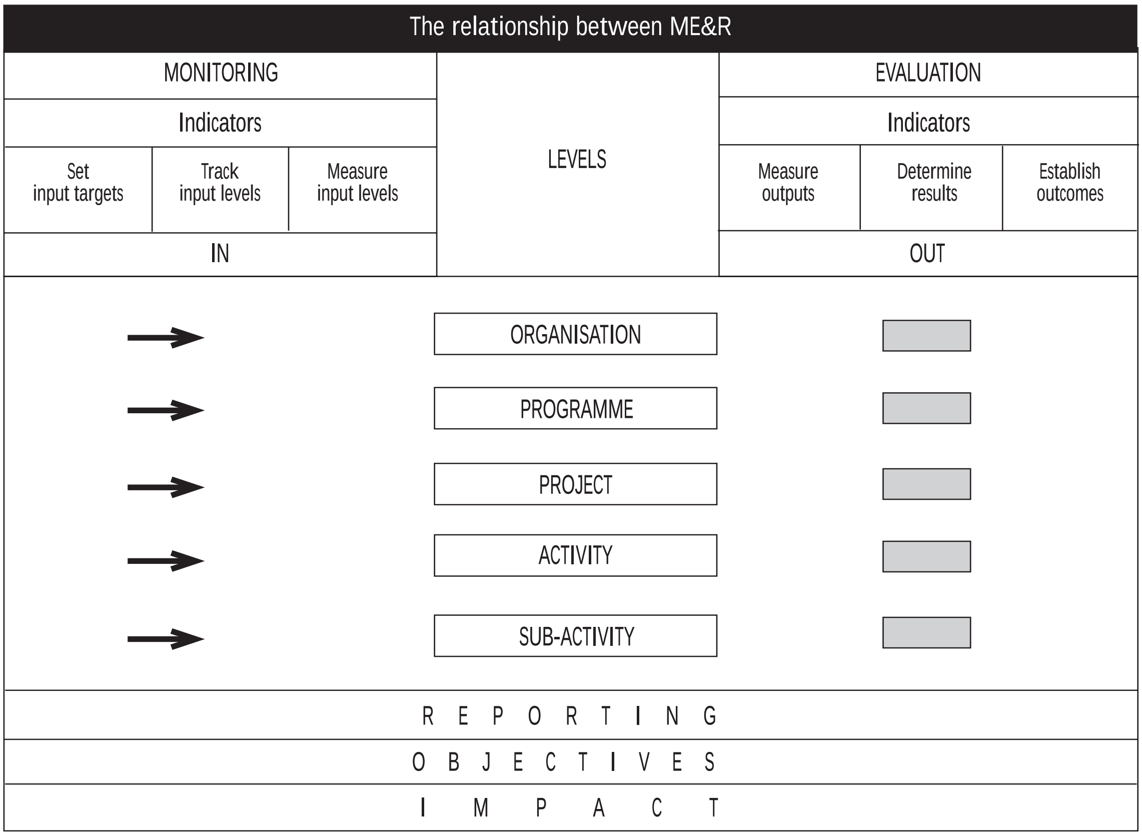
Demonstrating results must always be done within the context of what a project wants to achieve, and what must be done to lead to that achievement. *Effectiveness* and *efficiency* are indications of accomplishment. *Monitoring* is the process of tracking what goes into a project (inputs) and *evaluation* is the process of following what comes out (outputs).

Indicators constitute the core of a monitoring and evaluation framework. These might measure, for example, how much technical assistance is provided to a group. The first task in monitoring is to establish target levels of inputs. Target levels are estimates of quantities of inputs which will be provided to a project or activity in order to achieve the project's objectives. Throughout the life of the project inputs will be tracked and measured to determine whether, and to what extent, implementation plans are being followed.

When we evaluate we also use indicators, but these are different to the ones used in the monitoring process. Evaluation indicators are designed to measure what comes out of the project or activity.

An example of an evaluation indicator could be the measurement of change in a group's ability to produce project accounting reports in a timely fashion.

Evaluation indicators can be used to measure outputs, results and outcomes. An *output* is the direct effect of an input. For example, if we plan to provide an input in the form of training for 30 people and during the course of the project we actually train those 30 individuals, the output is 30 people trained. The *result*, however, is different. We might say that by training these 30 people we strengthened their accounting skills. The *outcome* of strengthening the accounting skills of the 30 people could be, for example, that the accounting officers of a number of organisations are more effective.



The reporting process runs right through the framework – reports can be used to see if the NGO is on track in providing inputs during the process or it can be used to evaluate outputs, results or outcomes. Monitoring and evaluation reports measure how well an NGO is meeting its objectives.

Impact usually means looking at the long-term effects and the differences made, something which also requires studying monitoring and evaluation reports. Determining impact may also require examining other external factors not covered in the monitoring and evaluation processes.

The last element of the framework concerns levels. This is important because it relates to the identification of reporting requirements. Because stakeholders like project managers need detailed information on inputs, outputs, results and outcomes, they need a high level of detail at the activity or sub-activity levels. An NGO director does not need as much detail, so information at project level will suffice. This project-level information can be calculated by averaging activity and sub-activity level data. In the same way, project level data can be aggregated up to a higher programme level, aggregated programme level data provides a broader picture of the NGO's activities which might be appropriate for the board.

Step 4: Refining reporting requirements

In Step 2 three levels of user groups were identified. Now more specific details of each level of report can be added. Note that the most detailed reports are required at the community served and project staff level and that reports become less detailed for each subsequent level.

Once the elements have been identified, it may be necessary to return to the reporting requirements to produce a sample reporting format for testing with the various user groups.

Stakeholder groups	Reporting levels	Reporting requirements	
		Monitoring	Evaluation
Community served NGO project staff	Sub-activity Activity Project	Input targets	Outputs Results
NGO volunteers NGO director NGO board	Activity Project Programme	Input levels	Results Outcomes Objectives
South African funders International funders SA NGO Coalition	Project Programme Organisation	n/a	Outcomes Objectives Impact

Step 5: Identifying data elements

In this step we will identify the specific data elements or pieces of information which will be needed to produce the types of monitoring and evaluation reports discussed in Step 2.

Data elements related to inputs

For most projects or activities the *types of inputs* will take the form of:

- Funds – direct financial contributions, grants, loans and others
- Materials or equipment – office equipment, vehicles, supplies and others
- Technical assistance – consultants, NGO staff, advisors and others
- Training – instruction, study tours, in-service and site training, and others.

Once these inputs are phrased in quantifiable terms, they become *indicators* of inputs. For example, the input 'technical assistance' becomes an indicator of input if we quantify it as a 'level of technical assistance'. All of the inputs identified here are quantifiable in some manner, such as:

- Funds – monetary value
- Materials or equipment – monetary value
- Technical assistance – monetary value, level of effort expressed in a quantity such as person-days or hours equivalent
- Training – monetary value, numbers of individuals trained, duration of training.

We learned in earlier steps that individuals close to project implementation require greater detail in their reports. An NGO project manager would probably want to see the type of technical assistance being provided during project implementation. For all of the inputs we can set up categories that will enable us to provide reports with more specific *disaggregated detail*:

- Funds – funding categories such as direct funding, grant funding and loan funding
- Materials or equipment – material/equipment categories such as computer equipment, general office supplies and vehicles
- Technical assistance – technical assistance categories such as short-term vs long-term, area of expertise, national vs intemational consultants

- Training – training categories such as national vs international, training subject matter, formal vs non-formal, men vs women.

Input data elements by input type			
Funds	**Materials/ equipment**	**Technical assistance**	**Training**
• Reference no. • Description • Time period • Funds value • Advance value in Rand • Expense value • Outstanding advance value in Rand • Funds available value in Rand	• Reference no. • Category • Description • Time period • Value in Rand	• Reference no. • Category • Description • Time period • Provider • Level of effort person-days • Level of effort value in Rand	• Reference no. • Category • Description • Time period • Number of men trained • Number of women trained • Total number trained • Training value in Rand

Having identified the type of inputs, we can now name the data elements. Based on the reporting requirements the data elements, compiled as illustrated in the preceding table by input type, are the most appropriate. Keep in mind, however, that this list may be expanded to meet an NGO's specific needs.

Data elements related to outputs, results and outcomes

During evaluation we examine outputs, results and outcomes of projects. The indicators and the underlying data elements needed to meet the reporting requirements of the stakeholders can only be determined when the project objectives and their associated results statements have been identified. These have to be quantified in a structured system, much the same as the OCAT which uses a scale of 0–6 for measuring the different aspects of organisational capacity, to facilitate use and analysis. An evaluation report which numerically presented the result of organisational capacity assessments conducted on all NGOs participating in a sector could meet the reporting requirements of an NGO director or board.

A last look at reporting requirements

We first began to look at reporting requirements in Step 2. At that point we were able to identify the information requirements by stakeholder group. In Step 3 we looked again at reporting requirements after recognising that stakeholders need information relating to project inputs, outputs, results, and outcomes. By that point, however, we had not yet identified the exact data elements and could not yet develop a proposal for the reporting format that is such a necessary part of the information system building process. Now that we have identified specific data elements, we are able to develop a proposed reporting format.

Four sample reports

The first report is a sample monitoring report (page 151) which a project manager would probably require. It compares the target input levels to date for NGO XYZ with actual input levels. This report could be used to determine if the project's implementation is on schedule in terms of providing inputs.

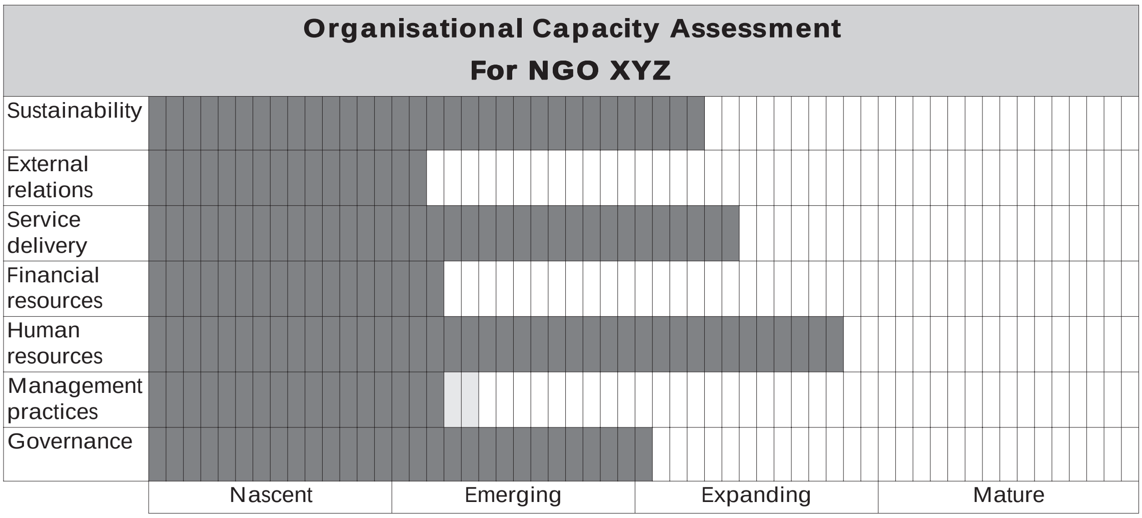
The second is a sample evaluation report (page 152) – the first part of an OCAT Rating Report. It depicts the results of an organisational capacity assessment in numeric/bar format. The third sample (page 153) is a graphic presentation of an organisational capacity assessment for NGO XYZ. These kinds of reports would probably be used by a project manager to have the NGO's capacity strengthened.

The fourth sample (page 154) is also an evaluation report, numerically presenting the result of organisational capacity assessments conducted on all NGOs participating in a project. This type of report would meet the reporting requirements of an NGO director or board and be particularly interesting to them because the averages for all NGOs are presented.

Sample Monitoring Report Sheet	**Target input levels compared to actual input levels report sheet**								
Organisation name	**NGO XYZ**								
		Funds	**Material/ equipment**	**Technical assistance**	**Technical assistance**	**Training participants**	**Training participants**	**Training participants**	**Training participants**
	Date		**Value (R)**	**LOE/PD***	**Value (R)**	**Men**	**Women**	**Total**	**Value (R)**
Target input levels									
	June 30		15000.00	85.00	17000.00	45.00	100.00	145.00	319725.00
Actual input levels									
	August 31		2500.00	10.00	1900.00	0.00	12.00	12.00	25000.00
	December 31		6000.00	24.00	5000.00	10.00	25.00	35.00	71750.00
* level of effort person-days									

	South African NGO Organisational Capacity Assessment Tool – Rating Report	
	Name of organisation: NGO XYZ	
	Date of assessment: 22 April 1998	
	Conducted by: S Ntuli	
	Rating scale:	
⓪	Not applicable or sufficient information is not available to assess element	
①	Needs urgent attention	
②	Needs major improvement	
③	Needs improvement on a wide scale	
④	Needs improvement in limited aspects	
⑤	Acceptable, room for some improvement	
⑥	Acceptable, needs maintaining	

A. GOVERNANCE	**2.8**
1. Board	
a. Board provides overall policy direction and oversight	0
b. Board provides accountability and credibility	1
c. Board is capable of carrying out key roles such as policy formulation, fund raising, public relations, financial oversight and lobbying	2
d. Board is composed of committed members who represent the varied interests of the stakeholders	1
e. Mechanisms are in place for obtaining appropriate input from stakeholders	1
f. Board executes its role of advocate for the community	2
2. Mission/goals	
a. NGO has clearly articulated mission/goals	2
b. NGO's mission is understood by all the stakeholders	1
c. Strategies are aligned with mission, realistic and take the form of clear objective statements as to how they can be achieved	2
d. Implementation plans are jointly developed by senior management, staff and other appropriate stakeholders	1
3. Legal status	
a. NGO is registered according to relevant legislation	6
b. NGO benefits from the financial and legal status permissible under South African law	6
4. Stakeholders	
a. NGO is able to identify key stakeholders	3
b. There is recognition of the stakeholders as partners	1
c. Results of stakeholder needs assessments are integrated into the planning process	5
d. Stakeholders are involved in the review of NGO's mission and strategies	1
5. Leadership	
a. Board and senior management have a clear understanding of their respective roles and responsibilities as providers of overall direction	4
b. Leadership style of senior management is participatory	2
c. Senior management is accountable to key stakeholders	2
d. Leadership is accessible to all stakeholders	2



Step 6: Determining equipment requirements

In Step 3 we discussed the operational requirements of the PME&R information system. There it was mentioned that NGOs require strengthening in the fields of monitoring, evaluation and reporting; with time and experience, system requirements will become more sophisticated; and the most workable solution is to first develop a paper-based information system which will introduce the NGO to PME&R. This system could be developed according to the changing needs and resources of the NGO.

The paper-based system presented here uses a ledger-like binder consisting of customised sheets on which users manually record data related to monitoring and evaluation at the organisational level and, using the same sheets, manually transfer the data to specially prepared monitoring and evaluation reporting forms which provide reports at the organisational, activity and project levels. Copies of all these forms are in the appendix of this handbook to be photocopied for use.

Step 7: Using the system

Managing a PME&R information system

In this section you will learn to effectively use and manage your PME&R information system. You will learn how to monitor projects and activities by tracking inputs. By using the evaluation functions you will learn how to evaluate an organisation through the use of the OCAT. And, finally, you will learn how to generate monitoring and evaluation reports.

Sample evaluation report		**Purpose is to show the status of organisational capacity for all NGOs participating in a project (as referenced on page 150)**							
Project title		**Project XYZ**							
		OCAT	**Governance**	**Management practices**	**Human resources**	**Financial resources**	**Service delivery**	**External relations**	**Sustainabilty**
NGO name		**Date**							
Organisation A		February 7	2.8	2.5	3.8	4.0	2.7	3.6	3.6
Organisation B		July 23	3.7	4.6	2.0	2.7	2.5	2.8	4.2
Organisation C		January 31	1.9	4.7	3.8	4.1	1.5	2.5	1.9
Organisation D		July 25	2.0	1.6	1.7	5.9	1.8	3.8	2.1
Organisation E		August 9	2.3	5.8	1.5	2.4	2.0	4.2	2.7
Organisation F		December 15	1.8	5.2	2.0	5.5	5.0	1.9	4.2
Organisation G		May 11	1.8	4.0	3.9	2.3	2.6	4.2	1.0
Organisation H		January 6	2.3	5.0	4.0	4.7	2.1	5.2	3.8
Organisation I		March 21	4.5	4.2	4.1	5.6	3.4	3.6	4.5
Organisation J		March 25	2.5	1.3	2.8	4.5	5.4	3.2	1.5
Organisation K		October 11	1.8	2.8	4.5	5.8	2.1	2.9	2.2
Organisation L		May 6	4.8	3.0	1.8	4.6	2.7	1.8	1.9
	Average		2.7	3.7	3.0	4.3	2.8	3.3	2.8

This system is easy to use but to get the most out of it you are strongly encouraged to study the earlier sections of this handbook. Gaining a firm understanding of the concepts of PME&R will enable you to take full advantage of your information system. Over time the system may be expanded to suit your organisation's special and evolving requirements. If your organisation decides to move onto a computerised system, you will be able to use this paper-based system as a conceptual model.

What is included

The forms included in the appendices are:

- Input Category Coding Sheet
- Input tracking forms for tracking funds, materials/ equipment, technical assistance and training
- Input Monitoring Report Sheet
- OCAT Rating Sheet
- OCAT Rating Report
- OCAT Summary Sheet
- OCAT Graph Report Sheet

Equipment you need to get started

While all of the forms you will need to use this system are found in this handbook, you will need some additional supplies to use the PME&R system correctly (see the next page).

Setting up the system

Regardless of whether your project activities are directed to another organisation or to individuals, these are part of a larger grouping. If, for example, you work with 25 to 30 NGOs, the work you do with these organisations is normally considered part of a project. Therefore, we can say the NGOs are all part of one of your projects. Your PME&R system is designed to collect data at the level of the organisations (or individuals) you are working with.

While you collect data on what you do with each NGO, your data forms will present a detailed picture for that NGO. If, however, you want to have a cumulative picture for all of the NGOs, you will add the data for all of the NGOs together and then calculate the average. This will provide an overall picture of the NGOs as part of the project.

The PME&R system allows you to look at three levels. If, for example, your project has several different activities you may add

Equipment you will need to get started	
Item	**Comments**
1. A ring binder at least 2.5cm thick which can hold A4-sized, vertically punched data entry forms	to house the information system
2. Different colours of divider sheets	to separate: • each organisation's data (if more than one organisation is being worked with) • each project • the activities of each project
3. An input category coding sheet	1 completed sheet for the system, single use
4. Input tracking forms for: • funds • materials/equipment • technical assistance • training	1 of each type for every organisation, all multi-use forms for organisation, activity and project tracking, single use
5. An input monitoring report sheet (for organisation, activity and project tracking)	1 for every organisation, activity and project, single use
6. An OCAT Rating Sheet	1 for every OCAT conducted, single use
7. An OCAT Rating Report Sheet	1 for every OCAT conducted, single use
8. An OCAT Summary Sheet (for organisation, activity and project tracking)	1 for every activity and project, multi use
9. An OCAT Graph Report Sheet (for organisation, activity and project tracking)	1 for every OCAT conducted, multi use

an additional level for handling data for each of the activities. Regardless of the number of levels, you will always manage data at the lowest level, that of the organisation you are working with.

The data may be added up to the activity level and in turn the data for all activities may be added up to the project level. With this concept understood you can now begin to set up your information system.

The first thing is to decide for how many projects you will be collecting data. For each project, place a project divider sheet in your binder. Then determine if the project includes activities. If there are activities, place activity divider sheets behind the project divider sheet.

Finally, add an organisation divider sheet for each organisation that is considered part of an activity. If there are no activities under a project, then you will simply add an organisation divider sheet directly behind the project divider sheet.

The next step in setting up your system involves filing all the appropriate forms in your binder. For each organisation you will need a set of forms which you will file behind each organisation’s divider sheet. The full set of forms includes:

- Input Tracking Form – Funds
- Input Tracking Form – Materials/Equipment
- Input Tracking Forms – Technical Assistance
- Input Tracking Form – Training
- OCAT Rating Sheet
- OCAT Rating Report
- OCAT Graph Report Sheet
- OCAT Summary Sheet
- Input Monitoring Report Sheet

The setup process is now complete.

Monitoring

In the monitoring process you will be tracking inputs provided to an organisation. Inputs are things like funds, materials/equipment, technical assistance and training. Each set of inputs has specific data elements that are collected in the monitoring process. We will track the inputs as they are provided to an organisation and enter the information onto the appropriate input form. For example, imagine that you are a project manager and you have co-ordinated a grant for Organisation X. Because a grant is a type of fund input, it should be tracked. In order to do so, find the form titled Input Tracking Form – Funds (see the appropriate appendix). This form can be used to track any type of funds provided to an organisation such as a grant, a direct contribution or a loan. Similarly, the input forms for materials/equipment, technical assistance and training in the appendices can be used to track these different inputs. The 'Ref' column on each sheet can be used for any coding system you might want to develop for the inputs. All forms apart from the funds input form have a 'category' column for any system of categories you might want to develop.

Evaluation

In the evaluation process you will be measuring outputs, results and outcomes. (Refer to the monitoring and evaluation framework on page 145–6 for a full discussion of these terms.) This PME&R system is designed to measure organisational capacity using the OCAT. Refer to earlier sections for an explanation of the OCAT and how to use it. A sample page of an OCAT Rating Report is on page 152.

Reporting

The PME&R system provides for the production of both monitoring and evaluation reports. The monitoring report serves two purposes.

It can be used to establish target levels of inputs for each organisation, as well as to track total of actual inputs provided to an organisation over a specified period of time. The sample monitoring report sheet earlier on page 151 shows how this can be used.

Your system will also give you the ability to produce evaluation reports based on the results of the OCAT on the OCAT Summary Sheet in the appendices. You can also transform the OCAT result into a graphic representation using the blank OCAT graph in the appendices.

The PME&R system allows for three levels of information – by project, activity and organisation. Data from the monitoring process (the tracking of inputs) and the evaluation process (tracking of OCAT data) is recorded at the organisational level. The data for all organisations involved in a specific activity can be averaged up to the activity level, and the data for all activities can be averaged up to the project level.

For example, an NGO which works with other NGOs will collect data on its work with each organisation. The data forms for each NGO will present a detailed picture of that one organisation. For a cumulative picture of all the organisations, the data for all the individual NGOs can be added up. If a project has several activities, an additional level can be added for recording data on each of the activities.

First put a project divider sheet into the binder for each project. If a project has more than one activity, file an activity divider sheet for each one. Finally, put in an organisation divider sheet for each organisation that is considered part of an activity. If there are no activities under a project heading, simply add organisation divider sheets to the binder between projects. Then file all of the appropriate forms in your binder.

Step 8: Writing system documentation

While setting up a PME&R information system, it is important that the process is documented in a way which is accessible to all the NGO's staff. This will explain in detail how the system works, what decisions were taken in the design of the system, and why these decisions were taken. It will enable people who may not have been involved in the development process to use the system, and to modify the design by building on what went before. Without documentation, the system may fall into disuse when people leave. If the process has not been documented, developing the system may require having to redo a lot of the work that has already been done.

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Glossary of terms

accounting system	method or process to maintain and verify financial accounts
accuracy	the extent to which an assessment is truthful, valid or free from error in what it says about a programme or project; conforms to a standard
achievement	a positive effect determined by some type of assessment
activity	action taken or work performed within a project in order to transform inputs (for example, funds and materials) into outputs (for example, organisations and buildings)
adequate	sufficient or satisfactory but not exceptional
administration	the management of an organisation's affairs; those persons responsible for an organisation
advocacy	activity related to promoting a policy or procedure
analysis	a process of determining and interpreting the characteristics of a topic being studied
appraisal	overall assessment of the relevance, feasibility and sustainability of a project prior to making a decision on whether to undertake it
assessment	often used as a synonym for evaluation. The term is sometimes restricted to processes that are focused on quantitative approaches
attachments	additions to documents
attrition	the loss of subjects from a defined sample during the course of a longitudinal study

audience(s)	those interested in, or who will or should hear about an assessment, either during or at the end of the process. Includes people who will be guided by the assessment in making decisions and all others who have a stake in the evaluation. See stakeholders
audit	an official analysis of an organisation's financial accounts which may be conducted internally or externally; financial reassessment or review of a project or programme
awareness building	sharing information or knowledge on a topic or issue with individuals; associated with empowerment or democracy and governance
background	the contextual information that describes the reasons for the project, its goals, objectives and stakeholders' information needs
balance sheet	financial statement which compares debits and credits of an account and the entries needed to equalise these
baseline	facts about the conditions or performance of subjects before treatment or intervention
beneficiaries	the direct (intended) or indirect target group that receive benefits from a project. See stakeholders
bias	a consistent alignment with one point of view
board of directors/ trustees	(or equivalent governing body) – serves to provide overall policy direction to an organisation, ensures effective organisational planning, monitors its functioning in relation to the plan or policy direction which has been set, has oversight of its management
budgeting	the process of planning the amount of money needed or available for a specific project or period of time (for example, an annual budget)
case study	an intensive, detailed description and analysis of a single project or programme in the context of its environment
checklist approach	checklists are the principal instrument for practical evaluation: especially for

	investigating the thoroughness of implementation
civil society	in South Africa: the non-governmental and non-business sector; includes community organisations, trade unions, NGOs and churches; can also mean government, private sector and NGOs taken as whole; usually used in the context of democracy and governance
coalition	group of organisations united for a common purpose
coding	to translate a given set of data or items into computer-readable categories
collaboration	working in partnership with other NGOs, the government, or the private sector
communication	the sharing of relevant information among concerned individuals or groups
component	a physically or temporally distinct part of a whole. It is any segment that can be combined with others to make a whole
conceptual scheme	a set of concepts that generate hypotheses and simplify description
conclusions (of an evaluation)	final findings and recommendations
conflict resolution	a process to resolve opposition or differences of opinion among individuals or groups; structured methods and procedures to address and resolve disagreement or misunderstanding between individuals or groups
control group	a group that does not receive the service which is being studied. The function of a control group is to determine the extent to which the same effect occurs without the service. The control group must be closely matched to the group under study
controls	systems and procedures intended to provide financial expenditure accountability and ensure transparency
correlation	a statistical measure of the degree of relationship between variables
cost analysis	the practical process of calculating the cost of something that is being evaluated. Cost

	analysis looks at: (1) costs to whom; (2) costs of what type; and (3) costs during what period
cost-benefit analysis	a process to estimate the overall cost and benefit of each alternative product or programme
cost effectiveness	used in reference to NGO service delivery, this analysis determines what a programme or procedure costs in relation to its effectiveness. Answers the question 'Is this product or programme worth its cost?'
cost recovery	mechanisms to receive payment from the target population for service delivery; related to sustainability. See fee-for-service
criteria, criterion	a criterion (variable) is whatever is used to measure a success. Criteria is the plural form of criterion
cross-sectional study	a cross-section is a random sample of a population which is examined at one point in time
delivery system	the link between the product or service and the immediate recipient population/ community
descriptive statistics	involves summarising, tabulating, organising and graphing data for the purpose of describing objects or individuals that have been measured or observed
design	the process to specify procedures to be used to carry out an assessment
development objective	the main overall objective that the project is meant to contribute to in the long run, and which explains the reason why it is implemented
dissemination	the process of communicating information to specific audiences for the purpose of extending knowledge, and, in some cases, with a view to modifying policies and practices
diversity	referring to individual or group differences
effectiveness	a measure of the extent to which a project or programme is successful in achieving its objectives
efficiency	a measure of the 'productivity' of the implementation
equitable	fairness, impartiality related to employment

	opportunities as defined by the South African Constitution
evaluation	a systematic and independent examination of a project in order to determine its efficiency, effectiveness, impact, sustainability and the relevance of its objectives
executive report	an abbreviated report that has been tailored specifically to address the concerns and questions of a person whose function is to administer a programme or project
executive summary	a non-technical summary statement designed to provide a quick overview of the full-length report on which it is based
external evaluation	an evaluation conducted by an evaluator from outside the organisation being assessed
external factor	event, condition or decision which is necessary for project success, but which is largely or completely beyond the control of project management
external relations	interaction between an organisation and the context/environment in which it operates to ensure that it is noting and responding appropriately to the social, political, ecological, economic and other forces and events around it
extrapolate	to infer an unknown from something that is known
feasibility	the extent to which the findings of an assessment are appropriate and practical for implementation
fee-for-service	a fee charged for a service provided by an NGO; usually associated with income-generating activities
field test	the study of a programme or project in settings like those where it is to be used
financial control	methods to oversee and verify expenditures
financial resources	resources for purchasing goods and services required to carry out activities; it includes recording and accounting for financial transactions, and monitoring and reporting on financial status. It involves adequate resources, necessary cash flow, a diverse

	resource base and long-term plans for meeting resource needs
flow chart	a graphic representation of a set of decisions set up to guide the management and assessment of projects
focus group	a group selected for its relevance to an assessment that engages in facilitated discussions designed to share insights, ideas and observations on the topic of interest
funder	a source of financial or material assistance; could be government, international donors or private sector donors
goal	see development objective
governance	the provision of leadership and direction to an organisation; usually associated with a board
government collaboration	working jointly or co-operating with government agencies or representatives
grievance procedures	policies and procedures to address unfair personnel practices
human resources	include management, staff, members, volunteers, constituents, donors and board members who have skills, motivation and opportunity to contribute to an organisation
human resource development	involves acquiring and applying relevant skills and knowledge, as well as appropriate values and proper attitudes, among members of an organisation
impact	the positive or negative change produced, directly or indirectly, as the result of a programme or project
impact evaluation	an evaluation focused on the differences made by interventions
implementation planning	the translation of long-term strategies into specific objectives and activities for specified time periods such as a programme or financial year. It is based on reviews of outcomes of previous planning, assessment of resource availability, and contextual analysis
income generation	money received from activities or investments which may then be used for further activities; indicates initiative on the part of an NGO and is related to sustainability

indicator	a measure factor which tells an organisation whether it is achieving its goals and objectives
input	the funds, personnel, materials of a project which are necessary to produce the intended output
institutional development	changes that are sought in social structures and the patterns and arrangements of society; the context in which the NGO community functions
instrument	an assessment device adopted, adapted or constructed for the purpose of assessment
internal evaluator	an evaluator who is a member of an organisation's project staff
inventory	a detailed list and record of goods and materials such as stocks, merchandise and furniture
leadership	that which fosters involvement and participation of the membership/community served by an organisation. Formally, it is composed of management and a board/ trustees who articulate and maintain direction
legal status	whether or not an organisation is a legal entity and conforms to the laws governing its creation and operation within a specific country
local resources	local means to achieve or fulfil objectives that can be drawn on in the context of an organisation's activities
log frame	(1) a management tool which facilitates planning, execution and evaluation of a project (2) the summary of a project in the form of a matrix that remains valid during project implementation but can be modified
longitudinal study	a study in which the effect of an influence on a particular group is investigated over a substantial period of time
management systems	the mechanisms intended to co-ordinate activities and facilitate processes within an organisation
marketing	addressing the needs and preferences of stakeholders
matrix	an arrangement of rows and columns used to

	display components included in an assessment design
mean	also called ‘average’. For a collection of raw data, the mean is obtained by adding all scores and dividing by the number of subjects
measurement	determination of the magnitude of a quantity
media	printed and electronic means by which information is conveyed to the public
median	the point in a distribution which divides the group into two, as nearly as possible
mission	the overall goal which an organisation hopes to achieve through its activities
mode	the value which occurs more often than any other. If all scores occur with the same frequency, there is no mode; if the two highest scores occur with the same frequency, there are two modes
monitoring	continuous or periodic observation of the implementation of a project to ensure that inputs, activities, outputs and external factors are proceeding according to plan
monitoring, evaluation and reporting system	a manual or electronic system for collecting and analysing data to integrate into implementation planning, decision making and reporting of results/achievements to appropriate stakeholders
needs assessment	identification of anything essential for a satisfactory level of existence
network	individuals or groups of individuals linked formally or informally in a common purpose; most often associated with information exchange
norm	a single value, or a distribution of values, constituting the typical performance of a given group
objective	a specific description of an intended outcome
objectivity	a rational, unbiased manner by which judgments are made and conclusions drawn
observation	the process of directly watching or carefully noticing an activity or individual behaviour

organisational culture	the manner in which an organisation learns to perceive, think, feel about and respond to situations affecting its purpose, programme and operations. It is based on the history, experiences, traditions, language and values shared by members
organisational development	an ongoing process to optimise an organisation's performance in relation to its goals, resources, and environment
outcome	post-intervention effects
output	the results of a project that can be expected as a consequence of its activities
ownership	a sense among stakeholders that a project belongs to them and not outsiders
paradigm	an example, pattern, or model that serves as an explanation and may be influential in shaping its development
personnel	a body of employees involved in planning/ carrying out an organisation's activities
partners	those sharing in an activity or project, including beneficiaries, recipients, stakeholders and the community
planning	the process of detailing and formulating how something is to be done
phasing-out strategy	a structured temporal plan to withdraw support; usually related to donors or external NGOs
process evaluation	refers to the evaluation of the intervention. It focuses entirely on the variables between input and output
procurement	purchasing goods in a systematic and methodical way; implies accountability
product	a process or product resulting from an intervention
programme	a plan of action or events which identifies staff and related activities or projects leading toward defined and funded goals
project	a planned undertaking designed to achieve certain specific objectives within a given budget and within a specified period of time
project matrix	a summary of project design which identifies the key elements, external factors and expected consequences of completing the project successfully

public relations	the maintenance and promotion of a favourable public image
qualitative evaluation	the part of an evaluation that is primarily descriptive and interpretative which may or may not lend itself to quantitative treatment
quantitative evaluation	an approach involving the use of numerical measurements and data analysis based on statistical methods
recipient (or beneficiary)	see stakeholder/community
recourse procedures	see grievance procedures
recommendations	suggestions for specific appropriate actions based upon analytic approaches to the programme components
relevance	the degree to which the rationale and objectives of a project are, or remain, pertinent, significant and worthwhile in relation to the identified priority needs
replication	repeated interventions in which all essentials remain unchanged. Replications are often difficult to assess because of changes in design or execution; often used in reference to sustainability
report	an oral, written or visual presentation and description or account of activities
reporting	the act of making a report
research	the general field of disciplined investigation
resources	includes financial, human and material resources; could include contributions from private sector, government or community, as well as income and assets from non-donor sources
resource base	the means available for an organisation to achieve its objectives
result	see output
risk management	a process of using mechanisms to protect an organisation against misuse and abuse of resources
secondary data analysis	a re-analysis of data using the same or other appropriate procedures to verify the accuracy of the results of the initial analysis or for answering different questions

sector	grouping of an area of activity, for example, the NGO sector, health sector or natural resources management sector
sectoral expertise	the area or field (for example, health, agriculture or environment) in which an organisation has gained skill or knowledge
service delivery	the programmes and services carried out by NGOs that are appropriate, cost-effective and of good quality
significance	overall significance represents the total synthesis of all you have learned about the merit or worth of the programme or project. This is different from statistical significance
staff development	effective application of theoretical training to practice. Application of theory is enhanced when regular guided technical application (mentoring) is provided as follow-on support to individuals and organisations
staff roles	the effective functions of individual members of an organisation
stakeholders/ community	anyone who has credibility, power or other capital invested in the project. See partners
statistic	a summary number that is typically used to describe a characteristic of a sample
strategy	a systematic plan of action to reach pre-defined goals
strategic planning	the process of refining a vision and mission and determining the long-term strategies an NGO will follow to achieve its mission
summary	a short re-statement of the main points of a report
supervision	the structured, systematic and regular oversight or assessment of an individual or organisation; related to human resources development
sustainability	the extent to which local partners will continue to pursue objectives or provide services after the project is over. It involves programmes, institutions, resources, and funding
system	a set of connected elements or components that form a whole or work together; a set of rules, principles or practices forming a theory or organisation

target group	the specific group for whose benefit the project or programme is undertaken; closely related to impact and relevance; also referred to as beneficiaries, recipients, community stakeholders
targets	planned quantifiable levels or degrees of attainment of results within a specific time frame
tender	formal competitive offer to supply goods or services or carry out work at a fixed price
timely	referring to service delivery; occurring at the right time and appropriate to expressed needs of stakeholders
training	seeks to improve individual or group understanding of their roles in relation to the organisation's mission; enhances their ability to respond more effectively through the acquisition of new skills
transparency	the extent to which an NGO conducts its affairs in a manner which is clear and easily understood by all stakeholders
treatment	whatever is being investigated; in particular, whatever is being applied or supplied to, or done by, the group under assessment
triangulation	an attempt to describe a phenomenon or measurement by approaching it in several different ways. Despite the name, triangulation may involve more than three approaches
unanticipated outcomes	a result of a programme that was unexpected. Often used as a synonym for side-effects but only a loose equivalent
utilisation (of evaluation findings)	'use' and 'impact' are terms used as substitutes for utilisation; sometimes seen as the equivalent of implementation, but this applies only to evaluations which contain recommendations
validity	the soundness of the use and interpretation of a measure
work organisation	the systematic assignment of tasks and responsibilities

Appendix 1: Input Category Coding Sheet

Input Category Coding Sheet

Project: ______________________________

Funds	Materials / equipment		Technical assistance		Training	
Ref	Ref	Category	Ref	Category	Ref	Category
					Page	

Appendix 2: Input Tracking Form – Funds

Input Tracking Form – Funds

Organisation: ______________________________

		Date(s)		Funds	Advance	Expenses accounted for	Outstanding advance	Funds available
Ref	Description	From	To	Value (a) (R)	Value (b) (R)	Value (c) (R)	Value (b-c) (R)	Value (a-b) (R)

Page

Appendix 3: Input Tracking Form – Materials/Equipment

Input Tracking Form – Materials/Equipment

Project: ______________________________

Organisation: ______________________________

			Date(s)		Materials/Equipment
Ref	Category	Description	From	To	Value (R)

Appendix 4: Input Tracking Form – Technical Assistance

Input Tracking Form – Technical Assistance

Project: ____________________

Organisation: ____________

			Date(s)		Provider(s)	Technical assistance	Technical assistance
Ref	Category	Description	From	To		LOE P/D*	Value (R)

* level of effort person-days

Page

Appendix 5: Input Tracking Form – Training

Input Tracking Form – Training

Project: ______________________

Activity: ______________________

Organisation: ______________________

			Date(s)		Training participants	Training participants	Training participants	Training participants
Ref	Category	Description	From	To	Men (a)	Women (b)	Total (a+b)	Value (R)

Page

Appendix 6: Input Monitoring Report Sheet

Input Monitoring Report Sheet

	Date	Funds Value (R)	Material/equipment Value (R)	Technical assistance LOE/PD*	Technical assistance Value (R)	Training participants Men	Training participants Women	Training participants Total	Training participants Value (R)
Target inputs levels									
Actual inputs levels									

* level of effort person-days

Page

Appendix 7:

OCAT Rating Sheet

Pact Organisational Capacity Assessment Tool: Rating Sheet	
Name of NGO:	
Date of 1st assessment:	**Conducted by:**
Date of 2nd assessment	**Conducted by:**

	1st assessment	2nd assessment
A. GOVERNANCE		
1. Board		
a. Board provides overall policy direction and…		
b. Board provides accountability and credibility.		
c. Board is capable of carrying out key roles…		
d. Board is composed of committed…		
e. Mechanisms are in place for obtaining…		
f. Board executes its role of advocate…		
2. Mission/goals		
a. NGO has clearly articulated mission…		
b. NGO' s mission is understood by all the…		
c. Strategies are aligned with mission, …		
d. Strategies take the form of clear…		
e. Implementation plans are jointly…		
3. Legal status		
a. NGO is registered according to…		
b. NGO benefits from the financial and…		
4. Stakeholders		
a. NGO is able to identify key…		
b. There is recognition of the stakeholders…		
c. Results of stakeholder needs…		
d. Stakeholders are involved in the review of …		
5. Leadership		
a. Board and senior management have…		
b. Leadership style of senior management…		
c. Senior management is accountable…		
d. Leadership is accessible to all…		

	1st assessment	2nd assessment
B. MANAGEMENT PRACTICES		
1. Organisational structure and culture		
a. NGO has an organisational structure…		
b. Management policies are in place to ensure…		
c. Management policies reflect equality…		
d. Systems are in place for regular measure…		
e. Systems are in place to ensure appropriate…		
f. NGO has policies and procedures in…		
2. Planning		
a. Inputs from appropriate stakeholders…		
b. Implementation plans reflect a strategic…		
c. Implementation plans are updated.		
d. Resources are planned for and allocated…		
e. Flexibility exists to adjust plans as a…		
3. Personnel		
a. Selection criteria for staff are in place.		
b. Recruitment process is clearly defined.		
c. Recruitment processes are transparent…		
d. Job descriptions are clearly defined.		
e. Staff is deployed according to job…		
f. Management encourages mutual…		
g. Recourse procedures for staff exist.		
4. Programme development		
a. Stakeholders and staff are involved…		
b. Programme design incorporates…		
c. Programme modifications reflect use…		
5. Administrative procedures		
a. Administrative procedures and…		
b. Administrative procedures are…		
c. Procedures and operating manuals…		

	1st assessment	2nd assessment
B. MANAGEMENT PRACTICES		
6. Risk management		
a. Systems are in place to minimise…		
b. Regular audit of inventory is conducted.		
c. Annual external audit report includes a…		
d. Recommendations on management…		
7. Information systems		
a. Systems exist to collect, analyse and…		
b. Trained personnel are in place to manage…		
c. Systems are used to process, disseminate…		
8. Programme reporting		
a. NGO has the ability to produce…		
b. NGO regularly prepares activity…		
c. NGO regularly prepares evaluation…		
d. NGO publishes and disseminates…		
e. Report formats are flexible, varied…		
C. HUMAN RESOURCES		
1. Human resources development		
a. Human resources development…		
b. Staff training is based on capacity…		
c. Opportunities exist to integrate…		
d. Job appraisals are performance based…		
e. Job promotions are performance based…		
f. Personnel policies reflect equality as…		
2. Human resources management		
a. Job descriptions are documented…		
b. Job descriptions are respected.		
c. Clearly established links exist…		
d. Salaries are clearly structured and…		
e. Benefits policy is documented and…		
f. NGO conforms to standard tax and…		
g. Supervision occurs on a regular basis.		
h. Grievance and conflict resolution…		
i. Health and safety policy is in place.		

	1st assessment	2nd assessment
C. HUMAN RESOURCES		
3. Work organisation		
a. Staff meetings are held regularly…		
b. Staff participates in management…		
c. Team work is encouraged.		
d. Information is shared freely among…		
e. Staff are encouraged to take initiative…		
4. Diversity		
a. Diversity of the community is reflected…		
D. FINANCIAL RESOURCES		
1. Accounting		
a. Financial procedures and reporting…		
b. Account categories exist for…		
2. Budgeting		
a. Budgeting process is integrated into…		
b. Financial unit responsible for the…		
c. Annual financial projections are…		
d. Annual budget is implemented.		
e. Budget is controlled on an ongoing…		
3. Stock control		
a. Stock control systems exist.		
b. Stock controls are followed.		
c. Procurement systems are in place.		
d. Procurement systems are being used.		
e. Internal audits are conducted on a regular…		
f. External audits are conducted on a regular…		
g. Expenses by sector are controlled.		
4. Financial reporting		
a. Annual financial report is prepared by a…		
b. Report includes a balance sheet.		
c. Report includes attachments.		
d. Report is reviewed by the fiscal…		
e. Report is used for planning and review…		
f. Annual financial report is published and…		

	1st assessment	2nd assessment
D. FINANCIAL RESOURCES		
5. Diversification of income base		
a. NGO has multiple funders.		
b. A cost recovery/income generation plan…		
c. NGO has the ability to tender for contracts.		
d. NGO has a strategy to diversify funding…		
E. SERVICE DELIVERY		
1. Sectoral expertise		
a. Relevant sectoral expertise exists…		
b. Expertise is recognised by the full range…		
c. NGO is capable of adapting programme…		
2. Stakeholder commitment/ownership		
a. Programme priorities are based on…		
b. Programme priorities and services are…		
c. Programmes are efficient, adequate…		
3. Assessment		
a. Collaborative development of indicators.		
b. Indicators have been identified for each…		
c. Baseline and impact data are analysed…		
d. Results of impact evaluations are used to…		
e. Results are disseminated as appropriate…		
4. Marketing and awareness building		
a. Programmes are actively marketed to…		
b. Organisation actively educates and builds…		
F. EXTERNAL RELATIONS		
1. Stakeholder relations		
a. NGO is seen as credible by stakeholders.		
b. NGO is seen as a valuable resource by…		
c. NGO-stakeholder relationship is…		
2. Inter-NGO collaboration		
a. NGO networks and shares resources…		
b. NGO plays a role in promoting coalitions…		
c. NGO participates in advocacy activities.		

	1st assessment	2nd assessment
F. EXTERNAL RELATIONS		
3. Government collaboration		
a. NGO has contacts with decision makers.		
b. NGO is able to engage policy makers...		
c. Exchange of resources occurs between...		
d. NGO activities and recommendations are...		
4. Funder collaboration		
a. NGO has diversified contacts within...		
b. NGO is seen as credible by funders.		
c. NGO is seen as a valuable resource...		
d. NGO has opportunity to engage in open...		
5. Public relations		
a. NGO engages in public relations.		
b. NGO' s objectives and goals are understood...		
c. NGO has a positive image among...		
d. Information is disseminated on the NGO's..		
6. Local resources		
a. NGO has relations with the private sector...		
b. NGO participates in community...		
c. Structures are in place to facilitate working...		
7. Media		
a. NGO has a strategy to work with the media.		
b. NGO has attracted positive...		
c. Media consults the NGO on relevant issues.		
G. SUSTAINABILITY		
1. Programme/benefit sustainability		
a. Programmes are supported by those being...		
b. Sense of ownership of benefits by the...		
c. Programme activities can continue due...		
d. NGO has developed systems for...		
e. NGO has developed programmatic...		
f. NGO ensures that local level skills...		

	1st assessment	2nd assessment
G. SUSTAINABILITY		
2. Organisational sustainability		
a. NGO has a shared vision of its role…		
b. NGO is a member of key NGO…		
c. NGO shares information in a proactive…		
d. NGO is a participant in a dynamic…		
e. NGO has linkages with international…		
f. NGO has capacity to review structures…		
g. NGO is aware of legislation affecting…		
h. NGO influences NGO-enabling…		
3. Financial sustainability		
a. NGO has the ability to access diversified…		
b. NGO has a fee for services and / or other…		
c. NGO has a fund raising strategy.		
d. NGO has capacity to implement the…		
e. Local fund raising opportunities have…		
f. NGO has capacity to develop proposals…		
4. Resource base sustainability		
a. Local resource base has been identified.		
b. Resource diversification plan is in action.		
c. Plans to access additional resources to…		

Appendix 8:
OCAT Rating Report

South African NGO Organisational Capacity Assessment Tool Rating Report	
Name of NGO:	
Date of assessment:	
Conducted by:	
Rating scale:	
Not applicable or sufficient information is not available to assess element	
Needs urgent attention	■
Needs major improvement	■ ■
Needs improvement on a wide scale	■ ■ ■
Needs improvement in limited aspects	■ ■ ■ ■
Acceptable, room for some improvement	■ ■ ■ ■ ■
Acceptable, needs maintaining	■ ■ ■ ■ ■ ■

A. GOVERNANCE	
1. Board	
a. Board provides overall policy direction and oversight	
b. Board provides accountability and credibility	
c. Board is capable of carrying out key roles such as policy formulation, fund raising, public relations, financial oversight and lobbying	
d. Board is composed of committed members who represent the varied interests of the stakeholders	
e. Mechanisms are in place for obtaining appropriate input from stakeholders	
f. Board executes its role of advocate for the community	
2. Mission/goals	
a. NGO has clearly articulated mission/goals	
b. NGO' s mission is understood by all the stakeholders	
c. Strategies are aligned with mission	
d. Strategies take the form of clear objective statements as to how they can be achieved	
e. Implementation plans are jointly developed by senior management, staff and other appropriate stakeholders	
3. Legal status	
a. NGO is registered according to relevant legislation	
b. NGO benefits from the financial and legal status permissible under South African law	
4. Stakeholders	
a. NGO is able to identify key stakeholders	
b. There is recognition of the stakeholders as partners	
c. Results of stakeholder needs assessments are integrated into the planning process	
d. Stakeholders are involved in the review of NGO's mission and strategies	
5. Leadership	
a. Board and senior management have a clear understanding of their respective roles and responsibilities as providers of overall direction	
b. Leadership style of senior management is participatory	
c. Senior management is accountable to key stakeholders	
d. Leadership is accessible to all stakeholders	

B. MANAGEMENT PRACTICES	
1. Organisational structure and culture	
a. NGO has an organisational structure with clearly defined lines of authority and responsibility	
b. Management policies are in place to ensure regular audits of organisational development	
c. Management policies reflect equality as defined in the South African Constitution	
d. Systems are in place for regular measure of congruence between stated mission and operating culture	
e. Systems are in place to ensure appropriate involvement of all levels of staff in decision making	
f. NGO has policies and procedures in place to ensure mutual accountability to key stakeholders	
2. Planning	
a. Inputs from appropriate stakeholders are taken into account during planning	
b. Implementation plans reflect a strategic plan	
c. Implementation plans are updated	
d. Resources are planned for and allocated properly	
e. Flexibility exists to adjust plans as a result of the monitoring process	
3. Personnel	
a. Selection criteria for staff are in place	
b. Recruitment process is clearly defined	
c. Recruitment processes are transparent and competitive	
d. Job descriptions are clearly defined	
e. Staff is deployed according to job descriptions	
f. Management encourages mutual respect among staff	
g. Recourse procedures for staff exist	
4. Programme development	
a. Stakeholders and staff are involved in programme design, implementation, monitoring and evaluation	
b. Programme design incorporates monitoring, evaluation and reporting activities	
c. Programme modifications reflect use of monitoring, evaluation and reporting findings	

B. MANAGEMENT PRACTICES	
5. Administrative procedures	
a. Administrative procedures and manual exist	
b. Administrative procedures are adhered to	
c. Procedures and operating manuals are updated	
6. Risk management	
a. Systems are in place to minimise organisational abuses	
b. Regular audit of inventory is conducted	
c. Annual external audit reports include a review of management practices	
d. Recommendations on management practices in annual external audit reports are implemented	
7. Information systems	
a. Systems exist to collect, analyse and report data and information	
b. Trained personnel are in place to manage information systems	
c. Systems are used to process, disseminate and solicit feedback of information	
8. Programme reporting	
a. NGO has the ability to produce appropriate reports	
b. NGO regularly prepares activity reports	
c. NGO regularly prepares evaluation reports	
d. NGO publishes and disseminates information on its operations	
e. Report formats are flexible, varied and respond to stakeholder information requirements	
C. HUMAN RESOURCES	
1. Human resources development	
a. Human resources development planning is in place	
b. Staff training is based on capacity, needs and strategic objectives	
c. Opportunities exist to integrate skills acquired in training into the work environment	
d. Job appraisals are performance-based and equitable	
e. Job promotions are performance-based and equitable	
f. Personnel policies reflect equality as defined in the South African Constitution	

C. HUMAN RESOURCES	
2. Human resources management	
a. Job descriptions are documented and updated	
b. Job descriptions are respected	
c. Clearly established links exist between staff capacity and the NGO's mission	
d. Salaries are clearly structured and competitive	
e. Benefits policy is documented and implemented	
f. NGO conforms to standard tax and labour regulations and requirements	
g. Supervision occurs on a regular basis	
h. Grievance and conflict resolution procedures are used when necessary	
i. Health and safety policy is in place	
3. Work organisation	
a. Staff meetings are held regularly	
b. Staff participates in management decisions	
c. Team work is encouraged	
d. Information is shared freely among all staff members	
e. Staff are encouraged to take initiative and be self-motivated	
4. Diversity	
a. Diversity of the community is reflected in the composition of the board and staff	
D. FINANCIAL RESOURCES	
1. Accounting	
a. Financial procedures and reporting systems are in place	
b. Account categories exist for separating project funds	
2. Budgeting	
a. Budgeting process is integrated into annual implementation plans	
b. Financial unit responsible for the preparation, management and implementation of the annual budget exists	
c. Annual financial projections are made	
d. Annual budget is implemented	
e. Budget is controlled on an ongoing basis	

D. FINANCIAL RESOURCES	
3. Stock control	
a. Stock control systems exist	
b. Stock controls are followed	
c. Procurement systems are in place	
d. Procurement systems are being used	
e. Internal audits are conducted on a regular basis	
f. External audits are conducted on a regular basis	
g. Expenses by sector are controlled	
4. Financial reporting	
a. Annual financial report is prepared by a registered firm of auditors	
b. Report includes a balance sheet	
c. Report includes attachments	
d. Report is reviewed by the fiscal committee of the board	
e. Report is used for planning and review purposes	
f. Annual financial report is published and disseminated	
5. Diversification of income base	
a. NGO has multiple funders	
b. A cost recovery/income generation plan is in place	
c. NGO has the ability to tender for contracts	
d. NGO has a strategy to diversify funding sources	
E. SERVICE DELIVERY	
1. Sectoral expertise	
a. Relevant sectoral expertise exists within the organisation	
b. Expertise is recognised by the full range of stakeholders	
c. NGO is capable of adapting programme and service delivery to changing needs of stakeholders	
2. Stakeholder commitment/ownership	
a. Programme priorities are based on actual need	
b. Programme priorities and services are defined in collaboration with stakeholders	
c. Programmes are efficient, adequate, cost effective, timely	

E. SERVICE DELIVERY	
3. Assessment	
a. Collaborative development of indicators	
b. Indicators have been identified for each programme objective	
c. Baseline and impact data are analysed regularly	
d. Results of impact evaluations are used to make adjustments to the programme	
e. Results are disseminated as appropriate / relevant	
4. Marketing and awareness building	
a. Programmes are actively marketed to stakeholders	
b. Organisation actively educates and builds awareness among stakeholders	
F. EXTERNAL RELATIONS	
1. Stakeholder relations	
a. NGO is seen as credible by stakeholders	
b. NGO is seen as a valuable resource by stakeholders	
c. NGO-stakeholder relationship is one of partnership for a common purpose	
2. Inter-NGO collaboration	
a. NGO networks and shares resources with national and international NGOs	
b. NGO plays a role in promoting coalitions / networks	
c. NGO participates in advocacy activities	
3. Government collaboration	
a. NGO has contacts with decision makers	
b. NGO is able to engage policy makers in dialogue	
c. Exchange of resources occurs between NGO and government	
d. NGO activities and recommendations are integrated into government's development plans	
4. Funder collaboration	
a. NGO has diversified contacts within the funding community	
b. NGO is seen as credible by funders	
c. NGO is seen as a valuable resource by funders	
d. NGO has opportunity to engage in open and frank dialogue with funders	

F. EXTERNAL RELATIONS	
5. Public relations	
a. NGO engages in public relations	
b. NGO's objectives and goals are understood by stakeholders	
c. NGO has a positive image among stakeholders	
d. Information is disseminated on the NGO' s activities	
6. Local resources	
a. NGO has relations with the private sector for technical expertise, material and / or human resources	
b. NGO participates in community partnerships	
c. Structures are in place to facilitate working relations between NGO and civil society	
7. Media	
a. NGO has a strategy to work with the media	
b. NGO has attracted positive media attention	
c. Media consults the NGO on relevant issues	
G. SUSTAINABILITY	
1. Programme / benefit sustainability	
a. Programmes are supported by those being served	
b. Sense of ownership of benefits by the community	
c. Programme activities can continue due to changes in community	
d. NGO has developed systems for continuation of its programme in the medium and long-term	
e. NGO has developed programmatic phasing-out strategies	
f. NGO ensures that local level skills transfer takes place	
2. Organisational sustainability	
a. NGO has a shared vision of its role in society	
b. NGO is a member of key NGO networks	
c. NGO shares information in a proactive manner	
d. NGO is a participant in a dynamic development arena	
e. NGO has linkages with international NGOs, education institutions, government entities, research institutes, parastatals, civic institutions and the private sector	
f. NGO has capacity to review structures in response to organisational development needs	
g. NGO is aware of legislation affecting the NGO sector	
h. NGO influences NGO-enabling environment	

G. SUSTAINABILITY						
3. Financial sustainability						
a. NGO has the ability to access diversified resources to contribute to its activities						
b. NGO has a fee for services and / or other cost recovery mechanisms built into service delivery where appropriate						
c. NGO has a fund raising strategy						
d. NGO has capacity to implement the fund raising strategy						
e. Local fund raising opportunities have been identified						
f. NGO has capacity to develop proposals and respond to tenders						
4. Resource base sustainability						
a. Local resource base has been identified						
b. Resource diversification plan is in action						
c. Plans to access additional resources to finance activities exist						

Appendix 9: OCAT Summary Sheet

OCAT Summary Sheet

Organisation: ______________________________

		OCAT Date	Governance	Management practices	Human resources	Financial resources	Service delivery	External relations	Sustainability
Ref	Organisation name								

Page

Appendix 10: OCAT Graph Report Sheet

OCAT Graph Report Sheet for:

	Nascent	Emerging	Expanding	Mature
Sustainability				
External relations				
Service delivery				
Financial resources				
Human resources				
Management practices				
Governance				

Appendix 11:
OCAT Assessment Sheet

South African NGO Organisational Capacity Assessment Tool Assessment Sheet	
Name of NGO:	
Date of assessment:	
Conducted by:	
Rating scale	
⓪	Not applicable or sufficient information is not available to assess element
①	Needs urgent attention
②	Needs major improvement
③	Needs improvement on a wide scale
④	Needs improvement in limited aspects
⑤	Acceptable, room for some improvement
⑥	Acceptable, needs maintaining

A. GOVERNANCE	
1. Board	
a. Board provides overall policy direction and oversight	⓪ ① ② ③ ④ ⑤ ⑥
b. Board provides accountability and credibility	⓪ ① ② ③ ④ ⑤ ⑥
c. Board is capable of carrying out key roles such as policy formulation, fund raising, public relations, financial oversight and lobbying	⓪ ① ② ③ ④ ⑤ ⑥
d. Board is composed of committed members who represent the varied interests of the stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
e. Mechanisms are in place for obtaining appropriate input from stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
f. Board executes its role of advocate for the community	⓪ ① ② ③ ④ ⑤ ⑥
2. Mission/goals	
a. NGO has clearly articulated mission/goals	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO's mission is understood by all the stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
c. Strategies are aligned with mission	⓪ ① ② ③ ④ ⑤ ⑥
d. Strategies take the form of clear objective statements as to how they can be achieved	⓪ ① ② ③ ④ ⑤ ⑥
e. Implementation plans are jointly developed by senior management, staff and other appropriate stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
3. Legal status	
a. NGO is registered according to relevant legislation	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO benefits from the best financial and legal status permissible under South African law	⓪ ① ② ③ ④ ⑤ ⑥
4. Stakeholders	
a. NGO is able to identify key stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
b. There is recognition of the stakeholders as partners	⓪ ① ② ③ ④ ⑤ ⑥
c. Results of stakeholder needs assessments are integrated into the planning process	⓪ ① ② ③ ④ ⑤ ⑥
d. Stakeholders are involved in the review of NGO's mission and strategies	⓪ ① ② ③ ④ ⑤ ⑥
5. Leadership	
a. Board and senior management have a clear understanding of their respective roles and responsibilities as providers of overall direction	⓪ ① ② ③ ④ ⑤ ⑥
b. Leadership style of senior management is participatory	⓪ ① ② ③ ④ ⑤ ⑥
c. Senior management is accountable to key stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
d. Leadership is accessible to all stakeholders	⓪ ① ② ③ ④ ⑤ ⑥

B. MANAGEMENT PRACTICES	
1. Organisational structure and culture	
a. NGO has an organisational structure with clearly defined lines of authority and responsibility	⓪ ① ② ③ ④ ⑤ ⑥
b. Management policies are in place to ensure regular audits of organisational development	⓪ ① ② ③ ④ ⑤ ⑥
c. Management policies reflect equality as defined in the South African Constitution	⓪ ① ② ③ ④ ⑤ ⑥
d. Systems are in place for regular measure of congruence between stated mission and operating culture	⓪ ① ② ③ ④ ⑤ ⑥
e. Systems are in place to ensure appropriate involvement of all levels of staff in decision making	⓪ ① ② ③ ④ ⑤ ⑥
f. NGO has policies and procedures in place to ensure mutual accountability to key stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
2. Planning	
a. Inputs from appropriate stakeholders are taken into account during planning	⓪ ① ② ③ ④ ⑤ ⑥
b. Implementation plans reflect a strategic plan	⓪ ① ② ③ ④ ⑤ ⑥
c. Implementation plans are updated	⓪ ① ② ③ ④ ⑤ ⑥
d. Resources are planned for and allocated properly	⓪ ① ② ③ ④ ⑤ ⑥
e. Flexibility exists to adjust plans as a result of the monitoring process	⓪ ① ② ③ ④ ⑤ ⑥
3. Personnel	
a. Selection criteria for staff are in place	⓪ ① ② ③ ④ ⑤ ⑥
b. Recruitment process is clearly defined	⓪ ① ② ③ ④ ⑤ ⑥
c. Recruitment processes are transparent and competitive	⓪ ① ② ③ ④ ⑤ ⑥
d. Job descriptions are clearly defined	⓪ ① ② ③ ④ ⑤ ⑥
e. Staff is deployed according to job descriptions	⓪ ① ② ③ ④ ⑤ ⑥
f. Management encourages mutual respect among staff	⓪ ① ② ③ ④ ⑤ ⑥
g. Recourse procedures for staff exist	⓪ ① ② ③ ④ ⑤ ⑥
4. Programme development	
a. Stakeholders and staff are involved in programme design, implementation, monitoring and evaluation	⓪ ① ② ③ ④ ⑤ ⑥
b. Programme design incorporates monitoring, evaluation and reporting activities	⓪ ① ② ③ ④ ⑤ ⑥
c. Programme modifications reflect use of monitoring, evaluation and reporting findings	⓪ ① ② ③ ④ ⑤ ⑥

B. MANAGEMENT PRACTICES	
5. Administrative procedures	
a. Administrative procedures and manual exist	⓪ ① ② ③ ④ ⑤ ⑥
b. Administrative procedures are adhered to	⓪ ① ② ③ ④ ⑤ ⑥
c. Procedures and operating manuals are updated	⓪ ① ② ③ ④ ⑤ ⑥
6. Risk management	
a. Systems are in place to minimise organisational abuses	⓪ ① ② ③ ④ ⑤ ⑥
b. Regular audit of inventory is conducted	⓪ ① ② ③ ④ ⑤ ⑥
c. Annual external audit reports include a review of management practices	⓪ ① ② ③ ④ ⑤ ⑥
d. Recommendations on management practices in annual external audit reports are implemented	⓪ ① ② ③ ④ ⑤ ⑥
7. Information systems	
a. Systems exist to collect, analyse and report data and information	⓪ ① ② ③ ④ ⑤ ⑥
b. Trained personnel are in place to manage information systems	⓪ ① ② ③ ④ ⑤ ⑥
c. Systems are used to process, disseminate and solicit feedback of information	⓪ ① ② ③ ④ ⑤ ⑥
8. Programme reporting	
a. NGO has the ability to produce appropriate reports	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO regularly prepares activity reports	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO regularly prepares evaluation reports	⓪ ① ② ③ ④ ⑤ ⑥
d. NGO publishes and disseminates information on its operations	⓪ ① ② ③ ④ ⑤ ⑥
e. Report formats are flexible, varied and respond to stakeholder information requirements	⓪ ① ② ③ ④ ⑤ ⑥
C. HUMAN RESOURCES	
1. Human resources development	
a. Human resources development planning is in place	⓪ ① ② ③ ④ ⑤ ⑥
b. Staff training is based on capacity, needs and strategic objectives	⓪ ① ② ③ ④ ⑤ ⑥
c. Opportunities exist to integrate skills acquired in training into the work environment	⓪ ① ② ③ ④ ⑤ ⑥
d. Job appraisals are performance based and equitable	⓪ ① ② ③ ④ ⑤ ⑥
e. Job promotions are performance based and equitable	⓪ ① ② ③ ④ ⑤ ⑥
f. Personnel policies reflect equality as defined in the South African Constitution	⓪ ① ② ③ ④ ⑤ ⑥

C. HUMAN RESOURCES	
2. Human resources management	
a. Job descriptions are documented and updated	⓪ ① ② ③ ④ ⑤ ⑥
b. Job descriptions are respected	⓪ ① ② ③ ④ ⑤ ⑥
c. Clearly established links exist between staff capacity and the NGO mission	⓪ ① ② ③ ④ ⑤ ⑥
d. Salaries are clearly structured and competitive	⓪ ① ② ③ ④ ⑤ ⑥
e. Benefits policy is documented and implemented	⓪ ① ② ③ ④ ⑤ ⑥
f. NGO conforms to standard tax and labour regulations and requirements	⓪ ① ② ③ ④ ⑤ ⑥
g. Supervision occurs on a regular basis	⓪ ① ② ③ ④ ⑤ ⑥
h. Grievance and conflict resolution procedures are used when necessary	⓪ ① ② ③ ④ ⑤ ⑥
i. Health and safety policy is in place	⓪ ① ② ③ ④ ⑤ ⑥
3. Work organisation	
a. Staff meetings are held regularly	⓪ ① ② ③ ④ ⑤ ⑥
b. Staff participates in management decisions	⓪ ① ② ③ ④ ⑤ ⑥
c. Team work is encouraged	⓪ ① ② ③ ④ ⑤ ⑥
d. Information is shared freely among all staff members	⓪ ① ② ③ ④ ⑤ ⑥
e. Staff are encouraged to take initiative and be self-motivated	⓪ ① ② ③ ④ ⑤ ⑥
4. Diversity	
a. Diversity of the community is reflected in the composition of the board and staff	⓪ ① ② ③ ④ ⑤ ⑥
D. FINANCIAL RESOURCES	
1. Accounting	
a. Financial procedures and reporting systems are in place	⓪ ① ② ③ ④ ⑤ ⑥
b. Account categories exist for separating project funds	⓪ ① ② ③ ④ ⑤ ⑥
2. Budgeting	
a. Budgeting process is integrated into annual implementation plans	⓪ ① ② ③ ④ ⑤ ⑥
b. Financial unit responsible for the preparation, management and implementation of the annual budget exists	⓪ ① ② ③ ④ ⑤ ⑥
c. Annual financial projections are made	⓪ ① ② ③ ④ ⑤ ⑥
d. Annual budget is implemented	⓪ ① ② ③ ④ ⑤ ⑥
e. Budget is controlled on an ongoing basis	⓪ ① ② ③ ④ ⑤ ⑥

D. FINANCIAL RESOURCES	
3. Stock control	
a. Stock control systems exist	⓪ ① ② ③ ④ ⑤ ⑥
b. Stock controls are followed	⓪ ① ② ③ ④ ⑤ ⑥
c. Procurement systems are in place	⓪ ① ② ③ ④ ⑤ ⑥
d. Procurement systems are being used	⓪ ① ② ③ ④ ⑤ ⑥
e. Internal audits are conducted on a regular basis	⓪ ① ② ③ ④ ⑤ ⑥
f. External audits are conducted on a regular basis	⓪ ① ② ③ ④ ⑤ ⑥
g. Expenses by sector are controlled	⓪ ① ② ③ ④ ⑤ ⑥
4. Financial reporting	
a. Annual financial report is prepared by a registered firm of auditors	⓪ ① ② ③ ④ ⑤ ⑥
b. Report includes a balance sheet	⓪ ① ② ③ ④ ⑤ ⑥
c. Report includes attachments	⓪ ① ② ③ ④ ⑤ ⑥
d. Report is reviewed by the fiscal committee of the board	⓪ ① ② ③ ④ ⑤ ⑥
e. Report is used for planning and review purposes	⓪ ① ② ③ ④ ⑤ ⑥
f. Annual financial report is published and disseminated	⓪ ① ② ③ ④ ⑤ ⑥
5. Diversification of income base	
a. NGO has multiple funders	⓪ ① ② ③ ④ ⑤ ⑥
b. A cost recovery/income generation plan is in place	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO has the ability to tender for contracts	⓪ ① ② ③ ④ ⑤ ⑥
d. NGO has a strategy to diversify funding sources	⓪ ① ② ③ ④ ⑤ ⑥
E. SERVICE DELIVERY	
1. Sectoral expertise	
a. Relevant sectoral expertise exists within the organisation	⓪ ① ② ③ ④ ⑤ ⑥
b. Expertise is recognised by the full range of stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO is capable of adapting programme and service delivery to changing needs of stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
2. Stakeholder commitment/ownership	
a. Programme priorities are based on actual need	⓪ ① ② ③ ④ ⑤ ⑥
b. Programme priorities and services are defined in collaboration with stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
c. Programmes are efficient, adequate, cost effective, timely	⓪ ① ② ③ ④ ⑤ ⑥

E. SERVICE DELIVERY	
3. Assessment	
a. Collaborative development of indicators	⓪ ① ② ③ ④ ⑤ ⑥
b. Indicators have been identified for each programme objective	⓪ ① ② ③ ④ ⑤ ⑥
c. Baseline and impact data are analysed regularly	⓪ ① ② ③ ④ ⑤ ⑥
d. Results of impact evaluations are used to make adjustments to the programme	⓪ ① ② ③ ④ ⑤ ⑥
e. Results are disseminated as appropriate / relevant	⓪ ① ② ③ ④ ⑤ ⑥
4. Marketing and awareness building	
a. Programmes are actively marketed to stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
b. Organisation actively educates and builds awareness among stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
F. EXTERNAL RELATIONS	
1. Stakeholder relations	
a. NGO is seen as credible by stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO is seen as a valuable resource by stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO-stakeholder relationship is one of partnership for a common purpose	⓪ ① ② ③ ④ ⑤ ⑥
2. Inter-NGO collaboration	
a. NGO networks and shares resources with national and international NGOs	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO plays a role in promoting coalitions / networks	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO participates in advocacy activities	⓪ ① ② ③ ④ ⑤ ⑥
3. Government collaboration	
a. NGO has contacts with decision makers	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO is able to engage policy makers in dialogue	⓪ ① ② ③ ④ ⑤ ⑥
c. Exchange of resources occurs between NGO and government	⓪ ① ② ③ ④ ⑤ ⑥
d. NGO activities and recommendations are integrated into government's development plans	⓪ ① ② ③ ④ ⑤ ⑥
4. Funder collaboration	
a. NGO has diversified contacts within the funding community	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO is seen as credible by funders	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO is seen as a valuable resource by funders	⓪ ① ② ③ ④ ⑤ ⑥
d. NGO has opportunity to engage in open and frank dialogue with funders	⓪ ① ② ③ ④ ⑤ ⑥

F. EXTERNAL RELATIONS	
5. Public relations	
a. NGO engages in public relations	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO's objectives and goals are understood by stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO has a positive image among stakeholders	⓪ ① ② ③ ④ ⑤ ⑥
d. Information is disseminated on the NGO’ s activities	⓪ ① ② ③ ④ ⑤ ⑥
6. Local resources	
a. NGO has relations with the private sector for technical expertise, material and / or human resources	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO participates in community partnerships	⓪ ① ② ③ ④ ⑤ ⑥
c. Structures are in place to facilitate working relations between NGO and civil society	⓪ ① ② ③ ④ ⑤ ⑥
7. Media	
a. NGO has a strategy to work with the media	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO has attracted positive media attention	⓪ ① ② ③ ④ ⑤ ⑥
c. Media consults the NGO on relevant issues	⓪ ① ② ③ ④ ⑤ ⑥
G. SUSTAINABILITY	
1. Programme / benefit sustainability	
a. Programmes are supported by those being served	⓪ ① ② ③ ④ ⑤ ⑥
b. Sense of ownership of benefits by the community	⓪ ① ② ③ ④ ⑤ ⑥
c. Programme activities can continue due to changes in community	⓪ ① ② ③ ④ ⑤ ⑥
d. NGO has developed systems for continuation of its programme in the medium and long-term	⓪ ① ② ③ ④ ⑤ ⑥
e. NGO has developed programmatic phasing-out strategies	⓪ ① ② ③ ④ ⑤ ⑥
f. NGO ensures that local level skills transfer takes place	⓪ ① ② ③ ④ ⑤ ⑥
2. Organisational sustainability	
a. NGO has a shared vision of its role in society	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO is a member of key NGO networks	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO shares information in a proactive manner	⓪ ① ② ③ ④ ⑤ ⑥
d. NGO is a participant in a dynamic development arena	⓪ ① ② ③ ④ ⑤ ⑥
e. NGO has linkages with international NGOs, education institutions, government entities, research institutes, parastatals, civic institutions and the private sector	⓪ ① ② ③ ④ ⑤ ⑥
f. NGO has capacity to review structures in response to organisational development needs	⓪ ① ② ③ ④ ⑤ ⑥
g. NGO is aware of legislation affecting the NGO sector	⓪ ① ② ③ ④ ⑤ ⑥
h. NGO influences NGO-enabling environment	⓪ ① ② ③ ④ ⑤ ⑥

G. SUSTAINABILITY	
3. Financial sustainability	
a. NGO has the ability to access diversified resources to contribute to its activities	⓪ ① ② ③ ④ ⑤ ⑥
b. NGO has a fee for services and / or other cost recovery mechanisms built into service delivery where appropriate	⓪ ① ② ③ ④ ⑤ ⑥
c. NGO has a fund raising strategy	⓪ ① ② ③ ④ ⑤ ⑥
d. NGO has capacity to implement the fund raising strategy	⓪ ① ② ③ ④ ⑤ ⑥
e. Local fund raising opportunities have been identified	⓪ ① ② ③ ④ ⑤ ⑥
f. NGO has capacity to develop proposals and respond to tenders	⓪ ① ② ③ ④ ⑤ ⑥
4. Resource base sustainability	
a. Local resource base has been identified	⓪ ① ② ③ ④ ⑤ ⑥
b. Resource diversification plan is in action	⓪ ① ② ③ ④ ⑤ ⑥
c. Plans to access additional resources to finance activities exist	⓪ ① ② ③ ④ ⑤ ⑥

Appendix 12: OCAT categories and stages of organisational development

OCAT categories and stages of organisational development

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
GOVERNANCE				
Board	No board or independent body exists to provide policy direction or oversight. The board does not differentiate between oversight and management roles. If the board is beginning to provide oversight, it may not represent the varied interests of stakeholders. The board is not assisting management to identify legislators, influence public opinion or raise funds. Board members seem to lack commitment.	Members of the board or independent body have been identified but have not yet assumed a leadership role. The board is attempting to micro-manage rather than provide oversight. The board is not influencing public opinion or legislators. The board is not aware of the needs of stakeholders or role they could play.	The board's membership is stable and functioning. The board is able to differentiate between its role and that of management. The board has some members who are leaders in relevant fields but it lacks broader representation. The board is aware of its responsibility to provide oversight and represent the interests of stakeholders but is not consistently doing so. Mechanisms for obtaining input from stakeholders are in place but not being used consistently.	The board provides overall policy direction and oversight. The board provides accountability and credibility. The board's composition includes leaders in the field of the NGO's mission who are capable of carrying out such roles as policy direction, fundraising, public relations, financial oversight and lobbying. Board is composed of committed members who represent the varied interests of the stakeholders. Mechanisms are in place to obtain appropriate input from stakeholders. Board executes its role of advocate for the community.
Mission / goal	The NGO has a vague idea of its mission and the contribution it is attempting to make. The mission is understood by only one or a few members of the board or senior management. The activities carried out by stakeholders may have little relationship to the mission of the NGO. Implementation plans are developed by senior management without input from staff or stakeholders.	The mission may be clarified internally but it is not widely understood by the public. The mission is not reflected in planning or job functions. Planning is done by senior management with little input from staff and stakeholders.	The vision and mission are clear to staff, stakeholders and outsiders. Strategies and objectives are aligned with the mission. Implementation planning may be conducted by senior management and linked to the budgeting process with some input from staff or stakeholders.	The NGO has clearly articulated mission / goals which are understood by all stakeholders. Strategies are aligned with mission, realistic and take the form of clear objective statements as to how they can be achieved. Implementation plans are jointly developed by senior management, staff and other appropriate stakeholders.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
GOVERNANCE				
Legal status	The NGO may or may not be legally registered according to local regulations. The NGO does not benefit from whatever fiduciary and taxation status is permissible under local law.	The NGO is registered but has not yet integrated financial and legal advice into planning and management decisions. The NGO is not in compliance with some local reporting and labour requirements.	The NGO has integrated appropriate expert advice into planning and management systems. The NGO is generally in compliance with local reporting, tax and labour requirements.	The NGO is properly registered according to local regulations. The NGO benefits from the financial and legal status permissible under local law.
Stake-holders	The NGO' s links with the stakeholders are weak. The NGO views its community as passive beneficiaries rather than as potential partners. The NGO does not serve as an advocate for the community. The NGO is unable to identify key stakeholders.	The NGO's outreach to stakeholders is improving. Certain influential members of the community may be consulted or invited to participate in some decisions because they are seen to have a stake in the outcome. Some awareness exists of the possible role of the NGO as an advocate for the community.	The NGO's stakeholders are well defined and their needs and views are considered in planning and decision-making. The NGO is involved in lobbying and other advocacy functions on behalf of the community. The NGO is coming to view the community and other stakeholders as partners.	The NGO's stakeholders are well-defined. The NGO recognises the community and other stakeholders as partners. Community needs assessments results are integrated into the planning process. The NGO' s mission and strategies are reviewed by stakeholders.
Leadership	There is an individual or a few individuals in the NGO who control most functions. Management style is directive and staff members primarily provide technical input. Management does not articulate clearly the NGO's purpose to staff. Board and senior management lack a clear understanding of their respective roles. Leadership lacks understanding of its responsibility to stakeholders.	Most decisions are made by the board, sometimes with input from one or two staff members. Staff has little understanding of how management makes decisions. Leadership is still seen primarily as directive and controlling, rather than enabling self-direction to employees and monitoring their performance. Leadership is aware of stakeholders but do not make themselves available.	Senior management's relationship to staff is more consultative and management decisions are delegated. Staff increasingly understand, but are not systematically involved in decision-making. Leadership understands that one of its primary roles is to provide overall direction and monitor performance, but it is still concerned with control. More effort is made by leadership to contact and involve stakeholders.	The board and senior management have a clear understanding of their roles and responsibilities as providers of overall direction. Leadership style of senior management is participatory. Senior management is responsible to all stakeholders. Leadership is accessible to all stakeholders.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
MANAGEMENT PRACTICES				
Organisa-tional structure and culture	The NGO has no clearly defined organisational structure and lines of authority and responsibility are not clearly defined. The NGO has no management policies. The NGO has no systems to measure congruence between stated mission and operational culture. The NGO has no system to ensure appropriate involvement of staff in decision making. The NGO has no operational systems to ensure mutual accountability.	The NGO has a defined organisational structure but lines of authority remain unclear and authority tends to be exercised by an individual or a few individuals. The NGO has developed systems and policies but they have not been implemented, are not regularly followed, nor have they been reviewed. Management policies do not yet reflect equality as defined by the South African Constitution.	The NGO has a defined organisational structure with clear lines of authority and responsibility. The NGO' s administration places emphasis on the areas of responsibility but does not confer the necessary authority on individuals to permit them to operate effectively. The NGO is not effectively incorporating the organisational structure into assigned tasks nor using it to assess organisational development or ensure accountability. Management policies ensure regular audits of organisational development and reflect equality as defined in the South African Constitution.	The NGO has a defined organisational structure with clear lines of authority and responsibility. Management policies to ensure regular audits of organisational development are in place. Management policies reflect equality as defined by the South African Constitution. Systems are in place to regularly measure congruence between stated mission and operating culture. Systems are in place to ensure appropriate involvement of all levels of staff in decision making. NGO has operational systems to ensure mutual accountability.
Planning	The NGO carries out some planning but with little or no input from staff and stakeholders. The NGO makes decisions and plans activities without reference to the agreed-upon strategies to achieve the mission. There is little assessment of the resources required to undertake activities. Plans, once implemented, are neither reviewed nor modified. Resources are not planned for nor allocated properly.	Annual operating plans are developed and reviewed primarily by senior staff without reference to the previous year's planning, analysis of resource availability or other factors which could affect implementation. Annual plans are developed with limited input from stakeholders or staff. Monitoring is not taking place and plans, once implemented, are not being revised. Planning continues to be short term and is based on available resources.	Strategic and short-term planning is conducted primarily by senior management. Staff and stakeholders may have some input in the planning but they are not involved in decision-making. There are occasional reviews and revisions of implementation plans. Some attempt is being made to identify and allocate additional resources.	Inputs from appropriate stakeholders are taken into account during planning. Implementation plans reflect a strategic plan. Implementation plans are updated. Resources are planned for and allocated properly. Flexibility exists to adjust plans as a result of the monitoring process.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
MANAGEMENT PRACTICES				
Personnel	There are no formal personnel procedures to administer salaries and benefits or to record personnel data. Formal employment procedures do not exist. Recruitment processes are not defined, transparent nor competitive. Management does not actively encourage mutual respect among staff. Recourse procedures do not exist.	Basic personnel administration systems exist but informal employment practices continue. Positions are not advertised externally and there are no common procedures for determining qualifications for employment, recruitment, hiring, and termination. Recourse procedures and mutual respect have not yet been integrated into the organisational culture.	The strategic value of human resources and the need to integrate personnel practices into the strategic planning process are not fully understood. All necessary personnel systems are formalised and implemented although occasionally informal mechanisms are used. Recourse procedures and mutual respect have been integrated into the organisational culture.	Selection criteria for staff are in place. The recruitment process is clearly defined. Recruitment processes are transparent and competitive. Job descriptions are clearly defined. Staff is deployed according to job descriptions. Management encourages mutual respect among staff. Staff are aware that recourse procedures for staff exist.
Programme development	Programme development is largely funder or staff-driven with little input from stakeholders and is managed on a project-by-project basis. Programme design, implementation, monitoring and evaluation, if done, are carried out based on funder requirements. Often the funder' s system is not well understood, is poorly implemented and badly managed. Monitoring, evaluation and reporting activities are not included in the programme design.	Individual projects are developed within an overall programmatic framework. Occasional evaluations conducted at the request of funders are undertaken by outsiders. Stakeholders are involved only as recipients of a programme. No comprehensive system exists for determining the purpose and objectives of programmes/projects nor for monitoring and evaluation.	A comprehensive system exists for programme development and implementation. This system is sometimes one imposed by a funder, or may have been developed by the NGO itself. Either system can provide the information required by the funder and allows for monitoring and evaluation to be carried out by the staff. Stakeholders are consulted on programme design and are involved in implementation and evaluation.	Stakeholders and staff are involved in programme design, implementation, monitoring, and evaluation. Programme design incorporates monitoring, evaluation, and reporting activities. Programme modifications reflect use of monitoring, evaluation, and reporting findings.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
MANAGEMENT PRACTICES				
Administrative procedures	No administrative procedures or manuals exist. Administrative procedures are informal and NGO staff lack a common understanding of them.	Administrative procedures are increasingly formalised. Administrative procedures are not being fully utilised. No administrative procedures or manuals exist.	Administrative systems are formalised and functioning. Administrative procedures and manuals exist but are not referred to regularly.	Administrative procedures and manuals exist. Administrative procedures are adhered to. Procedures and operating manuals are updated regularly.
Risk management	No systems exist to protect the NGO against organisational abuses. Audit and stock taking, if conducted, are irregular. No external audit is carried out.	Systems are in place to protect against organisational abuses but have not been implemented. Audits and stock taking continue to be sporadic. External audits carried out at funders' request.	Systems are in place but continue to be used on an irregular basis. Audits and stock taking are now integrated into planning. External audits are carried out annually.	Systems are in place to minimise organisational abuses. Regular audit of inventory is conducted. Annual external audit reports include a review of management practices. Recommendations on management practices in annual external audit reports are implemented.
Information systems	No system exists within the NGO to collect, analyse or disseminate data. Information is collected randomly and manually. Information is not shared among stakeholders.	Data utilisation potential is not understood. A rudimentary electronic information system is in place but is not accessible to all staff. Computers are used primarily for word-processing and book-keeping.	An information system is operational and most staff have access to it. The information system is still primarily used for word-processing and book-keeping but individual staff understand and use data on an ad hoc basis. There is no mechanism for integrating information from the system into the NGO's planning process. There is no mechanism to disseminate or solicit feedback.	Systems exist to collect, analyse, and report data and information. Trained personnel are in place to manage information systems. Systems are used to process, disseminate, and solicit feedback of information.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
MANAGEMENT PRACTICES				
Programme reporting	The NGO does not report on the results of activities or evaluations to stakeholders. The NGO is not sharing information based on lessons learned from activities and evaluations. The NGO does not have the ability to prepare regular activity or evaluation reports.	The NGO provides information on activities and evaluations only when requested or required by a funder. The NGO shares information on activities only as required. Report formats reflect funder needs.	The NGO does not yet have an effective system through which to share information on lessons learned from its experience. The NGO occasionally publishes the results of its activities and evaluations but it does not have a strategy for dissemination. The NGO has developed some flexible report formats to reflect needs of different stakeholders.	The NGO has the ability to produce appropriate reports. The NGO regularly prepares activity reports. The NGO regularly prepares evaluation reports. The NGO publishes and disseminates information on its operations. Reporting formats are flexible, varied and respond to stakeholder information requirements.
HUMAN RESOURCES				
Human resources development	The NGO does not conduct systematic appraisal of staff performance on which to plan for changes or improvements. The NGO is unable to plan for change to improve the performance of individuals through better work planning, training, development and promotion. There is little or no understanding of the relationship between staff performance and the achievement of NGO objectives. Personnel policies do not reflect equality as defined by the South African Constitution.	There is a good match between staff responsibilities and skill requirements. A staff appraisal system may exist but it is not necessarily based on job performance. The NGO has identified resources with which to conduct ad hoc training of staff. Personnel policies are not defined and do not yet reflect equality as defined by the South African Constitution.	The NGO has a performance-based appraisal system in place which is not always applied nor equitable. Staff are sometimes assigned and promoted according to their job performance. Staff development needs are assessed and used to develop training plans. Personnel policies reflect equality as defined in the South African Constitution.	A human resources development plan is in place. Staff training is based on capacity, needs and objectives. Opportunities exist to integrate skills acquired in training into the work environment. Job appraisals and promotions are performance-based and equitable. Personnel policies reflect equality as defined by the South African Constitution.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
HUMAN RESOURCES				
Human resources management	The NGO has no particular process to determine the relationship between human resource needs and programme objectives. The roles and job responsibilities of existing staff are unclear and changeable. The limited staff are expected to carry out responsibilities beyond their expertise and some essential tasks are not done by anyone. Job descriptions and work responsibilities are not documented. Job performance is not assessed and there is no plan to improve staff performance. The relationship between staff performance and the achievement of NGO programme objectives is not understood. Salaries are not competitive nor do benefits exist. Standard tax and labour regulations are not being respected. No mechanisms exist for grievance or conflict resolution.	The NGO has no process to analyse nor to identify work requirements and job functions. There is the beginning of a link between senior staff responsibilities and expertise but some gaps continue to exist in skill requirements. Job descriptions do exist, based on a supervisor's idea of the work to be accomplished. A job performance system may exist but it is not necessarily based on performance as defined in a job description. The NGO has identified some resources for ad hoc training of staff. Some benefits exist but salaries are not competitive. The NGO is respecting some existing tax and labour regulations. Procedures for grievance or conflict resolution are in place but not utilised.	Jobs are well-defined and documented in job descriptions and work assignments. All core skills required to perform job functions exist within the NGO. A performance-based appraisal system is in place and staff are assigned and promoted according to performance. Some human resource planning does take place but is still not integrated with job performance or the strategic planning process. A training plan exists based on an assessment of staff development needs. Salaries and benefits are structured but not fully competitive. Tax and labour regulations and requirements are generally respected. Grievance and conflict procedures are randomly followed.	Job descriptions are documented and updated. Job descriptions are respected. Clearly established links exist between staff capacity and the NGO mission. Salaries are clearly structured and competitive. The benefits policy is documented and implemented. The NGO conforms to standard tax and labour regulations and requirements. Supervision occurs on a regular basis. Grievance and conflict resolution procedures are used when necessary. Health and safety policy is in place.
Diversity	The staff and board do not represent the diversity of the community nor the interests of stakeholders.	No policy exists but among some levels of the NGO there is some awareness of and interest in the value and need for representation from the various members of the community.	Policies exist to diversify the board and staff but their composition does not yet fully reflect that of the community.	The diversity of the community is reflected in the composition of the board and staff.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
HUMAN RESOURCES				
Work organisation	There is little understanding of the need to organise work beyond issuing directives. No mechanisms are in place to co-ordinate work activities of different staff. There is little understanding of what it means to work as a team. Meetings are irregular, do not have a pre-determined purpose and agenda, are dominated by interests of a few, and do not reach concrete conclusions. Staff provide technical input only and are not involved in or informed of decisions. No formally recognised lines or mechanisms exist for intra-NGO communication.	Work is organised by supervisors. Little attention is paid to work flow or to consciously organising work beyond work plans. Individual, unit or project work plans are developed but these plans are not co-ordinated across functions. Regular meetings of staff are conducted according to known procedures. Selected staff are consulted on some decisions. Intra-NGO communication is conducted on an informal basis. Consciousness is developing on the part of staff and management that communication breakdowns and overlaps occur.	A top-down mentality continues to dominate and senior management make most major decisions. A variety of work methods are utilised. Staff are recognised as being able to make useful suggestions about how their own work should be organised. Team work is encouraged and work plans are shared across units and work sites. Communication is open and inter-hierarchical and links organisational unit/project structures. Staff know how to participate in meetings and are aware of how decisions are made.	Staff meetings are held regularly. Staff participates in management decisions. Team work is encouraged. Information is shared freely among all staff members. Staff teams are encouraged to take initiative and be self-motivated.
FINANCIAL RESOURCES				
Accounting	The NGO's financial procedures are incomplete. The NGO's accounts are not yet set up for individual projects and operating funds are not separated.	Basic financial recording systems are in place. Account categories exist and project funds are separated but some cross-project funding takes place.	Most of the NGO's funds are separated and it generally tries to avoid cross-project financing. Financial procedures and reporting systems are in place and function partially.	Financial procedures and reporting systems are in place and function fully. Account categories exist for separating project funds.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
FINANCIAL RESOURCES				
Budgeting	Budgets are inadequate and if they do exist are produced due to funder requirements. The use of budgets as a management tool is not understood and the reliability of projections is questionable. The NGO has no budget controls in place. The NGO has no financial unit to prepare and manage budgets.	Budgets are developed for project activities but are often over or underspent. The executive director or accountant are the only staff who know and understand budget information. Budget controls are not in place.	Total expenditures often diverge from budget projections. Department and organisational unit heads are consulted by financial manager(s) about budget planning and expenditures. The budget reflects programme plans. The budget is controlled on an ongoing basis.	The budgeting process is integrated into annual implementation plans. A financial unit responsible for the preparation management and implementation of the annual budget exists. Annual financial projections are made. The annual budget is implemented. The budget is controlled on an ongoing basis.
Stock controls/ audit	The NGO has no clear procedures for handling payables and receivables nor do procurement or stock controls exist. No audits or external financial reviews are performed.	The NGO has established financial controls but has not yet implemented procedures. Independent audits or external financial reviews are rarely performed and then only at the request of a funder. Stock controls have not been established nor implemented.	The NGO has adequate financial and stock control systems. Independent audits or external financial reviews are performed periodically at funder's request. Internal audits are being conducted on an ad hoc basis.	Stock control systems exist. Stock controls are followed. Procurement systems are in place. Procurement systems are being used. Internal audits are conducted on a regular basis. External audits are conducted on a regular basis. Expenses are controlled by project allocations.
Financial reporting	The NGO has no system for reporting on its financial status. If financial reports are produced they are donor-driven. Financial reports are inaccurate, incomplete, difficult to understand and not produced in a timely fashion. If financial reports exist they are not used for planning or review purposes.	The NGO has a system in place to produce financial reports but these are still produced in response to funder demand. Financial reports are not timely or complete enough to be used in long-term planning. Financial reports are not reviewed by the fiscal committee of the board.	The NGO occasionally produces accurate and complete financial reports which it makes available to the board and management. The NGO uses financial reports, when available, in long-term planning. Annual financial reports are prepared by external auditors and disseminated.	An annual financial report is prepared by a registered firm of auditors and is published and disseminated. Report includes balance sheet and attachments Report is reviewed by the fiscal committee of the board. Report is used for planning and review purposes.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
FINANCIAL RESOURCES				
Diversification of income base	The NGO is dependent on one funding source. The NGO lacks capacity to diversify funding base or tender for contracts. The NGO has no cost-recovery or income generation activities.	The NGO is aware of the need to diversify its funding base but has not yet developed a plan or strategy to do so. The NGO has not yet developed the capacity to tender for contracts.	The NGO has identified more than one international funder but has yet to develop local contacts. The NGO has developed a plan for cost-recovery and income generating activities but has yet to implement activities. The NGO has skills to tender for contracts but has yet to win any bids.	The NGO has multiple funders. A cost-recovery / income generation plan is in place. The NGO has the ability to tender for, and has won, contracts. The NGO has a strategy to diversify funding sources.
SERVICE DELIVERY				
Sectoral expertise	The NGO has some good ideas about how to meet needs of target groups. The NGO has little operational or programme experience. The NGO has no sectoral expertise or track record.	The NGO has increasing expertise in a targeted sector but is not yet recognised as an expert. The NGO has the capacity to access additional expertise as required in a targeted sector. The NGO continues to deliver services which do not always reflect the changing needs of stakeholders.	The NGO is recognised as having significant expertise in its targeted sector and is being invited to contribute to sectoral discussions. The NGO is able to deliver effective and appropriate services to stakeholders. The NGO is beginning to build fee-for-service and other cost recovery mechanisms into its service delivery.	The NGO has relevant sectoral expertise. Its expertise is recognised by the full range of stakeholders. The NGO is capable of adapting programme and service delivery to the evolving needs of stakeholders.
Stakeholder commitment/ ownership	The NGO' s services are defined by funders or managers with no involvement from stakeholders. The NGO' s programmes (since they do not reflect actual needs) are not efficient, adequate, cost-effective nor timely. The NGO is not providing capacity building training / technical assistance to stakeholders.	The NGO seeks stakeholder input into defining services but does not do so in a systematic or comprehensive manner. The NGO has identified resources for ad hoc training of stakeholders in programme and technical areas. The NGO' s programmes are not efficient, adequate, cost-effective or timely. The NGO has not identified resources to support the organisational capacity building of stakeholders.	The NGO has mechanisms in place to involve its stakeholders in project planning and implementation and monitoring and evaluation. The NGO has plans to transfer management responsibilities to stakeholders and to provide training and organisational development support to build its capacity. Programmes are becoming more efficient, adequate, cost-effective and timely.	Programme priorities are based on actual need. Programme priorities and services are defined in collaboration with stakeholders. Programmes are efficient, adequate, cost-effective, timely.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
SERVICE DELIVERY				
Assessment	The NGO does not have a system to monitor and evaluate its programme/project achievements. The NGO has no mechanism with which to determine impact indicators, establish baseline measures or assess the impact of its activities.	The NGO is able to assess individual projects to determine if projected activities took place as planned, and if specific project objectives were achieved, but the results are not used for programme adjustment. The NGO has no baseline data or system to monitor its activities. Results and indicators were developed at the request of funders.	The NGO has identified indicators without stakeholder involvement, collected baseline data with which to monitor project activities, but is not using the collected data for project modification. The NGO is aware of the need to develop assessment capacity to measure impact, but has not established a system.	Collaborative development of indicators. Indicators have been identified for each programme objective. Baseline and impact data are analysed regularly. Results of impact evaluations are used to make adjustments to the programme. Results are disseminated as appropriate/relevant.
Marketing and awareness building	The NGO makes no effort to market programmes to stakeholders. The NGO does not educate nor build awareness among stakeholders.	The NGO has no awareness of the need to market programmes. The NGO is educating and building awareness on an ad hoc basis based on available resources, not stakeholder need.	The NGO has undertaken marketing activities but still lacks a strategy. The NGO has a plan to build awareness and educate stakeholders.	Programmes are actively marketed to stakeholders. The NGO actively educates and builds awareness among stakeholders.
EXTERNAL RELATIONS				
Stakeholder relations	The NGO's agenda is largely funder- and management-driven with little or no input from stakeholders. The NGO is located in an urban centre and its headquarters are a long distance from where it carries out activities, making it difficult to involve stakeholders effectively. The NGO develops systems and programmes in a top-down manner.	The NGO's work is focused in the field and it is viewed as an ally by stakeholders. The NGO has growing credibility with its target stakeholders and with funders interested in the same programme sectors. The NGO is not yet viewed as a partner by stakeholders.	The NGO operates from a field project site. The NGO involves stakeholders in decision-making. The NGO views stakeholders as being responsible for providing counterpart resources. The NGO provides resources to enable target communities to develop organisational capacity.	The NGO is seen as credible by stakeholders. The NGO is seen as a valuable resource by stakeholders. NGO-stakeholder relationship is one of partnership for a common purpose.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
EXTERNAL RELATIONS				
Inter-NGO collaboration	The NGO does not have experience in working with other NGOs, either local or international. The NGO is not known or trusted by the NGO community. The NGO has no plans to work in collaboration with other NGOs active in the same region or same sector. The NGO has little understanding of its role in advocacy or development of public policy.	The NGO is increasingly known and trusted by others in the NGO community but as yet has little experience in working collaboratively with others.	The NGO works with international or other local NGOs. The NGO participates in and supports NGO networks, but as yet does not play a leadership role in any NGO coalitions. The NGO has undertaken random advocacy activities.	The NGO networks and shares resources with national and international NGOs. The NGO plays a role in promoting coalitions/ networks. The NGO participates in advocacy activities.
Government collaboration	The NGO does not collaborate with government agencies working in the same sector or geographical area. The NGO's relationship with government is adversarial.	The NGO has identified common interests which it shares with government and relations are friendly. The NGO collaborates with different government agencies or representatives on issues or activities in specific sectors.	The NGO's relationship with government is friendly and often informal. The NGO is sometimes called upon by government to carry out specific projects or collaborate on sectoral issues.	The NGO has contacts with decision makers. The NGO is able to engage in dialogue with policy makers. The NGO and government exchange resources. The NGO' s activities and recommendations are integrated into government' s development plans.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
EXTERNAL RELATIONS				
Funder collaboration	The NGO sees funders as a resource to finance activities and has not yet developed a relationship or made contributions to funder forums or agendas.	The NGO has received funding but has yet to establish a track record or to acquire sufficient credibility to be invited to participate in funder forums.	The NGO has a proven track record, has established its credibility and is invited by funders to contribute to discussions on sectoral issues.	The NGO has diversified contacts within the funding community. The NGO is seen as a credible and valuable resource by funders. The NGO has opportunity to engage in open and frank dialogue with funders.
Public relations	The NGO is not well known outside the range of its activities or stakeholders. The NGO has no clear image which it articulates or presents to the public. The NGO has not prepared a document for dissemination that provides information about its objectives or activities.	The NGO is known in its own community, but does little to promote its activities with the public or with key governmental decision makers. The NGO understands that public relations are important but has no ability to carry out PR activities.	The NGO has limited contact with key decision makers and has limited lines of communication with the public. The NGO has clear ideas on issues but has yet to develop them into a policy platform.	The NGO engages in public relations and has a positive image among stakeholders. The NGO' s objectives and goals are understood by stakeholders. Information is disseminated on the NGO' s activities.
Local resources	The NGO tends to view the private business sector with suspicion and distrust. The NGO does not work in co-operation with any part of the private sector to draw on resources, technical expertise or influence. The NGO's programmes are not based on local resource availability. The NGO is not an active participant in civil society activities.	The NGO has begun to identify local support in addition to that which it receives from stakeholders. The NGO seeks technical assistance from some private sector and government resources. The NGO purchases goods and services from the private sector.	The NGO draws support from the local private sector and government agencies but projects still depend on continued support from external funders. The NGO has recruited individuals from the private business sector to serve on its board or as technical advisors. The NGO is actively engaged with other civil society organisations.	The NGO has relations with the private sector for technical expertise, material and / or human resources. The NGO participates in community partnerships. The NGO has structures in place to facilitate working relations with civil society.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
EXTERNAL RELATIONS				
Media	The NGO has no relationship with the media, nor is its work known to them.	The NGO's activities are not known outside of its community. The NGO does not yet know how to access or use media to inform the public about its work.	The NGO has contacts in the media which it uses when it wishes to inform the public about an important issue. The NGO has received some attention and has been consulted by the media on relevant issues.	The NGO has a strategy to work with the media. The NGO has received positive media attention. The media consults with the NGO on relevant issues.
SUSTAINABILITY				
Programme/ benefit sustainability	The NGO stakeholders do not see or feel that they benefit from services or programmes. The NGO has no understanding or plan for continuity. The NGO is not working with local institutions. The NGO is not involved in skills-transfer activities.	The NGO stakeholders recognise the benefits from services and programmes, but do not yet have the means to continue them without assistance from the NGO. The NGO has yet to develop relationships with, and is not providing capacity building assistance to, local organisations.	The NGO stakeholders recognise the benefits of, and are involved in, decision-making for services and programmes but continue to rely on assistance from the NGO. The NGO has developed relationships with local organisations, is providing training and technical assistance to build capacity, but as yet has no phasing-out strategies.	The NGO' s programmes are supported by those being served. There is a sense of ownership of benefits by the community. The NGO has developed systems for the continution of its programme activities in accordance with changes in the community. The NGO has developed systems for continuation of its programme in the medium and long-term. The NGO has developed programmatic phasing-out strategies. The NGO ensures that local-level skills transfer takes place.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
SUSTAINABILITY				
Organisational sustainability	The NGO lacks a shared vision and skills to interact with other development partners in civil society The NGO has no understanding of its role as a partner in development. The NGO is not involved in coalitions and networks.	The NGO has a shared vision but as yet lacks the understanding and skills to interact with other development partners. The NGO is a member of coalitions and networks but is not yet able to provide leadership.	The NGO has a clear vision of its role and the skills necessary to participate in development activities. The NGO participates in NGO networks and coalitions, but is not yet playing a leadership role in the NGO community. The NGO is acknowledged to have expertise in a sector, but is not recognised as a leader nor consulted by funders or government.	The NGO has a shared vision of its role in society. The NGO is a member of key NGO networks. The NGO shares information in a proactive manner. The NGO is a participant in a dynamic development arena. The NGO has linkages with international NGOs, education institutions, government entities, research institutes, parastatals, civic institutions, and the private sector. The NGO has capacity to review its structures in response to organisational development needs. The NGO is aware of legislation affecting the NGO sector. The NGO contributes to the development of an enabling environment For the development of the NGO sector.
Financial sustainability	The NGO has limited capacity to access funding and does not recognise the need to diversify its resource base. The NGO has limited capacity to develop project funding proposals or respond to tenders. The NGO has not developed contacts or relationships with the local resource base.	The NGO has begun to understand the need to develop alternative resources but has no concrete direction or plan. The NGO has no relations with local government or private business sector organisations. The NGO is able to develop project funding proposals but does not have ready access to the funder community. The NGO does not have skills required to tender.	The NGO has begun to explore alternative resources through developing relationships with government and the private business sector. The NGO has secured alternative resources such as in kind and commodities donations and membership fees. The NGO has begun to diversify its funding base and to develop cost-recovery mechanisms and programmes. The NGO has tendered for contracts but has won very few bids.	The NGO has the ability to access diversified resources to contribute to its activities. The NGO has, where appropriate, fee-for-service and/or other cost recovery mechanisms built into service delivery. The NGO has a fund raising strategy and has the capacity to implement this strategy. Local fund raising opportunities have been identified. The NGO has capacity to develop proposals and respond to tenders and wins many bids.

	Nascent organisations	Emerging organisations	Expanding organisations	Mature organisations
SUSTAINABILITY				
Resource base sustainability	The NGO's operating funds come from only one source and are raised for one short-term project at a time. The NGO has little understanding of the need to eventually become self-supporting and has not yet attempted to identify local resources. The NGO's funding is insufficient to meet plans or to provide project services.	The NGO has funding to cover short-term project costs and overhead costs. The NGO can prepare a multi-year programme budget but is still dependent on a single funder. The NGO is beginning to become aware of local resource generation possibilities but has not yet identified or mobilised them.	The NGO has funds for short-term expenses but has also developed a medium-term funding plan and strategies. The NGO is not dependent either for overhead or for programme expenses on a single funder. The NGO is able to recover a percentage of core costs through locally generated resources membership dues, fee-for services, regular fund-raising, etc.). The NGO has identified and accesses local resources from government and the private sector.	The NGO has identified a local resource base. The NGO has implemented a resource diversification plan. The NGO has plans to access additional resources to finance existing activities.

Appendix 13: Standardised report format for OCAT results

Standardised Report Format for OCAT Results

The technical results of an OCAT assessment should be interpreted and narrated in standard, easy-to-read report formats. These should enable all the stakeholders and other users to understand the situation of the organisation and clarify subtleties which cannot be explained quantitatively. They should also provide enough information to be able to stand on their own. The Standardised Report Format for OCAT Results provides a clear and simple way to organise the report and to present the findings, conclusions and recommendations.

Outline

Title Page
Acronyms
Executive summary
Table of contents
Annexures/Appendices

1. Introduction and background
   - 1.1 Background
   - 1.2 Objectives
2. Methodology
   - 2.1 Framework
   - 2.2 Information gathering
   - 2.3 Information analysis
   - 2.4 Limitations/constraints
3. Analysis of the findings
   - 3.1 Strengths and weaknesses
4. Conclusions and recommendations
   - 4.1 Conclusions
   - 4.2 Recommendations
5. Annexures/appendices

Title page

The report should be entitled *An assessment report on the status of the organisational capacity of ....* The title page should include the names of the assessment team and the dates on which the assessment was carried out.

Acronyms

Acronyms used in the text should be spelled out here for easy reference.

Executive summary

The executive summary should be a brief presentation on what the NGO does, why the assessment was done, general findings, general conclusions and recommendations.

Table of contents

In the table of contents, the section headings should follow the numbering format suggested in these guidelines but this can be adapted where necessary.

Introduction and background

This section should include some background information on the NGO such as its history, the extent of its activities, an overview of its programmes, its geographic scope, the situation in which it operates, the objectives and the focus of its work. Issues to include are the context, the stakeholders, members and the community the NGO serves. The purpose and objectives of the evaluation should be presented and clarified.

Methodology

This section should include discussion of the following:

1) The general framework of the assessment
2) Techniques employed in information gathering
3) The participative methodology used
4) Tools used to collect and analyse the information
5) The composition of the assessment team
6) The range of stakeholders involved
7) The limitations or constraints in terms of information gathering, the tool or other constraints faced by the evaluation team.

Analysis of the findings

This section should include an interpretation of the results within the context of the NGO's activities. Weaknesses and strengths should be identified for each of the components and categories, following the OCAT Assessment Sheet format. Specific indicators may be elaborated in detail in an effort to clarify the problems and articulate areas of possible intervention. Identify components which may need further assessment.

Conclusions and recommendations

Conclusions sum up the findings of the assessment. They facilitate the formulation of general and specific recommendations to address short and long-term organisational capacity strengthening. Recommendations could include suggestions for specific interventions such as technical assistance, mentoring, training, and identify areas where the organisation can manage its own change. Suggestions for how best to provide feedback to participants can be made here.

Annexures/appendices

This section should include relevant documents, data, tables, assessment ranking, organisational structure, a glossary and other information the evaluators deem necessary. Each annexure/appendix should be numbered and listed by title in the table of contents.

Appendix 14: Interviewing tips

Interviewing tips

Regardless of the interview method or questioning format, interviewing involves asking questions, listening to and recording responses, and following up with additional appropriate questions. Some issues to consider in developing interviewing protocols and interviewing are as follows:

- Begin the interview with non-controversial questions.
- Start with questions that are straightforward and easy to answer.
- Follow with questions about interpretations, opinions, feelings about behaviours/action.
- Place knowledge questions in the context of programme activities and experiences – if this is not done, interviewees may feel like they are being tested.
- Ask background and demographic questions last – they can be boring.
- Have nothing with you except the materials needed for the interview.
- Establish rapport as quickly as possible with the interviewee.
- Explain your evaluation goals.
- Explain your role.
- Explain that information from the interview is confidential.
- If you want to tape the interview, ask for permission to do so.
- Think about the interview from your respondent's point of view.
- Make interviewees feel comfortable.
- Make the interview as pleasant as possible.
- Show interest in your interviewee – you are asking for help and information, you need to know what they know.
- Do not interview when you are becoming tired, frustrated and irritated. Avoid getting into a debate with the person.
- Allow the person time to think, then listen carefully to what they have to say.
- Be objective.
- Do not answer for the respondent.
- Do not rush on to the next question.
- Note concerns raised by the respondent.
- Use content-neutral problems to explore issues in-depth, for example, "Tell me more about that". Keep the purpose of the interview in mind.
- End the interview by asking if there are any other relevant and important issues that were not covered in the interview or if there is anything that they want to ask you.
- Be sure to write the date, place, time, and respondent's identity on the first page of your interview notes. Number the pages.
- Review your notes and make sure they are legible.
- Make sure that every question that should be answered has a response.
- Do not share previously collected data with the interviewee.

Appendix 15: Guided interview: some questions you can ask an NGO

Guided interview: Some questions you can ask an NGO

Once an assessment team is in place, it selects items from the OCAT assessment sheet which are appropriate for the NGO in question. It then has to collect the information for the assessment. Team interviewers should not carry the OCAT assessment sheet with them to the interviews, and they should not score the NGO during the interview sessions. This does not mean, however, that they must remember every item for which they would like to score the NGO. Instead, they might want to formulate questions designed to stimulate the kind of discussion which will provide the information. The sample questions below are provided for that purpose.

Careful consideration has been given to providing sample questions for every component of the OCAT. This does not mean, though, that every question must or should be asked by the interviewers. The interviewers may find that by asking one or two key questions relating to each OCAT component, sufficient discussion in the topic area will occur to make asking further questions in that area unnecessary.

Governance

Board

- Who constitutes the board or independent body overseeing the NGO?
- If there is no board or independent body, who oversees the management of the NGO?
- Are there members of the board or independent body who represent the diverse interests of the stakeholders?
- How does the board or independent body play a role in policy setting, planning, fundraising, conducting public relations, lobbying, overseeing the management and in monitoring the performance of the NGO?
- How does the board or independent body gather information about the needs and aspirations of the stakeholders and integrate this information into planning?
- Are there particular examples of instances where the board or independent body members have had to account to the NGO's stakeholders?
- Has the board undertaken advocacy activities on behalf of the stakeholders?

Mission/goals

- Which documents define the NGO's mission or goals?
- Are goals of the NGO achievable, given the economic, social, and political environment?
- Who defines the mission and goals of the NGO?
- To what extent do the implementation plans reflect the NGO's mission and goals?
- To what extent do the people in the organisation share the same understanding of the NGO's mission or goals?
- To what extent do the people in the organisation see it serving, in major ways, purposes that are different from those stated?

Legal status

- Does the organisation have legal status as a registered NGO?

Stakeholders

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

Leadership

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

Management practices

Organisational structure

- Does the NGO have an organisational chart or documentation that describes roles, functions and responsibilities of all individuals?
- When last were the NGO's management policies reviewed/updated?

Planning

- Who in the NGO is responsible for writing short and long-term work and implementation plans?
- Who is involved in the planning of events and the making of decisions?
- Are activities planned and decisions made in alignment with the strategies that have been identified for achieving the mission of the organisation?
- What are the procedures for recruiting and employing NGO employees?

Personnel

- See Human Resources on the next page.

Programme development

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

Administrative procedures

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

Risk management

- Do external audit reports include a review of management practices?
- Are recommendations on management practices implemented?
- Has the NGO taken any steps to protect itself against staff abuse of resources?

Information systems

- Who is responsible for the NGO's monitoring, evaluation and reporting activities and what is/are the responsibilities of the person/s?
- How is the collection, analysis and dissemination of information organised in the NGO?
- How does the NGO use the information generated by the monitoring, evaluation and reporting system?

Programme reporting

- How does the NGO design, plan, and evaluate its programme activities?
- How does the NGO report on programme activities?

Human resources

Human resources development

- How long ago was the human resources development plan reviewed and updated?
- Have there been instances where staff members lacked sufficient skills to carry out programme implementation?
- How often is a staff member appraised?
- Who has participated in in-country or foreign skills enhancement training over the past year?
- How does the human resources development plan reflect equality as defined in the South African Constitution?

Human resources management

- Who is responsible for documenting and reviewing job descriptions?
- Are the tasks allocated according to the skills of the staff in the organisation?
- Have there been instances of conflict or grievances between or among staff over the past few years and, if so, how were they handled?
- What policies exist for determining recruitment, salaries and benefits?
- What incentives or rewards are offered by the organisation?
- Are salaries and benefits comparable with other NGOs?
- What is the role of staff in budget development?

Work organisation

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

Diversity issues

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

Financial resources

Accounting

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

Budgeting

- How often does the NGO conduct a budgeting process and does it coincide with the preparation of the annual operating plan?
- What system is in place to ensure that the NGO has the necessary cash to meet its needs in a timely manner?
- Does the fiscal committee of the board review the financial reports?
- Are there controls in place to prevent expenditure of funds in excess of approved, budgeted amounts?

Stock control audits

- Are there adequate requisitioning, purchasing, and stock control procedures in place?
- Are the pay, petty cash, transport, and procurement needs of the NGO and of the members, if appropriate, met as required?
- How often are internal and external financial audits conducted?

Financial reporting

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

Diversification of income base

- What is the NGO’s funding source?
- Does the NGO have cost recovery or other income generation plans?
- What is the NGO’s future funding strategy?

Service delivery

Sectoral expertise

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

Stakeholder ownership

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

Assessment

- Does the NGO have mechanisms for integrating results of programme evaluations into its planning process and for adapting and changing programme direction and approach in response to information received?
- What types of indicators are identified to measure achievements of results and how is base line data collected?
- How does the organisation use information generated out of monitoring and evaluation activities?

Marketing and awareness building

- Does the NGO have a marketing strategy?
- How does the NGO raise awareness of its activities among its stakeholders?

External relations

Stakeholder relations

- What is the state of the relationships between the NGO and its different stakeholders?
- Is the NGO situated in reasonably close proximity to the community it serves?

Inter-NGO collaboration

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

Government collaboration

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

Funder collaboration

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

Public relations

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

Local resources

- What, if any, relationship does the NGO have with the private sector?
- How does the NGO promote collaborative efforts with other sectors of the community, both private and public?

Media

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

Sustainability

Programme/benefit sustainability

- How can the NGO demonstrate that the community it serves are active participants in programmes and activities?
- Are there examples of NGO programmes for which management responsibility was eventually assumed by communities?
- What are the NGO's programme phase-out procedures?
- Do the phase-out procedures include skills transfer?

Organisational sustainability

- How is the NGO's vision similar or different from other NGOs working in the same sector?
- Of which, if any, coalitions is the NGO a member?

- Are any of the current programmes conducted in partnership with international NGOs, universities, research institutes or other groups?
- What organisational development needs does the NGO have?

Financial sustainability

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

Resource base sustainability

- What are the existing sources of the organisation's financial resources?
- Is there a longer-term business/funding/resource development plan for the needed financial resources?
- What awareness does top management show of the sources and mechanisms available for securing funding?
- Is there a realisable plan for long-term support of the programmes?
- What strategies does the NGO have to diversify its funding base?