



ASSESSMENT OF INSTITUTIONAL CAPABILITY  
OF OIC INTERNATIONAL, INC.

EXECUTIVE SUMMARY

The assessment of OICI's institutional capability was undertaken by combined consulting firms of Barnett & Engel and Druben & Ricci Associates, Inc. under provisions of OICI's Institutional Support Grant AID/SOD/PDC-G-0430. Our tasks: to determine OICI's current state and viability re structure, operation, and financial position; identify lessons learned in project development, design, and implementation; recommend measures to enhance OICI's efficiency and effectiveness, and strengthen its responses to changes in its operating environment; and suggest tactical and strategic considerations re its mission.

Our assessment began on June 28, 1982 at OICI headquarters and included July/August visits to OIC training programs in The Gambia, Ghana, Lesotho, Liberia, Nigeria, Sierra Leone, and Togo.

In Africa we met with 45 officials of host governments, USAIDS, and U.S. embassies; 83 members of OICI boards of directors and staffs; 75 OIC graduates of vocational/technical and agricultural training courses; and 46 employers and supervisors of the voc/tech graduates. In the U.S., we interviewed 12 members of OICI's staff and board.

To further determine degrees of program achievement, we conducted in-country impact surveys among supervisors and employers of voc/tech graduates; self-employed completers of OIC entrepreneurial training; and resettled graduate crop farmers.

## 1. MISSION

The mission of OICI needs updating to provide clear responses to the following: Who are OICI's clients? What needs of these clients does OICI seek to serve? How will OICI meet these needs? Through answering these questions, OICI would be determining whether its primary emphasis is (or should be) on vocational training or on building and supporting institutions which do such training.

Findings are presented on what OICI's implicit emphasis seems to be now (training) and a sketch of what it might be (institution building) after a hard look at clients, their needs, means to meet those needs, donors, philosophy, values, and OICI's competitive edge.

Clarity can be achieved with respect to staffing, structure, OICI/OIC relationships, and which projects OICI should choose to undertake or reject--after a deliberate decision vis-a-vis mission. We recommend that OICI proceed with a more in-depth analysis of mission than is possible in this institutional capacity assessment. The organization should accept the offer of a seconded IBM specialist in this area. We further suggest that a provisional mission statement be developed early in FY83.

## 2. STRUCTURE, STAFFING, OPERATIONS

OICI's staff is dramatically pared down from just one year ago because of funding problems. The cutback has caused an unfortunate neglect of short- and long-term planning. Policies for soon-to-"graduate" countries have not been developed; field support has necessarily decreased in quantity; the corporate fundraising program was put on hold; hiring of at least one critically needed staff person has not gone forward. OICI has suffered "shell shock" in the last year; it has been hobbled by the greatly delayed funding from its nearly sole funder, AID.

Based on an updated statement of mission, OICI must re-think the functions necessary to carry out its purposes and fashion an organization and staffing pattern embodying those functions. Toward that end, we chart a functional analysis which includes marketing concerned with revenue-raising from private and public sources, as well as new project development and OIC fundraising skills development. We recommend that this function receive high priority from the PVO. OICI should determine the key result areas in which it must show marketing results during FY83; one or two objectives for each key result area should be set.

## 3. MONITORING OF OICs

A Management Information System (MIS) exists. It is a logical, sophisticated, manual process, designed for vocational and ETMD training,

but not for agricultural activities. If the last area continues part of OICI's mission, the MIS must be re-designed to include it. The system seems better suited to Philadelphia's planning and data collection needs than to field applications. While the financial half of MIS is fairly straightforward, the program half is less understood and accepted by local personnel and major portions of the system are likely to be abandoned by OICs once OICI funding terminates. We agree with Philadelphia that a thorough review and redesign of the MIS should take place. This examination should reflect not only MIS' use as a headquarters monitoring tool, but its value as a technology which can and should be transferred to the country programs for use after they become autonomous. And the review should encompass the other elements of OICI's broader management information system, e.g., the Monthly Narrative Reports.

Staff shrinkage in Philadelphia has meant that responses to monthly reports from the field are often months behind schedule, and frequently contain routinized comments. We suggest that if monthly reporting is to be taken seriously by OICs, OICI must give credibility to the effort through timeliness, purposefulness, and thoroughness.

#### 4. OICI/CENTRAL BACKSTOPPING

Central backstopping of country programs encompasses support in the initial setting up of an OIC; responses thereafter to supply, technical assistance, other needs; and periodic visits to the field by Central Office personnel. OICs point to management training assistance, inter-OIC conferencing, and fundraising support and brokering as priority areas. OICI's cashflow difficulties have curtailed its management training activities; the fundraising/brokering area has yet to be fleshed out. We suggest that OICI must think through and prepare for changing and growing backstopping needs, e.g., brokering, as OICs become autonomous.

#### 5. AID MONITORING AND BACKSTOPPING

AID monitoring and backstopping consists primarily of formal reporting required of OICI, as well as periodic evaluations and financial audits.

#### 6. FINANCIAL POSITION

OICI's dependence on AID has played havoc with the organization in FY82. Delays in AID decisions on several proposals for follow-on funding for current projects have caused serious cashflow, staffing, and program problems. This dependency, as well as the simultaneous interruption of its private funding campaign, has left OICI in a funding/cash limbo. We concur with OICI that it must "diversify its portfolio" to avoid the

disruptions attendant on a single source of finance, and further recommend that OICI not delay in resuming its private-sector fundraising effort, a program based on solid marketing principles.

## 7. ISG

Given the reduced funding and staff of FY81-82, the generally downward revisions of ISG aims are sensible; we recommend that OICI prepare a new Logframe for formal submission to AID.

At least two major lessons seem to apply to OICI's recent history; namely:

- o While delayed funding/cashflow problems can easily become a psychological deterrent, they are insufficient reasons for not dealing with preparations for the future. The times are turbulent, but it is incumbent on OICI's management to ensure both the institution's capacity to survive and its structural strength and soundness.
- o Revenue-raising efforts are an on-going, daily concern, and OICI cannot afford to lose ground by suspending them. That OICI's grantor has delayed on funding decisions in the last year only reinforces the need for OICI to cultivate a diversity of sources. Variety can minimize the powerful negative effects of cashflow hitches from one dominant quarter.

## 8. RATING THE COUNTRY OICs AND THEIR TRAINING

Employers, host government, and USAID/OAR personnel have little but praise for OICI's voc/tech training centers, citing their unique functions as efficient, community-based institutions that reclaim unemployed, little-educated school-leavers and dropouts through practical, non-formal instruction in needed entry-level skills. OICI's agricultural training programs receive mixed reviews, with off-site extension, particularly in livestock and poultry production and management, considered more cost-effective than on-site training of boarders.

We conducted multi-center impact surveys of three key groups:

- o Supervisors and employers rated between 92% and 94% of voc/tech trainees above average or average in work attitude, theoretical base and practical ability; and 92% judged them better than or equal to other entry-level workers. All said they would seek OIC graduates to fill new job openings. Job retention is low--only 55% of OIC trainees placed with surveyed

firms still work there; the turnover reflects trainee job-hopping for higher pay, not employer dissatisfaction.

- o Self-employed completers of OIC entrepreneurial training reported that the instruction enabled them to manage business finances better (81%), make more money in own business (43%), finance a new business (21%), expand own established business (18%). All stated that OIC training had been responsive to their needs and 93% would recommend that others attend the center.
- o Resettled crop-farming graduates of OIC ag training invariably had put OIC-taught techniques into practice (primarily row planting, seeding, fertilizer application and weeding). On average, they had influenced between 10 and 23 other farmers to adopt new techniques. Seventy-four percent had received resettlement packages and all received an average of three-to-four technical assistance visits per month from OIC extension agents.

#### 9. PROGRAM DEVELOPMENT AND PLANNING

OICI's "interest group" method of project generation is effective in gaining the widespread community support that leads to institutionalization, but is too reactive to provide an effective base of optimum replication of OICI's voc/tech training projects, which fills basic country skills gaps.

Lessons learned from past OICI voc/tech project designs include the need to: avoid overly optimistic, overly detailed proposals; implement mid-course corrections formally; prepare early for project phase-out; formalize timing and level of government support; avoid no-win risks; set realistic time/cost targets; and clarify board/staff relationships.

Lessons regarding ag training include: need for greater host-government participation in project design; avoidance of overly costly on-site boarding of trainees; and greater realism in projecting necessarily high costs of providing resettlement packages and intensive extension-agent assistance to farmer graduates.

Because they teach practical skills faster and better than others, voc/tech OICs are subject to pressure to admit two groups not targeted in project designs: middle-class youth and civil servants. OICs strive to restrict the former, but are amenable to government requests. The ag training OICs' targeted school-leavers and dropouts make apt trainees, because they generally have been raised by farming families. Trainees

with more education and weaker farm roots are more likely to abandon farming after resettlement.

The voc/tech OICs add and drop courses to reflect changing conditions and industrial needs in host countries.

#### 10. PROGRAM IMPLEMENTATION: OICI-RELATED FACTORS

OICI's country programs continue serving their host countries and target groups in the face of political and economic instability and near-paralyzing cash-flow problems that have adversely impacted project implementation. Their continuing vigor reflects the inherent strength of the OICI concept for Third World nations.

Between 1979 and 1982, the number of OICI's direct-hire TCT personnel stationed in the field decreased 78%, from 27 to 6, as institutionalization has progressed and program budgets have shrunk.

A high proportion of local personnel who manage and staff the OICs are competent and dedicated. They have low voluntary turnover, even though job security is non-existent, hours are long, working conditions often primitive, and remuneration (including fringes) below average. Local staffs remain chiefly because they believe in the OICI philosophy and mission, and are gratified by the tangible results of their efforts. Budget cutbacks and lack of direct access to instructional staffs restrict effectiveness of job developers. To counter a sudden halt in government subventions, OIC/Nigeria had to drastically reduce staff; its ability to survive and grow in a "bare-bones" state may have implications for OICI's voc/tech model.

Because the OICs' policy-making boards of directors are autonomous, with members of widely differing backgrounds, skills and interests each board is unique. Boards' characters often change with the passing years. The private sector predominates in some; the public sector in others. Public representation on boards is increasing, with an unexpected result--not politicization as had been feared, but reduced board activity and efficiency. The OICs have few effective Technical Advisory Committees or Industrial Advisory Councils.

By the time of our assessment, OICI's six operating programs and two "graduate" programs had provided skills training to 5,700 people; 4,100 trainees had been placed in jobs by voc/tech OICs; 1,000 had completed entrepreneurial training and management development courses; 243 adult farmers had completed ag training in their villages; and 130 on-site trainees had been resettled on farms.

All voc/tech OICs adhere closely to the OICI philosophy and methodology. Trainees are predominantly school-leavers and dropouts;

and the methodology of intake, feeder, counseling, skills training, placement and follow-up is maintained, right down the line. Most courses are in OICI's core training areas: construction trades, secretarial skills and motor mechanics. The OICs have long waiting lists of applicants--at least two-to-three years in length--chiefly because of their reputations, but due in part to a clogging of the training system, as courses last longer than had been foreseen in project design.

During five years of trial and error, OICI has developed expertise in agricultural training in general, and agricultural training in Africa in particular. It has valuable training facilities, experienced TCT ag specialists and nuclei of dedicated, knowledgeable local staffs. OIC/Togo is entering into an innovative FY83 program to upgrade government training efforts, improve livestock/poultry production and management methods and train agricultural agents of change.

Although OICI's on-site ag training model for boarders has taught new, productive techniques to resettled graduates and farmers they have influenced, we recommend that OICI not seek to introduce that now-dormant program elsewhere. It is characterized by design and implementation flaws that rendered it prohibitively costly, and is not replicable in the real world of developing-nation agricultural training and extension funding and availability.

The inability of voc/tech OICs to meet fundraising levels set by project designs has compounded cashflow problems. The levels, over-optimistic to start with, have become impossible to achieve as businesses lose ability to provide anticipated financial support. Several techniques, originally unforeseen in project designs, are being initiated by OICs to raise local income, including: manufacture of products or provision of services by trainees, under contract; use of more specific fundraising techniques; development of profit-making enterprises; levying of trainee tuition fees (at OIC/Nigeria); seeking alternate sources of funding. Generally, the new techniques have not yet been of appreciable help.

OICI-assisted voc/tech programs are mature and approaching phase-out of AID funding within two years, at which time they are to be self-sustaining. Their survival to date, under conditions of financial stress, suggests that, at the least, institutionalization is partially in place. But funding shortages force attention to immediate crises, to the detriment of the longer-range planning required to ensure project viability. OICs are at different stages of institutional development regarding local management and instructional competence, but should make the transition in a timely manner. On-time achievement of financial viability will, however, require continued substantive host-government subventions; given the high esteem in which governments regard the OICs, the support probably will not be interrupted, barring unforeseeable

political calamities.

OICI lacks a plan to assist OICs after "graduation," i.e., when an OIC no longer receives technical and financial support from OICI. Unless it develops one, graduating OICs will operate in isolation, increasingly vulnerable in the absence of exchanges of ideas and data, and without the forms of technical help and service that OICI can best provide--for example, short-term assistance by OICI specialists; aid in identifying/expediting contact with alternate funders; and establishment of a communications/information exchange. OICI should develop such a plan in the near future. It also should investigate establishment of a regional office in Africa, staffed by TCT and by TDY specialists, to serve both graduate and newly developed country programs.

#### 11. PROGRAM IMPLEMENTATION: HOST COUNTRY FACTORS

OICI's voc/tech training programs probably have received more written and oral accolades from African chiefs of state and government officials than any other PVO--support that has been as consistent as it has been enthusiastic. During FY81, the four OICI-sponsored programs received substantial cash grants from host governments.

OICI's ag training programs have received no financial support and only minimal counterpart support from host governments; the CICs were established outside of host country agricultural communities and maintained little contact with them during early years of project activity. Therein lies a lesson that OICI has learned and is remedying in the CIC/Togo FY83 project.

Although OICs collaborate with non-governmental agencies, such efforts have been ad hoc in nature, taking advantage of specific offers of assistance and/or satisfying specific needs--rather than results of advance planning. As AID funding phases out, the OICs will have to develop more consistent local linkages.

#### 12. AID SUPPORT, BACKSTOPPING, AND MONITORING

Despite AID's predominant role as financial supporter of OICI and its country programs for 13 years, relations between AID/W and the PVO have been marked--especially in FY81 and FY82--by severe strains characterized by problem-inducing stop-and-go AID processes, disbursement delays, and alternating lack of needed guidance and feet-to-the-fire criticism. The difficulties have seriously impaired program performances and diverted operational staffs from their primary internal management and training concerns; the problems appear to result from AID's uncertainty of its role vis-a-vis PVOs, shifting PVO oversight

responsibility at AID/W, and bureaucratic inertia and confusion.

In the case of all country programs except one, OICI and the OICs maintain excellent, close working relationships with USAIDS and OARs based upon program accomplishment and mutual respect.

### 13. ENVIRONMENT

In each country in which OICI operates, Third World governments endorse the OIC approach to vocational training and hail it as a viable alternative to traditional educational methods. Employers of trainees praise the quality of training. The environment for non-traditional vocational training is favorable; we suggest that OICI capitalize on an impressive track record to market itself in new countries.

Host governments are willing to fund local OICs, often in the face of severe economic constraints and political turmoil. They are generally disposed to commit adequate support once an OIC has become established, primarily with outside donor monies.

With regard to non-AID, non-host government funding: a three-year \$500,000 corporate campaign developed in 1981 has been on hold; OICI recently joined the Combined Federal Campaign; a small source of support could be domestic OICs; an iffy prospect for funds is international sources, both intergovernmental and Church; in-kind contributions have and should continue to play a role in the future; various specialists have been approached to help with the fundraising campaign.

Since our scope of work did not allow for an in-depth look into this area, we cannot draw conclusions about the prospects for non-AID support. However, we urge OICI to proceed with development of a fundraising plan, including objectives, sequenced tasks, schedule, budget, etc. Careful planning will help in diversifying sources of income; diversity will mean greater stability and flexibility for OICI.

### 14. RECENT PROGRAMMATIC INITIATIVES

Recent programmatic initiatives in Egypt, the Ivory Coast, and the United Kingdom contain several components which depart in one way or another from OICI's traditional vocational training model and we recommend that each be carefully analyzed to determine the impacts of these departures on OICI's mission.

We suggest that OICI explore collaboration with other PVCs having common interest in institutional-building/vocational training and that

OICI consider the role of a "consulting firm" offering various skills to alumni OICs, host governments and other development organizations.

#### 15. COPING WITH CHANGE

OICI's multipronged fundraising represents a sensible approach, for it seems reasonable both to reduce dependence on AID and not to put "all eggs in one basket." We recommend--and welcome--OICI efforts to plan an integrated program. While outside consultants can be of considerable help vis-a-vis marketing, OICI should internalize that function as soon as possible through the addition of a Marketing Officer accountable to the Executive Director. We further recommend that that person assist local OICs with revenue-generation and fundraising skills development. Moreover, OICI should decide on a geographic concentration for its programs, on criteria for initially "qualifying" countries, and should use such means as other PVOs and Washington embassies to determine the best prospects among "qualified" countries. An active marketing program, which includes new-project development, would tend to insure OICI and its supporters of a continuous flow of worthwhile projects.

While long-range planning has not been a priority in the last year, OICI board and staff believe that it needs to become one. We recommend a two-step process: one, determining what OICI should be, through completion/revision of its mission statement; two, determining how OICI will become what it wants to be, through establishment of objectives reflecting the organization's mission, necessary tasks, the schedule for doing them, the resources required, and the organizational structure to facilitate the process. Further delay with respect to planning would be a management mistake since the funding climate is changing, the organization has a wealth of programmatic experience, and the staff needs to be reorganized to perform the tasks crucial to OICI's mission.

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