



A FIELD PRACTITIONER'S GUIDE

Institutional and organizational analysis
and capacity strengthening



Investing in rural people

Copyright © 2014

The opinions expressed in this book are those of the authors and do not necessarily represent those of the International Fund for Agricultural Development (IFAD). The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of IFAD concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The designations 'developed' and 'developing' countries are intended for statistical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process.

This publication was funded (in part) by IFAD's Adaptation for Smallholder Agriculture Programme (ASAP), the single largest climate change initiative for smallholder farmers worldwide.

Author:

Matthew Pritchard

Front cover picture: ©IFAD/Nana Kofi Acquah

All rights reserved

ISBN 978-92-9072-515-2

November 2014

A FIELD PRACTITIONER'S GUIDE

Institutional and organizational analysis
and capacity strengthening

Table of Contents

Acknowledgements	4
Acronyms	5
Introduction	7
Purpose of the Guide	7
Proposed users of the Guide	8
Structure of the Guide	8
Using the Guide	8
Characteristics and common features of IFAD's lending interventions	9
Thematic and other design considerations	10
Institutional and organizational analysis and strengthening	13
An overview of the methodology	13
What are institutions and organizations?	17
What is institutional and organizational analysis and strengthening?	18
Why does it matter? Lessons from IFAD projects and programmes	19
Country strategic opportunity programme institutional and organizational analysis/strengthening process	23
Introduction	23
Strategic overview	23
How to use it	24
The questions	27
Examples of outputs	33
Project/programme design: institutional and organizational analysis/strengthening process	40
Introduction	40
How to use it	40
Institutional context	44
Stakeholder analysis	50
Lead agency capacity analysis	56
Key implementing partners: identification and capacity assessment	62
Identifying, assessing and engaging smallholder institutions and organizations	62
Monitoring and evaluation	71
Introduction	71
Monitoring and evaluation from the institutional and organizational analysis and strengthening viewpoint	71
Tips and pointers	73
Some examples	75

Case studies	81
Peru: Transferring public resources to decentralized institutions through <i>concursos</i>	81
Swaziland: Working with traditional institutions to resolve land disputes.....	83
Cambodia and Bangladesh: learning from over ten years of capacity-building and training activities	85
Macedonia: Promoting pluralistic and pro-poor agricultural advisory services	89
Uganda: Engaging the private sector and promoting ppps for vegetable oil production	92
China: Achieving institutional innovation and change through rural credit cooperatives	95
Bibliography	99
Annexes	102
Annex 1. Scaling up institutions and organizations	102
Annex 2. Community governance of natural resources and rangelands: a case study from the eastern highlands of Morocco.....	110
Annex 3. Force field analysis	114
Annex 4. Tool templates and descriptions	118
Annex 5. Sample terms of reference for institutional/organizational analyst	127

List of Figures

Figure 1. Diagram of the main institutional functional elements	13
Figure 2. COSOP institutional and organizational analysis/strengthening process	26
Figure 3. Project design institutional and organizational analysis/strengthening process	42
Figure 4. Smallholder institutions and organizations: identification, analysis and development	63

List of Boxes

Box 1. Climate change, the Adaptation for Smallholder Agriculture Programme and institutional analysis.....	11
Box 2. 'Meaning' and its impact on agricultural development programmes	14
Box 3. 'Association' – rural organizations and IFAD	15
Box 4. 'Control' – rural organizations and rules.....	16
Box 5. 'Action' – the impact of new technologies on agricultural transactions	16
Box 6. An example of the framework for institutional analysis in practice	17
Box 7. Institutional assessment, partners, service providers and implementation arrangements	19
Box 8. Taking advantage of opportunities for expanding and intensifying impact	20
Box 9. Evolutionary approaches and linkages.....	21
Box 10. Sierra Leone and the importance of informal institutions and relationships.....	29
Box 11. IFAD lessons regarding lead agencies and stakeholder analysis	30
Box 12. Supporting institutional change	30
Box 13. Relationships, lines of authority, reporting and performance monitoring	32
Box 14. The importance of understanding institutional stakeholders and how they interact	51
Box 15. Lead agencies, outsourcing and the limits of capacity-building.....	58
Box 16. Albania – Constraints to scaling up in a shifting political environment.....	73
Box 17. Phased development of sustainable self-help groups: the experience of MYRADA.....	77

Acknowledgements

Many people have contributed directly and indirectly to the production of this Guide. It was commissioned by Tom Anyonge, Lead Technical Specialist (Institutions and Organizations) in the Programme Management Department, who also guided, reviewed and coordinated its production. Thanks to Monica Romano, Rural Institutions Consultant; Norman Messer, Senior Technical Specialist, Rural Development/Institutions; and Ambra Gallina, who reviewed and commented on the drafts. This Guide is one of the milestones of a process started in 2009, and thanks go to the following country programme managers and country programme officers for their support and contributions: Hamed Haidara, Hubert Boirard, Marian Bradley, Nigel Brett, Marco Camagni, Mattia Prayer Galletti, Ronald Hartman, Roberto Haudry, Sana Jatta, Alessandro Marini, Meera Mishra, Robson Mutandi, Rasha Omar, Thomas Rath, Atsuko Toda, Ben Odoemena, Dick Siame, Henning Pederson, Mohamed Abdelgadir, Aissa Toure, Sam Eremie, John Gicharu, Vincent Darlong, Eric Rwabidadi, Custodio Mucavel, Mwatima Juma, Youqiong Wang, Pontian Muhwezi, Ivan Cossio, Dina Saleh and Moses Abukari.

For allowing references to relevant thematic guidelines in their charge, thanks go to: Clare Bishop-Sambrook, Soma Chakrabarti, Rudolph Cleveringa, Eloisa De Villalobos, Michael Hamp, Sheila Mwanundu, and Jim Woodhill. Thanks go to Sheila Mwanundu and Ilaria Firmian for supporting the mainstreaming of climate change aspects into the Guide. Thanks go to Cheikh Sourang for supporting through IMI grants the integration of scaling up elements into the Guide. Thanks go to the peer reviewers: The World Agroforestry Centre (ICRAF) team and in particular to Francesca Romana Borgia, Mieke Bourne, Delia Catacutan, Jeremias Mowo, and Joseph Tanui, including their contributions to the grass-roots institutional and organizational model; and to Abrar Chaudhury, International Centre for Tropical Agriculture (CIAT). Thanks also to Silvia Sperandini and Maria-Elena Mangiafico for advice on IFAD's style guidelines and to Sarah Morgan for the editing. Finally, thanks go to Adolfo Brizzi for his overall guidance and support in the production process.

Errors, omissions and interpretations remain, of course, the responsibility of the author. While this Guide was prepared for IFAD's Programme Management Department, the views expressed are not necessarily those of IFAD.

Acronyms

BACs	business advisory centres	NaCSA	National Commission for Social Action
B2B	Borrower-to-Beneficiary chain (i.e. all the organizations involved in an IFAD-supported intervention, from the borrower down to the individual beneficiaries)	NFFSL	National Farmers' Federation of Sierra Leone
BSL	Bank of Sierra Leone	NBSI	National Board for Small Scale Industries
CB	capacity-building	NGO	non-governmental organization
CBFOs	community-based financial organizations	NPPA	National Public Procurement Authority
CBT	capacity-building and training	NRMOs	natural resource management organizations
CoA	Chamber of Agriculture	PIP	Pastoral Improvement Perimeter
COSOP	country strategic opportunities programme	PCU	project coordination unit
CSO	civil society organization	PIU	project implementation unit
DFID	Department for International Development (of UK)	PMU	project management unit
DotE	Department of the Environment	RIMS	Results and Impacts Management System
EFA	economic and financial analysis	RSI	Relative Success Indicator
ESA	environmental and social assessment	RTF	regional technology facilities
FAO	Food and Agriculture Organization of the United Nations	SEA	strategic environmental assessment
FSI	farming system improvement	SEAGA	socio-economic and gender analysis
HR	human resources	SHG	self-help group
INGOs	international non-governmental organizations	SIOs	smallholder institutions and organizations
IO	institutional/organizational	SLARI	Sierra Leone Agricultural Research Institute
IOA	institutional and organizational analysis	SWOT	strengths, weaknesses, opportunities and threats
IOA/S	institutional and organizational analysis and strengthening	TOR	terms of reference
IOS	institutional/organizational strengthening	UNFCCC	United Nations Framework Convention on Climate Change
IP&T	Indigenous and Tribal Peoples		
LA	lead agency		
LIG	livelihood improvement groups		
M&E	monitoring and evaluation		
MAFFS	Ministry of Agriculture, Forestry and Food Security		
MoA	Ministry of Agriculture		
MoFED	Ministry of Finance and Economic Development		
MoTI	Ministry of Trade and Industry		
MoU	memorandum of understanding		
MTR	Mid-Term Review		
MWI	Ministry of Works and Infrastructure		



Introduction

In recent years, development discourse has increasingly focused on how institutions and organizations can improve access to goods and services, enhance rural livelihoods and promote economic competitiveness in rural areas. There is a common agreement that it is important at the programme/project preparation stage to survey the institutional and organizational landscape and ascertain the ownership of the assessments during the design process by in-country partners (IFAD 2013). Institutional and organizational analyses are critical to identify support for long-term scaling up pathways.¹ Similarly integrating the climate change adaptation dimension into institutional and organizational analyses and capacity-building ensures that programme/project design reflects climate resilience elements. In order to improve the quality of institutional and organizational analyses, IFAD and its country-level partners and practitioners have requested for this tool to guide programme/project design and implementation.

Purpose of the Guide

The purpose of this Guide is to support institutional and organizational analysis and strengthening (IOA/S) for design and implementation of programmes and projects.

The Guide is designed to be a practical, hands-on set of directions to those needing to answer the following questions: “how to go about doing institutional and organizational analysis? And once I’ve done it, how do I go about using this analysis to promote sustainable institutions and organizations?”

Based on a conceptual and theoretical framework developed in the IFAD Source Book on Institutional Analysis, this Guide sets out guidelines, tools, examples and suggested steps that illustrate good practice and minimum quality standards in IOA/S for Country Strategy and Opportunities Paper (COSOP)² and programme design. Its ultimate aim is to provide a variety of ways of structuring the questions and approaches that are needed when considering initiatives that promote institutional and organizational change and strengthening.

This is intended as a user-friendly Guide, the use of which could help identify strategic partners and key areas for intervention at COSOP level; to deepen the COSOP analysis at the design stage by generating interventions that support sustainable institutions and organizations, and progress at implementation stage should be easier to monitor and evaluate effectively. The ultimate aim of all of these processes and interventions is to enable IFAD to meet its mandate of investing in rural people.

1. A. Hartmann, H. Kharas, R. Khoi, J. Linn, B. Massler, C. Sourang: Scaling Up Programs for the Rural Poor (IFAD Experience, Lessons and Prospects (Phase 2), 2012).

2. A COSOP is a framework for making strategic choices about IFAD operations in a country, identifying opportunities for IFAD financing and facilitating management for results.

Proposed users of the Guide

This Guide is primarily aimed at those responsible for initiating, designing, managing and facilitating the process of institutional and organizational analysis and strengthening at the IFAD COSOP, programme design and implementation levels. It is written mainly for IFAD country programme managers, IFAD staff and consultants. It may also be useful to analysts, designers, implementers and evaluators of development programmes, from government as well as the private and civil society sectors.

More broadly, this Guide may be useful for anyone interested in practical tools and approaches to guide analysis and the design of interventions aimed at institutional and organizational strengthening and rural poverty reduction.

Structure of the Guide

The first section sets out the purpose, users and structure of the Guide, directions on how to use it, and some thematic considerations.

Section two introduces some of the basic concepts and models used by the Guide, such as definitions of key terms, and a summary of the methodology used.

Section three presents suggested steps and activities to be carried out during an institutional and organizational analysis at the COSOP and project/programme design stages. It also provides information related to the expected uses and results of the analyses, as well as advice regarding monitoring and evaluation (M&E) indicators and approaches.

Section four presents a number of case studies that highlight information relevant to COSOP, design and implementation.

Section five covers approaches and pointers regarding M&E for interventions designed to strengthen institutions and organizations and individuals.

Section six presents case studies illustrating the overall practice of IOA/S and highlights of lessons learned from COSOP, design and implementation.

Using the Guide

The Guide can be used in a number of ways, depending on the purpose and context of the analysis or strengthening activities being conducted. While this Guide is intended for design teams and peer reviewers at design stage, it is also expected that some of the insights from cases discussed in this Guide would be useful for supervision and implementation support; likewise, resulting lessons from these processes will feed into future iterations of this document. Figure 2 (pg. 26) and Figure 3 (pg. 42) give summary overviews of suggested steps to be taken at COSOP and design stage. These can be used directly to plan and implement the IOA/S workflow. They point to specific tools that may be used as part of these steps and provide templates for information output.

Alternatively, teams can pick and choose from the tools presented, blending them to meet their needs, and fitting them into their evolving workplan as required. This Guide is not intended to be exhaustive, so teams should feel free to use other complementary tools or adapt these tools as necessary to meet their needs. Ultimately the Guide is designed to help produce COSOPs and programmes that are well grounded, meet high/established quality standards, and identify and meet key challenges.



©IFAD/Michael Benav

Although the Guide provides directions on recommended steps to take and tools to use for COSOP and programme design, it should not be used as a blueprint. Any COSOP or programme design will be embedded within a complex set of contextual elements relevant to the particular country: laws, guidelines, norms, culture, values, history, and so on. These will have to be carefully considered, and design teams should bring to the task appropriate approaches, tools and ideas.

No Guide is equipped to anticipate every question that should or could be asked; no set of instructions can fully anticipate every domain or theme that might be (or become) important in varying circumstances. As a Guide to thinking and structuring solution-oriented and context-relevant analysis, this Guide will be useful. As a set of computer-like instructions to be followed unthinkingly, it will not.

Characteristics and common features of IFAD's lending interventions

IFAD undertakes a variety of interventions as it responds to the multidimensional nature of poverty. An overarching feature of all interventions is that they require an assessment and understanding of a cross section of institutional factors and organizational features.

The target groups that IFAD aims to assist are diverse and often have areas of significant weakness and vulnerability, both in terms of the resources they are able to mobilize and the competencies and capacity that they and their organizations possess. This is often coupled with weaknesses in IFAD's implementation partners and the ministries responsible for providing services. Where there is little competition to regulate the effectiveness of service delivery agents, combined with weak feedback mechanisms, effective service delivery is hampered and reforms can be difficult to promote.

Any IFAD intervention occurs within an institutional and policy context that inevitably has a strong influence on how the impact of that intervention is likely to create 'ripple' effects. The partners that IFAD works with, their capacity and influence, and their linkages with broader networks of policy influence, will affect how learning and experience from a project can be taken up and applied more widely ('scaling up').³ They can also affect longer-term policy processes addressing key issues such as food security and climate change adaptation.⁴

These factors highlight the importance of a thorough assessment of the institutional milieu, as well as organizational factors. In order to promote the required capacity-building effectively it is important to assess individual competency, organizational capabilities and overall institutional capacity, and implement strengthening activities.

Thematic and other design considerations

While this Guide is designed as an all-purpose, general Guide to institutional and organizational analysis and strengthening, it recognizes that IFAD works within sectors that have a particular focus and therefore specialized needs. Projects and programmes also have other design considerations that need to be taken into account and which influence institutional and organizational analyses.

This Guide is nonetheless a useful place to start when considering IOA/S, even within specific sectors. However, there are specific toolkits and guidelines that can complement and/or elaborate further the IOA/S analysis set out here that deal in greater detail with these sectors or themes. The paragraphs below outline additional considerations, as well as pointers towards resources and guidance in thematic areas that are common to many IFAD programmes and interventions.

Agricultural Value Chains. The handbook *Chain-Wide Learning for Inclusive Agrifood Market Development*⁵ presents a detailed and consistent methodology for understanding and mapping the value chains, institutions and policies that influence the participation of small-scale producers in modern markets and develop strategies for action.

Rural Finance. The IFAD publication *Decision Tools for Rural Finance* provides a useful set of good practices to Guide financial service providers and COSOP/project design teams. This Guide, used in conjunction with the *Decision Tools*, provides a sound framework to guide the IOA/S process when assessing or designing rural finance projects or components.

Environmental and Natural Resource Management. IFAD's environmental and social assessment (ESA) procedures focus on an integrated assessment of the environmental, social and economic factors that are key elements of rural poverty reduction and sustainable development, complemented by broader factors such as the dimensions of institutions and governance. IFAD promotes the use of strategic environment assessments (SEAs) at the COSOP level, and a multi-step process of ESA at project design level. SEAs aim to integrate environmental considerations into policies, plans and programmes, while ESAs aim to describe in more detail the projects or activities proposed, their potential impact on the environment and natural resources, and possible alternatives and mitigating strategies. ESAs also outline management plans and M&E frameworks. Both the SEAs and ESAs include an emphasis on institutional analysis and strengthening. The Guide can be used to assist in these analyses. The IFAD publication *Environment and Social Assessment Procedures* should also be used to guide specific environmental and natural resource management analyses at both COSOP and project design stages.

3. See annex 1 for specific questions regarding scaling up institutions and organizations.

4. See annex 2 for an example of building resilient smallholder institutions and organizations.

5. *Chain-Wide Learning for Inclusive Agrifood Market Development: A guide to multi-stakeholder processes for linking small-scale producers to modern markets* (2008); The International Institute for Environment and Development (IIED); The Capacity Development and Institutional Change Programme (CD&IC), Wageningen University and Research Centre, the Netherlands as an output of the Re-governing Markets Programme.

Socio-economic and Gender Analysis. FAO's *SEAGA: Socio Economic and Gender Analysis Programme, Intermediate Level Handbook* provides a strong framework and approach to guide socio-economic and gender analysis, and should be used as a reference. It highlights the importance of assessing the institutional and organizational context in which development interventions will operate, as well as providing detailed tools to guide the analysis of gender concerns and concerns that apply to other disadvantaged groups. As with the SEAGA handbook, users of this Guide should constantly be aware of gender issues, and should also bear in mind the needs of other disadvantaged groups at every stage of the IOA/S process.

Economic and Financial Analysis (EFA) of Rural Investment Projects. The IFAD publication *Internal Guidelines for Economic and Financial Analysis of Rural Investment Projects at IFAD* (to be published during 2014) aims to mainstream approaches and quality standards for the economic and financial analysis of its projects. Teams, particularly project design teams, should aim to source a copy and refer to this document for guidance on EFA.

Box 1. Climate change, the Adaptation for Smallholder Agriculture Programme and institutional analysis

The Adaptation for Smallholder Agriculture Programme (ASAP) was launched by IFAD in 2012. ASAP provides a new source of cofinancing to scale up and integrate climate change adaptation within IFAD operations. ASAP recognizes the importance of institutional and organizational analysis in building the resilience of smallholders to climate-related risks.

For example, ASAP helps:

- develop capacity among local institutions to plan and adopt agro-ecological farming models in a changing environment
- improve the clarity of governance structures related to climate risk management and establish links between local institutions and national government structures
- strengthen the capacity of women's groups, gender researchers and ministries to analyse the gender aspects of climate risk management and their practical implications.

Institutional and organizational analysis is therefore an important part of preparing for ASAP cofinancing. Key questions to consider in a Project Design Report (PDR) and its annex 5 on institutional aspects and implementation, include the following:

1. Can the project provide a platform to strengthen cross-sectoral institutional linkages, e.g. between Agriculture and Hydrometeorology Departments?
2. Consider the institutional arrangements for ASAP and the project it will cofinance; will there be two project management units or can the various institutional partners be merged into a single management unit to foster linkages?
3. Does the project link up to or inform national planning processes for climate change, e.g. National Adaptation Planning (NAP) processes, national communications to the UNFCCC, national Climate Change Trust Funds, etc.?
4. Consider the value of employing an additional staff member in the project team who can serve as climate change adviser. Examples of terms of reference (TORs) are available from IFAD Environment and Climate Division.
5. Have cofinancing arrangements with other climate change financing mechanisms been considered?
6. Have capacity development activities on relevant adaptation issues been considered, e.g. community-based vulnerability and capacity analysis?
7. Consider the capacity of staff and other stakeholders involved, and their needs.

Sources: ASAP brochure; and Annotated Project Design Report.



Institutional and organizational analysis and strengthening

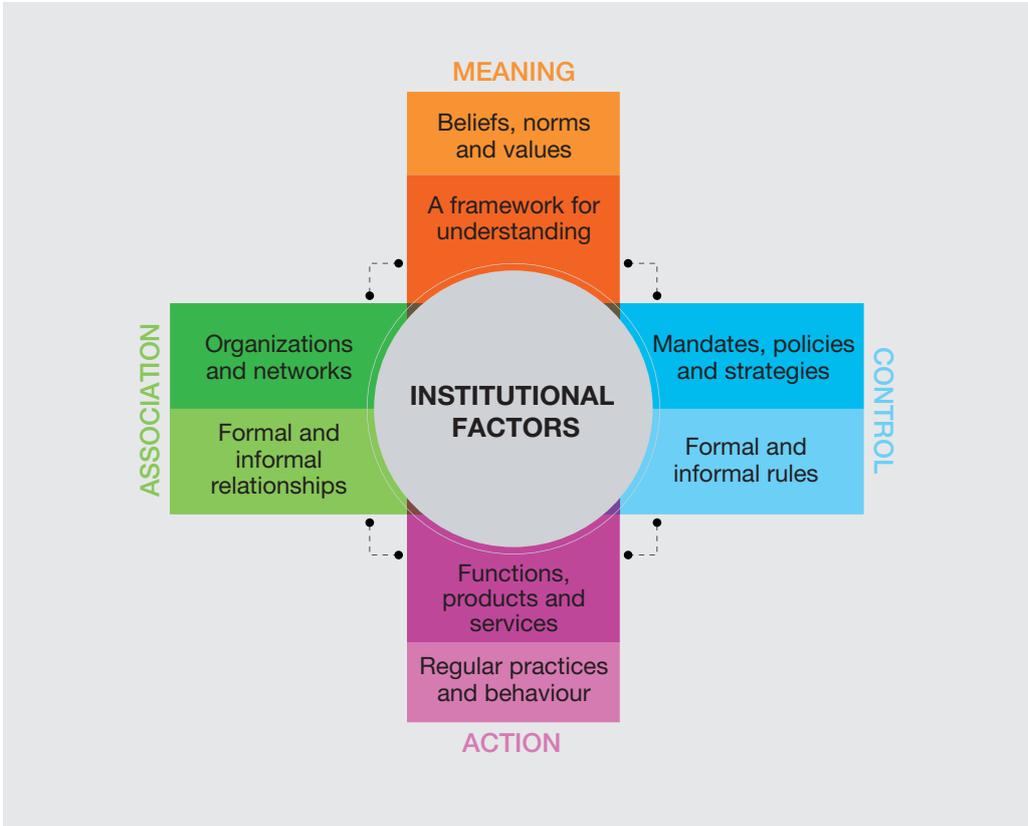
This section sets out definitions of concepts that are used throughout the Guide. It discusses what is meant by the terms ‘institution’ and ‘organization’, and by ‘analysis’ and ‘strengthening’, and why these matter. It also presents lessons learned from IFAD’s previous COSOPs, designs and implementation.

An overview of the methodology

This Guide is broadly set within a conceptual framework that recognizes four key functional elements of ‘institutions’:

- ways of making **meaning** in our lives
- the **associations** we make
- the basis for **control** over individuals and organizations
- **actions** that are taken.

Figure 1. Diagram of the main institutional functional elements



Meaning

This aspect of institutions relates to the mental models we use to interpret our lives and the social and natural world in which we live. It is about the way in which we make events, relationships, natural phenomena and time meaningful. It encompasses elements such as our individual beliefs and values, the overall cultural values and beliefs within which we live, the social norms that define, restrict and explain our lives, our religious beliefs, frameworks of scientific understanding and research, and so on. These meaning-related aspects are often labelled 'informal institutions', as they are deep-rooted and often undocumented. They may also be called 'exogenous institutions' (Jutting 2003), as they are external to the overall economic system and exist at the 'socially-embedded' level. Although these informal institutions can change, this is usually a lengthy process, measured in decades, or even longer periods. The meaning-related aspects of institutional and organizational analysis have often been overlooked when designing development interventions. However, IFAD's experience – and that of other actors – has made it clear that this level matters. If actors try to promote changes that do not 'make sense', the likelihood is that the changes will either fail, or be implemented in a manner that was not anticipated. Box 2 below shows the kind of impact these 'meanings' can have.

Box 2. 'Meaning' and its impact on agricultural development programmes

Mali's economy is dominated by agriculture, and for many decades smallholder agriculture has been under the control of state organizations. Reforms initiated during the 1980s sought to reduce the role of the state by liberalizing markets for inputs and crops, and commercializing agriculture by allocating government-controlled land to large-scale agribusinesses. Changes to the form and function of farmer organizations were also promoted. However, an evaluation carried out by the DFID-funded Research Programme Consortium found that these reforms produced resistance and negativity in farmers. They did not feel they had stable and credible organizations through which to dialogue or take collective action; the 'new' farmers' organizations were seen as over-burdened and under-prepared for new responsibilities. Allocations of land to big agribusinesses produced deep feelings of insecurity about their land tenure and that of their families. Farmers in cotton zones also felt that their income had been reduced and they faced uncertainties relating to input supply and marketing opportunities. The farmers saw these reforms as deeply 'unfair', contravening their notions of societal or economic justice and fair play. They said that they had been abandoned: "leaving farmers as orphans." The type of reforms and the manner in which they were implemented – little attempt was made to consult with the farmers – contravened their perceptions of the moral relationship between themselves and the state. As a result, their attitude to the reforms and the opportunities they presented was negative. To the farmers, the reforms did not 'make sense' and thus the purpose of the reforms was undermined.

Source: RPC IPPG, DFID (2010); Beyond Institutions: Institutions and organizations in the politics and economics of poverty reduction – a thematic synthesis of research evidence; p.22.

Association

This element involves the associations that people make with each other to work towards achieving social, economic and political objectives. These might be formally organized, such as governments, businesses, civil society or non-governmental organizations (NGOs). They also encompass the relationships, agreements and interactions between organizations, representing the informal aspect of association. This element includes most of the types of *organizations* that are typically the target of capacity-building or strengthening interventions under IFAD-supported projects. Organizations such as governments may be formal expressions of the informal values and beliefs of a society, for example in the way they are structured and how they operate. This makes them ‘deep’ or slow-changing entities. Nevertheless it is often the case that less time is needed to effect organizational change as opposed to meaning-making systems. Some commentators categorize organizations as ‘endogenous’ – i.e. they are an internal part of the economic system. However, in some ways they can also be exogenous: for example, there is always likely to be some form of government (excepting major societal breakdowns), even if its character and operations change radically.

Box 3. ‘Association’ – rural organizations and IFAD

Multi-stakeholder platforms improve research, adoption and incomes along the value chain

The ways in which people and organizations choose to associate with each other can greatly affect the impact of development activities. In Central and West Africa, the Centre Africain de Recherches sur Bananiers et Plantains (CARBAP) conducts research and development on bananas and plantains, which are key food staples. In 2006, CARBAP created a network of regional stakeholder platforms, the “Innovation Variétale chez le Bananier Plantain – Réseau de Plateformes Régionales” (INNOBAP), to improve information exchange and knowledge of the needs of planters and other value chain actors. The network brings together research institutions, producers’ organizations, nursery gardeners’ organizations, processors, storekeepers, NGOs and agricultural development institutions from Benin, Cameroon, Gabon and Guinea. INNOBAP plays a ‘brokerage role’ between the different, and sometimes competing, players by building mutual trust and improving communication and information flow. Thus, heterogeneous players have learned to combine, collaborate and agree on joint market development strategies for plantains.

Source: FAO/IFAD good practice publication.

Control

This aspect is often the one that comes to mind when the term 'institution' is used, and refers to the ways of maintaining control over what individuals or organizations should or can do. This covers formal aspects such as laws, rules, regulations, as well as mandates, strategies and policies. It also covers informal rules, which may be deeply intertwined with meaning-making systems. Institutions, as a set of rules, can only be effective and sustained when they are legitimate, consistent and compatible with other institutions, and when they can be implemented and reviewed.

Action

Actions carried out regularly by individuals or organizations are also an element of institutions. These might include regular patterns of behaviour by organizations or individuals, as well as the regular provision of services, functions and products that take place according to agreed-upon rules, laws and norms (formal and informal). Action describes the functional, real-world results of institutional and organizational interaction – what people do.

Box 4. 'Control' – rural organizations and rules

The market management committees (MMCs) supported under the IFAD-funded Market Infrastructure Development Project in Charland Regions (MIDPCR), Bangladesh, were found to comply by and large with the rules requiring a number of representatives from various stakeholder groups. However, the composition of the MMCs was dominated by representatives of local government and shopkeepers, whereas some key stakeholders, particularly small temporary traders and women, were not adequately represented, or did not fully participate in decision-making processes concerning market management. Moreover the project was not successful in establishing groups for the stakeholders who found themselves excluded, and project surveys suggest that many traders felt they had little contact with the MMC. One of the reasons for this is probably the 'meaning'-related cultural, or social expectations regarding participation. Stakeholders who hold socially superior positions may be expected to participate in or to control such groups. Thus the purpose of the rules – to promote participation and stakeholder inclusion – can be undermined or negated by societal expectations that work against encouraging widespread participation.

Box 5. 'Action' – the impact of new technologies on agricultural transactions

As a new technology becomes widespread in society, it is reasonable to expect that there will be changes in behaviour – changes in the way people act, interact and react. An RPC IPPG study of the onion supply chain in the United Republic of Tanzania looked into the impact of mobile phones on agricultural transactions. It found that, despite their huge popularity, mobile phones were used only to exchange low sensitivity information, such as when a farmer intended to harvest his or her crop. All other key transactions – agreeing to supply a trader, inspecting quality of produce, agreeing to a price – were still matters for face-to-face, verbal deals. In this case study, the traditional actions associated with agricultural buying and selling were not displaced by the new technology.

Source: RPC IPPG, DFID (2010); Beyond Institutions: Institutions and organizations in the politics and economics of poverty reduction - a thematic synthesis of research evidence.

Box 6. An example of the framework for institutional analysis in practice

Looking at agricultural value chains and the impact of the ‘supermarket revolution’ provides an example of how the framework can be used as a lens to analyse the institutional context and people’s behaviour. Consider the current concern about food quality and safety. Consumer beliefs (meaning) and buying behaviour (action) have a significant role in shaping business strategy and government policy-making (control). There is a framework of scientific understanding and research (meaning) that underpins food quality and safety regulation and procedures. There are government agencies responsible for food safety issues, and many different businesses interacting along the value chain (association). Government food safety agencies have a mandate to develop policies and establish rules and regulations, while the agrifood industry independently develops its own sets of policies, standards and rules to meet consumer demand and legal requirements (control). As a result of these institutional arrangements, a set of supporting actions become institutionalized, such as regular monitoring of imports by a food safety authority or agribusinesses introducing and providing bar coding and tracing services (action). Some of the behaviour (action) by different actors (including corruption) may disregard the formal rules and be driven by informal customs and rules (control).

Taken from *Chain-Wide Learning for Inclusive Agrifood Market Development: A guide to multi-stakeholder processes for linking small-scale producers to modern markets (2008)*; IIED and Wageningen University and Research Centre.

What are institutions and organizations?

Set within the broad conceptual framework given above, this Guide maintains a distinction between ‘institutions’ and ‘organizations’. Institutions can be understood as settled, widely prevalent and standardized habits and conventions defining social practices (Hamilton; Mitchell; Young in IFAD 2013) and – more formally – as constitutional and operational rules governing different kinds of organizations (Parsons; Ostrom in IFAD 2013). In brief North emphasizes that a crucial distinction must be made between institutions and organizations, and describes institutions as “rules and norms that constrain human behaviour” and organizations as “the players” (North 1993). Institutions, for the purposes of this Guide, are thus mainly situated within the ‘meaning’ and ‘control’ aspects of the conceptual framework.

As with institutions, there are many definitions of the term ‘organization’. Drawing on Aldrich (2007), important features of organizations are that: they have a structure and functions; they are designed to achieve specific goals; they have identifiable boundaries; they work within, or are influenced by, the institutional context, while usually also attempting to influence the ‘rules of the game’; and they use resources, knowledge or technology to perform work-related activities. Organizations are thus more closely associated with the ‘association’ and ‘action’ elements of the conceptual framework.

Confusion sometimes arises over the distinction between organizations and institutions. This is because, on a conceptual level, there is some overlap. Some organizations – such as governments – embody and represent the ‘rules of the game’ as well as having the properties of organizations. Clarity is therefore needed. Institutional aspects of a government should be thought of as the rules of the game: the laws, norms and standards that the government promulgates and works by. For instance, a Ministry of Agriculture can be considered an institution when providing standards and norms on seed multiplication and distribution. The freedom to multiply and distribute seeds that organizations have (e.g. research organizations, private companies) will be constrained by those norms. At the same time, if the analysis concerns the capacity of the Ministry to implement a project, organizational aspects – such as structure, staffing, resources and so forth – should be investigated.

This Guide will maintain the over arching meaning of institutions as 'rules of the game': norms, standards, rules and behaviours, both formal and informal, and organizations as 'the players' showing identifiable boundaries, structure and functions (Aldrich 2007).

What is institutional and organizational analysis and strengthening?

Institutional and organizational analysis (IOA) refers to the research and analysis of, and generation of understanding about, institutions and organizations. **Institutional assessment**, in line with the definition of 'institutions', should usually be understood as assessing the formal and informal 'rules of the game' that influence society, organizations and individuals. **Organizational assessment** is focused on the nuts and bolts of how organizations are structured and organized, their values and culture, their capacity and performance, and so on.

Institutions and organizations can be created and changed as a result of a planned and conscious effort, such as passing or amending laws, or registering a new organization. They also evolve spontaneously and organically over time through human interaction. **Institutional strengthening** is a result and a process of institutional change that strengthens an institution's recognition, standing, influence, performance or formal presence. Organizational change is considered to be organization-wide – a change in structure, a merger, a major collaboration – rather than a smaller change such as a new position or a change to one aspect of operations. **Organizational strengthening** is change that strengthens the organization's standing, influence, formal presence or ability to achieve its goals.

It is worth reflecting briefly on what 'capacity-building' means, given that many institutional or organizational strengthening interventions are spoken of as 'capacity-building projects'. Building the capacity of staff, while an important part of organizational change (and possibly also a part of institutional change, in the long term), is not in itself sufficient for an activity to be considered either institutional or organizational strengthening.

An operational definition of capacity (Mathauer 2004) signifies the right combination of: human, technical and financial resources, leadership, institutions (rules of the game) and practices. Capacity-building is a complex process that goes beyond simply training individuals in certain new skills or techniques. According to Walters (2007), capacity-building is:

- a complex process that involves changes in power, identity and relationships
- an 'endogenous process' (formed from within), that involves the main actor taking responsibility for the process of change.

Different levels of capacity can also be identified. **Competency** is defined as the individual's set of skills, knowledge, abilities and experience. **Capabilities** are generally identified at the organizational level – the sum of both individual competencies and organizational elements such as vision, mission, structure, resourcing, and so on. **Capacity** then refers to the macro level of systems as a whole – i.e. the sum of individual competency, organizational capabilities, and institutional elements such as culture, laws, rules, guidelines, etc.

Capacity-building is thus a broad and engaged process that supports the internal processes of individuals and organizations to learn, apply, reflect on, adapt and continually develop new skills and knowledge to overcome developmental obstacles and, ultimately, to promote positive change at the institutional level.

Why does it matter? Lessons from IFAD projects and programmes

IFAD recognizes that "...institutions and organizations are pivotal to reducing poverty and fostering development."⁶ Institutions and organizations matter: they enable poor people to access the assets, services and knowledge they need to sustain their livelihoods. They also promote social cohesion and stability, and provide poor people with a collective voice to influence policy. However, in some circumstances, they can actively discriminate against poor people and other vulnerable or marginalized groups, such as women and the disabled.

IFAD's recent emphasis on institutional and organizational analysis and strengthening has revealed some interesting lessons. One of the most fundamental is that **few country programme strategies or project design teams analyse informal rules and organizational norms explicitly**. The Synthesis Report comments that "...COSOP and project design teams perceive changes in informal rules and organizational culture as difficult, problematic and creating uncertainty." This does not, however, mean they can be safely ignored: this lack of analysis of such informal rules and organizational cultures has, in some circumstances, led to implementation problems for IFAD projects and programmes. A thorough assessment of the overall institutional and organizational landscape is vital. Perspective is important in this analysis: to the rural farmer and other people, an 'informal' organization (as defined by the government or outsiders) may have a very formal place in their society, and a direct impact on their lives. And, given that institutional and organizational change is a complex, ongoing process, it needs to be reviewed throughout a project's lifespan.

Inter-organizational relationships and the role that is (or could be) played by a variety of stakeholders is another area for potential improvement. IFAD projects have sometimes been over-reliant on lead agencies as the sole implementing partner. Box 7 provides some details.

Box 7. Institutional assessment, partners, service providers and implementation arrangements

Choice of partners and service providers is important. IFAD has reflected recently on its state-sector bias and how it reinforces state actors and their power in relation to other groups in society. As the Fund has begun promoting a more systematic approach to smallholder institution-building and community development, along with business-oriented agriculture and value chains, it has increasingly worked with private and community-based service providers to deliver organizational development support. Although this has led to some successes, design documents often lack in-depth analyses of the availability and capacity of existing service providers, as well as the potential of other stakeholders. Projects do not therefore always include capacity-building and training of trainers to fill any skill gaps that these service providers might have. This, combined with designs that scatter training or capacity-building activities over several project components, and poor coordination mechanisms among project components and implementing partners, have meant that some projects have struggled to meet targets. Lack of good institutional assessment also reduces the likelihood of innovative implementation mechanisms being selected, such as public/private partnerships.

6. IFAD (2013), "Synthesis Report: Strengthening pro-poor institutions and organizations" (a synthesis of lessons learned from field application of IFAD's Sourcebook on *Institutional and Organizational Analysis for Pro-poor Change*).

Failure to properly understand the relationships and linkages between the organizations and other stakeholders that make up the institutional context within which IFAD operates can also lead to lost opportunities for scaling up impact and lessons learned from IFAD interventions. A study of IFAD's approaches to "...expanding, replicating, adapting and sustaining successful policies, programmes or projects..."⁷ emphasized that creating opportunities for wider impact can depend on a careful assessment of the institutional pathways through which that wider impact can be achieved. This requires an understanding of the spaces, dimensions and linkages with the wider institutional context through which the impact of IFAD's usually relatively small interventions can be expanded (see the example in Box 8).

A number of different issues have been identified in relation to **approaches to institutional/organizational strengthening (IOS)**. Activities purportedly aimed at IOS are often not based on a fully developed understanding of the organizational or institutional changes that are required. 'Capacity-building' and 'training' become seen as the same thing, thus activities focus more on enhancing the competency of individuals, and, to a limited extent, on organizational capabilities, rather than genuinely focusing on improving system-wide capacity. The Cambodia and Bangladesh case study (pg. 85) highlights many of the lessons learned regarding capacity-building and training activities.

Project designs should formulate explicit theories of change that identify the extent to which **capacity constraints** are the key barriers to institutional and organizational change for key stakeholders. They should also show how the proposed capacity-building activities will lead to expected reforms, as well as engage with the beneficiaries' own perceived needs. Given that institutional and organizational development is dynamic, progressive and not easy to envisage rapidly during the first years of implementation, designs should also include an **evolutionary process approach**. The institutional and organizational change framework and capacity-building activities should allow for flexibility, learning and adjustment to changing circumstances.

It is also important to **promote stronger vertical and horizontal institutional and organizational linkages** to improve governance effectiveness. The best mechanism for facilitating these linkages is to focus on the functional dimensions of local institutions and organizations. These include linkages based on information flow; linkages related to the sharing of financial resources; and linkages built around decision-making, technical and managerial skills.

Box 8. Taking advantage of opportunities for expanding and intensifying impact

A series of IFAD interventions in upland areas of Peru illustrate the multiple institutional dimensions that can play a role in determining how positive impact can gradually be expanded. A series of projects have gradually expanded their scope from an initial limited geographical and sectoral focus on agriculture, to work on the socio-economic development of corridors, urban-rural linkages, microenterprise development, and the development of local markets for goods and services. This was possible due to a combination of careful attention to the cultural compatibility of the community-driven development models adopted, the political and institutional space created by national policies on decentralization, and the creation of a well-aligned and comprehensive system of incentives and accountability, which encouraged innovation, competition and demand for services from the smallholders. Understanding the local institutional environment and incorporating this understanding into the progressive design of interventions, along with an emphasis on learning from experience and linkages with local learning networks, played a key role in facilitating this scaling up process.

7. Brookings Institution (2010). *Scaling Up the Fight against Rural Poverty – an Institutional Review of IFAD's Approach*.

Box 9. Evolutionary approaches and linkages

An evolutionary approach to grass-roots institutional and organizational development has been developed by IFAD in partnership with the World Agroforestry Centre. It involves the mobilization of individual farmers into groups, which are then strengthened around common interest groups and aggregated into producer associations. By forming into groups and associated production units, it becomes possible for farmers to access services, and it reduces the cost of service delivery to farmers and increases choice, information, skills, income, voice and welfare for farmers. The approach indicates a pathway through which enterprise-oriented farmer groups can be developed, starting with individual farmers and small-localized interest groups, then evolving towards producer associations at meso and national levels. When producer groups grow large and strong enough, they may either deliver services to members or be able to attract private and/or state service providers in their areas of operation. The function of producer associations is to establish sustainable linkages with input suppliers, financiers, output buyers and public services providers, so each can invest in the area, confident that the complementary services that farmers need in order to make use of their services are accessible.

©IFAD/Asad Zaidi





Country strategic opportunity programme institutional and organizational analysis/strengthening process

Introduction

This chapter sets out the suggested steps for institutional and organizational analysis during COSOP or concept note preparation processes.

The first step in the IFAD engagement process usually takes place with the COSOP, or a concept note.⁸ This sets the scene and provides a broad analytical background to the country and its development characteristics. The IOA/S at this stage is a quick scan of the institutional and organizational environment. COSOPs rarely have time to go into detail – these will need to be fleshed out by the project design teams as necessary.

A critical outcome of the COSOP or concept note process is the identification of key strategic partners. These will usually fall into one or more of the following groups:

- Lead agency or agencies for implementation
- Key implementation partners, e.g. for delivering services or goods
- Other important stakeholders and networks, including their relationships and potential impact on the COSOP or strategic objectives
- Pathways through which key results will be taken up on a wider scale or incorporated into wider policy, or through which longer-term policy, such as policy relating to climate change adaptation and resilience, can be influenced
- Major domains and key indicators for M&E.

It is vital to know who the key players are, to identify the key capacity strengths and weaknesses of the various players, and to formulate likely capacity strengthening strategies and plans as a means of building on strengths and addressing weaknesses.

This section assumes that the COSOP is the first one being conducted in-country. In cases where a COSOP has already been produced, many of the questions should be focused on updating the previous analysis with new information and identifying any changes that have taken place since the previous document was written.

Strategic overview

There are five main sets of institutional and organizational questions to consider, including:

1. **Overarching questions** that relate to the poverty context of the country and lessons learned by IFAD, other donors and the Government itself.
2. **General institutional background:** these questions aim to identify major formal and informal policies, laws, rules, norms, values and mindsets, and to begin assessing their likely impact on the COSOP. They also explore possible opportunities for the COSOP to influence the wider institutional context, and the evolution of longer-term policies and strategies, such as those dealing with climate change adaptation and resilience.

8. For ease of reference, this Guide will refer throughout to the COSOP. Depending on the context, this should be understood to refer to “the COSOP, concept note or other strategic (i.e. non-project-design) analysis that requires a broad overview rather than details.”

3. **Stakeholder assessment:** this focuses on the stakeholders – formal and informal – that are likely to be involved. Particular areas of importance are the potential lead agency and agencies, and other stakeholders from the public, private or civil society sector that may be important as service delivery agents. It is important to ensure that important stakeholders throughout the Borrower-to-Beneficiary (B2B) chain are identified.⁹ However, COSOP-level analysis is unlikely to need to (or have time to) analyse stakeholders at the grass-roots or individual level. A stakeholder assessment also aims to begin charting the interests of stakeholders and potential forces that will support or resist the changes needed.
4. **Capacity assessment:** critical stakeholders, as identified in point 3 above, should be assessed in terms of their capacity strengths and weaknesses in light of the roles they are likely to fulfil and the outcomes required from them.
5. **Capacity strengthening strategies:** these questions aim to facilitate the process of planning the kind of support stakeholders will need in terms of capacity-building, identifying what kind of support is appropriate, and also focus attention on how interventions can make use of stakeholders' strengths.

The responses to these sets of questions can be documented in a series of formats, including summary tables, plans and a strengths, weaknesses, opportunities and threats (SWOT), as well as in the body of the COSOP.

How to use it

- Based on your literature scan, note key themes under each of the key question areas, particularly those that answer, or go some way towards answering, each of the key questions. Note any critical contextual areas or questions that the tool does not include.
- Convene stakeholder meetings or a workshop to discuss your analysis and take account of stakeholder views and information. If your workshop is a three-day event, you should probably spend at least half a day (i.e. about three to four hours) discussing institutional and organizational issues and answering the key questions below.
- This process should yield five major outputs:
 1. A completed institutional/organizational (IO) **SWOT** table focusing on the major strengths, weaknesses, opportunities and threats identified during the analysis (maximum one page). This should be written from the perspective of the COSOP, and should ask, for example “what are the major strengths/weaknesses of this institution/organization for COSOP implementation?” “What opportunities are there for this institution/organization to be involved in COSOP implementation, activities or interventions?” or, “How can this institution/organization contribute to expanding the impact generated by COSOP implementation?”
 2. A **stakeholder summary table** that summarizes the strategically relevant stakeholders from along the B2B chain, along with other relevant details (maximum one page).
 3. A summary **force field analysis** table that lists key interests, forces and trends that may support or resist the changes in the COSOP; this should include how they might influence the uptake of innovation and learning generated by the COSOP on a wider scale (max. one page).
 4. A **capacity assessment and strategy summary table** that summarizes: the major capacity strengths and weaknesses of critical stakeholders; the overall strategy and plan for the capacity-building required (around one page depending on needs); and what organization/service delivery agent will provide the capacity-building.
 5. **Text** summarizing and describing the above, as well as setting the overall institutional/organizational context (approximately one to two pages of text).

9. See the report “Effective Project Management Arrangements for Agricultural Projects: A Synthesis of Selected Case Studies and Quantitative Analysis” for more details on the B2B chain and some examples

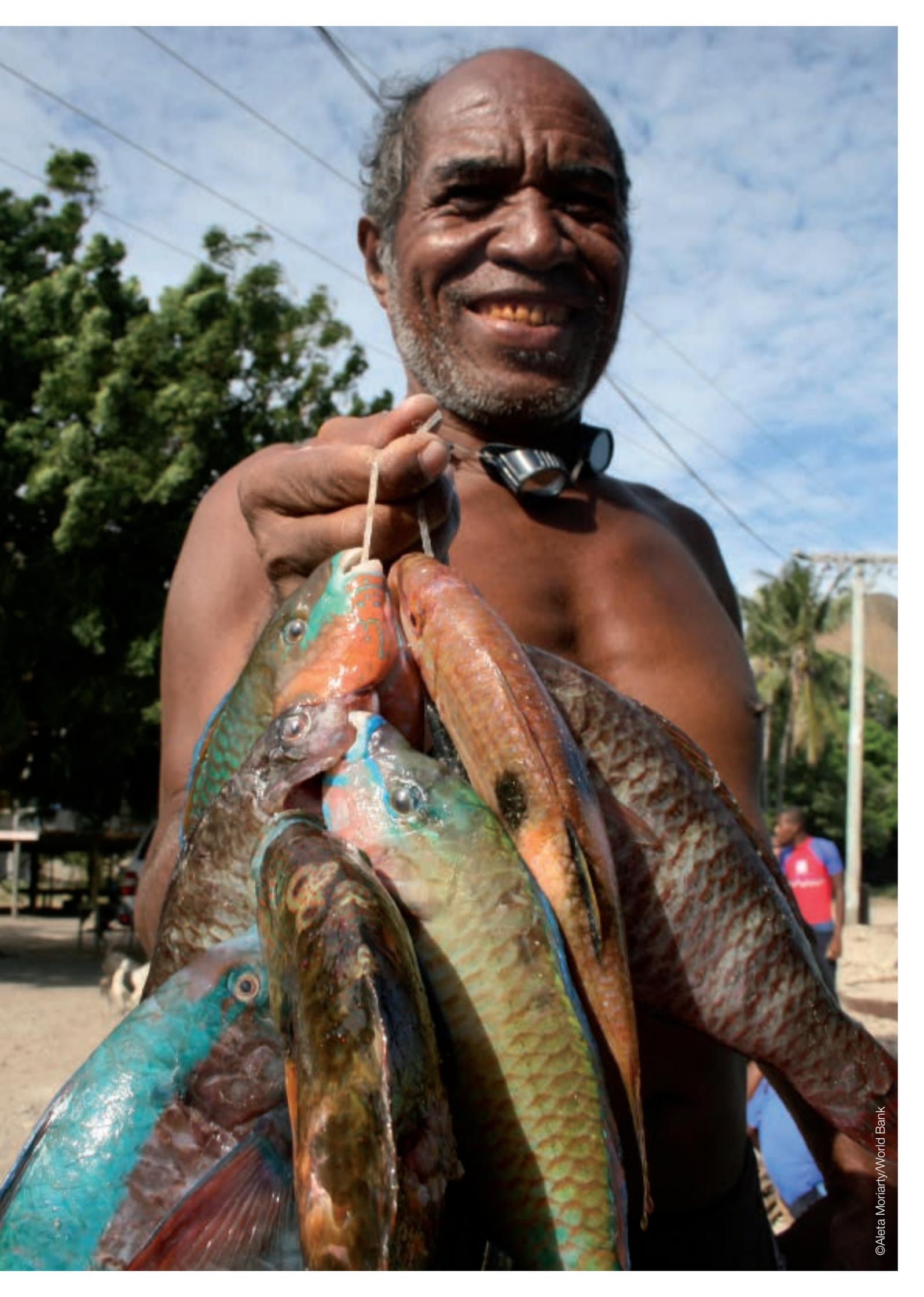


Figure 2. COSOP institutional and organizational analysis/strengthening process



©IFAD/G.M.B. Akash



The questions

Overarching questions

1. Based on an assessment of the main causes of rural poverty, what overarching institutional and organizational strengths and weaknesses need to be addressed?
2. What has been learned from previous IFAD projects or those of other donors, including learning relevant to the process of innovation and learning, how new ideas are disseminated and how they are taken up more widely?

General institutional background

1. What are the major formal policies, strategies, laws and rules that will influence proposed interventions during the COSOP lending period, or during the design and implementation process of the project (concept note)? To what extent, and in what way, are they likely to affect it? What longer-term strategies, such as strategies to tackle climate change, are in place, how are they articulated and how might they affect the COSOP?
2. What opportunities, such as ongoing political or cultural change, external catalysts or policy initiatives, might provide entry points through which limited strategic intervention could generate wider change?
3. What are the major informal rules, cultural or social norms, values and mindsets¹⁰ of stakeholders, and to what extent and in what ways might these potentially influence the process of implementing interventions during the COSOP lending period? What aspects of 'social capital' exist – i.e. the social bonds that allow people to trust each other and work together?
4. To what extent do feedback and 'voice' mechanisms exist for the poor to influence policies and practice?
5. What institutional arrangements exist to address issues relating to climate change and its impact? How will the COSOP engage with these?
6. What attitudes to learning, new knowledge and innovation are prevalent, and what incentives are in place to encourage them? How can these be strengthened or taken advantage of?

When answering the above questions, ensure that you bear in mind gender considerations as well as the needs of vulnerable or underrepresented groups such as youth, the disabled, etc.

Stakeholder assessment

A stakeholder is any individual, group, community, association or organization that has a stake in the outcome of a project or intervention. By 'having a stake' we mean that they are either affected by the project/intervention positively or negatively ('gainers' or 'losers'), or are in a position to influence the activity either positively or negatively.

Stakeholders can be divided into three categories:

- **Key stakeholders** – those who can significantly influence a project or intervention, or without whose support the project/intervention would not be successful.
- **Primary stakeholders** – those who are directly affected by the project/intervention, either favourably or negatively (these are the so-called gainers or losers).
- **Secondary stakeholders** – those who have an interest or role in the project/intervention but are not directly affected. These might include stakeholders with a potential role or interest in making wider use of innovations or learning generated by the COSOP, or incorporating them into longer-term strategies addressing issues such as climate change resilience and adaptation.

10. For example towards development generally, towards civil society, towards cooperation between government players and other players, towards notions of work ethics and success, what represents good performance, and so on.

These distinctions are not exclusive – some primary and secondary stakeholders may also be key stakeholders.

Stakeholders should also be classified by type.

- **Enabling agencies** are of two kinds: the constitutional agencies and the collective choice agencies (Shields 2003). Broadly speaking, they are responsible for governance results – they are enablers. **Constitutional agencies** are those that set the framework, guidelines and boundaries within which all organizations function, and also enforce compliance (the various wings and organs of government). They also set the standards for service delivery and accountability. **Collective choice agencies** are those that operate within the boundaries set, but which also seek to influence constitutional agencies and change policies and institutions. These bodies are representative of local power structures and make decisions and policies that help realize mandated goals and objectives, as well as accommodate the needs of local interest groups. Examples are district- or provincial-level bodies that consist of elected representatives, officials and representatives of various interest and affinity groups.
- **Delivery agencies** are providers of goods and services – they deliver results. They are found in the public, private, mixed (having both public and private ownership) and civil society sectors. Examples are/would be utility companies, industrial and commercial units, public distribution systems, various registries and charitable institutions.
- **User/client agencies** consist of two categories: consumers of goods and services (individual buyers and clients), and interest or affinity groups (e.g. consumer groups, trade unions, manufacturers' associations and chambers of commerce), which constantly seek to create space for their members in order to access resources and benefits.

The distinction between the deliverers and users is not fixed – its borders are fluid. Thus, at any one time an employee in a government agency might be a service provider (delivery agency), and at another a user, either as a consumer or as a member of a trade union or other affinity association. These three kinds of organizations are constantly interacting, influencing and being influenced by the other types of stakeholders.

It should not be forgotten that networks of stakeholders – whether formal or informal – can also have significant impact. These networks should also be identified if possible.

The main questions to be asked include the following:

1. What are the main **formal institutions**, organizations and networks at national and lower levels that should be involved in COSOP execution and the implementation of IFAD-funded rural development interventions? The whole of the B2B chain should be assessed at this stage. Which of these are likely candidates to act as lead agency and as other partners for implementation? Which stakeholders might be important to COSOP or intervention activities, for example as service delivery agencies, key partners, disseminators of key learning, and in taking the lead in scaling up, etc. What roles are the stakeholders expected to play and what likely outcomes will be required of them? What are relationships like within and between these stakeholders?
2. How do these different stakeholders fit into broader patterns of national policy and decision-making? What influence might they have in affecting broader change (for example in mainstreaming key learning and impact, or influencing national strategies on climate change adaptation)?
3. What are the major informal or societally based institutions? To what extent do the formal and informal institutions 'fit' with each other? Are there areas of dissonance or conflict?

Box 10. Sierra Leone and the importance of informal institutions and relationships

In February 2004, the government of Sierra Leone enacted the Local Government Act to support devolution. Under the Act, authority and financial resources for certain functions were transferred to local councils. The councils are important partners of the IFAD Country Programme in Sierra Leone. They have benefited from activities to enhance their capacity to plan and lead developmental interventions. However, the Act did not fully address the issue of the chiefdoms. These are among the most powerful and recognized institutions within local communities, but their role in governance and the relationship between them and the councils was not made clear.

This lack of clarity resulted in continuous competition between the two parties for power and legitimacy. For example, the chiefs were reluctant to involve themselves in the councils as subordinates, which hindered development planning. Revenue-sharing proposals, in which the chiefs would collect local taxes and market fees, then share a percentage with the councils, were also unsuccessful, because the chiefs were unwilling to hand over funds. The situation on the ground was complicated further because different government departments had different relationships with the chiefs and councils: some were closer to the chiefs, others to the councils. There were also informal concerns over the councils' human and financial capacity, which delayed the transfer of funds from central government, and consequently had an impact on IFAD's programme.

Unclear roles, conflict, concern over revenue and financial capabilities and the limited involvement of the chiefs, all hampered the start-up and running of IFAD-funded interventions. A more detailed examination of their relationships, interests and capacities may have uncovered ways of addressing these on-the-ground implementation roadblocks before they impacted on the programme.

4. What are the key changes affecting different stakeholder groups and how are they related to climate change? Who is most vulnerable to current or potential climate change impact?
5. Which key stakeholders have a specific mandate regarding climate change response, or influence policy relating to climate change?
6. Which informal or societal groups play a role in mobilizing local responses to change (including disasters, crises, trends)? How have they responded to key changes/crises in the past? What are their relationships with more formal institutions and agencies?
7. To what extent is the private sector and civil society sector developed? Are there examples/experiences of public-private partnerships, in particular for rural development/rural poverty reduction interventions? How developed are NGOs, associations of smallholder farmers and producers or other forms of collective action? To what extent can, or should, the private sector and civil society be involved in COSOP implementation?
8. To what extent do civil society organizations (CSOs), and organizations that represent stakeholder interests, address climate change issues among their membership?
9. What are the stakeholders' interests and other forces or trends that are most likely to promote project success? Where is resistance most likely to come from?
10. Which stakeholders can play a role in fostering learning from IFAD interventions, and disseminate and scale up any innovations that may be generated?

Capacity assessment

1. What are the major strengths and weaknesses in the institutional capacity of the public sector (particularly focusing on potential lead agencies, other important delivery partners, and relevant ministries such as Agriculture, Finance), including the extension system? Major areas to cover are: planning systems, including strategic planning linked to climate change and other long-term processes; financial management, procurement and administration; technical systems; human resources planning and development; M&E; promoting and rewarding innovation and the identification of new opportunities for development and investment. Ensure that gender and other targeting issues are covered.
2. What are the strengths and weaknesses in capacity of other potentially important partners, such as the private sector and civil society?
3. What capacity-related learning has been generated from previous IFAD projects or those of other donors?
4. What capacity (and incentives) do different key institutions have to learn from their experiences, and to modify their behaviour based on that learning?

Box 11. IFAD lessons regarding lead agencies and stakeholder analysis

IFAD's recent review of its institutional and organizational analysis at the design stage concluded that, in general, too much is expected from government lead agencies in project intervention delivery. Lead agencies frequently have limited capacity, and are sometimes not adequately assessed themselves. Little attention is given to building relations (at all levels) with other organizations that have potential for co-implementation and partnership-building with the private sector in delivering private goods. Other than government agencies, there is often only a partial assessment of the potential of non-state in-country partners regarding the roles they can play, their capacity to perform functions related to IFAD programmes, and their influence on existing power relationships and/or imbalances.

Box 12. Supporting institutional change

Burundi has struggled with the issue of corruption: in 2010 it was ranked the most corrupt country in East Africa by Transparency International. Such an entrenched institutional characteristic – which has a profoundly negative impact on investment, governance and development – can be difficult to counter. However, weak government has allowed many rural associations to become active in local development. Taking advantage of this situation, the Transitional Programme of Post-Conflict Reconstruction developed a new approach towards participatory community planning, based on the establishment of development committees at the levels of commune and hill area. These committees use traditional mediation practices, such as ensuring that everything is done publicly and that the names and addresses of those chosen as recipients of aid are displayed where everyone can review them. This has helped to reduce the risk of corruption and favouritism that fuelled conflict in the past, and demonstrates that institutional change is possible.

The IFAD-funded Tejaswini Rural Women's Empowerment Programme in India promoted self-help groups (SHGs) as an approach to working with poor rural women. This acted as the catalyst of behavioural and institutional transformation. As banks began to see that groups of organized rural women could be reliable customers, their attitude and approach changed from one of initial reluctance to a gradual expansion of their client base to include them.

At the beginning of the implementation of the IFAD-supported Project for Participatory Integrated Development in Rainfed Areas (PIDRA) in Indonesia, the government's attitude towards NGOs was ambivalent. However, both sides adopted an attitude of openness and willingness to adjust which proved, during implementation, that the relationship could be fruitful and achieve good results.

Capacity strengthening strategies

1. Based on the assessment of major institutional and organizational roles, required outcomes, and capacity strengths and weaknesses, which critical organizations and institutions are most in need of capacity strengthening activities in order to meet COSOP objectives?
2. For these organizations and institutions, what are the key elements of capacity strengthening that are likely to be needed? Distinguish between resources (plant, equipment, physical capital) and skills.
3. Taking into account these institutions' and organizations' current circumstances, what are likely to be the most appropriate methods of providing this capacity-building support so that it is used, becomes institutionalized and supports the achievement of COSOP/strategic objectives? Which organization or service delivery agent is best suited/appropriate to provide CB support? Will it be necessary to 'build capacity TO build capacity', i.e. to train the potential training organizations?
4. What implementation strategies can be designed to capitalize on/that take most advantage of identified capacity strengths?
5. What institutional pathways can be strengthened to ensure that learning from experience, and successful innovations, are disseminated and scaled up in the future?
6. How can incentives for institutional learning, and the practical application of that learning, be developed or strengthened?
7. What capacity do different agencies have for implementing responses to climate change (preparedness, response, resilience)?

Defining project and programme management and coordination arrangements

Most IFAD partner countries use some form of project management units (PMU) to implement IFAD-supported projects. Recent analysis indicates that these PMUs, however, are not homogeneous. The exact nature of the project management (PM) arrangements often depends on the available capacity, the country context, the type of project outcomes and outputs required, and other variables. The role, type and composition of the PM arrangements will thus differ from one country to the next, and even within the same country over time. It may not be appropriate to think in terms of what PMU the project needs; it is more appropriate to assess the whole B2B chain to design PM arrangements that both fit the context and that will most effectively and efficiently ensure the project achieves its objectives.

The institutional and organizational assessment process set out above should guide the COSOP developers in their analysis of the most effective form (or forms) of PM arrangements. In general terms, the level of capacity and management strengths and weaknesses in the partner country are key elements that will determine the PM arrangements. The three basic approaches are as follows:

- **Stand-alone arrangements.** In circumstances where the partner country and lead implementation agency have significant capacity weaknesses and/or major management challenges, a PMU is formulated as a stand-alone unit, completely detached from the structure and operations of the lead agency.
- **Embedded arrangements.** Where there are some capacity weaknesses, but greater areas of strength than above, a PMU or other PM arrangement may be embedded within the structure of the lead agency, but maintaining a significant degree of operational control and flexibility, i.e. it will sit outside some lead agency systems, but within others.
- **Integrated.** Where the lead agency has good capacity and the management ability, the project can be run wholly through the lead agency's structures.

The choice among these options should also take into account eventual pathways for institutional learning drawn from the experience of COSOP implementation and consider how this could influence wider practice, the scaling up of positive lessons and long-term strategies for dealing with climate change.

Regardless of which approach is chosen, the COSOP will need to define vertical levels of authority and communication, as well as reporting and supervision. The regulations, systems and processes to be followed should be agreed and assigned at both the national and the local level. These would include such aspects as: coordination; rules of engagement between implementers; memorandums of understanding (MoUs); planning and decision-making authority and processes; procurement and financial management; M&E; communication; knowledge management and sharing, among others.

It is important to ensure that management arrangements foster a culture of innovation and promote the dissemination of learning from experience. This may require actively seeking out ways of promoting the exchange of learning – including with other agencies and donors – and breaking down barriers between the leading agencies/implementing partners and other institutions that have the potential to play a role in the scaling up of innovations or other positive experiences generated by IFAD interventions.

Roles and responsibilities should be agreed and assigned to the lead agency and implementing partners. The analysis above should also give a good indication of the need and potential for outsourcing certain activities to service providers, for example where the lead agency or other partners have limited capacity or mandate.

Box 13. Relationships, lines of authority, reporting and performance monitoring

In November 2006, Indonesia's National Parliament approved an agricultural extension law which was designed to reorganize the agricultural extension system at national, provincial and district levels. Following the new structure, all village extension staff were placed under the District Agriculture Dinases, and later under the District Agency for Extension Implementation (Bapeluh), envisaging one field extension worker (FEW) per village. The IFAD-supported Rural Empowerment and Agricultural Development Programme (READ) being implemented in Central Sulawesi province (Indonesia) worked with FEWs in the villages covered by the project. However, the Mid-Term Review (MTR) mission indicated that delivery of technical support to farmers was weak.

It was found that agriculture extension staff were working in an isolated environment, with limited support or supervision, and with very limited accountability in terms of time management or achievement of outcomes. There was little incentive for extension officers to perform and little, if any, process to match monthly or quarterly outcomes with their annual workplan and budget (AWPB). The problem was mainly due to the institutional structure: as staff of Bapeluh under the district local government, their performance was monitored by the head of the district agency. However, there was little link between the achievement of the AWPB and this evaluation process, while the manager of the District Management Unit had no input into evaluations of extension staff.

Examples of outputs

The templates below provide the simple formats with which to present the information from the questions above. All templates provide examples for ease of reference. For blank templates please refer to Annex 4.

Stakeholder summary table

Stakeholders are grouped according to their status as key stakeholders, primary, secondary, or a mixture. Key stakeholders are those without whom the COSOP or intervention cannot function. Primary stakeholders are those who are directly affected (either positively or negatively) by the intervention. Secondary stakeholders are those with an interest or role, but who are not directly affected. These might include agencies that could play a role in future dissemination or scaling up of experiences from interventions. Primary and secondary stakeholders may also be key stakeholders.

Edit the table as necessary: if the particular context or circumstances you assess do not include certain groups (e.g. there are no stakeholders that are assessed as being “key + secondary”) then delete those rows. Remember to ensure that important stakeholders throughout the B2B chain are identified.

The stakeholders summary table example below is adapted from the COSOP for Sierra Leone.

Stakeholders		Implementation/Management Responsibility
No.	Key	
1	Ministry of Agriculture, Forestry and Food Security (MAFFS)	<ul style="list-style-type: none"> • Lead Agency, Policy and Regulation Review and Development • Develop and support commodity associations • Develop Market Information System, invest in critical market access and facilities • Production of field and horticultural crops at developed irrigation schemes • Develop and capacitate farmer-based organizations (FBOs) and farmers • Incorporate food security, environmental sustainability and long-term adaptive capacity in the face of climate change or other long-term trends into the various farming systems. • Support development of smallholder beef, pork, dairy and indigenous chicken production
2	Ministry of Finance and Economic Development (MoFED)	<ul style="list-style-type: none"> • Flow of funds
3	Ministry of Works and Infrastructure (MWI)	<ul style="list-style-type: none"> • Infrastructure oversight
Key + Primary		
4	Small-scale agricultural producers	<ul style="list-style-type: none"> • Produce crops, link to marketing and processing operations
5	FBOs	<ul style="list-style-type: none"> • Link to marketing, processing and entrepreneurial operations
6	Medium- and large-scale producers	
Primary		
7	Local councils	<ul style="list-style-type: none"> • Development planning in support of the project
8	Paramount chiefs	<ul style="list-style-type: none"> • Land use decisions, conflict mediation
9	National NGOs	<ul style="list-style-type: none"> • Service delivery, training
Key + Secondary		
10	Department of the Environment (DotE)	<ul style="list-style-type: none"> • Oversee environmental impact assessments and mitigation strategies • Incorporate experience and learning into longer-term strategies for climate change adaptation
Secondary		
11	Private sector	<ul style="list-style-type: none"> • Investment, links to FBOs, marketing
12	Bank of Sierra Leone (BSL)	<ul style="list-style-type: none"> • Oversee microcredit activities

Strengths, weaknesses, opportunities, threats (SWOT table)

This SWOT table example is also taken from an overall COSOP document produced for Sierra Leone.

K = Key; K+P = key and primary stakeholders

Area of analysis	Strengths	Weaknesses	Opportunities	Threats
Overall institutional context	<ul style="list-style-type: none"> Poverty reduction plan is approved, in place and widely supported. Agricultural development is one of the top political agendas. Democratic accountability is driving greater focus on achieving results and development outcomes. Political will for anti-corruption drive. 	<ul style="list-style-type: none"> Much legislation and policy framework is new and therefore cause of differences; understandings vary, reducing confidence. Areas of poor regulatory framework and policies in some sectors, e.g. the finance sector. Widespread capacity weaknesses throughout public sector, both resource-based and quantity/quality of HR. Corruption still an issue. Most government organizations still have a bureaucratic, centralized and non-learning ethos and culture. 	<ul style="list-style-type: none"> Significant political will nationally and locally to drive agriculturally based development and livelihoods. Technical and financial support from donors and CSOs; opportunities for synergy and efficiency. Increasing interest in agricultural investment by private sector. 	<ul style="list-style-type: none"> Politics very changeable and unpredictable; broad support for agriculture and local development may change. Relationships may deteriorate between key players, reducing coordination and impacting effectiveness. Areas of policy and legislative weakness are not resolved. Corruption reduces public confidence and that of stakeholders. Centralized and bureaucratic decision-making ethos reduces effectiveness of participatory approaches and reduces overall legitimacy.
K(1): MAFFS – Lead Agency	<ul style="list-style-type: none"> Extensive field presence. Continuity pre- and post-conflict, reservoir of corporate memory and technical skills. New vision and Agricultural Development Plan in place and supported. New focus on agricultural development includes intensification, diversification and commercialization, which supports IFAD-sponsored approaches. Experience with IFAD projects. 	<ul style="list-style-type: none"> Traditional civil-service mindset. Poorly resourced; limited operating budget. Limited management capacity. Infrastructure (offices, stores, etc.) severely affected by the war and communication system weak. Inadequate knowledge of commercialization and costs/benefits of agricultural production. 	<ul style="list-style-type: none"> Policy changes (e.g. on technical assistance (TA), financial management and organization) allow greater flexibility to outsource and gain expertise. Staff recruitment now freed up. Development of a biofuel policy. 	<ul style="list-style-type: none"> Conflict over interpretation of plans and strategies may lead to inconsistent implementation. Bureaucratic, civil service implementation and performance mindset may not change.
K(2): MoFED	<ul style="list-style-type: none"> Good loan/grant management experience and skills. Budget planning. Supports commercial banks, community banks and microfinance institutions. 	<ul style="list-style-type: none"> Disbursement procedures are cumbersome, leading to delays. Banking supervision is weak. 	<ul style="list-style-type: none"> Future financing negotiations. 	<ul style="list-style-type: none"> Legislation and policies on banking and credit sector may not be finalized swiftly.

Area of analysis	Strengths	Weaknesses	Opportunities	Threats
K(4): MWI	<ul style="list-style-type: none"> Declared support to Agricultural Development Plan and decentralization. 	<ul style="list-style-type: none"> Coordination weak. Lack of resources – physical, financial and human. 	<ul style="list-style-type: none"> Improved coordination of agricultural infrastructure rehabilitation. 	<ul style="list-style-type: none"> Corruption still problematic.
K+P(7): FBOs	<ul style="list-style-type: none"> Traditional and local knowledge. Medium- to long-term interests. Improved governance – leadership is periodically elected. Increased negotiating power. Improved access to credit and inputs. Improved post-harvest activities. 	<ul style="list-style-type: none"> Leadership often over-dominant; few literate leaders, resulting in limited rotation of leadership. Structures and capacity still weak. 	<ul style="list-style-type: none"> At district and chiefdom levels there is good potential for reaching target beneficiaries. 	<ul style="list-style-type: none"> High levels of expectation, which, if not met or managed, may lead to disillusionment and withdrawal of support.
K+P(6): Small-scale agricultural producers	<ul style="list-style-type: none"> Traditional and local knowledge. Medium- to long-term interests. 	<ul style="list-style-type: none"> Lack of capital. Lack of some skills. Low degree of organization. Often very limited or no business and marketing capacity. Low level of literacy and numeracy. Women often marginalized. Youth have difficulty accessing land. 	<ul style="list-style-type: none"> Capacity-building. Support to organizing farmers in SOs. Strong interest in forming SOs. Support to microcredit and input supply. 	<ul style="list-style-type: none"> High levels of expectation.
K+P(8): Medium- and Large-scale agricultural producers	<ul style="list-style-type: none"> Have capital. Mostly good levels of skills and knowledge. Medium- to long-term interest. Mostly strong management. 	<ul style="list-style-type: none"> Some lack of information on markets, institutions and procedures. Sometimes difficulties in accessing capital. Lack of knowledge of export markets and exporting. Difficulties in complying consistently with export quality standards. 	<ul style="list-style-type: none"> Fostering partnerships between smallholder producers and medium-to large-scale producers. 	<ul style="list-style-type: none"> Profitability may not be high in early years; expectations may not be met, which may cause disillusionment and withdrawal. Differences of approach, motivation and requirements between small and large producers may damage relationships.

Table summarizing capacity assessment, strategy and plan

This table provides a simple summary of the stakeholders and their relative capacity strengths and weaknesses from the perspective of the COSOP. It does not have to be a comprehensive account, but should capture the main areas of strength and weakness that will most impact on the COSOP, or which the strategic plan should take into account. It is important not to over-focus on weaknesses, given that strategies should also take into account areas of strength that can be built on, or that support appropriate interventions.

The table also captures potential capacity development strategies and methods, which will need to be tailored for individual stakeholders or circumstances. Some assessment of the capacity of the service providers is also useful. IFAD reviews indicate that, in some circumstances, projects will need to develop the capacity of service providers to provide capacity-building services: to “build capacity to build capacity.” The table below shows an example based on the analyses above.

K = Key; K+P = Key and Primary stakeholders; S = Secondary

Stakeholder	Capacity strengths	Capacity weaknesses	Capacity development strategy and method/ plan	Service provider
Key stakeholders K(1): Ministry of Agriculture, Forestry and Food Security – Lead Agency.	<ul style="list-style-type: none"> • Presence down to district level. • Knowledge of agricultural sector and traditional farming practices. • Experience of managing IFAD projects. 	<ul style="list-style-type: none"> • Agricultural commercialization and diversification skills are lacking among technical and extension staff. • M&E skills low or out of date and few incentives to learn from experience; all staff. • Strategic assessment and planning skills; senior executives. • Project management and planning skills; managers and senior staff. • Economic analysis skills; technical and managerial staff. • Financial and procurement skills; managers and financial staff. • Community participation and facilitation skills; extension workers. • Very low resource base, particularly transport, office equipment, technical equipment. 	<ul style="list-style-type: none"> • (1) For senior executives and managers, a 4-6 month series of training on strategic planning, M&E and learning incorporated into the strategic planning process. Will be phased around major planning and monitoring activities. Will include hands-on post-training mentoring for at least 2 weeks per course. • (2) For project managers: 3-week course on project management and planning skills, followed by three phases of hands-on mentoring over the next year, phased during April, July and October to fit with major planning activities. • (3) For technical and management staff: 2-week course on economic analysis. • (4) etc... 	<ul style="list-style-type: none"> • (1) Due to low resource base, this will be internationally sub-contracted. • (2) Internationally sub-contracted; to specify partnerships with local service providers and training of trainers component. • (3) As for (2) above.

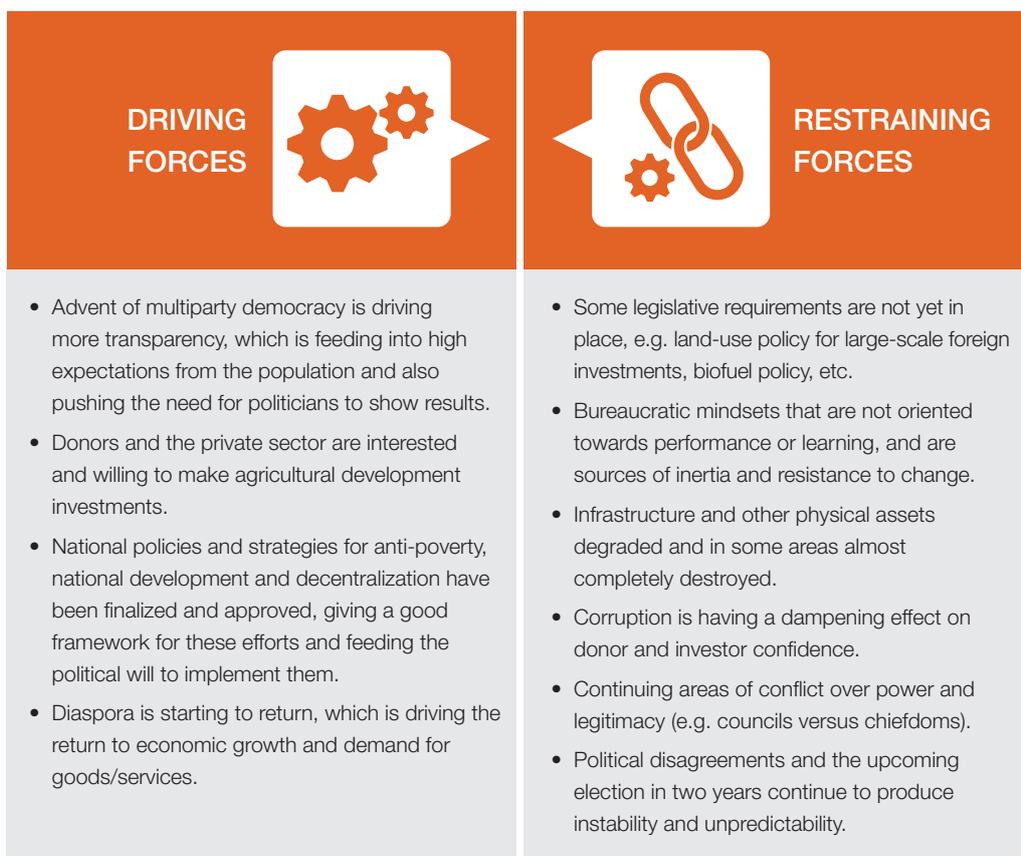
Stakeholder	Capacity strengths	Capacity weaknesses	Capacity development strategy and method/ plan	Service provider
K+P(7) SOs	<ul style="list-style-type: none"> • Strong support from members. • Knowledge of local practices and conditions. 	<ul style="list-style-type: none"> • Literacy and numeracy low. • Organizational governance and management skills lacking. • Business skills low. • Agricultural commercialization and diversification skills low. • Knowledge of improved agricultural practices low. 	<ul style="list-style-type: none"> • (1) Basic literacy is the entry point for SOs leaders, ensuring a good gender balance. A literacy assessment will be made and learners 'streamed' into ability groups, which will receive appropriate intensive literacy upgrading over 6 to 12 months. • (2) Depending on progress in the literacy component, basic numeracy and organizational/business skills training will begin from month six onwards. • (3) Phasing on from numeracy and business skills training, courses and mentoring in agricultural commercialization and diversification. • (4) Training in improved agricultural practices. 	<ul style="list-style-type: none"> • (1 and 2) Outsourced to local language, numeracy and business skills training providers, competitive process. • (3 and 4) Internationally tendered, but specifying partnerships with local providers and training of trainers.
Primary(9) Local councils	<ul style="list-style-type: none"> • Strong knowledge of local conditions and practices. 	<ul style="list-style-type: none"> • Planning and management skills low. • Business skills low. • Agricultural commercialization and diversification skills low. 	<ul style="list-style-type: none"> • (1) Development planning training and mentoring across one full year of planning. • (2) Implementation management and M&E training and mentoring, following on from planning. • (3) Agricultural commercialization and diversification training, coordinated with farmers and SOs' training. 	<ul style="list-style-type: none"> • (1, 2 and 3) Internationally tendered, but specifying partnerships with local providers and training of trainers.
K+S(18) Department of the Environment	<ul style="list-style-type: none"> • Environmental impact assessments. • Integrated water and ecology management. 	<ul style="list-style-type: none"> • M&E. • Awareness of climate change and potential impacts. 	<ul style="list-style-type: none"> • (1) M&E training for senior executives. • (2) M&E for managers. • (3) Training of M&E trainers. • (4) Training on climate change impact and strategies for building climate change resilience. 	<ul style="list-style-type: none"> • (1, 2 and 3) Internationally tendered, training of internal DotE trainers.

Force field analysis diagram

This tool is explained in more detail in annex 3 (pg. 114). It provides a simple means of capturing the forces, trends, interests or other aspects that may either drive or support the COSOP, or work against it.

At the COSOP level the diagram should focus on fairly high-level or strategic forces, such as major potential policy shifts, key political, economic or social trends, and so on. It is important to distinguish between driving forces and enabling factors; for example, the recent introduction of revised legislation may be an enabling factor, but it is the political will to implement activities based on it that would be considered the driving force.

Attention should be paid to those forces that are liable to influence the wider uptake and dissemination of positive outcomes from the implementation of the COSOP, and also the forces that influence the capacity to respond and adapt to climate change impact.





Project/programme design: institutional and organizational analysis/strengthening process

Introduction

This chapter sets out the suggested steps for institutional and organizational analysis/strengthening during project/programme design processes.

When carrying out the literature review, particular reference should be made to the COSOP, if one exists. Many of the questions below will therefore either build on information from the COSOP, or update the information where necessary.

The analysis below covers many of the same areas as the COSOP process, but the level of detail is expected to be greater. For example, the COSOP process may identify a lead agency and give some indication of its capacity strengths and weaknesses. The design process should go into greater detail – exactly what strengths, in what areas? What weaknesses, in what areas, and to what extent? Who in the agency can foster linkages with broader policy processes and how can these linkages be fostered? The strategies that develop from this analysis – for example the capacity-building approaches and plan – should be correspondingly detailed. The design is also expected to go into more detail in its analysis of the actors along the B2B chain. In addition, the design will be much more focused on the specific technical content of the project, such as irrigation, value chains or rural finance.

Figure 3 (pg.42) gives an overview of the process, highlighting the key questions to be asked at each stage and giving an overview of the outputs.

Remember, however, that this process aims to guide the basics of the IOA/S process. It cannot, and will not, cover every question that may be important in the specific context of your project. The design team must therefore adapt it and expand it where necessary to cover major areas of importance or details that do not appear here.

How to use it

1. Based on your literature scan, note key themes under each of the key question areas, particularly those that answer or partially answer each of the key questions, or inform each major question area. Note any critical contextual areas or questions that the tool does not include.
2. Convene stakeholder meetings or a workshop to discuss your analysis, deepen and strengthen it, and take account of stakeholder views and information. It will almost certainly be too difficult to get all stakeholders into a single workshop, so you may need to assess which questions to cover with which group of stakeholders. If you are able to get all relevant stakeholders into a workshop, a half-day event should probably be enough to work through the questions below.
3. There should be **eight** major outputs from this overall process:
 - i. **Text** summarizing and describing the above, as well as setting the overall institutional/organizational context (approximately 3 to 4 pages in the main body, summarized from 8 to 12 pages of text in the Technical Annex).

- ii. A completed institutional/organizational **SWOT** table focusing on the major institutional/organizational (IO) strengths, weaknesses, opportunities and threats identified during the analysis (maximum 2 pages). This should be written from the perspective of the design, asking, for example “what are the major strengths/weaknesses of this institution or organization for project implementation,” or “what opportunities are there for this institution/organization to be involved in design implementation, activities or interventions.” It should be at an appropriate level of detail and identify key stakeholders from throughout the B2B chain.
- iii. A summary **force field analysis diagram** that lists the various interests, forces and trends that may support or resist the changes or activities envisaged in the design, paying attention to how these may influence broader up-take of innovations and learning from the project (maximum 1 page).
- iv. An **institutional changes summary table** that sets out the major potential institutional changes that are needed or desirable in order to help the project achieve its objectives, or generate a suitably supportive environment. The table should also indicate which changes are not likely to be directly achievable by the project and are thus part of the general environment that should be considered and planned around, including ways in which key learning and impact may be scaled up in the future (maximum 2 pages).
- v. A **stakeholders, interests and attitudes summary table** that lists all stakeholders, summarizes their major interests, and assesses the likely attitude or actions they may take towards the project (or certain components) and towards innovations and learning generated by the project, particularly whether they are likely to be positive or negative (1 page).
- vi. A **capacity assessment and strategy summary table** for all stakeholders, or one for each organization that is assessed in-depth. The table should summarize the major capacity strengths and weaknesses of critical stakeholders, as well as other information from the questions, such as number of personnel, etc. (between 1 and 3 pages, depending on needs).
- vii. An overall **capacity-building plan and coordination summary table** for the major stakeholders identified as requiring capacity-building. This should provide information on the approaches to be adopted for capacity-building, including an assessment of how capacity-building should be coordinated within the project itself (i.e. among the different project components) as well as with any other capacity-building that is planned by the government or other donors (between 1 and 3 pages, depending on needs).
- viii. A similar **capacity-building strategy, plan and coordination summary table** for grass-roots organizations (between 1 and 3 pages, depending on needs).

Figure 3. Project Design - institutional and organizational analysis/strengthening process





Institutional context

Identify the **formal institutional elements** that will specifically affect the project or programme. For each area, as well as identifying the major elements, the following questions should be answered: "How are these working at the moment? Are there areas of success, dysfunction, or unintended outcomes? How should these lessons be taken account of in the project design?"

The following elements should be assessed.

1. **Major policies**, particularly noting any changes in policy or implementation emphasis since previous analyses. Learning from previous IFAD projects or those of other donors should be assessed, including how learning has been used and incorporated into subsequent initiatives. Bear in mind elements such as decentralization, deconcentration, or other important examples of political or administrative reorganization.
2. **Major strategies or plans** (e.g. regional development plans; national, sectoral or poverty-reduction plans; local development plans, climate change adaptation strategies) that affect the sector/s of interest.
3. **The regulatory environment**, such as efficiency of administrative and judicial system for implementing strategies, enforcing laws/contracts, or that will otherwise affect the project, e.g. trade rules, health and safety, etc.
4. **Markets and livelihoods**.
5. Climate change resilience and adaptation, including the extent to which the impact of climate change is incorporated into strategic planning and development strategies.
6. The current drivers of change, including the incentives for change among key institutional actors. Identify also the likely supporting and opposing institutions or elements that could influence the project.

Identify the **informal institutional elements** that will affect the project or programme. Ask questions such as: "How do these elements fit or work with the formal elements? What areas of support or tension are apparent? What impact will these have on the project?"

1. **Traditional or customary institutions**, roles, expectations and interests, for example traditional leadership structures.
2. **Relationships** between formal and informal institutions and organizations.
3. **Informal modes of association or livelihoods**, such as savings groups, SHGs, etc.
4. **Informal or societally embedded rules**, norms, customs, traditions and values, for example preferences for individual or collective action, gender biases or roles, attitudes to innovation, etc.
5. **Incentives for learning and innovation**, for example how far are new ideas or innovative behaviour rewarded or discouraged?

Identify *overall capacity at the institutional level* – for example institutional strengths and weaknesses, past performance, relationships, quantity of HR, quality of skills of HR, ability to coordinate, capacity to learn from experience and adopt new practices, and to elaborate longer-term strategies to deal with climate change impact, etc.

What overall *institutional changes* does the analysis above suggest are required? What institutional changes are within the remit and resources of the project to implement or influence, and what institutional changes are simply in the environment, and need to be planned around?

Outputs

1. **An 8 to 12 page Technical Annex entitled: institutional and organizational aspects and implementation arrangements, to form part of an annex of the programme/project design document.** An analytical narrative describing the institutional framework. Drawing

on this narrative, an analysis of how the context will impact on or translate into, institutional and implementation arrangements for project design. It should also consider mechanisms and processes for policy dialogue to address institutional gaps, required changes that could undermine project objectives or the uptake of impact on a wider scale, particularly where those institutional gaps or changes are beyond the remit of IFAD or the project.

2. A **SWOT** table. Use the template (pg. 46-47) to capture information on strengths, weaknesses, opportunities and threats. These may come out of any of the questions above, but the question regarding overall institutional strengths and weaknesses is the most specific in this respect.

Use appropriate rows – if there is a major national poverty reduction strategy, you may want to analyse the SWOTs that it represents from the perspective of the project being designed. As an example, if the major political and development focus is on education and health at the national level, but the project under design is an agricultural project, the resources, political ‘weight’ and support for the project may be reduced, which is potentially a threat. However, an opportunity could exist if the national plan also focuses on decentralization and support to state- or province-level development plans, which are more agriculturally focused.

Remember that the SWOT is a place for summarizing information. It is not an end in itself. Its major benefit is the analysis that is carried out using the information, not just the collection of the information.

3. A **force field analysis diagram**. As with the SWOT table, this is a useful way of storing an analysis of the driving and restraining forces that a project is likely to need to work with. As with the SWOT, however, organizing the information into this format is only half the battle. Your project design needs to take account of the driving forces and align itself with them, or work out how they support the project’s outcomes. Likewise, a strategy for dealing with the restraining forces is required – or at least, those forces that are within the project’s capability to mitigate. Particular care should be taken to identify those forces that might constrain, or support, wider dissemination and implementation of key innovations or learning generated by the project. Some restraining forces will simply be part of the environment. But nevertheless, the project may be able to take some steps to reduce or minimize the dangers they pose.
4. An **institutional changes summary table**. This table presents the results of analyses of the major institutional changes that may be required by the project. These can range from assessment of high-level changes – such as laws, policies, administrative reforms, etc. – to more detailed changes, such as guidelines or requirements on a specific topic, such as food safety, cooperative formation, provision of credit, addressing climate change vulnerability, and so on. Remember that ‘institutions’ are made up of four overall elements, which generate **meaning**, **control** behaviour (laws, rules), **action**, and aspects of **association** such as organizations. Each of these elements can be examined in turn, bearing in mind that organizational characteristics, particularly gaps in capacity, will be analysed in more detail later on. For example, if a key objective of a project is to build the resilience of communities to climate change, attention should be paid to: how both the key organizations and local stakeholders involved understand or perceive climate change and its impact, and how this understanding might be changed (meaning); the legislative changes required to ensure that initiatives to promote climate change resilience and adaptation are mainstreamed in planning, or the rule-changes required to create space for action to address climate change impact (control); the behavioural changes required within key organizations operating at different levels to develop their capacity to deal with climate change, and ways in which that change can be promoted or incentivized (actions); and how the capacity of existing or planned forms of association can be strengthened to enable them to better address climate change-related issues (association).

Examples of outputs: SWOT Table

Area of analysis	Strengths	Weaknesses	Opportunities	Threats
Overall institutional context	<ul style="list-style-type: none"> • Poverty reduction plan is in place. Agricultural development is one of the top political agendas. • New generation of leaders and technocrats increasingly support changing the status quo. • Decentralization now mandated and politically supported. • All government institutions are focusing on achieving results and development outcomes. • Growing interest and confidence from private sector, albeit from low base. • Political will for anti-corruption drive. 	<ul style="list-style-type: none"> • Conflict over responsibility, authority and resources due to revised laws and organizational re-shuffles likely. • The finance sector is weak and unlikely to provide credit inputs and other financial services to rural areas for some years. • Widespread capacity weaknesses throughout public sector, both resource-based and quantity/quality of HR. • Coordination generally weak internally within ministries and between ministries. • Conflicts and difficult relationships exist, e.g. between traditional and formal government institutions, particularly over legitimacy, finance and role in development planning/ implementation. • Corrupt practices still evident, particularly around procurement and tendering activities. • Most government organizations still have a bureaucratic, centralized and non-learning ethos and culture. M&E is little practiced or appreciated. • Traditional mindsets and practices discriminate against women and other vulnerable groups. 	<ul style="list-style-type: none"> • Significant political will to implement agricultural activities, based on poverty reduction plan. Decision-making likely to be quicker. • Ministry of Finance procedures recently overhauled; decisions and disbursement quicker. • Effective agricultural coordination working group is active. Donors and international non-governmental organizations (INGOs) actively support it; opportunities for overlapping support and synergies. • Liberalization of agricultural marketing and input supply is stimulating interest from private sector and investments. • Government supports and is ready to work with NGOs, CBOs and the private sector. 	<ul style="list-style-type: none"> • Conflict over responsibility, authority and resources worsen, reducing confidence. • Corrupt activities continue and impact on project achievements or confidence. • Bureaucratic mindsets undermine participatory approaches and reduce confidence and legitimacy.

Area of analysis	Strengths	Weaknesses	Opportunities	Threats
K(1): Ministry of Agriculture, Forestry and Food Security – Lead Agency	<ul style="list-style-type: none"> • Has appropriate plan and mandate. Is widely regarded as a legitimate authority. • Wide coverage and has structures down to district level. • Trained and experienced agricultural extension staff. • Documented and proven agricultural technologies appropriate to the varying soil and climatic conditions. • Research and training infrastructure. • Influence and expertise in all facets of agricultural production. 	<ul style="list-style-type: none"> • Traditional civil-service mindset is not proactive, learning- or performance-oriented. • Limited management capacity. • Qualified staff drain to NGO sector. • Infrastructure (offices, stores, etc.) severely affected by the war and communication system weak. • Inadequate knowledge of commercialization and costs/benefits of agricultural production. • Lack of in-service training due to resource constraints and brain-drain. • Poorly resourced, limited mobility for field staff, basic office equipment not available in any field office. • Limited operating budget; project and incentive dependent. • Demotivated staff. • Limited attention to possible climate change impact on agriculture and possible responses. 	<ul style="list-style-type: none"> • Capacity-building through in-service training of district and field staff to update competencies, reinforce participatory approach and support the commercialization of agriculture. • Policy changes (e.g. on TA, financial management and organization) mean that outsourcing and tendering for service providers now easier and politically supported. • Recruiting new and qualified staff to replace the retired staff in the future creates the 'space' for organizational and generational change. • Integrating staff from the diaspora through appropriate programmes. • Development of a biofuel policy will provide additional agricultural diversification opportunities. • Recent weather has raised awareness of possible climate change-related impacts. 	<ul style="list-style-type: none"> • Conflict over interpretation of plans and strategies may lead to inconsistent implementation. • Low staff salaries and benefits may cause difficulties in recruiting qualified staff, or motivating existing staff. • Bureaucratic, civil service implementation and performance mindsets may cause implementation difficulties until this begins to change. • Scepticism over relevance of climate change impact among some decision-makers.
[Key informal institutions] (10) Paramount Chiefs	<ul style="list-style-type: none"> • Widely accepted as legitimate local authorities. • Deep knowledge of their regions. • Strong influence on rural development issues. • Role in conflict resolution and land use decisions. • Some experience with development planning. 	<ul style="list-style-type: none"> • Difficulties in adapting to the new political paradigm. • Lack of skills in agricultural commercialization, diversification and business. • Lack of skills in participatory development. • Governance weak and sometimes not transparent. • Conflict with local councils for legitimacy and income. • Unclear role in development planning. • Traditional mindset can be gender discriminatory. 	<ul style="list-style-type: none"> • Resolve conflicts between local councils and chiefs and create powerful local level development planning and implementation momentum. • Paramount chiefs can help resolve conflicts over access to land (e.g. long-term leases, ownership). 	<ul style="list-style-type: none"> • Failure to resolve tensions may reduce project legitimacy and also achievements. • Mindset towards political paradigm may change only slowly, causing delays.

Force field analysis diagram



Institutional changes summary table

The text given in the table is an example of content, inserted purely for guidance and illustrative purposes.

Area of analysis (Formal or informal institutional elements)	Changes required	Reasons for change (e.g. outcomes that will require the change)	Stakeholders involved	Priority and potential strategies
Overall institutional context	1. Greater political support for agricultural commercialization	1a. Greater resource allocation to agricultural commercialization needed 1b. Improved livelihoods for smallholder farmers 1c. Improved opportunities for international trade and earnings	1a. Ministry of Agriculture/ Cooperatives 1b. President's Office 1c. State Governors	<ul style="list-style-type: none"> • Low priority – part of the external environment • Demonstrating success in this project may become a driver of change
Procurement procedures	2. Reduce the time to complete the tendering and hiring process of service providers	The current process takes 18 months, 10 times longer that it should take	Lead Agency (MoA)	<ul style="list-style-type: none"> • High priority • Training of accountants, district procurement committee • Procurement and installation of a financial software processing system • Procurement of 15 computers • Scrap the procedure that tender documents have to be channelled to the Ministry HQs through the provincial office, which does not add any value to the process but adds to the delay and encourages corruption
Laws and regulations regarding cooperatives	3a. Modify required ownership structures and capital requirements to allow smallholder farmers to start or join cooperatives. 3b. Rescind the requirement that a government official must be on the cooperative board. 3c. Simplify required financial reporting	3a. Smallholder farmers do not have capital to ensure board representation. 3b. Low levels of literacy are a barrier to joining. 3c. Financial reporting requirements are complex, and require unaffordable or unavailable financial or accounting assistance. 3d. Government officials reluctant to join or be active on boards. 3e. Lack of trust in many local govt. officials due to rent-seeking behaviour	3a. Ministry of Agriculture/ Cooperatives 3b. Ministry of Justice 3c. Vice-President's Office 3d. Office of Legal Drafting	<ul style="list-style-type: none"> • Medium priority – will be a long-term process. • Project support for fact-finding mission to [XYZ country], which implemented successful cooperative reforms

Area of analysis (Formal or informal institutional elements)	Changes required	Reasons for change (e.g. outcomes that will require the change)	Stakeholders involved	Priority and potential strategies
Change in agricultural extension policies and practices	<p>4a. More effective promotion of skills relevant to agriculture as a business</p> <p>4b. Increased contact between extension agents and farmers</p> <p>4c. Improved take-up of modern agricultural technology and practices</p> <p>4d. Improved morale and performance of extension workers</p> <p>4e. Greater attention to building adaptive capacity to climate change among farmers</p>	<p>4a. Agricultural commercialization and decentralization is little understood by extension agents and farmers.</p> <p>4b. Motivation levels among extension workers are low; the majority report fewer than [x] contacts with farmers per year</p> <p>4c. Unsustainable subsistence agriculture is implicated in declining yields and soil quality</p> <p>4d. Extension practices are supply oriented, not farmer-centred. Few farmers take up improved practices or sustain them for longer than one or two seasons.</p> <p>4e. Agricultural options promoted without consideration of the potential future impact of climate change</p>	<p>4a. Ministry of Agriculture/ Cooperatives</p> <p>4b. Department of Agriculture Extension</p> <p>4c. Agricultural Research Institute</p> <p>4d. SOs</p> <p>4e. All the above</p>	<ul style="list-style-type: none"> • High priority • Organizational strengthening component to review Department of Extension practices, guidelines and technology. • Training of extension workers in farmer-centred learning and revised improved agriculture. • Training of extension workers, SOs and farmers in business skills and agricultural commercialization/ diversification concepts. • Support agricultural research Institute in developing appropriate climate change proofing strategies for commercial farmers • Training of extension workers, SOs and farmers in adaptive strategies in agriculture/ climate change proofing of commercial agriculture options

Stakeholder analysis

Identifying all the parties from throughout the B2B chain that will either be affected by the project, may have an ability to affect the project (either negatively or positively), or may have an interest in the project, is vital to understanding the overall institutional and organizational context for the project.

Identify stakeholders at all political or administrative levels that are relevant for the project, e.g.: national, regional/state, and local. It is important to bear in mind that organizations that operate nationally – such as government departments, large NGOs or private-sector service providers – may have different strengths and weaknesses at different levels. It is not safe to assume that, because the national leadership has certain strengths or weaknesses, these will be faithfully replicated at lower (or indeed higher) levels. The design team will need to assess relevant strengths and weaknesses at various levels based on the roles, responsibilities and outcomes expected from the stakeholders.

Stakeholders who may not be directly involved in implementation but could play an important role in scaling up the learning, innovations or impact of the project, and ensuring that they are more widely mainstreamed, should also be considered, along with their relative strengths and weaknesses in undertaking their respective roles.

The following stakeholders should be identified:

1. **Key stakeholders**, or the institutions, organizations or networks that have a **direct role** in the project or programme (e.g. as enabling agencies, service providers, clients/users), and without whom the project or programme cannot go ahead.
2. The potential **lead agency or agencies** at all levels, on the basis of project goal, components, and activities.
3. **Primary stakeholders**, or the institutions, organizations or networks that have a **direct interest or will be directly affected** (positively or negatively) by the project at national, subnational (e.g. provincial, district) and local (sub-district/village) levels. Primary stakeholders can also be key stakeholders. The interests and attitudes of primary stakeholders should be assessed, particularly their likely stance towards the project – e.g. supportive, neutral or negative – and their potential role in scaling up the positive outcomes of the project in the future.
4. **Secondary stakeholders**, or the institutions, organizations or networks that are likely to have an **interest** in the project and its outcomes, and in the innovations and learning that it generates, but are not directly affected by it. Secondary stakeholders can also be key stakeholders, although this is less common. Again, their likely interests and attitude to the project should be assessed.
5. **Other implementing partners** at all levels, for example those institutions, organizations or networks that may be needed to provide services such as capacity-building, direct implementation activities, supporting activities, etc.
6. Other stakeholders should be identified, particularly by asking: Who is left out? Who loses power or resources? Whose interests and perspectives are ignored?
7. What are the current **relationships and horizontal coordination mechanisms** between the lead agency and other implementing partners? What additions, changes or differences should be introduced to support the project?

Box 14. The importance of understanding institutional stakeholders and how they interact

Research into the factors influencing people's decisions and choice of strategy for adapting to climate change in rural Mali highlighted the diversity of institutional stakeholders who play a role in these decisions. Different people in the community (men and women, old and young) have access to a range of different formal and traditional organizations and associations which in turn, through their different capacity and linkages, mediate access to different sets of resources in the form of physical inputs, access to land, information and financial inputs. In the face of the impact of climate change, the variety of forms of organization available provides a range of access to support for different groups, which play an important role in increasing their choice of possible adaptive strategies.

Understanding this range of institutional stakeholders, their diverse capacity, the incentives that they create for their members, and the formal and culturally defined rules governing participation and access to the support they provide, can be critical in determining how outside support should be framed. Focusing support on one organization rather than another, or introducing external criteria for accessing support (for example by favouring those institutions perceived as being most 'equitable' in the way they involve or interact with their members), can lead to unexpected reconfigurations in how these different organizations relate to one another. In a highly dynamic local institutional environment, the status of organizations that do not receive support because they do not satisfy externally defined criteria, may be eroded even though they may play an important role in ensuring a diversity of options for institutional affiliations across the community as a whole.

Source: Howard R.J. (2012). "Local Institutions, External Interventions, and Adaptation to Climate Change: The case of southern Mali," Oxfam America Research Backgrounder series.

Outputs

Three paragraphs of text to go into the relevant section of the programme design report.

A **Stakeholders, Interests and Attitudes Summary Table** that lists stakeholders at all appropriate levels – national, region/state, local. This should contain a summarized analysis of the stakeholders and their interests in relation to the project. It is not expected to be a comprehensive analysis of all positions the stakeholder has, or is positive or negative about, but should focus on the likely issues or interests that will intersect with those of the project. The table should also summarize their likely stance towards the project, or the components that they are most likely to work with. This should include an assessment of different stakeholders' attitudes to the structures (such as PMU/PCU/PIU) that might be set up to implement the project, and the arrangements for providing funding and capacity-building to those involved in project implementation (and not to others).

In addition, the likely strength of their reaction, and possible action they may take, should be assessed. Some stakeholders may be negative about the project but are not likely to commit serious time or resources to resisting it; others will be positive but again, not very likely to take concrete steps in support of it. However, other stakeholders, possibly those with most to lose or gain, may be more serious in their opposition or support. The possibility of opposition to the project developing, not just as a result of concrete losses or gains that it generates, but because of institutional jealousies or prevailing institutional cultures and attitudes to innovative procedures or mechanisms should also be borne in mind.

If time permits, a stakeholder relationship map can also be produced. This can help identify groups or networks of stakeholders that may, together, form a critical mass in support of (or opposition to) the project. It can also highlight where there may be opportunities for aligning project management and implementation arrangements more closely with existing structures and so give them a better chance to be more sustainable in the long term, and be better positioned to scale up positive experience from the project in the future. Key linkages (or the lack of them) with agencies and actors who play a role in addressing climate change-related issues may also be highlighted more clearly. For examples, or an illustration of the formats for such an analysis, see pages 64 to 68 of the Sourcebook "Institutional and organizational analysis for pro-poor change: meeting IFAD's millennium challenge."



Example of outputs: Stakeholders, interests and attitudes summary table

Stakeholders		Interests	Attitude to project or components	Likely strength of reaction and / or likely actions
No.	Key stakeholders			
1	MAFFS	<ul style="list-style-type: none"> Promoting agricultural diversification and commercialization. Developing capacity in the above; trained staff as well as physical assets such as transport and office equipment. Revitalizing extension services, particularly in [XYZ area] that were particularly degraded by conflict. 	<ul style="list-style-type: none"> Components on small livestock, value-adding processing and diversification have the highest priority. Overall highly supportive. Irrigation is the subject of political debate at present, has lowest priority due to uncertainty over direction. 	<ul style="list-style-type: none"> Strong support throughout. Workload limitations may become evident.
2	MoFED	<ul style="list-style-type: none"> Will want enhanced position for future financing negotiations. Minister for MoFED is a close political ally of Minister of Agriculture; strong support expected. 	<ul style="list-style-type: none"> Overall positive and supportive. Not clear if significant action will be taken towards rural finance and small-scale credit. 	<ul style="list-style-type: none"> Good political support likely, although MoFED's many responsibilities may make practical input scarce. Not clear if revisions to procurement and disbursement processes will be pushed through in time to have a positive impact on the project. Not clear what action may be taken towards rural finance.
Key + Primary				
6	Small-scale agricultural producers	<ul style="list-style-type: none"> Agricultural investments are strongly supported. Less clear if agricultural commercialization and diversification is understood or strongly supported. Some signs that disillusionment with private-sector middlemen is breeding distrust of market-based solutions. Strong interest in transport issues. Strong interest in land use and ownership issues. 	<ul style="list-style-type: none"> Broad interest and support for all project components. Some resistance to agricultural commercialization may be evident at first. [XYZ] is a stronghold of opposition politicians; unclear if local leaders will be supportive. Conflict over land use, access and ownership is likely. Strong support for improved access to inputs. 	<ul style="list-style-type: none"> If conflicts over land issues flare up, there is the potential for them to become serious and even nationally destabilizing. Support for improved access to inputs may be symptomatic of the desire for handouts rather than the development of sustainable agricultural businesses. Commercialization may be resisted if the perception of farmers being fleeced by middlemen takes further hold. Resistance would likely take the form of resisting improved practices or changes to crops. Generally strong support.

Stakeholders		Interests	Attitude to project or components	Likely strength of reaction and / or likely actions
No.	Primary			
9	Local councils	<ul style="list-style-type: none"> • Improve capacity, both human and physical. • Increase legitimacy and influence in local politics, development planning and implementation. • Some local councillors have wider provincial or national political ambitions. • Reduce or contain the influence of paramount chiefs. 	<ul style="list-style-type: none"> • Overall highly supportive. • Conflict over role of paramount chiefs may be evident, particularly over role in development planning and implementation. 	<ul style="list-style-type: none"> • Strongly supportive throughout. • Unclear what level of action may be taken regarding paramount chiefs. [XYZ district] has good relations, but [ABC] less so, and in [DEF] relationships are very poor; strong conflict is likely.
10	Paramount chiefs	<ul style="list-style-type: none"> • Improve capacity, both human and physical. • Increase legitimacy and influence in local politics, development planning and implementation. • Some chiefs have wider provincial or national political ambitions. • Reduce or contain the influence of local councils. 	<ul style="list-style-type: none"> • Overall highly supportive. • Conflict over role of chiefs versus local councils may be evident, particularly over access to funding and role in development planning and implementation. 	<ul style="list-style-type: none"> • Generally supportive. • As above, some areas may see more conflict than others.
16	National NGOs	<ul style="list-style-type: none"> • Many NGOs active in agricultural interventions. • Opportunities to contribute and access funding or service provider activities will be welcomed and sought after. • Some NGOs have a more anti-government political agenda and may drive opposition. 	<ul style="list-style-type: none"> • Generally supportive of all components. • Some NGOs may oppose due to political agendas. • Small-scale livestock and agricultural business components are highest priority. 	<ul style="list-style-type: none"> • Unclear if, or what opposition some NGOs may organize. • Strong support and participation expected.

Lead agency capacity analysis

Assessments of capacity help to link the project's goals and outcomes to the capacity required by the various stakeholders responsible for delivering results. It focuses attention on current capacity, capacity required, capacity priorities and potential strategies to meet these needs. It also requires an assessment of the likely phasing of this support, as well as likely budgets.

The following statements should help guide design and plan towards capacity-building:

1. In order for the project to produce these **results**, these **outcomes** need to be achieved.
2. These outcomes require that these **target groups or stakeholders** possess and effectively use the following **skills/capacity**, possess or have access to the following **resources**, and produce the following **outputs**.
3. The following **capacity shortfalls** have been identified. Therefore, the following **capacity-building results** need to be achieved.
4. To achieve the results, these **capacity development activities** must take place in this overall **sequence** (starting with the basic first), **phased** in this way.
5. These capacity development activities need to be **coordinated with these other project components, milestones and activities** (and possibly other donor/government programmes).

For the lead agency or lead agencies, answer the following questions and collect the information in the relevant output templates:

1. How was the LA's performance on previous or ongoing IFAD and non-IFAD projects? What strengths and weaknesses were evident?
2. Does the LA currently have other projects, whether for IFAD or other donors? If so, how is it doing? And is it likely to have the overall organizational capacity to take on the project being designed?
3. Does the LA have the culture, capacity and reach necessary to implement the planned project with the desired impact to the desired scale?
4. Are there alternative organizations that would be better suited in terms of the match between their culture, capacity and ability to reach the goals in terms of scale? What are the pros and cons of all potential implementing organizations?
5. How has the LA mainstreamed (or failed to mainstream) learning from past experience in project implementation, and what factors within the organization help or hinder its capacity to innovate?
6. What capacity has the LA demonstrated to incorporate climate change response and adaptation into its activities?
7. Which organizational unit will actually lead project implementation? For example, in which department or office will the project be hosted? The questions above and below should be considered for this organizational unit as well, or focused solely on the organizational unit if it is not appropriate to look at the LA in its entirety.
8. How will this organizational unit (as a PMU/PCU/PIU) relate to the rest of the agency (and to other partners)? How embedded will it be, and how will this affect longer-term sustainability and opportunities for scaling up at a later date? What opportunities are there to align the PMU/PCU/PIU more closely with existing organizational structures?
9. What are the functions, roles and responsibilities that the LA will take up for project implementation? What impact and outcomes are expected, and to what extent is the LA expected to produce or influence them?
10. Does it have the required capacity to implement the project, considering the functions, roles and responsibilities that will be expected of, or assigned to it? For each of the critical areas below, the presence and efficiency of systems should be considered, along with the number

of personnel and their skill levels relevant to the project's objectives.

- i. Planning, management and technical systems (presence and efficiency) and personnel (number and skills appropriate to the project's needs).
 - ii. Attitudes and communication capacity (within the LA, with other partners, and with wider society).
 - iii. Financial management systems and personnel.
 - iv. Financial resources.
 - v. Procurement systems and personnel.
 - vi. M&E systems and personnel, management and dissemination of knowledge and learning generated.
 - vii. Equipment and relevant physical assets, such as fully equipped workspaces with personal computers (PCs) and other necessary infrastructure such as telecommunications. Other equipment, supplies and consumables; cars, trucks, motorbikes, etc., and associated fuel, supplies and consumables; necessary technical equipment, supplies and consumables, and so on.
11. What is its gender composition and is there a need to address gender issues in staffing? Are there gender-sensitive areas of technical concern that require particular skills or staffing?
 12. Does each staff member have up-to-date and relevant TORs and clarity on their duties – both routine or regular duties and those associated with the implementation of this and other projects?
 13. Is there a performance assessment mechanism in place? Are there incentives to retain and motivate staff? Are the performance and incentive mechanisms well implemented?
 14. If the LA does not have the appropriate capacity in the areas listed above, particularly quantity and skill levels of HR, what strategies are appropriate to provide this capacity? Consider the following:
 - i. Capacity-building approaches and plans for current staff that are long-term, support staff to use the promoted skills and knowledge on a day-to-day basis (one-off training or workshops are not always guaranteed to do this) and are coordinated across the project and with other government or donor capacity-building.
 - ii. If new staff are required (temporary or permanent), use the assessment to consider the number of staff and skill mixes needed. TORs or job descriptions should be produced. government rules and protocols will have to be understood and abided by if the staff are employed directly by government. Ask whether the new staff have capacity gaps that need addressing.
 - iii. Outsourcing of functions or services may be appropriate if the technical capacity does not exist and there are significant barriers to either building capacity or hiring new staff. Contractual issues around outsourcing and performance management should be borne in mind.
 - iv. How will the strategy adopted to build capacity affect relationships between the project, partners and other cooperating agencies? Will it affect the longer-term sustainability of the mechanisms that the project sets up?

Outputs

1. **Two to three paragraphs of text** to go into relevant section of the project design document. The text of the document should provide an overview and analysis of the capacity strengths and weaknesses and strategies for capacity-building. For the LA, this should be focused on the roles, responsibilities and functions that it will be expected to carry out, which should themselves be documented and agreed upon.

The issue of coordination of capacity-building efforts needs to be carefully considered. Care should be taken not to duplicate or contradict the project's components in their capacity-building. Similarly, they should reflect the absorptive capacity of the target groups. Capacity-building and training plans will need to schedule adequate time to achieve real learning up-take and functional use, which one-off, intensive training sessions may not facilitate. The desired outcome is that people are able to use skills, rather than that a certain number of people have attended training.

The text should also analyse the following:

- potential strategies for capacity-building, with documentation of the reasons for choosing the recommended approaches
- gender analysis and recommendations regarding gender-related skills and gender balance
- overall approaches to capacity-building, hiring new staff or outsourcing services to third-party service providers.

Box 15. Lead agencies, outsourcing and the limits of capacity-building

The Tejaswini Rural Women's Empowerment Programme in India was implemented by the Maharashtra Women's Economic Development Corporation (MAVIM). It was selected to scale up its efforts in the context of the previous IFAD-supported Maharashtra Rural Credit Project (MRCP), and also because of its consolidated experience and reputation. As part of the project institutional analysis carried out for project design, MAVIM's weaknesses and risks were assessed.

However, unanticipated problems emerged during implementation. The new and heavy burden on MAVIM's management was underestimated during design, and resulted in delays. MAVIM's limited experience in livelihoods and market development also became apparent, despite measures to address anticipated risks, which included the recruitment of a Senior Adviser with experience in implementing large livelihoods programmes.

The MTR mission indicated that little progress had been made; for example, some training programmes for SHGs were ineffective, while some women took up on-farm activities without any training. The mission also noted that the business development centres that were implemented were based more on the infrastructure facilities made available by the government, rather than studies of the potential and need for such support.

Poor performance on this component was also due to delays in recruiting the livelihood officers to promote livelihood activities as planned at design. After they were recruited and trained, they left because of insufficient incentive packages, as many other staff had done before them. In order to revive the livelihoods subcomponent, the MTR recommended that implementation be outsourced to an expert agency rather than building MAVIM's capacity.

2. **Capacity Analysis and Strategy Summary Table.** Depending on the context and the level of detail required, this can be presented in a single table for all stakeholders, or alternatively an individual table for each organization assessed.

There are a number of different ways of organizing and presenting the data depending on the focus of the analysis. The table on page 60 gives a simple overview presentation, starting with the stakeholder, then assessing the overall skills and capacity required, along with their current level, their priority and the project component to which they apply. It is also possible to start with the skills or capacity required and from there to assess which stakeholder group/s need it; or indeed start with the outcomes expected, then identify from there the skills, stakeholders, etc. The design team will need to decide, based on the particular circumstances of the project, which is the best approach, and which most adequately captures the necessary information. The table below represents the minimum that would be expected.

The design team should also bear in mind that a phased or step-wise, evolutionary approach is recommended. This should start from the basics, and gradually build the necessary individual competency and organizational capabilities.

3. **Capacity-building Plan and Coordination Table.** This uses a familiar Gantt-style layout to track project milestones, the stakeholder groups for which capacity-building activities are being promoted, the activities themselves, as well as the different project components that they relate to. It helps visualize what needs to happen, when, who is involved, how activities are coordinated among different project components, and which elements are logically dependent on others, e.g. 'basic literacy' will be relevant to more than one component's capacity-building activities.

It helps visualize the linkage between capacity-building activities and project milestones. Training activities should usually be held just before these skills are expected to be used – for example, training in chicken-breeding should take place shortly before the supply of starter birds, but not too long before, as the training may be forgotten. These linkages should be marked with arrows.

In the case of very complex series of activities, stakeholders or suppliers, it may be best to break the analysis down into discrete units as required by the project. For example, there may be different training providers in different regions. Including them all on one matrix may become too complicated. Breaking the analysis down by region may therefore be a better option. However, a continual eye should be kept on the overview, to make sure that resource shortfalls are not inadvertently created. For example, if ALL the training of trainers in different regions is programmed for the same period, trainers may need to be in more than one place at once, which is clearly unsustainable.

With the focus on activities, milestones and results, it is also important not to forget that informal mindsets, attitudes and behaviour may also significantly affect the likelihood of capacity-building activities becoming internalized and institutionalized. These can be particularly important in affecting the likelihood of project outcomes being scaled up in the future.

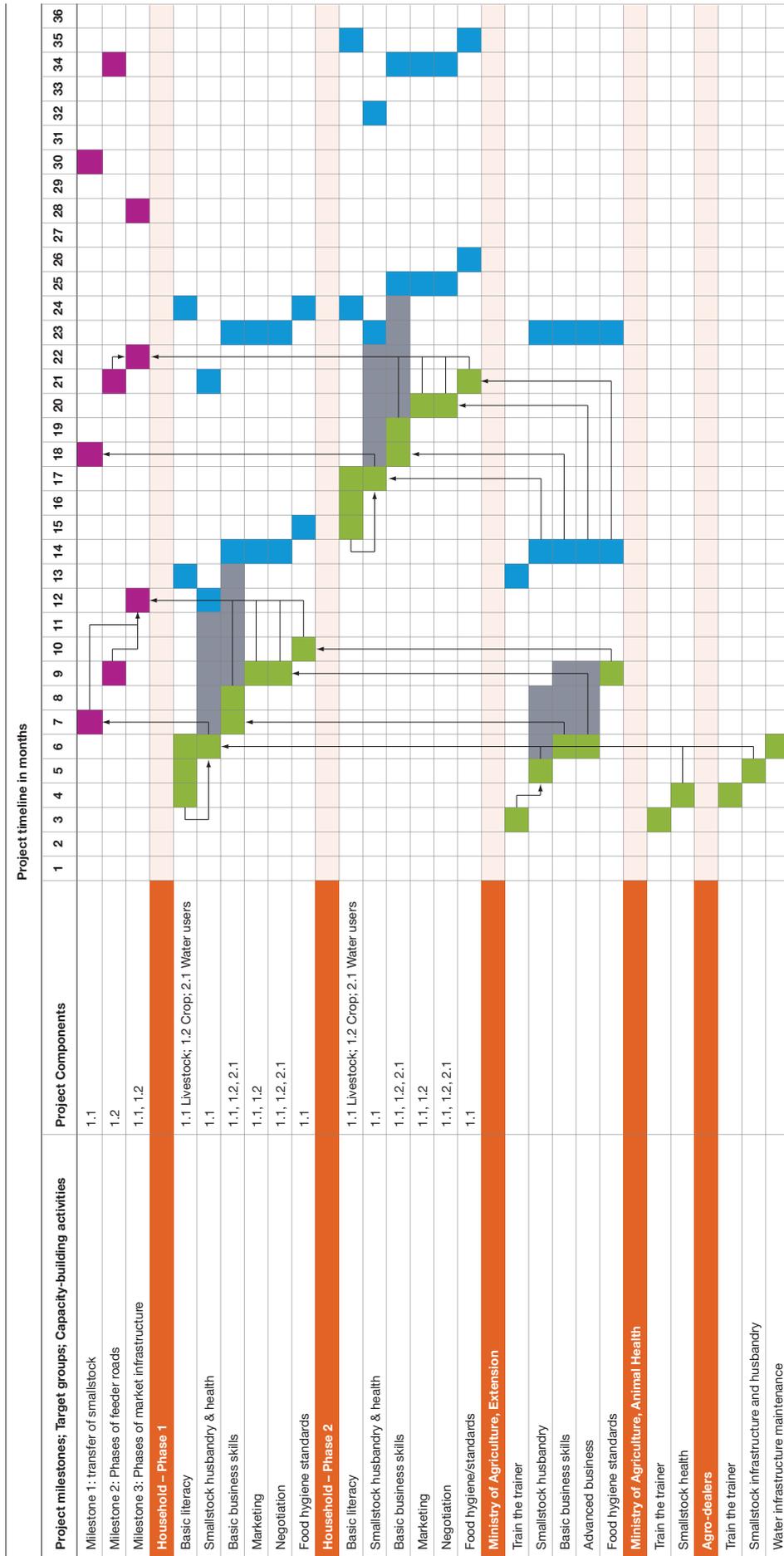
Capacity-building activities that are solely driven by the project may fail to take account of the self-identified needs of stakeholders themselves. It is always best to ensure that properly participatory methods are used to help identify capacity needs, strengths and weaknesses.

Examples of outputs

Capacity analysis and strategy summary table

Stakeholder	Capacity/skill required	Measures for capacity-building	Service provider	Time frame – phasing or sequencing	Estimated costs
(1) MAFFS – senior executives	1. Strategic planning. 2. Implementation monitoring. 3. Evaluation.	1a. Strategic planning – intensive training. 1b. Mentoring through creation of strategic plan 2013-2016. 2a. Intensive training workshop. 2b. Mentoring through set-up of project M&E framework. 2c. Mentoring during [month] for preparation of yearly report. 3a. Intensive training. 3b. Mentoring during [months] for preparation of MTR of [XYZ] project.	1. Internationally tendered. 2. National tendering; consulting company or NGO. 3. National tendering; consulting company or NGO.	1. Strategic plan due November 2013; training during April 2013; mentoring visits June, August, September and November to coincide with draft, comments, final workshop and then final report writing. 2. M&E framework due April 2014; yearly report due April 2015. Training November 2013. Mentoring February and April 2014; and February and April 2015. 3. MTR report due August 2015. Training April 2015, mentoring June and August 2015.	1. US\$60,000 2. US\$45,000 3. US\$32,000
(1) MAFFS – managers	1. Workplanning and budgeting. 2. M&E.	1a. Intensive training. 1b. Mentoring through planning and budgeting cycle. 2a. Intensive training. 2b. Mentoring through set-up of project M&E framework. 2c. Mentoring during [month] for preparation of yearly report.	1. NGO “CANRA” has run similar successful programmes for MoFED. 2. National tendering; consulting company or NGO.	1. Workplan and budget due November 2013. Training during May 2013. Mentoring in July, September and November. This may need to be phased given the number of managers likely to need to attend (approximately 28). 2. M&E framework due April 2014; yearly report due April 2015. Training November 2013. Mentoring February and April 2014; and February and April 2015.	1. US\$47,000 2. US\$45,000
1) MAFFS – extension staff	1. M&E. 2. Training of trainers – Participatory workplanning and budgeting. 3. Training of trainers - Agricultural commercialization and diversification.	1a. Intensive training workshop. 1b. Mentoring through set-up of project M&E framework. 1c. Mentoring through preparation of reports for yearly report. 2a. Basic training in adult learning – also applies to (3). 2b. Participatory approaches. 2c. Workplanning and budgeting for small-scale agribusinesses. 2d. Mentoring during at least two field visits per extension worker. 3a. Agricultural commercialization and diversification. 3b. Mentoring during at least two field visits per extension worker.	1. National tendering; consulting company or NGO. 2. National tendering; consulting company or NGO. 3. International tendering, consulting company or NGO, in conjunction with National Agricultural Research Institute.	1. M&E framework due April 2014; yearly report due April 2015, individual contributions due February 2015. Training November 2013. Mentoring January and February 2014; and February 2015. 2a. Basic training in adult learning; June 2013. 2b. Basic training in participatory approaches; July 2013. 2c. Workplanning training – August 2013. 2d. Mentoring visits to be arranged – also applies to (3). 3a. Agriculture training – Sept 2013.	1. US\$90,000 2. US\$76,000 3. US\$76,000

Capacity-building plan and coordination summary table



LEGEND:

- Intensive training activity
- Mentoring/follow-up
- Less-intensive review activity
- Project milestones
- Arrows indicate linkages and dependencies between activities, as well as to milestones, e.g. if the project milestones moves, the CBT activities may also need to be re-phased.

Key implementing partners: identification and capacity assessment

An assessment of key implementing partners is also often necessary, particularly in terms of identifying key capacity strengths and weaknesses that will impact on the project. The questions and outputs are similar to those discussed above. The following questions are the most pertinent:

1. How was their performance in other projects (whether IFAD or non-IFAD)?
2. How could they contribute to scaling up of eventual project impact and the dissemination of learning and successful innovations?
3. What role or capacity do they have to mobilize interest/resources/action to address climate change-related issues?
4. What is their current workload? Will they be able to take up new duties as envisaged by the design?
5. Do they have the required capacity (human/numerical, technical, resources) to achieve the outputs and outcomes they will be responsible for?
6. What is their gender composition and is there a need to address gender issues in staffing?
7. Do the implementing partners have clear functions, roles and responsibilities for implementation, and TORs developed for key project staff (e.g. community facilitators, district-based community development officers, etc.)?
8. Do they have a performance assessment mechanism in place? Are there incentive mechanisms to retain/motivate staff?

The outputs as shown in the summary tables also apply here, particularly the capacity summary table. If key implementing partners also require capacity-building, this should be included in the overall plan and activities table.

Identifying, assessing and engaging smallholder institutions and organizations

Smallholder Institutions and Organizations (henceforth SIOs) are often the entry point for many IFAD projects. Assessing their level of maturity and capacity and defining an approach for engaging with them and strengthening them is often a vital first step. In many countries, grass-roots organizations already exist, although they may be informal or weak in capacity.

Figure 4 (pg.63) gives a summarized diagram of the major steps¹¹ to take and questions to ask.

Carry out a rapid analysis of the existing SIOs, both through secondary data and interactions with local communities (including local leaders, government and project staff, NGOs, etc.). The rapid analysis comprise three main steps: **a quick scan of the external factors**, **an inventory of existing SIOs**, and **a rapid maturity assessment and an initial capacity needs assessment**.

The following are the key questions to keep in mind during each stage. For all questions, gender disaggregation should be aimed for, as should assessment of impact on other targeted groups – i.e. examine the answers from the perspective of women, men and other targeted or vulnerable groups such as youth, minority groups, the very poor, and so on.

11. A detailed description of the model here proposed, as well as the conceptual framework underpinning it and the outputs shown in Figure 4, can be found in the How To Do Note: "How to analyse and develop social capital of smallholder organizations" (web version downloadable at <http://www.ifad.org/knotes>).

Figure 4. Smallholder institutions and organizations: identification, analysis and development



Quick scan of external factors

1. What are the main features, relating to SIOs, of the national institutional and policy environment? Are there driving forces that may support or resist the changes likely to be brought about by the project?
2. Are the above conducive to the formation, strengthening and aggregation of the SIOs in the project area?
3. Is change and policy dialogue needed/viable? Who are the key stakeholders to engage?
4. Who are the key stakeholders in the project/programme area? (e.g. individuals, groups, organizations, official development assistance institutions, NGOs, etc.)?
5. What are their attitudes and interests towards the project? Are these positive or negative? Why? What could the consequences be?
6. What is their overall capacity to perform mandates and functions (strengths and weaknesses)?
7. What are the relations between the stakeholders (formal and informal)? Can these influence smallholder organizing?
8. What are their future plans for smallholder organizations and institutional capacity-building in the project area?
9. What can they offer in terms of products, knowledge or services (e.g. training)?
10. Are there any funding sources that could be tapped?
11. What programmes/delivery models worked or didn't work in the past, and what are the remaining gaps that the project might fill?
12. What are their lessons learned in terms of SIOs organizing and strengthening?
13. What role have SIOs or the identified stakeholders played in the past in disseminating/ scaling up innovations or new approaches and how can this be built on in the project?
14. What capacity or experience do SIOs and identified stakeholders have in addressing climate change and its impact?

SIOs inventory

1. How many SIOs exist? Is this enough for project requirements? Are they legally registered? Where are they located?
2. What is the average membership size?
3. How long have the SIOs been formed?
4. Are they currently active or dormant?
5. How were they formed – by local demand or external intervention (e.g. government, donor project, NGO, etc.)? What ownership levels exist? Is there evidence that they are or were demand-driven?
6. If they were formed by external agencies, were they formed in a participatory manner? Are they likely to increase or impact positively on social capital – i.e. building trust, social bonds, ability to work together? If not, has their reputation become impaired in the eyes of local people, and for what reasons?
7. Who are the people served by them (by age, gender)? What relationships exist with wider community processes (e.g. village assemblies)?
8. What type of SIOs are they? What is their main purpose? Do they address multiple issues (e.g. saving AND horticulture, livestock, crops, etc.)?
9. Are they still receiving external funds or support? How sustainable are they, including financially? Do the groups have a saving scheme?

10. What is their outreach?
11. Are they transparent and representative of their members?
12. Are they aggregated into platforms/federations? If so, how effective is this? What is the membership and leadership composition of the larger federations, regarding gender, youth, other groups?
13. How inclusive are they, e.g. female representation, poor, youth or vulnerable groups? Is access to decision-making for women, youth, less-wealthy members and minorities guaranteed, e.g. in the Constitution or rules, and does it happen in practice?
14. How do they contribute to the long term adaptive capacity of their members in the face of processes such as climate change?

Rapid Maturity and Capacity Needs Assessment

Governance

- What are their governance, management and leadership mechanisms? Is there a Constitution/by-laws guiding the organization? How was it drafted? By whom? How are collectively owned assets jointly managed in the organization?
- How do members participate in the collective activities including managing jointly owned assets?
- How and by whom are final decisions made?

Management

- How are rules/procedures enforced?
- What types of resources are available to the organizations?
- How are conflicts managed and solved? Does it change if this involves disputes based on gender/ethnicity?
- What methods are used to share lessons within the organization? Are these preventing in any way access to women/Indigenous and Tribal Peoples?
- What methods does the organization use to share lessons with others outside?
- How does the organization collaborate with other SIOs?

Leadership

- Are the leaders democratically elected? Are they able to promote and nurture partnerships/members' participation and improve organizational performance?
- What responsibilities do the leaders have? And members?
- Do women, minorities and youth have access to leadership? How is members' participation promoted? Is female/IP&T people's participation promoted?

Capacity-building mechanisms

- What methods are used to share lessons within the organizations? Are these preventing in any way access to women/youth/minorities?
- What methods does the organization use to share lessons with others outside?
- What types of expertise exist within the organization? What types of SIOs does the organization partner with?
- What benefits have members or the wider community felt as a result of these groups? Have any institutional changes occurred?

Resilience¹²

- How does the group accumulate (institutional) knowledge?
- What mechanisms does the group have in place to take advantage of opportunities?
- What mechanisms of value addition are used by the group?
- Do they have mechanisms for financial sustainability?
- What linkages exist with government schemes, bank/financial institutions or private companies?

Collect information on the current 'soft' and 'hard' skills currently possessed by the organization. Hard skills refer to technical skills that are needed to practically achieve the organizations' goals while soft skills¹³ refer to those skills that are needed by people working together to effectively and positively relate with each other, solve conflicts, communicate, strategize and mobilize resources. Soft skills can be grouped under the following areas:

1. **Leadership skills:** Vision- and mission-setting (through facilitation); Problem identification; Guidance and facilitation skills; Transparent communication; Training of potential leaders (succession); Inclusiveness, trust, cohesion and openness to different views; Capacity to solve conflict; Lobbying skills.
2. **Good governance skills:** Fostering collective action through shared decision-making and activities; Transparency in determining roles and assigning responsibility; Conflict management skills; Drafting a jointly owned Constitution and by-laws; capability to delegate authority.
3. **Resource mobilization and partnerships skills:** Proposal writing skills; Financial management skills; Partnership-building skills.
4. **Communication skills:** Building a communication plan with feedback loops (between members and leaders and among members); Effective, efficient communication skills, considering different recipients' needs.
5. **Record-keeping and financial management skills:** Keeping effective and accurate records (include the mandatory information and are suitable for auditing); Consistent budgeting and work planning; Borrowing is according to repayment capacity.
6. **Skills for sustainability:** Business/action plan drafting; ownership in determining goals and objectives (autonomy); training of other organizations; M&E skills.

Keep in mind that the capacity-building plan is not a fixed prescription but rather an initial indication of how to allocate time, resources and funds to address the gaps emerging from the analysis at project design only.

Define an approach to creating, supporting and building the capacity of smallholder institutions/ organizations. Suggestions to identify the best approach include:

- Use the force field analysis and the quick scan of external factors to analyse if the conditions around SIOs might hamper or, conversely, fast-track the capacity-building activities ; if there are suitable service providers for training and to look for past mistakes that can be avoided (lessons learned). If possible, show the plan to local partners and other key informants for their inputs.

12. When analyzing the level of resilience of SOs, also consider their level of development in their field of activity (e.g. income-generating groups, what is the level of enterprise development? For village development committees, what is the level of community recognition?).

13. Oftentimes, hard skills gaps are captured by specialists in other subject matters (e.g. agriculture, rural finance); therefore, if time is short, focus on capturing information to analyse gaps in soft skills only.

- Bear in mind that a phased approach is recommended to gradually build individual membership competencies and organizational systems of SIOs. The aim is to help service providers to be not only problem solvers/implementers but facilitators¹⁴ of institutional and organizational improvements which leverage on smallholders' strengths to enhance their problem-solving ability. The phasing or evolutionary approach to formation and capacity-building of SIOs should be drafted vis-à-vis project activities and within the project time frame.
- Keep in mind that the capacity-building plan is not a fixed prescription but rather an initial indication of how to allocate time, resources and funds to address the gaps emerging from the analysis at project design only.

Select specific activities and training modules. When engaging in a prioritization exercise, consider:

- How best can communities be mobilized? Are there established formal or informal institutions, methods, approaches or organizations that could be used as a model? What support will they need to self-select for group membership?
- How many organizations are likely to benefit from that specific training/activity and if the training can have a multiplier effect (e.g. training of trainers)
- What are the cost-benefit trade-offs.
- Smallholder organizations individual objectives and project objectives: are there any differences? What are the self-identified objectives that the organizations have and that might be relevant? Is there any conflict with those of the project?
- A good balance between soft and hard skills: although organizations might need (technical skills for) value addition, they also need good leadership to compete in a market.
- Beneficiaries: are men, women, youth and, if applicable, Indigenous and Tribal Peoples going to fully benefit from this training/activity? Does it cater to the specific needs of those normally excluded by training?
- Look beyond the end of the project: what long-term capacity is being developed among the SIOs involved? How will they be able to continue to make use of, and develop, project outputs after the end of the project? How will they contribute to strengthening the adaptive capacity of their members in the face of long-term change, such as climate change?

Select service providers and methodologies.

- Consider what service providers exist locally (or nationally) to support community mobilization, social capital-building, and other community development activities? Do these service providers have adequate capacity to carry out their roles or provide the outputs or generate the outcomes required from them? Consider if some smallholder organizations (or their apex organizations) in the target group could be able to act as service provider for capacity-building activities. Could they coordinate, implement or monitor capacity-building activities? Additional areas of potential capacity need to be taken into account.
- Consider a series of conversations, mentoring, linking to other role models and non-classroom methodologies in addition to conventional training; these are usually more effective among rural people and can also be combined with technical trainings. It is important to factor in follow-up and refresher courses to happen not too long after the main training is provided. The monitoring system should provide indications for need of refresher courses when need arises.
- Consider if aggregation into higher-level associations would be appropriate. If so, think of how to support it.

14. A list of facilitator do's and don'ts as well as a detailed list of skills a facilitator should have is available in the facilitators manual for strengthening rural institutions through building the soft skills in rural grass-roots organizations (IFAD/ICRAF, 2014).

Include a provision to facilitate the development of workplans for each smallholder organization, detailing the vision, objectives and activities to be undertaken to reach their objectives. This is strongly recommended at the implementation stage, to ensure that capacity-building efforts are tailored to specific needs of the organizations. Capacity-building plans should also be updated regularly as maturity and capacity changes occur. Information on what has changed, and therefore what needs to be updated in the plan, can be teased out from the results of M&E as well as recommendations and inputs from supervision missions and MTRs.

The outputs are similar to those for the LA capacity analysis and can be found in the How to Do Note¹⁵ "How to analyse and develop social capital of smallholder organizations." Capacity-building strategies for smallholder institutions should be captured in the capacity-building plan and coordination table shown earlier. Other key planks for the capacity plan that relate to specific *business lines* for group development are addressed by tailor-made How To Do Notes and include:

1. How to strengthen community-based financial organizations

This note is designed to improve understanding of different types of community-based financial organizations (CBFOs) and the support structures they need to best serve remote rural communities, and in particular poor rural households. It describes the characteristics of a sustainable CBFO, and identifies the types of services and assistance that could be provided to reinforce existing CBFOs. It lists the basic elements needed to ensure the success of these organizations, and draws attention to potential challenges that may be encountered in the development process. The document also addresses the importance of supporting the aggregation of CBFOs as a strategy for scaling up and ensuring their sustainability, as well as the need to enforce differentiated regulation. It provides key analytical principles to consider when determining how to support CBFOs during project design. Finally, key performance indicators are highlighted, which are useful for measuring the progression of CBFOs during implementation, and case studies are included to illustrate the different paths a CBFO can take in the development process.

2. How to strengthen community-based natural resource management organizations (NRMOs)

This note defines the types of NRMOs that manage or co-manage common resources such as watersheds, forests, lakes, fisheries, and rangelands, including groups that manage resources held under different tenure regimes (e.g. water users' associations in the case of irrigation schemes). It outlines the functions best performed by NRMOs – for example, promoting campaigns to secure people's land rights, facilitate resettlement after conflict or displacement, land distribution to the landless, or protect local natural resources claims vis-à-vis others.

The note identifies basic principles to consider when providing support to create or strengthen an operationally sustainable NRMO. It also includes case studies illustrating different organizational options for managing natural resources, to help practitioners anticipate the strengths and weaknesses of these different options.

15. The How To Do Notes, along with other PTA new knowledge products, are available at: <http://www.ifad.org/knotes>.

3. How to strengthen community-based commodity organizations

This note shows how small farm enterprises (i.e. crop, livestock or fisheries) can be developed, organized and run by small commodity groups in rural communities using a participatory approach. While the document can be referred to when starting a small farm business from scratch, it can also be used to help existing groups set up and run their farm enterprises. The document includes illustrative case studies and covers the following topics:

- The process for selecting an appropriate group enterprise. It considers the advantages, disadvantages and risks of running a group business and identifies the critical questions to ask when choosing a business idea.
- The main aspects of planning for a new small group enterprise, including how to make simple estimations of costs, profitability and input supplies, and how to identify the market for the proposed product and other factors which might affect the success of the business.
- The tools available that can be used to take a group through a feasibility study, and the steps and actions needed to prepare to start a business. It also looks at some basic marketing principles.
- How building linkages between commodity groups can help the groups exchange ideas, network with similar commodity groups and provide services to members.





Monitoring and evaluation

This section is based on the IFAD publication *Managing for Impact in Rural Development: A guide to project M&E*.¹⁶ This publication is an excellent resource that covers all aspects of setting up and using an M&E system. It should be referred to for details and examples of M&E questions, frameworks and indicators. In addition, monitoring key characteristics of institutional and organizational capacity that would allow one to judge whether progress is being made towards the long-term goal of establishing effective scaling up of intermediary institutions and organizations is important.¹⁷

Introduction

Institutional, organizational and individual capacity strengthening is a major part of many IFAD projects. Yet it can also be one of the more troublesome areas to monitor and evaluate. Capacity is sometimes difficult to describe clearly and is an area that does not always lend itself to simple quantitative indicators. Capacity development is more about process, behaviour change and the effective use of new skills or knowledge, than it is about whether or not a person or group of people attended a training exercise. Thus M&E efforts require additional creative thinking as well as a variety of methods – qualitative as well as quantitative. In a nutshell, M&E is about:

- clarifying what impact a project is expected to have on the rural poor and how this will be achieved
- deciding how progress and impact will be assessed
- gathering and analysing the necessary information for tracking progress and impact
- explaining the reasons behind successes and failures, and guiding discussions on how to improve future action
- in the context of scaling up, have an effective approach to progress monitoring and results measurement along the scaling up pathways.

Monitoring and evaluation from the institutional and organizational analysis and strengthening viewpoint

This section does not aim to give an overview of how to 'do' M&E from the perspective of the whole project; it focuses on M&E questions from the perspective of the IOA/S process.

M&E should be seen as an integral part of the design process, not an additional 'tacked-on' activity that is addressed once a project is designed. At its best, it is closely connected with the design logic and thought processes – i.e. what is the project supposed to deliver, and how? And, of course, how will we know that we've been successful?

16. Available at this link: <http://www.ifad.org/evaluation/guide/index.htm>.

17. J. F. Linn and C. Sourang: Monitoring and Evaluation and Results Management for Scaling Up at IFAD (a background paper for IFAD Institutional Scaling Up Review – Phase 2), 2012.

There must be clarity about the difference between outputs, outcomes and impact. Outputs are usually easy to identify: they are the result of activities. Therefore the 'number of extension workers trained' is an **output** measure that could be applied to a capacity-building initiative. **Outcomes** take over from the output measures and start to give us information on the results of the outputs. For IOA/S, outcomes are usually related to change, and improvement in behaviour in the short or medium term. To track them, you would need to ask questions such as:

- Are farmers taking up the new or modified ways of working effectively?
- Are farmers saying that the extension workers' new skills or information is one of the reasons they are taking up the new systems?
- Are farmers expressing satisfaction with the new or modified way the extension worker is interacting with them?

Impact is about the longer-term, high-level changes brought about by the combined effect of the outputs and outcomes. These would include indicators such as increased productivity, improved participation in development-oriented planning processes, increased income, reduced malnutrition, and so on.

At the outcome and impact levels, it can be very difficult to **prove** that institutional or organizational strengthening was the cause of any particular impact. It is usually wiser to aim to show the contribution that such efforts made, aiming for plausible association rather than full attribution. Outputs can be measured relatively easily by simple quantitative assessments, such as the number of extension workers completing the training. Demonstrating outcomes, however, will require slightly different techniques. In the example above, the purpose of capacity-building for extension agents is to encourage farmers to adopt new techniques. This can be measured by asking both the farmers and the extension workers about adoption rates. These can also be validated by field surveys, to check that adoption is actually happening, rather than simply being reported as happening. Impact is measured at an aggregated level, usually through yearly or bi-yearly surveys, and through information from health centres (for incidences of malnourished children, etc.), and so on. Best practice requires that baselines are established for all indicators so that comparisons can be made over time. If comparisons can also be made with groups that are not receiving project benefits, this can add greatly to the strength of assertions that can be made about project results.

Another important area that is frequently not taken into account when developing M&E procedures is how to keep track of changes in the broader institutional environment in which any IFAD intervention takes place. In the context of scaling up, this is referred to as institutional and organizational space to grow (see Box 16). Changes in the organizations and agencies involved in an intervention; shifts in policy, personnel, and in priorities within those agencies and more widely; political changes; variations in prevailing attitudes to donors, organizations and approaches used on the ground; all of these can have an important influence. This can affect both the implementation and success of a specific intervention, and the possibility of important innovations produced by an intervention being sustained in the future and/or scaled up and adopted more widely.

Monitoring such processes may require more qualitative approaches and relatively flexible protocols, but the need to keep a finger on the pulse of the prevailing institutional environment should be emphasized as far as possible when developing an M&E system.

This highlights the need to include appropriate approaches to monitoring these changes within the M&E system.

Box 16. Albania – Constraints to scaling up in a shifting political environment

In Albania, IFAD pursued a successful and innovative scaling-up strategy based on a programme approach over a series of successive IFAD projects. Scaling up has occurred functionally, horizontally and institutionally, the latter in terms of the creation, strengthening and steady expansion of two parastatal organizations and supplementary value chain institutions. However, the longer-term sustainability of the two key parastatal organizations with which IFAD has worked, the Mountain Area Development Agency (MADA) and the First Albanian Financial Development Corporation (FAF-DC), depended on eventually ensuring their independence from donor funding and, in the case of FAF-DC, the privatization of the institution. While both institutions have achieved significant successes and recognition over the past decades, issues have arisen regarding the extent to which this strategy and approach has been grounded in a sufficiently detailed institutional, political or fiscal analysis of conditions in Albania.

In spite of the success of MADA as an institution supporting development in the mountain areas of Albania, its long-term fiscal sustainability depended on its becoming an European Union (EU)-supported regional development agency (RDA). However, this move has recently failed to gain support from the government, suggesting that MADA's positioning as a donor-supported parastatal, with higher paid staff, better equipment and infrastructure to accompany their greater capabilities, may have evoked political jealousies and hostilities, generating opposition to its continued relative independence and further development with EU support. Similarly, the hoped-for privatization of the FAF-DC has failed to materialize and concerns are arising about the lack of an alternative strategy for rendering both of these institutions sustainable in the long term. A recent evaluation suggested that a broader and more in-depth analysis of the institutional and political pressures in the Albanian context might have highlighted the need for a more diversified approach.

Tips and pointers

Focus on clear goals and outcomes, not so much on activities and outputs. Be clear about what is unclear or not yet known. Do not force-fit a specific indicator if it is not required. Remember that indicators may become a target and drive activities that do not contribute to achieving sustainable outcomes.

Do not begin by defining 'indicators.' Ask questions first. A performance question helps focus your information-seeking and information-analysis processes on what you need to know if the project is performing as planned. Asking questions helps break down the **logical result chains** in your goals and outcomes to understand where you might hang your M&E system.

For example, a goal for an infrastructure programme could read as follows: "rural infrastructure schemes identified, constructed and maintained by disadvantaged groups on a demand-driven basis." There are various performance questions that can be asked of this goal, and thus various aspects that could be used to derive M&E indicators.

The identification process.

- Is it satisfactorily participatory? In this instance, a baseline idea of what the word 'satisfactory' means is crucial.
- What kind of infrastructure schemes are being identified – and are these considered the most appropriate? Define 'appropriate'.
- Is it generating quality schemes – and enough of them? (Define 'quality' and the number of schemes required to have an impact.)
- Is there evidence that capacity-building provided in this area is being actively used by stakeholders?

The construction process.

- Are communities providing the inputs or person-power that is required, or that they promised? If not, why not? For example, if the community promised to provide 100 person days of labour input over the first two months, but provides only 57, there may be some kind of problem.
- Are the schemes resulting in good-quality construction?
- If capacity-building was provided, e.g. in construction oversight, are recipients using these skills to control quality?
- Has there been any change in satisfaction with the schemes over time?

The maintenance process.

- Have maintenance arrangements (e.g. maintenance groups) been established? Are they functioning properly – e.g. meetings being held, appropriate stakeholders attending, fees or due collected, and so on?
- Have routine maintenance activities taken place?
- Have these been implemented effectively – e.g. using the skills that local people were trained in?
- Are the maintenance activities sufficient or of high enough quality to ensure the infrastructure is useable, and likely to remain so?
- If you answered no to any of these questions, what are the likely reasons for this?
- Is government providing any support to ensure maintenance (e.g. in terms of technical or financial support)?

However – don't over-engineer. When considering the project's outcomes, everything can seem important and thus needs to be monitored or evaluated. Resources rarely allow this. Hard decisions must be made regarding the most appropriate focus of the indicators and the M&E effort. Aim to track only what NEEDS to be tracked. Trying to track 'nice to know' indicators will result in overload, which could undermine support and confidence in the M&E system.

In the example above, if the project context includes effectively functioning participatory organizations, aspects of inclusion and participatory processes may be less important. M&E can then focus, for example, on the appropriateness of the schemes being identified and the quality of their construction. Or, if the project is in an area where there has traditionally been conflict over resources or 'capture' of benefits by elites, aspects of inclusion, participation and conflict mediation may become more important. Limited M&E resources thus need to go to the areas considered most critical for generating the project's outcomes and impact.

M&E data is useful only if it is used; it will only be used if it is valued in decision-making processes. Training in M&E for the data users – i.e. government officials, civil society partners, extension workers, the target groups themselves – is thus something to be considered.

Beware of the tendency for M&E indicators to become set in stone, or to become the focus of effort rather than the actual goals or outcomes. There are circumstances where indicators can be set as **targets**, particularly where there are generally accepted minimum standards, such as build quality. However, these circumstances do not apply for all projects. Indicators can be formulated to indicate '**direction of travel**' rather than destination. It is important to clarify the nature of the indicators to prevent confusion. If a 'direction of travel' indicator is misinterpreted as a 'target' indicator, stakeholders may believe the project has failed when it has not.

Capacity development often requires a **participatory M&E approach**. Only the stakeholders themselves can explain if and how capacity has been built, and if there are still gaps. Ensure that participants or beneficiaries have a **say in goal-setting**, decision-making and assessing what capacity is needed. Tracking and evaluating capacity development is particularly sensitive because it focuses on people and makes **judgements** about their activities, skills and behaviour. Sensitive approaches and diplomatic use of the data collected is thus required.

Some examples

Recent IFAD experience indicates that there are some areas that are often associated with poor M&E, while others have fared better. The sections below give some examples of indicators, or areas for indicators that are suggested to track the progress in SIOs strengthening. Remember that indicators need to be specific to the project and the component being evaluated – and should not be used in a ‘cut-and-paste’ fashion.

Smallholder organizations

Many IFAD projects involve the creation or strengthening of smallholder organizations. The M&E component should include specific indicators that could help tracking progress in maturity and capacity of these organizations. In an earlier section on assessing and engaging SIOs there are questions to analyse the maturity and capacity which can guide practitioners to identify those indicators that can be used to analyse progress in SIOs strengthening.

Examples of indicators that describe the standard to which organizations should tend after their capacities have been built include the following:

Maturity

- **Governance:** Presence of appropriate rules and regulation (Constitution and by-laws); Provisions to manage collectively owned assets are in place, accessible and followed by all; Provisions for participation of all member to decision-making are in place, accessible and followed by all
- **Management:** Partnerships with other organizations are established and functioning and they include coordination, training, financial support and capacity-building exchanges; Procedures are enforced through regular meetings and in line with Constitutions/by-laws; Financial, physical and human resources are available; If conflicts arise, they are solved through meetings and the use of constitution/bylaws
- **Leadership:** Leaders are elected democratically and there is an acceptable turnover; Leaders participate in meetings and activities and mobilize members to participate in meetings, trainings and activities; members’ participation is sanctioned by the Constitution/by-laws, and is promoted through transparency and by attribution of benefits according to members’ contributions.; members respect regulations and sanctions; There is no evidence that some members would be entirely excluded from consideration or otherwise discriminated against
- **Capacity-building mechanisms:** Lessons are shared between the organizations through farmer to farmer, workshops and seminars and exchange visits; Methodologies taking into account requirements of disadvantaged members; Lessons are shared with other smallholders through exchange visits, field days and public meetings; Members’ skills are identified and used in the organizations;
- **Resilience:** Institutional knowledge is accumulated through record-keeping, group visits, group activities and trainings; Formal status and an updated workplan and budget enhance capacity to uptake opportunities; Product value addition, participation in trainings and resource mobilization; The organization has established partnerships with the local government, research institutions, banks, private sector.

Capacity (development of soft skills)

- **Good governance skills:** Fostering collective action through shared decision-making and activities; Transparency in determining roles and assigning responsibility; Conflict management skills; Drafting a jointly owned Constitution and by-laws; Capability to delegate authority
- **Leadership skills:** Vision- and mission-setting (through facilitation) ; Problem identification and solving; Guidance and facilitation skills; Transparent communication to all members; Training of potential leaders (succession); Inclusiveness, trust, cohesion and openness to different views; Capacity to solve conflicts; Lobbying skills
- **Resource mobilization and partnerships:** Proposal-writing skills; Financial management skills; Partnership-building skills (with different partners and donors)
- **Communication:** Capacity to establish a bottom-up and top-down circular communication; Effective, efficient communication skills, considering different recipients' needs
- **Record-keeping and financial management:** Accurate and accessible records; Consistent budgeting and workplanning process; Sustainable financial management
- **Sustainability:** Business/action plan drafting; Ownership in determining goals and objectives (autonomy); Training of other organizations; M&E skills

Other relevant indicators: inclusiveness and representation

IFAD places great importance on social inclusion and targeting of the very poor and those in disadvantaged positions. These often include women, youth, elders, disabled as well as indigenous and tribal peoples. When tracking institutional and organizational change and progress of SIOs, also take into account the following :

- Enough members of the target group attend meetings
- Attendance or membership is not dropping over time or fluctuating in a manner that could indicate problems and is not 'skewed' towards more advantaged members (e.g. non-indigenous men)
- If evidence of exclusion has become apparent in the past, separate meetings are held with affected groups; the results of these meetings are reported to the leaders; and these opinions are taken account of by the leadership.
- Gender balance and/or balance of other disadvantaged groups is appropriate; data on attendance of women, youth and/or disadvantaged groups and their participation are recorded
- One group or groups' interests are not consistently favoured, particularly if it is not the target group

There will also be technical areas of interest for M&E depending on the nature of the groups or focus of the committees, such as proper functioning of the water rationing system for an irrigation project, or indicators relating to weight of animals sold for a livestock project, and so on. Given the variety of smallholder organizations that IFAD supports, representative examples cannot be provided for all of these here. More specific indicators can be found in the How to Do Note series on *lines of business*.

Institutional, organizational and individual capacity-building

IFAD's Results and Impacts Management System (RIMS) requires the gathering of data on the numbers of people being trained. This is important operational information. For capacity-building efforts, however, indicators should also focus on the expected outcomes from the initiative, not solely on the numbers of people being trained. Given that capacity-building is a process, not just an output, additional indicators are needed that focus on the process as well. The following series of questions can guide thinking about how to develop indicators for capacity development efforts:

- What capacity-building support is expected to be provided? What is its objective?

Box 17. Phased development of sustainable self-help groups: the experience of MYRADA

MYRADA is an Indian NGO involved in building poor peoples' institutions, through which they are able to mobilize and manage resources to build their livelihood strategies and lobby effectively and in a sustainable manner for their rights and entitlements. MYRADA developed a three-phase process for forming and developing sustainable SHGs.

Phase 1 involves the identification and formation of SHGs through community meetings and using participatory rural appraisal methods. During this phase, which may take up to four months, the group membership takes shape, the members reach an agreement on or even start saving, start group meetings, open a bank account, elect their representatives/leaders, and set up basic records (minutes of meetings, saving books, etc.).

Phase 2 aims for group consolidation and may take from 4 to 15 months. It envisages: members' regular savings and lending operations; definition of savings/loan conditions; setting up a revolving common fund; a repayment rate of over 90 per cent; the establishment and enforcement of sanctions for default on repayment; regular meetings with high attendance rates; maintenance of record books; discussion of gender issues and undertaking some action within the family or the community; literacy and numeracy classes; organization of common action programmes; and initial interactions with other groups, government, and private institutions, including banks for accessing group loans.

Phase 3 sees the gradual withdrawal of MYRADA until the group is capable of covering the costs of the services they require. It may take from 15 to 36 months.

Source: ANGO, CSO Experiences in Strengthening Rural Poor Organizations in Asia.

- How will you track whether it is well managed and appropriately timed?
- Is it appropriate for the community needs? Did beneficiaries have a say in the needs assessment?
- Are the right people receiving it?
- How do you wish trainees to behave once they have received the training? How will you track that?
- What changes in behaviour are being aimed for, are apparent or reported as a result of the training (expected or unexpected; positive or negative)? What are the important aspects of this behavioural change that can be tracked or measured? How will you obtain this information?
- If there are other outcomes being aimed at, such as development of relationships, what changes will you track, or are apparent/reported?
- Is the project aiming to produce organizational-level changes or impact, such as systems operating more effectively, or noticeably positive changes in management style, work ethic, organizational performance? If so, how will you decide what 'effective' means in this context?
- What learning has been generated about either the capacity-building effort itself, or the individual or organizational changes?
- What could be done better or differently to achieve better outcomes?
- What aspects of the capacity-building are sustainable, or support sustainable organizational/institutional outcomes? What could be done better or differently to support sustainability to a greater extent?

- Were there any unexpected outcomes – whether positive or negative?

The following are possible areas or examples of indicators designed to measure aspects of institutional or organizational change that may have been the target of institutional, organizational or individual capacity development efforts:

Institutional level

- Policy for the creation and development of rural cooperatives: (i) approved; and (ii) enforced.
- Legal/policy framework revised (or introduced) to reduce barriers (financial, logistical, etc.) for poor rural people or producers to register/formalize their associations.
- Government's legal requirements in terms of membership in a formal group/organization/committee revised to become more inclusive (e.g. admitting women, the poor, etc.).
- Number of steps that businesspeople have to go through to register a new business reduced.
- Fiscal policies amended to attract private-sector investments in rural areas.
- Legal and policy framework revised to enhance women's control over land; and enforced.
- Farmers and producers participate in policymaking and shape the agricultural research agenda.
- Government attitude towards collaborating with, or outsourcing to, non-governmental or private-sector partners changes from negative to positive.
- Networks to capture and disseminate innovations and learning from interventions established and functioning.

Organization level

- Strategic planning system designed and implemented. Workplans in place to deliver results from strategic plan; workplans implemented and evaluated.
- Financial system revised to require fewer signatures, be less prone to corruption and result in swifter disbursement.
- M&E system designed and implemented. Managers and senior executives use M&E information to inform decision-making.
- 'X' organization reformed its staff incentives and performance feedback mechanisms for better HR management and career development.
- 'X' organization established incentives to reward innovation among staff.
- Private-led/community-based mechanisms for extension service provision mainstreamed to complement the public extension system.
- Women's participation, representation and leadership in local institutions increased.
- Formal financial institutions provide lending to poor rural people, including women.
- 'X' organization has developed and implemented plans to address climate change impact.
- 'X' organization performs more effectively through hardware support (e.g. office space, equipment, vehicles, etc.) or software support (training to enhance staff skills).

Individual level

- Small producers adopt new technologies.
- Literacy and numeracy of individual farmers' is improved.
- Capacity to identify and adopt adaptive behaviour among farmers improved.
- Managers show improvements in knowledge of budgeting and planning systems; HR systems; M&E systems, etc.
- Extension workers show improved test scores in concepts relating to agricultural diversification,

commercialization, running small-scale agribusinesses, or other technical skills in which they are charged with training farmers.

Approaches for collecting M&E data

When considering how to approach the collection of information on the indicators based on the questions above, it is important to match the appropriate approach to the data and information required to answer it. Some indicators may need numbers, thus quantitative approaches are valuable: surveys; questionnaires that can be converted to statistics; count-based data such as numbers of participants; random control trials; and so on. When looking for stories about change, or perceptions of satisfaction, however, the focus is more likely to be on qualitative approaches such as semi-structured interviews of individuals or groups, focus groups, conferences, and so on. Many people find statistics the most convincing type of data, as they often convey overtones of objectivity and rigour. However, sometimes the most illuminating or clarifying information comes in the form of a story about processes of change, or a participant's recollection of the differences between the before- and after-project circumstances. Both are valuable and, where time and resources allow, both qualitative and quantitative approaches should be used.





Case Studies

The following case studies aim to illustrate how the conceptual framework – meaning, association, control and action – can be applied to achieve institutional and organizational change in development programmes/projects. Each case portrays how these functional elements of institutions often ‘work’ together to deliver successful project outcomes.

Peru: Transferring public resources to decentralized institutions through *concursos*

Background

The completed IFAD-supported Puno-Cusco Corredor Project (2000-2008) was located in the Southern part of the Peruvian Sierra, or Andean highlands. It targeted an area that is characterized by rain-fed, largely subsistence farming on relatively poor soils. The indigenous peoples who live in this remote, mountainous region are the poorest of the poor; the majority speak only their native languages, in contrast to the Spanish widely used by the authorities, traders and financial institutions. They remain marginalized not only geographically, but also in terms of their effective integration into mainstream markets and politics.

Although many Andean communities are organizationally weak, they represent decentralized self-governing units, and are able to act collectively to address problems and regulate their social and economic life. As such they are ready to take on a greater role in local development, if given the opportunity to do so.

The project aimed to increase rural and urban incomes in the Puno-Cusco area by supporting agricultural production and development of the manufacturing and services sectors by micro-and small-scale enterprises. It provided technical assistance, training, investment funds for community initiatives, legal and entrepreneurial development advice, product certification, interaction between buyers and sellers of goods and services, and financial services.

Institutional innovation

Concursos (competitions) are an innovation adopted by the project to allocate resources; they are contests that enable poor rural people to access quality services and become competitive entrepreneurs. Groups or communities compete for funds to invest in a range of services and infrastructure, such as irrigation systems, technical training in improved farming practices, or hiring trainers and advisers to enhance and expand small business opportunities and develop more marketable products.

The *concursos* can be thematic, for individuals or groups, at the community or inter-community level, or for specific groups. They are run by the local resource allocation committees (LRAC), made up of members of local government; the National Fund for Compensation and Social Development (FONCODES); the IFAD Project; NGOs; and beneficiary groups. Each committee has regulations approved by the municipal council, and its members are legitimized by the local population. Because communities at the municipal level are involved in selecting juries to adjudicate resources and manage the entire competition process, they begin to exercise and

refine their self-governance capabilities and also nurture their ability to interact constructively with public institutions.

The Puno-Cusco project provided support to participants in preparing and submitting credible business plans to the *concurso*s. In order to win a competition, contestants invest a matching sum from their own resources. Their investment in, and ownership of, the project is a powerful factor that motivates them to maximize the impact of technical assistance, hire service providers that can support their needs, and achieve economic results within a defined period of time.

Institutional outcomes, impact and sustainability

According to an IFAD evaluation, the Peruvian *concurso*s system is very effective at identifying the preferences of beneficiaries. As a decentralized system based on local communities, it provides a platform for consensual public solutions designed to achieve greater social well-being. This makes it an approach with a high likelihood of success – perfect for rural development projects that aim to improve livelihoods, while at the same time improving community capacity to plan and implement their own development initiatives. *Concurso*s initiatives allow communities to play a positive role in the organization of Andean society and show that they can be major players in local development.

The *concurso*s system proved a very efficient means of channelling locally available resources to motivated and organized stakeholders and also drawing rural communities into participating in policy-making processes. Transferring public resources directly to rural beneficiary organizations and giving them control of their allocation and management increased their self-esteem and their organizational and management capacity. As of 2008, 25 municipalities had adopted the contest system and transferred public resources to rural organizations so they could contract technical assistance for their proposals. Four municipalities had done so without direct project support. Poverty rates had begun to fall significantly in the region, and incomes had risen by an estimated 20 per cent or more. There have been marked improvements in food security. Rural men and women have acquired new knowledge and skills in several areas (production, marketing, resource management, and the ability to deal with financial institutions).

At the close of the project the number of beneficiaries was higher than anticipated: more than 44,000 households, close to three times the number targeted in project design. By 2007, a total of 7,350 women organized into women's savings groups had opened savings accounts and accumulated the equivalent of US\$1 million – their first million. The money they saved has helped improve their farms, open shops, pay for their children's education and cover emergencies. The money they can now access for their enterprises has helped invigorate local economies. These women have gained in confidence and have acquired new status within the household and the community. Women's participation in business plans and profiles was also greater than anticipated (36 per cent, rather than the anticipated 20 per cent), and 407 of the groups established were made up exclusively of women. The percentage of women in leadership positions within farmer and microenterprise groups (38 per cent) also exceeded the target of 30 per cent.

As a result of the project's interventions, the technical assistance market in the region was strengthened from the point of view both of demand (greater capacity and willingness to pay, new capacity for selecting, hiring and evaluating), and supply (increased technical capacity, new service providers). The project registered a widespread adoption of new production techniques, and an increase in both farm and off-farm productivity. This achievement was the foundation of the project's success and sustainability.

Access to services through the *concurso*s system became an entry point for fostering better local governance and enabling rural communities to participate in decision-making processes, and become active participants in their own development. The *concurso*s also constitute a mechanism

for direct evaluation of service quality. The benefits derived from hiring technical assistance services are visible, public and 'evaluated'. Collective or group competitions foster collaboration among peers (the transfer of knowledge and practices), which in turn leads to better results for the community as a whole.

Project results show that placing communities, small farmers and their families at the centre of interventions through the *concurso*s system was the right decision.

References

FAO, IFAD, Good Practices in Building Innovative Rural Institutions to Increase Food Security, Rome, 2011.

IFAD, Experiencias innovadoras en los proyectos del FIDA en la República del Perú, Evaluación temática, Rome, 2004.

Swaziland: Working with traditional institutions to resolve land disputes

Background

The IFAD-supported Lower Usuthu Smallholder Irrigation Project Phase 1 (LUSIP) is being implemented in one of the poorest areas of Swaziland. The climate is semi-arid, droughts are frequent and crop yields are unreliable. Most households in the area have access to less than two hectares of land and can barely grow enough to feed themselves. Households rely heavily on remittances. LUSIP aims to create secure access for poor smallholders in the Lower Usuthu basin to a vital resource previously enjoyed principally by the large-scale private sector – water. The objective is to integrate the smallholder subsector into the commercial economy through the provision of irrigation infrastructure. This will permit the intensification and diversification of high-value crops and also arrest negative health impacts and environmental degradation. Three dams are being constructed to form a reservoir to store water diverted from wet season flood flows in the Lower Usuthu River.

Before project implementation, most chiefdoms faced inequitable access to irrigable land, whereby only large-scale farmers (mainly large sugar estates) had access to irrigation water. The survival of smallholders in this area was also being negatively affected by their limited access to agricultural land and other input factors. With at least 17,500 hectares of irrigated sugar cane, smallholders accounted for only 1,200 hectares, of which 67 per cent was located in the Usuthu river basin. The agricultural output and livelihoods of these poorest households – who have an annual per capita income of approximately US\$178 compared with US\$433 countrywide – were seen to be at risk. The project was designed to store the rainy season flood flows of the Usuthu River, distribute water to smallholders (76 per cent of a total of 3,418 households) and develop a further 6,500 hectares of irrigated farms.

Involving traditional institutions in project implementation

A participatory land-use planning process for the preparation of chiefdom development plans (CDPs) was designed, which involved all stakeholders such as households, traditional authorities, government institutions, development partners and the private sector. Chiefdom development committees were formed as a governing structure whose members were elected as community representatives to drive the CDP process at the chiefdom level. One of the keys to the success of this multistakeholder approach for the CDP governance structure was to include the traditional authorities, such as chiefdom inner councils. These bodies are responsible for land issues such as disputes and land-use changes. The planning process was also facilitated by

a multidisciplinary team comprising a land-use planner, irrigation engineer, soil specialist and social geographer, and gender specialists.

The exercise resulted in the compilation of an inventory of existing land use and land holdings, as well as the identification of irrigation schemes, rain-fed farming and livestock grazing areas. Furthermore, the CDP was not limited to land use planning, but also combined all aspects of community development, such as socio-economic profiling, environmental analysis and mitigation, infrastructure investment planning, geo-spatial planning, and local economic development strategic planning. The integrated participatory planning process brought the issue of unequal access to irrigated land to the fore. The awareness this created among the traditional leadership prompted them to ensure that all project participants had access to irrigable land.

Institutional change and outcomes

The CDP approach to community development is a multistage process, which is currently unique to Swaziland. The outstanding features of the approach are that it is centred on the aspirations of the communities; there is a consensus on the use of available resources for the benefit of the people; it is holistic; and involves multiple stakeholders, including traditional leaders.

According to an evaluation carried out in 2011, the CDP approach has been effective. It has fulfilled its primary goal of enabling target households to access irrigated land and other water-related resources, including women, the poor, and other vulnerable groups. Households have become shareholders in agribusiness activities, while agricultural initiatives and related training have further developed as a result of the investment, enhancing people's skills. In the few cases where beneficiaries were not able to access land, alternative strategies were implemented to ensure that participants could still benefit from the project through other enterprises. The application of the CDP framework has resulted in the empowerment of the communities: they have participated in various development initiatives and have demonstrated ownership of the development products. The CDP approach attracted a flow of resources other than funds into the chiefdoms and also the private sector, such as banks and other financial institutions. It has led to an improvement in the dialogue between the communities and development partners, as well as development organizations that are operating in the area. This resulted in the formation of a multistakeholder platform supported and facilitated by the Ministry of *Tinkhundla* Administration and Development.¹⁸

The CDP model is now being scaled up and has influenced agriculture and rural development strategies and policies in Swaziland, including the 2011 *Tinkhundla* and the regional administration bill. The bill now requires community-based planning in order to access funding for community development from the Central Government, Regional Council or other *Tinkhundla* Authorities in Swaziland.

References

Siwela, M., and Mosisi, M., A Case Study Evaluating the Process of the Chiefdom Development Planning in the Lower Usuthu Smallholder Irrigation Project (LUSIP), SWAZILAND, IFAD, no date.

18. An *inkhundla* – plural *tinkhundla* – is an administrative subdivision that is smaller than a district, but larger than an *umphakatsi* (or chiefdom). They play a role as electoral constituencies, and are also important for bottom-up development planning and the delivery of local services.

Cambodia and Bangladesh: Learning from over ten years of capacity-building and training activities

Background

Training, skills development and capacity-building for rural poverty reduction have been important activities in IFAD's projects and programmes for many years. According to a study conducted in 2010 under the framework of the Innovation Mainstreaming Initiative, CBT interventions represent 35 per cent of the total activities covered by IFAD's RIMS. These activities are related to agricultural technologies and production – the traditional focus of agricultural extension services – and to policy and community development, accounting for 34 and 31 per cent of total CBT activities respectively. The remaining interventions are in the areas of enterprise development, employment generation, and natural resource management. More than 4.3 million people have benefited from some form of CBT since the RIMS was launched in 2005. The same report indicates that, according to the project and portfolio management system, resources allocated to training vary from 7 to almost 50 per cent of total programme value, ranging from US\$1.6 million to more than US\$40 million.

Despite such substantial investments in CBT, lessons emerging from project implementation show that weaknesses still exist that hamper the effectiveness of capacity-building. Areas for improvement include: training needs and capacity gap assessments; training provision; and planning and coordination between CBT interventions and other project activities.

Relevance of training to target group's capacity, conditions and needs

Since 2001, three projects in Cambodia have made major investments in training and capacity-building of community-based institutions:

- CBRDP – The Community-based Rural Development Project in Kampon Thom and Kampot (2001-2009)
- RPRP – The Rural Poverty Reduction Project in Prey Veng and Svay Rieng (2004-2011)
- RULIP – The Rural Livelihoods Improvement Project, which is ongoing and operates in Kratie, Preah Vihear and Ratanakiri (2007-2014).

The projects provided training and capacity-building in a number of livelihoods areas, including both on- and off-farm income-generating activities. They targeted poor rural populations, including women and men, as well as smallholder farmers. RULIP and RPRP both supported:

- LIGs – livelihoods improvement groups that targeted poor farmers engaging in land-based agricultural activities
- FSIs – farming system improvement groups, consisting of less poor and more advanced farmers
- Women's groups, undertaking non-farm income-generating activities, such as food processing or handicrafts.

RULIP and the CDRP also supported most vulnerable family groups, whose members were the poorest in the community, or households headed by women, as well as groups of landless people.

Mid-term and final project evaluations revealed that the CBT activities did not always result in the achievements expected. The reasons for this were varied, but recurring themes emerged. A broader assessment of the needs and constraints of the group members at design stage was sometimes required in order to focus the training more effectively. Additional non-training-based support was also needed to ensure the training could be put to use, and in some cases the approach used to provide the training was not optimal, and hampered its effective use.

Taking full account of the constraints or circumstances of smallholder farmers would have improved the impact of training among CBRDP-supported most vulnerable family groups. Some households were not in a position to engage in rice production after they had been trained because their landholdings were too small, or there was insufficient access to water to achieve meaningful yields. In other cases, some households did have access to some additional water that they could have used for rice production, but they were not trained in efficient water management techniques. Farmers' economic circumstances were not always assessed in enough detail. Although they received training in new or modified practices, they sometimes lacked the income to buy seeds or other inputs, hampering their ability to put their new skills and knowledge into practice. In some areas, seeds and other inputs were not available, regardless of whether or not the farmer could afford them. Under the RULIP project, this last constraint meant that farmers did not keep chickens in the houses that were built through the project, as they had no access to animal feed. These examples show that capacity-building or training cannot be seen as an isolated activity with self-evident results. It needs to be integrated into project designs and plans and based firmly on assessments of the needs of the target group, and the circumstances and context in which they operate.

Another theme that emerged was that CBT often needs to be part of an intervention that includes packages of additional non-training-based support. Under the RULIP project, LIGs receive such a package. Each group member has access to a revolving fund that provides cash to buy a standard set of agricultural inputs such as chickens, piglets or rice seeds. A grant element also provides in-kind support, such as the provision of tools, seeds and group rice banks. Under the CBRDP and RPRP projects, however, FSI groups did not receive this kind of support. The completion reports of both projects concluded that the technology adoption rates at project completion were low: estimated at only about 20 per cent among CBRDP farmers. Similarly limited adoption rates were reported for the RPRP-supported FSI groups, whose members in some cases even returned to their previous traditional practices. As a result, while livelihoods of RULIP-supported LIG members were found to have improved, those of the CBRDP and RPRP FSIs remained stagnant. In the case of RULIP, another issue arose. Women's groups were trained in their chosen non-farm activities. However, while the training was generally rated as high quality, the initial design and budget did not include the provision of necessary machinery and equipment, or funding support to purchase it. While some groups managed to access the necessary funds, for others there was little economic benefit from the training.

Training approaches were also identified as inappropriate in some circumstances. Experience from IFAD and other donors shows that farmers learn best when they are supported to learn for themselves through reflection and review of their own practices and comparisons over time, as well as with those of their neighbours. Using this kind of participatory learning process – with trainers acting primarily as learning facilitators – selected technical advice on specific topics can be very effective. However, much of the early training for these projects was based on a training model that involved static transfer of technology from the trainer to farmers. It is probable that a more facilitative and reflective approach may have helped produce better results.

Not all the lessons learned by IFAD projects have been negative. The training provided under the Market Infrastructure Development Project in Charland Regions (MIDPCR) project in Bangladesh, for example, was highly appropriate to farmers' conditions and needs. The homestead gardening training was relevant to households, due to the minimal land requirements, the possibility of production in close proximity to the homestead which minimized the effect of social restrictions on women's movement, and the perceived immediate contribution to improved nutrition.

Nevertheless, this success also produced an unexpected constraint. Some producer groups, which received training and support to link them with input and output markets, expressed

the desire to move to the next level. However, in order to increase their investment they needed access to credit, which remains a major challenge for agricultural entrepreneurs. In the absence of formal credit products through banks or other savings institutions, many rural areas rely on NGOs. Unfortunately for the farmers in this case, their local NGO – which had provided them with much-appreciated training support – was not able to offer loans due to constraints in its own funding.

Training planning, sequencing and coordination across components and activities

IFAD's experience increasingly shows that training activities need to be well planned and sequenced to complement project activities. In addition, close attention needs to be paid to their coordination across activities and project components. Given the complexity of IFAD projects, it is also clear that planning and coordination has its limits. Opportunities and constraints emerge that are not foreseen, which necessitates a flexible and creative response – not always easy when there are multiple activities and stakeholders!

MIDPCR in Bangladesh provides an example of both good practice in training planning, and emphasis on the need for appropriate sequencing and coordination across activities. At appraisal, a sound participatory process was used to develop a comprehensive and detailed training plan. Covering technical training (vegetable growing, poultry and cattle raising, and fish farming) and rural enterprise development and market linkages, it also included training of trainers, training for executing agency staff, and training for project staff and NGO members.

Despite the quality of the training plan, the MTR found that there were still some concerns over the sequencing and coordination of the training with the project's activities. Members of some local construction society groups were keen to invest profits they had accrued from their construction activities. However, they did so before attending training from the NGO, and also before the project was ready to start disbursing microfinance loans, which would have helped optimize outcomes from the training and investments. Although this type of training was planned in the design, it was programmed for the fourth year of the project – too late for some members, who clearly wanted to move on to income-generating investments more quickly. It was also partly the result of coordination gaps among different components, particularly the construction activities, production and technical training, and the loan component. Although



there were also good examples of coordination, it was not always entirely consistent across the timespan of the project, with the result that inefficiencies occurred. Some groups complained that they were not able to apply for loans for up to six months after they had received their training, by which time they had forgotten large chunks of it. This highlights the danger of project components being implemented independent of each other 'in silos'. Efficient coordination is required –for example, technical training that is quickly followed by facilitation in accessing inputs and markets, which is then immediately linked to the provision of microfinance loans. Without this kind of sequencing and efficient implementation, the benefits of capacity development can be lost.

In some cases, there is some overlap in the training courses that are offered by different project components and services providers. Although there is no reason why training responsibilities have to be strictly demarcated, these overlaps could constitute a waste of resources, especially if trainers deliver the same training topics to the same groups. One example was observed at Meherganj in Char Fasson (Bangladesh), where two different training providers delivered training on vegetable cultivation and the nutritional value of vegetables to target groups. A further concern is that similar training courses may end up sending contradictory messages, or simply confusing people. Clear division of training responsibilities, both geographically and by subject, may prevent such inefficient overlaps.

Training delivery, implementation bottlenecks and application

Even when training needs are efficiently assessed and CBT activities are well planned, coordinated and appropriately phased, issues can arise with delivery that hinder the usefulness of the skills being supported. The MTR mission for RULIP/Cambodia assessed that technology adoption after training was low for all groups. Yet interviews with participants revealed that the training packages were too short (six days), and covered too many topics simultaneously. Other problems included the fact that training locations were sometimes inconvenient or inappropriate, such as schools, houses of group members, offices or courtyards. The MTR recommended that training should also make more use of practical demonstrations, such as visits to established activities of the type being trained.

Delays during implementation can compromise the smooth running of activities and the achievement of project objectives. For example, under RPRP in Cambodia, in some years there were delays in the processing of bidding procedures and oversight by the executing agency. This caused late delivery of agricultural inputs to some LIG members, which directly influenced their ability to take full advantage of the training and materials provided. A similar issue occurred with the CBRDP project, also in Cambodia. Sub-contracting and other administrative arrangements were delayed and training was delivered to some communities only after the production season began – too late to have a significant impact.

Implementation arrangements defined at the design stage were also significant. The RPRP and RULIP projects put the agricultural components under the direct administration of the Ministry of Agriculture, Forestry and Fisheries (MAFF). Because MAFF had extension representation all the way down to district level, the projects were better able to reach their target groups with training and also provide ongoing support.

When CBT does 'take' however, the results are often successful. The MTR mission for MIDPCR/Bangladesh found that the majority of trainees were able to talk confidently and enthusiastically about important issues learned from training courses. More importantly, it found that group members had started activities that were the subject of training, such as rearing poultry or other

livestock, pond fisheries projects and vegetable production. The training content was well matched to participants' income-generating activities and the contracted service provider had proactively improved the quality of training content by including better visual materials. They had also engaged better instructors. The MTR concluded that the CBT activities were positively associated with these outcomes, showing that well-planned and well-implemented capacity-building can make a real difference to the lives of the rural poor.

References

Agribusiness Institute of Cambodia (AIC), Rural Productive Service Delivery: Case Studies on IFAD-Funded Projects – Rural Poverty Reduction Project and Community-Based Rural Development Project, Phnom Penh, January 2010.

AIC, Social Assessment for Cambodia's Community-based Agricultural Productivity Project, Phnom Penh, February 2010.

Cambodia Development Resource Institute (CDRI), Enhancing Effectiveness of Rural Productive Service Delivery Systems in Cambodia: Case Studies on Issues and Constraints, November 2009.

IFAD Community Based Agriculture Productivity Project (CBAPP), Working Paper on Gender, Targeting and Community Development.

IFAD Community Based Rural Development Project (CBRDP), Design Document (Main Report and Working Papers), Supervision Mission Reports.

IFAD, Market Infrastructure Development Project in Charland Regions, Mid-term Review Mission (Oct.-Nov. 2010), Main Report and Working Papers.

IFAD, Rural Livelihoods Improvement Project in Kratie, Preah Vihear and Ratanakiri, Mid-Term Review Mission Report, July 2011.

IFAD RULIP Project, Design Document (Main Report and Working Papers), Supervision Mission Reports.

IFAD Rural Poverty Reduction Programme in Prey Veng and Svay Rieng, Design Document, Main Report and Working Papers, Supervision Mission Reports.

Romano, M., Assessment of Sustainability of Rural Institutions in IFAD-supported Projects in Cambodia.

Implementation support mission report, December 2009.

Weyer, F., Innovative Forms of Training and Capacity-building in IFAD Supported Projects and Programmes, IFAD, Innovation Mainstreaming Initiative, draft report, July 2010.

Macedonia: Promoting pluralistic and pro-poor agricultural advisory services

Background

The Agricultural Financial Services Project (AFSP), financed by IFAD in the former Yugoslav Republic of Macedonia, sought partnership with the private sector in its effort to upgrade technical and managerial skills among the target population, and ensure the viability of their agricultural enterprises in the context of emerging domestic and export markets.

The project created a private agricultural advisory service accessible to poorer farmers and offering a number of innovations: i) securing effective interaction of financial and non-financial services through the same set of advisers; ii) expecting borrowers to pay advisers for their services in order

to assure service quality, sustainability and client satisfaction; and, iii) using the borrowers' actual financial and economic opportunities within agricultural commodity value chains to determine the investment and the technical advice to be provided.

Institutional innovation and mechanisms

In 2003, IFAD introduced a refinancing facility through AFSP – the Agricultural Credit Discount Fund (ACDF) – established under the Ministry of Finance. A true innovation in rural finance development, refinancing has proved highly effective in injecting longer-term investment capital from concessional lending into national financial systems. This aims to speed up rural economic growth and, in conjunction with appropriate targeting criteria to reduce rural poverty. The ACDF was financed from the IFAD loan and designed as a competitively accessible refinancing facility available to eligible commercial banks and microfinance institutions – the participating financial institutions (PFIs).

PFIs applied to the ACDF loan committee to refinance loan applications received from those hoping to benefit from the project's refinancing facility. If the PFIs satisfied policy and regulatory requirements and the applications met project eligibility criteria, the refinancing was approved in the form of a loan. Financial resources to PFIs were provided under IFAD's highly concessional lending terms as an incentive to operate in a market often perceived as too risky. This had three positive features: (i) it attracted PFIs to engage with poorer and otherwise 'unbankable' clients; (ii) it allowed PFIs to gain experience with poorer rural clients and consequently build the knowledge, skills and confidence to continue serving them as a profitable customer segment after project closing; and (iii) it did not distort local financial markets.

Capacity-building and institutional sustainability

To assure the viability of borrowers' agricultural enterprises, including those of smallholders within emerging domestic and export markets, an agricultural investment centre (AIC) was set up with project support to facilitate access to financial services and upgrade borrowers' managerial and technical skills. These services were provided through trained advisers, whom the AIC had contracted to provide support to interested project clients. Initially, the advisory services were based on a cost-sharing arrangement between the client and the AIC. For project clients, this approach increased the likelihood of their obtaining a loan, and also gave them access to advisers who could deliver the necessary technical support to enable them to manage their investment financing more profitably. For PFIs, this approach reduced the risk of lending, as evidenced by the repayment rates of 'advised', as opposed to 'non-advised' borrowers. With a clear strategy of establishing sustainable private consulting services, the cost-sharing arrangement was gradually phased out during project implementation.

Potential advisers were initially selected by the AIC through a competitive process based on the applicants' relevant expertise, professional experience and qualifications. Those selected operated under performance-based contracts. Advisers would initially prepare business plans in order to secure loans from PFIs for clients, who could then request more specific agricultural advisory services.

A capacity-building programme was set up to broaden advisers' knowledge and expertise in areas relevant to the emerging development needs of their clients. Programme activities comprised: (i) developing advisers' ability to manage their own businesses as agricultural consultants more effectively; (ii) increasing their ability to attract new clients by offering a wider range of saleable service products; and (iii) improving their skills in delivering advisory services to clients.

The trainee advisers also became actively involved in preparing and implementing investment programmes to support the development of agricultural supply/value chains. This improved their

understanding of market dynamics, value-chain investment opportunities, risks and risk mitigation strategies. With a better understanding of market trends in supply chain performance and their relevance to clients' businesses, the advisers were able to develop more attractive credit applications and provide more informed advice. Trainee advisers were also involved in AFSP monitoring and impact assessment. As advisers acquired experience and expertise, the cost-sharing arrangement was gradually phased out, obliging them to work towards being fully independent businesses. The project assisted them in establishing their advisory firms, although advisers were required to finance the physical establishment of their business premises themselves.

Impact

Forty-eight per cent of all AFSP borrowers (over 1,300) received support from AIC-trained advisers, and 45 per cent of the value of all loans was disbursed to borrowers who had received support. Most of those borrowers were semi-commercial farmers (37 per cent), followed by commercial farmers (35 per cent) and traditional poor farmers (27 per cent). Traditional poor farmers had the greatest need for advisory services, because they lacked knowledge and information and had negligible managerial and technical skills. Enterprises (traders and processors) that received advisory support were small-scale firms. They often had inadequate and obsolete technologies and low capacity to add value, making production labour-intensive and profitability highly dependent on processing large volumes of raw materials.

At the farm level, borrowers who received support showed substantially higher levels of benefits than borrowers who did not. What is more, benefits were not limited to access to finance. Other advisory service benefits included more efficient land use, increased areas of cultivated land and improved managerial and production capacity. These all contributed to improving access to markets and increasing incomes. AIC data indicate that an average primary-production family business income of US\$7,143 rose to US\$11,113 in the two years after the family took out the loan; the amount of the increase was close to the 2007 average annual income in the country. Overall, primary producers who received support generated an average incremental gross margin of US\$11,832 in the two years after obtaining the loan, compared with US\$6,914 for borrowers who did not receive support.

There was a clear trend; loans coupled with advisory services enabled smaller, asset-poor family businesses to graduate to progressively higher asset and income groups faster than borrowers who did not receive advice.

At the trader/processor level, borrowers who received advice showed average increases in the value of final production of approximately US\$199,147. However, the highest impact was on backward value-chain linkages. On average, enterprises that received advice purchased additional agricultural raw materials valued in excess of US\$138,371, generated the equivalent of 15 full-time jobs, and provided market access through contract farming to an additional 62 farmers.

In June 2008, at the end of the project, eight independent, private-sector, client-financed consulting companies had been established. During the AFSP's lifetime, the total number of borrowers receiving advice was 1,323, accounting for a total disbursed loan amount of US\$10,293,573. In an average year, within the AFSP framework, advisers supported 331 borrowers for an average loan amount of US\$7,750 per borrower. After the project had closed, for example, from May 2008 to June 2009, the private companies supported 333 borrowers, reaching a total loan amount of US\$1,519,358.

Advisers are beginning to differentiate their client base. Some do not simply offer business planning and/or technical advice for their specialist commodity, but are also becoming involved

as entrepreneurs in input supply and marketing for that commodity. The eight AFSP/AIC-trained companies are in the process of becoming shareholders in a common consortium company to facilitate informational, operational and contractual collaboration. This will open up business opportunities requiring a wider range and volume of services.

Conclusions

It was possible to remove the constraints that typically prevent smallholders from obtaining and benefiting from appropriate advisory and financial services through:

1. an initial cost-sharing arrangement, which made services accessible to smallholders and ensured that end-users were committed to receiving the service
2. the demand-driven and pluralistic nature of the services
3. the accountability of advisers, which provided incentives to deliver effective and practical solutions to clients' problems
4. the immediate financial gain of clients who obtained a loan through the advisory system, which guaranteed accessibility even for resource-poor farmers
5. the concurrent provision of technical training for advisers and technology transfers to clients.

The success of AFSP in developing client-financed advisory services is related to the commercial viability of both clients and advisers. In order to ensure longer-term sustainable development, support is required for the development of pluralistic private-sector advisory services that are not exclusively focused on poor rural people, but also encompass services to other clients.

References

IFAD, IFAD and Client-financed Agricultural Advisory Services, November 2010.

Uganda: Engaging the private sector and promoting public-private partnerships for vegetable oil production

Background

The Vegetable Oil Development Project (VODP) was designed in the mid-1990s to reduce Uganda's heavy reliance on imported vegetable oils and to address low levels of vegetable oil consumption by the population. At that time, despite good potential for domestic production, vegetable oil production was entirely based on imported crude palm oil, with some oil coming from domestically produced crops, principally sunflower. There was only one large-scale miller carrying out this refining, leading to a lack of competition and development.

The project was highly innovative, not only because it introduced a new crop to Uganda – oil palm – but because it promoted an institutional innovation for project implementation in the form of a public-private partnership (PPP). While Uganda had favourable agro-ecological conditions to grow oil palm, a mechanism was required that would bring together the necessary know-how and funds to develop the sector, as well as ensure that smallholders were part of the process. The PPP was the answer, and in 2000, the government of Uganda signed an agreement with a private-sector operator to develop commercial and smallholder oil palm plantations in Kalangala District. This introduced a second large-scale miller for processing crude palm oil and created competition in this part of the industry.

An IFAD interim evaluation highlighted the success of the project in introducing oil palm and promoting sunflower production to reduce dependency on imports. The project addressed

rural poverty by involving smallholder farmers in crop production and small-scale processing, improving the nutrition of the population through increased vegetable oil intake, and addressing food security by growing alternative cash crops for income generation. As a result, a second phase has been approved and is now being implemented.

As one of the largest PPPs in the country and the only large one within IFAD's portfolio to date, VODP has demonstrated how it is possible to leverage private-sector investments through the strategic use of IFAD funds.

Institutional arrangements of the PPP

Under VODP, the government signed a direct foreign investment agreement with BIDCO Oil Refineries Ltd (Kenya), a large private investor whose subsidiary (the Oil Palm Uganda Ltd; OPUL) was created to manage the nucleus estate on Bugala Island. BIDCO/OPUL covered the construction of an oil palm refinery and the development of oil palm plantations and supporting infrastructure. BIDCO/OPUL brought to the partnership technical expertise and investment capital, while IFAD supported smallholders to contribute their land and labour to the partnership. BIDCO/OPUL was drawn to the initiative by the profitable market opportunities in this sector, as well as by the advantages that partnering with the government and with smallholders could offer in terms of enabling access to a large consolidated area of land to establish production on a scale large enough to be profitable.

IFAD supported the process by helping the government prepare an environmental impact assessment, ensuring that equitable pricing for inputs and produce for smallholders was included in the framework agreement with the firm, developing mechanisms to ensure that negotiated prices were applied, and financing the establishment of an innovative institutional mechanism for mobilizing smallholders' participation in the project, the Kalangala Oil Palm Growers' Trust (KOPGT). KOPGT has performed an important role in organizing farmers, providing them with loans for plantation establishment and extension advice, and generally mediating the interests of the farmers, BIDCO/OPUL and the government. While IFAD is financing more than US\$80 million for the two phases of the project, and covering the costs of the start-up and extension services during an initial period, provision has been made for KOPGT to become a self-sustaining organization able to transmit knowledge and technology from OPUL to farmers, paid for by a margin of the earnings of their crop.

Some issues emerged during implementation, such as delays in finalizing negotiations with BIDCO/OPUL and in establishing KOPGT; difficulty in acquiring sufficient land for the expanded nucleus estate; the re-organization of agricultural extension services; and the slow pace of smallholders' mobilization. Despite these challenges, IFAD's interim evaluation concluded that overall the PPP was extremely innovative, with good potential for replication and many lessons to disseminate concerning the challenges and demands of working with the private sector.

Institutional outcomes and impact

VODP has had a significant economic and financial impact on both producers and consumers, who have benefited from the improved access to affordable, good-quality vegetable oil. Smallholders particularly benefit from the stable demand and prices for their produce, which are set on the basis of an established pricing formula linked to world market prices, and they also benefit from access to credit and extension services.

According to the IFAD evaluation, the main impact of the first phase consisted of: changes in land use and the introduction of a new crop; improved land rights for farmers; access to KOPGT loans, and farmer empowerment through their newly formed unit and block committees and membership of the KOPGT. On the oil palm nucleus estate, 1,649 employees have benefited from

conditions on the estate compare very favourably with similar types of work elsewhere (e.g. sugar plantations), and many are able to remit savings to their families. Other important results include: increased land value; improved access to financial and government services, transport and utilities such as mobile phone services; investment in local infrastructure, including electricity and transportation infrastructure; increased business, tourism and trade, including the purchase of food from farmers and fishers; increased investment in housing; and payment of school fees by participating households. The project also contributed to an improvement in gender equality by breaking down the traditional gender division of labour, increasing female access to farm assets and new income-generating activities, and promoting their participation in, and leadership of, farmer groups.

At the organizational level, the project achieved important results. Starting from scratch, KOPGT has developed into an effective organization, providing a range of services including farmer organization, extension and loan administration. Although KOPGT still faces some long-term challenges, such as the need to consolidate its institutional capacity to become financially sustainable, the current system is working well, with mutually reinforcing links between farmer organization, extension and credit. The financing system has been adapted to the circumstances and also appears to be working satisfactorily.

Finally, in terms of institutional change, VODP has pioneered new forms of cooperation between the private sector, local and national government and farmer organizations. The PPP brought a major new investor to the country. Although the plantation mode of production is widely practiced in other countries, it was new to Uganda. The structure and functions of KOPGT are also very innovative, particularly the mechanisms for protecting farmers' interests vis-à-vis the nucleus estate. VODP also demonstrated that the PPP approach can bring together a large corporate operator and smallholders, if clear mechanisms to ensure equity are put in place.

References

IFAD, Republic of Uganda Vegetable Oil Development Project, Interim Evaluation, March 2011.

IFAD, Uganda: Vegetable Oil Development Project, Phase 2 Project Design Document, March 2010.

IFAD, Rural Poverty Report, Rome, 2001.

©IFAD/Susan Beccio



China: Achieving institutional innovation and change through rural credit cooperatives

Institutional and organizational change often go hand in hand, particularly when the ‘institutions’ involved are informal mindsets or ways of making meaning of the world. In this case study, organizational changes in the way that credit and financial services were offered by IFAD projects in China bumped up against the informal institutions of people’s assumptions about credit. Those on the financial services side were not used to seeing poorer farmers or entrepreneurs as potential customers. And the farmers or entrepreneurs often had no experience of taking credit and were highly suspicious of it. However, thanks to an innovative approach and some patience, these mindsets gradually changed, to the benefit of rural households.

Background

IFAD’s projects in China have used two models for the delivery of financial services: initially through government-run project management offices (PMOs), and then, since the mid-1990s, through rural credit cooperatives (RCCs), which are a network of existing rural financial service providers. The IFAD projects using the PMO model offered only credit products, whereas the RCC model envisaged the integration of IFAD project funds into the financial system. Local officials from both PMOs and RCCs were more inclined to grant loans to better-off households, because they were more concerned with their ability to repay rather than reducing poverty. The remoteness of poor rural households and the cost of outreach made it even more challenging to deliver and monitor credit.

IFAD was the first international financial institution to partner with RCCs instead of utilizing government bureaus to manage and deliver rural credit and microfinance services in China. The RCCs were chosen by IFAD on the basis of their wide distribution in rural areas. The RCC network is federated at the county level with the so-called RCC unions, which in turn are managed by a province-level structure. In many provinces of China, these structures are being transformed from a decentralized rural cooperative banking system into a single ‘rural commercial bank’ with branch offices and outlets at the county and township level. According to an IFAD thematic study on rural finance in China published in 2002, RCCs supplied the majority of formal loans to rural areas, accounted for two thirds of household deposits, and were the only formally authorized financial institution to serve rural households. In addition to the better-off farmers, they were the primary formal source of credit finance for township and village enterprises and, increasingly, private enterprises. Traditionally RCC’s orientation has been towards commercial banking and larger loans than those required for microproduction and marketing.

Institutional innovation

The IFAD-supported Southwest Anhui Integrated Agricultural Development Project (SWAIADP), now completed, represented the first effective example of this innovative approach of engaging with RCCs for rural poverty reduction. Under this project, the integration of IFAD funds into the RCC system envisaged that the responsibility for credit delivery would be shifted from PMOs to RCCs, and regulated and managed by the People’s Bank of China (PBC). The PMOs bore the credit risk and were responsible for the approval of the loans, while the RCCs were supported to enhance their capacity to provide a full range of financial services to rural households, compared with the PMO model, which provided only credit. IFAD’s approach also aimed to enlarge the scope of RCC’s activities to ensure that small farmers and micro-entrepreneurs – including women – had access to RCC deposit and lending services.

Later IFAD-funded projects learned from the SWAIADP experience, putting even more emphasis on strengthening RCC capacity, and enabling RCCs to provide microfinance services

independently under a rural poverty reduction programme. The West Guangxi Poverty Alleviation Project (WGPAP) worked to enhance the whole loan process application and loan approval by the RCCs. The first step was developing an applicant list to select potentially bankable and lower-income borrowers, who may not have been able to obtain bank loans previously. Training was then provided to RCCs to ensure that loan application forms and other documentation were kept to a minimum and were user-friendly for the poor. Specific training also targeted RCC bankers to move from a collateral-based lending approach and to adopt a rural finance system based on loan applications.

The Qinling Mountain Area Poverty Alleviation Project (QMAPAP) mainstreamed a few institutional innovations that strengthened the approach. These innovations included linking skills training and extension services with RCC loans, and working through village implementation groups (VIGs), which also include poor small farmer and female members, to support RCCs in identifying potential poor borrowers and improving their application process.

Institutional impact and change

The SWAIADP credit programme served as a highly successful 'engine' for the implementation of the project. Despite the reservations of some supervision missions, a project evaluation conducted by IFAD indicated that the coverage and impact of the loans on beneficiary incomes were impressive, with even very poor households accessing loans, particularly in the latter stages of implementation. One of the most important results of the credit operation has been the gradual acceptance, even among poor villagers, that credit can be a useful tool for them in the improvement of their incomes and living standards. For the majority of households interviewed, the SWAIADP loan was their first experience with bank loans, and for many of them their first experience with any form of borrowing, either formal or informal. Farmers in the project area had been accustomed only to grants (in the form of government subsidies and relief funds). The idea of a loan, which required planning and commitment and diligence to pay back, was new to them. Township officials, village leaders and RCC staff indicated that the greatest obstacle faced by the project in the early days was the widespread suspicion and hostility to the notion of borrowing. Over time, the success of the first loan applicants became known, and according to the evaluation, project-funded loans gradually became familiar and popular, and the disciplines of loan management and repayment became part of everyday life.

WGPAP was successful in creating a network of well-trained RCC bankers at the township and county levels, who became well versed in the requirements and challenges of providing financial services to small farmers and other poor rural people. According to an evaluation conducted by IFAD, the outreach of the RCC network throughout the project area has been irreversible. Another important achievement has been noted in terms of behavioural and institutional change. Almost a decade after project start-up, RCC officials at all levels concede that the 'poor people' now under the RCC umbrella have proved to be reliable clients and are enabling it to reach its strategic medium-/long-term objective of providing a complete menu of rural banking services.

Outreach to women has been another change brought about by the IFAD Country Programme in China in collaborating with the RCCs. From an evaluation of the QMAPAP, it emerged that women had started to sign loan contracts, although the proportion differs across the project areas. The number of loans taken solely by women was recorded as 49 per cent at the MTR, increasing to 56 per cent by the end of the project. In some townships, women can sign loan contracts without the presence of their husbands and with their own stamps. In most of the villages visited by the evaluation mission, over 70 per cent of IFAD loans were used or co-used by women, even if the contract was signed by a man – but this was also the consequence of the large-scale migration of male labourers.

Scaling up and conclusions

Over the past 15 years, IFAD has established a system of learning from experience to help cross-fertilize the pro-poor finance operations of RCCs throughout the country, despite the fact that results vary across provinces, projects and locations. The initial working modality for the loan application process has been fine-tuned and is being scaled up in all of IFAD's interventions in rural finance, whereby the VIGs support the RCCs in the loan application process, ensuring that poor community members – both male and female – can access credit. These partnerships have been extremely successful, with massive institutional and pro-poor changes brought about because the RCCs act as agents of change in rural and remote areas of the country, and also effect a profound shift in their organizational culture.

References

IFAD, People's Republic of China Qinling Mountain Area Poverty-Alleviation Project, Interim Evaluation, February 2010.

IFAD, People's Republic of China Southwest Anhui Integrated Agricultural Development Project, Project Completion Evaluation, Rome, September 2006.

IFAD, China: West Guangxi Poverty-Alleviation Project Completion Evaluation, Insights, Number 15, February 2011.

IFAD, Rural Financial Services in China, Thematic Study, Volume I – Main Report, December 2001.



Bibliography

Aldrich H (2007); *Organizations and Environments*; Stanford University Press.

DFID (2003); *Promoting Institutional & Organizational Development: A Sourcebook of Tools and Techniques*; DFID, UK; ISBN 1-86192-535-2.

European Commission (2010); *Toolkit for Capacity Development*; Tools and Methods Series, Reference document No. 6; Office for Official Publications of the European Union, Brussels.

FAO (2001); *SEAGA: Socio-Economic and Gender Analysis Programme, Intermediate Level Handbook*; FAO, Rome.

FAO (2012); *Good Practices in Building Innovative Rural Institutions to Increase Food Security*; FAO, Rome; ISBN 978-92-5-106898-4.

IFAD (2003); *Transforming Rural Institutions in Order to Reach the Millennium Development Goals; Roundtable Discussion Paper for the Twenty-Fifth Anniversary of IFAD's Governing Council*; IFAD, Rome.

IFAD (2007); *Designing for Implementation*; Learning Notes Series, 4.3; Version 12.12.07.

IFAD (2007); *Pro-Poor Institutional Transformation*; Learning Notes Series, 4.1; Version 12.12.07.

IFAD (2008); *Institutional and Organizational Analysis for Pro-Poor Change: Meeting IFAD's Millennium Challenge, A Sourcebook*; IFAD, Rome.

IFAD (2010); *IFAD Decision Tools for Rural Finance*; IFAD, Rome.

IFAD (2011); *Results and Impact Management System (RIMS), First and Second Level Results Handbook*; IFAD, Rome.

IFAD (2012); *Field Application Report of the Testing of the Sourcebook on Institutional and Organizational Analysis for Pro-Poor Change*; IFAD, Rome.

IFAD (2013); *Synthesis Report: Strengthening Institutions and Organizations. An Analysis of Lessons Learnt from Field Application of IFAD's Sourcebook on Institutional and Organizational Analysis for Pro-Poor Change*; IFAD, Rome.

IFAD (undated); *Guidance Notes for Institutional Analysis in Rural Development Programmes*; IFAD, Rome.

IFAD (undated); *IFAD's Environmental and Social Assessment Procedures*; IFAD, Rome.

International Development Research Centre (1995); *Institutional Assessment: A Framework for Strengthening Organizational Capacity for IDRC's Research Partners*; ISBN 0-88936-771-X; IDRC, Canada.

Jutting J (2003); *Institutions and Development: A Critical Review*; OECD Development Centre Working Paper 210 (formerly Technical Paper No. 210); DEV/DOC(2003)08.

Mathauer I (2004); *Institutional Analysis Toolkit for Safety Net Interventions*; Social Protection Discussion Paper Series No. 0418; Social Protection Unit, Human Development Network, The World Bank.

North DC (1990); *Institutions, Institutional Change, and Economic Performance*; Cambridge University Press, Cambridge University Press, Cambridge.

North DC (1993); *Institutions and Credible Commitment*; *Journal of Institutional and Theoretical Economics*, 149(1).

Research Programme Consortium for Improving Institutions for Pro-Poor Growth, DFID (2010); *Beyond Institutions: Institutions and Organizations in the Politics and Economics of Poverty Reduction – A Thematic Synthesis of Research Evidence*; DFID, UK.

Shields D (2003); *Applications of the “Guidelines for Institutional Diagnostics and Evaluation” to the REP II Project*, Ghana. IFAD.

The International Institute for Environment and Development (IIED), The Capacity Development and Institutional Change Programme (CD&IC), Wageningen University and Research Centre, the Netherlands (2008); *Chain-Wide Learning for Inclusive Agrifood Market Development: A Guide to Multi-Stakeholder Processes for Linking Small-Scale Producers to Modern Markets*; an output of the Regoverning Markets Programme.

UNDP (2005); *Measuring Capacities: An Illustrative Catalogue to Benchmarks and Indicators*; Capacity Development Group, Bureau for Development Policy; New York.

Walters H (2007); *Capacity Development, Institutional Change and Theory of Change: What do we mean and where are the linkages? A conceptual Background Paper*.

WWF (2006); *Resources for Implementing the WWF Project and Programme Standards; Step 3.3, Building Project Capacity*; World Wildlife Fund.



Annexes

Annex 1

Scaling up institutions and organizations¹⁹

Institutional and organizational space

Scaling up is now an IFAD priority, and the organization has adopted the 'spaces and drivers' analytical framework to assess the enabling conditions for scaling up any given project, programme, component, subcomponent or innovation²⁰ and develop a set of activities to promote scaling up, i.e. a scaling up strategy. It is clear that selecting and strengthening the right organizations as part of IFAD's project design and implementation are a key part of achieving project success in scaling up and sustainability.

Institutional and organizational space, as defined in the IFAD/Brookings Institution publication on spaces and drivers of scaling up, broadly covers the capacity of institutions and organizations, as well as their structure, culture/orientation, incentives, reach and ability to implement an innovation or intervention on a large scale. It also includes what we would generically refer to as governance, both in terms of the state of a country's governance as a whole, and the specific governance of a sector or ministry, NGO or private company. Thus most of the dimensions of institutional/organizational space are both generic and innovation-specific. For example, a Ministry of Agriculture might have a strong extension system, but weak knowledge or human resource capacity relevant to a particular crop or subsector. It might have strong overall management, but limited ability to manage demonstration projects or farmer field schools. It might have an organizational culture that favours technical innovations and providing production advice, rather than one that creates and strengthens farmers' organizations or provides farm management and business support.

Institutional and organizational space overlaps substantially with other spaces, such as policy and fiscal space, and the drivers, incentives or politics of scaling up. Organizations cannot function as effective scaling up agents or intermediaries if they do not have political support. The process of scaling up and elaborating a successful strategy for scaling up are the result of an interdependent mix of the innovation itself, policy priorities and politics, the scale and depth of an objective need for the innovation, the legal, regulatory and institutional enabling environment, fiscal constraints, and many other considerations, in addition to specific choices concerning institutions.

19. Taken from the 'Working Paper Scaling Up IFAD Projects and Organizations' – prepared as part of the IFAD/Brookings Institution Cross-Cutting Studies On Scaling Up.

20. The term innovation refers to the possible interventions being scaled up, whether they are entire projects or programmes or specific, individual subcomponents or activities.

Key roles of institutional/organizational arrangements used by IFAD

In focusing on scaling up and sustainability, the emphasis is on the 'rules of the game' (institutions), players of the game (organizations) and institutional/organizational arrangements that are in place before, during and after the implementation of IFAD projects, and that are necessary conditions for the results they produce. In this regard, the set of organizations and institutional arrangements that IFAD projects use or works with cover four main activities: steering, management, coordination, and implementation (SMCI). Some projects have separate organizations, bodies and institutional arrangements for all four functions; others use only two or three (or name them differently, e.g. project steering unit), thus tacitly combining more than one function within one unit. The following aspects of institutions and organizations are particularly relevant to scaling up:

- The institutional/organizational starting point: the pre-existing enabling institutional environment, organizations and institutional arrangements, and how IFAD chooses from those existing institutions, or alternatively creates organizations to realize its projects; the SMCI organizations and institutional arrangements. In cases where IFAD creates new institutional arrangements for some or all of the SMCI entities, what is the relationship between those new entities and existing organizations, since by rule IFAD bodies are formally linked to the government in some way or another? Whether or not this link is merely formal, i.e. how embedded and autonomous IFAD's SMCI bodies are, has important implications for scaling up.
- The institutional/organizational end point: the rules of the game, organizations, agencies and institutional arrangements that need to be in place by the close of an IFAD project and afterwards, that will allow for the scaling up and sustainability of IFAD projects or their components or subcomponents, either during or after the end of the project, or both.
- IFAD's impact on the institutional/organizational end point: how the selection and capacity-building of SMCI organizations, combined with any other activities undertaken by IFAD and its partners during the course of project implementation that affect the institutional/organizational environment (e.g. improving the legal, policy or regulatory enabling environment, or creating or strengthening enabling, delivery and downstream agencies), contribute to the likelihood of success and sustainability when scaling up IFAD projects, their components or subcomponents.

IFAD support to SMCI entities (whether government, private or civil society), including downstream organizations that provide enabling and other services, is crucial for scaling up.

Organizational content

The organizational content of projects and programmes includes components or subcomponents that create new institutions and organizations, or strengthen existing ones. For example, new organizations such as farmers' groups or savings and credit groups may be created. In general, IFAD programmes with components related to institutions or organizations work to create participatory, community-based organizations at the smallholder level.²¹ Another institutional/organizational component consists of strengthening existing institutions and organizations, often at the local government unit level, such as by creating or strengthening community-based assessment, planning, and investment capabilities.

21. Common examples of this are variously referred to as farmer, people or community organizations. Often the creation of these organizations is combined with the strengthening of institutions by providing training in group formation, governance, management, and farm management, production, or business skills, depending on the purpose of the organization. Organizations such as water management or water user associations, irrigation associations, forest or grazing land associations, commodity associations, or other associations that tend to have in common the management or sharing of natural resources or infrastructure, or both, are closely related to these community institutions.

The selection and strengthening of implementing organizations to enable them to implement the components of projects and programmes effectively is another example of organizational content. This particularly concerns the choice of location for a project/programme steering, management, coordinating or implementing unit (what we have collectively called SMCI, or refer individually to as the project support unit, project management unit (PMU), project implementation unit (PIU), or the project coordination unit (PCU) respectively), and its relative autonomy or integration within the institution in which it is nominally embedded.

Another example of working with organizations is working at the level of the enabling environment. This usually involves the creation of missing market institutions, usually downstream from producers, whether on the financing or credit side, such as microfinance organizations or savings and credit groups, or on the marketing side, such as marketing associations, market infrastructure, markets themselves, or processing facilities. This can also involve contributing to the creation of laws, policies, regulations and guidelines, and providing support (supervisory or regulatory for example) to the organizations that implement them. These are usually created for a particular sector or market, such as laws, rules and regulations for microfinance, or regulations relating to water and irrigation for natural resource management. Thus there is significant overlap between the institutional/organizational and policy space for scaling up (especially if we use the rigorous definition of institutions as rules and norms, as differentiated from organizations).

In almost all cases, strengthening the institutional/organizational enabling environment by its very nature creates pathways for scaling up. In principle, projects and programmes could work to strengthen institutions/organizations only for the purposes of providing institutional/organizational sustainability, for mainstreaming or creating viable exit strategies, depending on the objectives of the project/programme. All these examples are similar though not identical, but all clearly contribute to creating an institutional/organizational mechanism, or pathway for scaling up. However, there is a need to work directly on the institutional/organizational enabling environment, and not only as part of project implementation.

Types of scaling up

The choice of institutions and organizations for implementing and scaling up the project or innovation depends at least in part on the methods of scaling up that are envisioned. The method of scaling up is likely to have implications for the specific institutional and organizational choices and mechanisms. Four types of scaling up can be identified:

- **Vertical scaling up:** this implies a movement from lower to higher levels, such as from district to provincial, or from provincial to national level.
- **Horizontal scaling up:** innovations are spread from one local organization to others at the same level, e.g. from district to district or commune to commune. Often financing and implementation is provided by these same organizations. Horizontal scaling up usually requires at least some higher-level organization to manage the horizontal spread, though there are cases where innovations either spread spontaneously at the same level or groups of organizations band together to create a horizontal spread mechanism, such as a network.
- **Functional scaling up:** the innovation or project itself expands in terms of its content, either by adding more components or by deepening an existing component. Functional scaling up is not exclusive of other types of scaling up.
- **Creating a supportive external environment:** scaling up is achieved by creating institutions, organizations, rules and regulations that foster spontaneous scaling up in this favourable climate. An example might be creating a national grants or awards programme, or a financing pool for the purchase of private agricultural extension services, or for communal agricultural infrastructure investment.

Scaling-up mechanisms

The types of scaling up outlined above are overlaid by a variety of mechanisms for scaling up that involves actors who will implement and finance the scaling up in terms of IFAD's level of engagement. These are:

- IFAD (with government) follow-up or successor programmes
- IFAD (with government) leveraging donor cofinancing
- IFAD hand-off to government and leveraging government funding
- IFAD hand-off to other donors (and government) and leveraging donor/government funding
- IFAD hand-off to private sector or CSOs (and also leveraging funding with suitable enabling and financing environment)
- IFAD hand-off to private sector/government and people sector (PPPP) leveraging funding from private/public/people sectors.

Institutional and organizational choices are very much specific to, and interdependent with, pre-existing institutional/organizational conditions, the country context, the nature of a project's components and activities, the potential scale that can be achieved, and the mode or mechanism of scaling up that was, or could have been, pursued. This means that institutional and organizational options are likely to vary according to business lines pursued by IFAD (e.g. types of projects, rural credit programmes; strengthening small and medium enterprises (SMEs), creating and strengthening farmer and other community organizations; rural infrastructure development; agricultural productivity support; value chains, types of goods being delivered, etc.).

Working in partnership with country governments is important, but it should be noted that they have their own considerations, political and otherwise. While IFAD is not solely or necessarily responsible for creating the institutional or organizational basis for scaling up, even for its own projects and their components, it is critical at country level to promote the successful scaling up of programmes and innovations.

Key institutional and organizational questions for design teams

In order to choose the implementing institutions and assess the type of institutional strengthening needed, design teams should answer a simple set of questions. These questions need to be embedded in a larger scaling up strategy that elaborates the proposed innovations to be scaled up, the potential scale that could be reached, and the broad mechanisms for achieving scale (IFAD follow-up projects, government handover, leveraging support/takeover by private-sector actors including farmer organizations, etc.) and the type of scaling up (vertical, horizontal, or functional). Within these options, the following provides an example of a set of institutional/organizational questions to pose:

- What are the capabilities required for successful implementation of the innovation/s?
- Does the implementing organization/s under consideration have the culture, capacity and reach necessary to implement the model with the desired impact on the desired scale?
- If capacity or reach are inadequate, what types of institutional strengthening and capacity-building would be necessary to bring the organization up to the necessary standards?
- Are there alternative organizations that would be better suited in terms of the match between their culture, capacity and reach to meet the desired goals in terms of scale? What are the pros and cons of all potential managing/implementing organizations?
- Is using multiple organizations, either to reach multiple locations, or to divide up and implement the components of the innovation, a feasible alternative?

- Given the existing capacity and reach of potential managing/implementing organizations, and the potential cost and effort of capacity-building necessary to bring an organization up to speed, would it be more cost-effective and feasible to either simplify/modify the innovation or modify the scaling up goals?

Institutional analysis needs to be carried out with a focus not only on capacity and capability, but also on aligning the organizational culture with an innovation. Given the major role that social mobilization and community organizations play in many if not most IFAD projects, we need to be more deliberate and selective in choosing organizations that are aligned with those activities, to improve the chances of a successful scaling up. In cases where farmer organizations and revolving funds were not scaled up, the situation might have been rectified by a more careful analysis and choice of partners. While there are many national farmer organizations with limited capacity and capability in the Philippines, one wonders if they had been more involved in this area of the programme, and had received institutional strengthening, whether they might have been able to perform better.

It is important to document the exact variance of IFAD's institutional management and implementation arrangements at project level, and what impact that may have had both on short-term project effectiveness, and on potential and long-term scaling up and capacity-building. This needs to begin with the creation of a framework for measuring the relative autonomy or 'embeddedness' of PMUs/PCUs/PIUs, and their relative use of existing resources rather than outsourcing. Designs should also focus on broader actors in the one sector. These allow the project to take into account the broader system of institutions/organizations at levels beyond the LA (for example, at regional or national levels) and invest in creating appropriate regulatory, management, implementation and supervisory capacity. The potential for scaling-up innovations should be one of the elements in the rationale behind the institutional and organizational choices of their SMCI units and their expected impact on project implementation, sustainability, and scalability. The same goes for their motivation and short- and long-term goals for capacity-building and institutional/organizational strengthening.

While there are clearly strong reasons from the point of view of project success for placing SMCI institutions as close to the ground as possible, if IFAD projects are interested in scaling-up beyond the provincial level, projects should both involve higher-level institutions (beyond policy dialogue), and build capacity at higher levels appropriate to scale. The tendency is to do this in a phased manner (see Annexure 1).

Annexure 1: Ghana - Scaling up institutional and organizational space²²

IFAD's Rural Enterprise Programme (REP I) was the first rural enterprise support programme of any significant size or scale in Ghana. The achievements of REP I, II and III are particularly impressive given that IFAD is a very small donor in Ghana, which is a big country, and that IFAD was working with limited resources, limited loan and grant funds, and limited convening authority. Ghana ranks 48th out of 240 countries in the world and is fairly close to the country population of Romania and Venezuela.

REP I and II established a district-based system of support for rural micro and small enterprises. REP I (1995-2002) was implemented in 13 districts; REP II (2003-2012) in 66 districts. The objective of REP III is to scale up and mainstream the district-based micro and small enterprise support system nationwide. Moreover, this third – and final – phase is designed to anchor the programme firmly within district administrative structures, such as district assemblies and National Board for Small Scale Industries (NBSI). Once the IFAD programme closes, these structures will take over all activities funded and supported under REP III. The third phase of the programme intends to reach 200,000 direct clients and support 38,000 new businesses. Approximately 110 business advisory centres (BAC) and 80 regional technology facilities (RTF) are expected to be established.

Enabling policy environment

IFAD shifted its priorities and programme design approach in Ghana away from comprehensive, multisector, area-based programmes (which is the norm in many IFAD countries), to sector interventions.

A shift in strategy, which was government-led, started in 2006, as embodied in Ghana's second PRSP (2006-2009), which stated that "the government of Ghana specifically requested IFAD to align its programmes with this strategy." In addition, the governance context in Ghana was quite strong. While Ghana is one of the poorest of the eight countries reviewed in the Brookings scaling-up studies (with a per capita GDP of US\$1,660, Ethiopia was the only other country in the sample with a per capita GDP under US\$2,000, at US\$1,040), it had far and away the strongest scores on the World Bank's governance indicators. Of the eight countries sampled, it ranked first in overall government effectiveness, third in regulatory quality, first in terms of rule of law, and first in control of corruption. Relative to all countries, its rankings for the four categories ranged from 52 to 60, with an average of 55.7. By contrast, the averages for Albania and Peru, both of which have per capita GDPs of over US\$8,600, were 45.1 and 45.9, respectively.

Knowledge brokerage

IFAD can design and implement a coherent strategy for scaling up that encompasses both piloting innovations, and building and strengthening the necessary institutions and enabling environment in the same programme or sequence of programmes, to achieve sustainability and scale. In this case national scale was achieved in two sectors, despite the fact that IFAD has limited resources and Ghana, with more than 23 million inhabitants, is not a small country.

IFAD programmes can, if they choose to, engage in institution-building at regional and national levels, even in a medium-sized country. In the case of Ghana, it seems that several factors played an important role in achieving this outcome, above and beyond the fact that the CPM was pro-active, talented,²³ and committed to this vision. These include:

- A positive economic growth environment
- A relatively strong governance environment

22. Taken from Scaling Up IFAD Projects and Organizations - part of the Brookings Institution Cross-Cutting Studies on Scaling Up, by Richard Khol.

23. The CPM has been out posted to Ghana, but only since 2011, whereas most of the achievements cited in this summary note occurred, or at least were designed and put in place prior to that date.

Achievements of REP III	
Funding	IFAD US\$50,400,000 AfDB* US\$156,700,000
Coverage	79 districts
No. of functioning business administrative centres	198
No. of people trained	280,452
No. of operational bank accounts	47,200
No. of operating SMEs	38,000
No. of operating medium-scale enterprises	50,000
No of wage jobs created	142,895

* African Development Bank

- A comprehensive sectoral orientation in programme design, rather than a comprehensive, multi-sector area approach
- Strong support from the partner government for this kind of sector-based approach with a strong institutional component.

This type of approach to scaling up is based on leveraging and integrating IFAD programmes and innovations into broader systems. It is grounded in an approach that focuses on the broader system and the systemic changes that are necessary.

This type of institutional/organizational building takes a long time and can require a series of phased programmes. In the case of REP I, II and III, the process took place over a span of nearly 15 years.

The REP programmes comprise three major components: (i) business development services delivered through a district-based business advisory centre (BAC) created by the programme; (ii) technology transfer and training delivered through rural technology facilities (RTFs); and (iii) access to rural finance. The BACs and RTFs were integrated into both the public and private sector through close relationships with district assemblies and the National Board for Small Scale Industries, respectively. The rural enterprise model went to scale through three successive IFAD programmes, REP I, II and III. No data on outcomes are available for the first two programmes, but by the third programme REP III had generated a substantial number of jobs and new businesses. It experienced both vertical and horizontal scaling up. Much of the focus of REP III was on reinforcing local institutional sustainability, capacity and ownership. Unlike the rural financial programmes, IFAD had no partner in the series of REP programmes.

Scaling up and institutional/organizational sustainability were major factors in both the selection of organizations, and in institutional/organizational building and strengthening. The front-line service organizations, the BACs and RTFs, are both closely linked to district government institutions – the District Assemblies. The PC's role is limited to that of facilitation and coordination; it does not implement programmes. PCU supports the delivery of activities through mainstay structures, which will remain in place after the IFAD project closes. The successful supporting role played by the PCU of the REP I and II programmes has often been mentioned as one of the important factors that made it possible to establish the BACs as self-financing effective models, closely linked to the district assemblies.

The strategy of REP I, II and III was to pilot and successfully test components and innovations early in the scaling-up process, and then to move quickly to delegating activities to existing mainstream institutions, or to build those institutions during the piloting stages and then transfer responsibility. In both cases, institutional strengthening was deliberately designed with long-term scale and sustainability in mind.

Creating institutional/organizational space has been the major focus of the scaling-up process. Some of the results from the rural enterprise programmes are outstanding. The BACs, which are integral and self-financed units of the district assembly, are a major achievement, and the extension of this system into a nationwide network under the forthcoming REP III is a remarkable scaling-up effort. REP II has also contributed to the creation of subcommittees on MSE promotion within the national district assembly system. This structure, originally introduced under REP I, was subsequently replicated under REP II across the project districts, and then adopted as national policy. The committee is a legal structure under the district assembly representing all districts, not just the project-supported districts. The second institutional initiative was the creation of the Department of Trade and Industry (at the district level), which facilitates the development and promotion of small-scale industries in the districts. Thus REP I and II have made a significant contribution by introducing operational models which have led to institutional and policy changes at national level.

A major goal of the third phase of the REP is to firmly embed the programme in district administrative structures so that once the IFAD programme has closed, these structures will take over the management of all activities. The exit strategy for IFAD is carefully articulated in the third programme, and numerous capacity-building measures have been planned to make the programme sustainable when it operates on a national scale after IFAD withdraws. Equally impressive is the institution-building agenda pursued under the sequenced Rural Enterprise Programmes. The district-based model of enterprise support systems has been scaled up systematically. Service providers are firmly embedded within district structures. This makes the models sustainable beyond the period of IFAD's engagement. Important challenges still exist with the RTFs, which at present are not financially sustainable. The institution-building agenda laid out under REP III as the last phase of the scaling-up agenda is a particularly convincing addition.

IFAD's rural enterprise and financing were extended through both vertical and horizontal scaling-up, and in each case were supplemented by broadening and deepening (functional scaling-up) activities. The mechanism for scaling up was to embed ownership and implementation in indigenous organizations as quickly as possible. Alongside this, the programme sought to build and/or strengthen the national governance, management and regulatory architecture so that it was in a position to provide institutional strengthening and capacity-building for local-level service providers and service delivery institutions.

References

- Scaling Up IFAD Projects and Organizations – a Working Paper as Part of the Brookings Institution Cross-Cutting Studies On Scaling Up (Dr. Richard Kohl).
- Scaling Up IFAD Programmes - Ghana Case Study (A. Hartmann, IFAD, 2013).

Annex 2

Community governance of natural resources and rangelands: a case study from the eastern highlands of Morocco

Background

In Morocco, collective rangelands – land belonging to the community of origin, which cannot be divided up and can be used by all the descendants of the community/community members – covers a total area of about 2 million hectares and falls under the charge of the Ministry of the Interior. In the past, a tribal type of organization of land use existed, based on collective ownership of pastoral resources recognized by the various tribes, and marked by customary grazing areas used and respected by each tribe. Today, however, this status has been threatened by changes in the main components of pastoral society, such as the creation of administrative divisions, a tendency to become more sedentary and towards individualization of the use of resources and inputs. In the absence of any clear demarcation of collective lands, it is hard for the collective ownership of rangelands to withstand individual styles of behaviour marked by the private appropriation of land, clearing and conversion to sedentary agriculture.

The Livestock and Pastoral Development Project uses the traditional collective structure in order to create cooperatives with an ethnic link, and thus creates a structure that encourages cooperatives to become responsible for the sustainable development of their rangelands. Since 1919, Morocco has been the only country in northern Africa to recognize the collective rights of tribes. The policies of decentralization introduced in the 1980s reorganized rural areas into communes, which were defined on the basis of tribal lands. These conditions facilitated the introduction of community-based resource management (CBRM), an innovative approach that drew on the support of the local population, who saw the project as an opportunity to regain control of their resources.

Analysing and building institutions and organizations

In the 1970s and 1980s, the Moroccan government established pastoral improvement perimeters (PIPs), an institutional reform intended to improve rangeland management. PIPs were based on ecological and technological imperatives, with very little attention given to existing tribal management systems, and without the participation of communities concerned. Later on there was general recognition that the PIP approach had failed and that if nothing appropriate was done, the trend towards rangeland degradation would jeopardize the livelihoods of millions of pastoral households. In this context, IFAD played a major role in redeeming the situation by designing, implementing and monitoring a project,²⁴ and by developing the community-based resource management approach, which advocates the participation of herders in the protection, conservation, improvement and sustainable management of available resources, and consensual decision-making with the beneficiaries.

Among the various project activities IFAD has specifically:

- Carried out an in-depth study of the communities and their social organization during design, thus recognizing the collective rights of tribes.
- Organized herders into cooperatives according to ethno-lineage, and created a space for their training, consultation and negotiation in all fields of rural activities.

24. Together with the Participatory Control of Desertification and Poverty Reduction in the Arid and Semi-Arid High Plateau Ecosystems of Eastern Morocco Project, financed by the Global Environment Facility and associated with the PDPEO.

- Implemented large-scale schemes for the institutional and administrative organization of herders, the rehabilitation and improvement of rangeland and livestock productivity, and the training of herders and implementing officers.
- Prepared M&E reports which proved vital in identifying the problems inherent in the project and formulating recommendations regarding support activities.

The institutional innovation consisted mainly of putting local communities in control of the process, by ensuring the herders were represented. The socio-tribal nature of pastoral society in the Eastern Region and the collective status of rangelands led to the constitution of ethno-lineage cooperatives on the basis of affinity among groups.

The cooperative approach was based on:

- Rural communes and tribal affiliation as a basis for the creation of cooperatives.
- Pastoral management cooperatives helped reorganize tribal institutions responsible for making technical decisions and managing their resources.
- Tribal members were required to purchase 'social shares' in the cooperatives in order to become members and access cooperative services and improved pastureland.
- The project did not seek to settle pastoralists, but instead promoted their mobility according to new and flexible livestock management systems.

The main objectives of this approach were to dialogue with the government about rangeland rehabilitation and management; to guarantee the sustainability of pastoral improvement work (through grazing bans, rotation, planting, etc.); to supply cooperative-member herders with livestock feed and veterinary products; to manage infrastructure installed by the government; to assume eventual responsibility for cooperative staff, whose salaries would not be covered by the project after its close; and to undertake joint activities with other institutions.

The Tripartite Partnership Agreement: reshaping the larger institutional space

Phase II of the project sought to meet the challenges identified below, particularly by stressing institution-building, the organizational and financial consolidation of cooperative institutions, and boosting local services so they were able to provide guidance and training. A regulatory tool, the Tripartite Partnership Agreement, was drafted and signed by the Ministry of Agriculture, the Ministry of the Interior and the High Commission for Waters, Forests and Desertification Control, in order to resolve juridical conflicts over the management and administration of collective lands in the highlands of the Eastern Region. The Agreement established close collaboration among the three signatory departments to encourage good practices, and penalize poor ones with regard to sustainable resource management.

A framework for rendering the tripartite agreement operational was defined under Phase II of the project, which offered to provide the institutional support necessary for its implementation, and promoted its extension to other concerned sectors, particularly the Ministry of Justice, an important partner in this connection, by drawing up a blueprint for integrated land-use planning in the project zone. Among the activities undertaken to operationalize the agreement, it was important to provide training sessions in techniques for sustainable land management and integrated water management to cooperatives and local government, which has enabled local government offices to plan activities for improving rangelands in coordination with the users (cooperatives).

Results

- The project created 44 cooperatives (29 per cent more than the target), involving 9,000 households in 15 rural communes. These cooperatives have become vital for the herders, the majority of whom use them to gain access to a certain number of resources and form partnerships. More than two thirds of herders stated that the cooperatives are the first place they turn to in order to obtain inputs, and that they have a significant impact on the local economy and the settlement of conflicts.
- The project has had a positive impact on the environment (by increasing dry matter from 150 kg per hectare to 800 kg per hectare); on the nomadic pastoral system (by reducing transhumance to shorter distances), and on animal health (by providing access to health and veterinary services).
- Owing to the impressive results, all new rangeland development efforts in Morocco are being implemented using the CBRM approach. The cooperatives have become vital dialogue partners on the ground.

Despite some limitations, the cooperatives are unanimously considered a success, due to the following factors:

- The involvement of pastoral cooperatives grafted onto ethnic groupings in the management of pastoral resources
- The representation of livestock owners and herders within government bodies responsible for the planning, choice of intervention sites and validation of land management activities (for example, the Cooperative Development Plan)
- Good governance with regard to the management of rested rangeland areas.

The cooperative graft seems to be holding firm for the moment, thanks to the efforts of extension workers and the support of provincial and local authorities on the one hand, and on the other hand to the adherence of the herders, because of the substantial advantages they draw from the cooperatives (compensation for rested areas, subsidized livestock feed, veterinary care, etc.), and above all their growing awareness of the potential of this institution in terms of asserting their identity and their institutional, economic and social representation at local and regional levels.

Lessons learned

- Ethnic groupings and the laws regulating them provided a framework for hosting and supporting modern pastoral cooperatives that incorporate traditional values, allowing them to organize themselves along tribal lines, which helps to reduce conflict.
- Tribal-based cooperatives have demonstrated that it is possible to build on existing socio-institutional systems managed by a structure trained and supervised by services of the Moroccan government, to foster collective action and sustainable resource management. This approach enabled highland cooperatives to become the preferred dialogue partners of government bodies with regard to the collective management of the rangelands and their infrastructure, and also led to the improvement of livestock production and the protection of natural resources.
- The method of organization into cooperatives made it possible to boost their management capacity, adopt appropriate technical measures to develop the rangelands and establish a set of organizational and regulatory tools to manage the rangelands in a responsible manner (the Tripartite Partnership Agreement).
- The adoption of appropriate technical measures and the creation of an appropriate juridical and institutional framework are essential for the success of innovative approaches.

References

Al Alaoui, M. (1997). Les coopératives pastorales "ethno-lignagères" du Maroc oriental: présupposés et attendus d'une "greffe" coopérative. In: A. Bourbouze, B. Msika, N. Nasri & M. Sghaier Zaafouri (eds.). *Pastoralisme et foncier: impact du régime foncier sur la gestion de l'espace pastoral et la conduite des troupeaux en régions arides et semi-arides*. Montpellier, France: CIHEAM, 1997 (Options Méditerranéennes: Série A. Séminaires Méditerranéens; n. 32.); pp. 129-139.

GEF, Haut-Commissariat Aux Eaux Et Forêts Et À La Lutte Contre La Désertification, Ifad, Onudi. (2007). *Projet de lutte participative contre la désertification et de réduction de la pauvreté dans les écosystèmes arides et semi-arides des hauts plateaux du Maroc oriental – Document de Travail 1: Evaluation et valorisation des techniques et des savoir-faire locaux pour le contrôle de la dégradation des sols et de la désertification*. November 2007.

GEF, Haut-Commissariat Aux Eaux Et Forêts Et À La Lutte Contre La Désertification, Ifad, Onudi. (2007). *Projet de lutte participative contre la désertification et de réduction de la pauvreté dans les écosystèmes arides et semi-arides des hauts plateaux du Maroc oriental – Document de Travail 2: Les ressources humaines et leur impact sur la dégradation des ressources naturelles dans les hauts plateaux de l'oriental*. November 2007.

GEF, Haut-Commissariat Aux Eaux Et Forêts Et À La Lutte Contre La Désertification, Ifad, Onudi. (2007). *Projet de lutte participative contre la désertification et de réduction de la pauvreté dans les écosystèmes arides et semi-arides des hauts plateaux du Maroc oriental – Document de Travail 4: Fréquence et impact des phénomènes de sécheresse, des averses torrentielles et de l'invasion acridienne*. November 2007.

Institut National De La Recherche Agronomique, Haut-Commissariat Aux Eaux Et Forêts Et À La Lutte Contre La Désertification, Onudi. (2011). *Projet de lutte participative contre la désertification et de réduction de la pauvreté dans les écosystèmes arides et semi-arides des hauts plateaux du Maroc oriental – Etude sur la situation de références au niveau des hauts plateaux du Maroc Oriental – Rapport Final* (Centre Régional de La Recherche Agronomique d'Oujda).

Electronic resources

FIDA. *Graines d'innovation: Gestion communautaire des parcours* http://www.ifad.org/operations/projects/regions/pn/infosheet/IS2_Morocco_f.pdf

FIDA. *Agriculture paysanne durable: innovations et meilleures pratiques aux fins de transposition et de reproduction à plus grande échelle* http://www.ifad.org/climate/resources/gef_brochure.pdf

Annex 3

Force field analysis

Description

This is a technique for analysing the forces that help or obstruct change.²⁵ It can be useful, as part of the elaboration of a strategic change plan, for examining how feasible a strategic objective is, and what areas need to be focused on in any associated action plan.

How to use it

1. Decide whether this will be a multi-stakeholder process such as a workshop, or choose a different approach, such as a series of interviews with stakeholders (or both).
2. Write a brief description of the objective – dealing with only one at a time. Be very specific about what you want to achieve and when, using the words “To: ... By: ...” Other objectives should be looked at separately. It may then also be useful to examine all objectives to identify common themes.
3. List all the driving forces on the left of the diagram.
 - Be very specific: who, what, which, when, how much, how many, etc.
 - Forces can be internal (e.g. mindsets) as well as external (e.g. political will, new laws).
 - Indicate how each driving force will contribute to meeting the objective.
 - Be clear about the difference between driving forces and enabling circumstances. The presence of a plan to reduce poverty may be driving interest in implementing it; but in some cases, the political will to make the difficult decisions it means that it will not be implemented. In this instance, it is only an enabling element, not a driving force.
4. List the restraining forces on the right of the diagram.
 - Again, be as specific as possible.
 - List all the internal and external factors that may prevent achieving the objective.
 - Indicate the effect each driving force is likely to have on achieving the objective – different kinds of opposition may lead to different results.
 - Constraining forces do not necessarily have to be found for each driving force (and vice versa).
5. Analyse the forces for and against.
 - Which are most important? Are these **real** forces, or assumed? If you have made assumptions, check them carefully.
 - Important forces are the ones that will have most impact on achieving the objective. Circle or otherwise note the important forces.
 - Obtain additional information on any important force if needed.
6. Identify ways to strengthen driving factors and weaken constraining forces.
 - Work on each important force in turn.
 - Identify ways in which you can increase, strengthen or maximize each driving force.
 - Identify ways in which you can reduce, minimize or eliminate each force working against you.
 - If you really cannot find a way of reducing a constraining force, write ‘no action possible’ against it.
 - The secret of the technique is to address the forces most likely to tip the balance. It is often useful to get others’ ideas and suggestions to help here.

25. Adapted from DFID (2003), *Promoting Institutional & Organizational Development: A Sourcebook of Tools and Techniques*.

7. Realistically assess the feasibility of achieving the objective in the light of strategies identified in 6 above.
 - Do driving forces now clearly outweigh constraining forces?
 - If 'yes', ask the question 'do I really want to achieve this?' If the answer is another 'yes', adopt your objective and begin work on strategies to address the forces.
 - If the answer is 'no' to either question, you may need to come up with further ideas. If you can't, you may have to revise the objective.

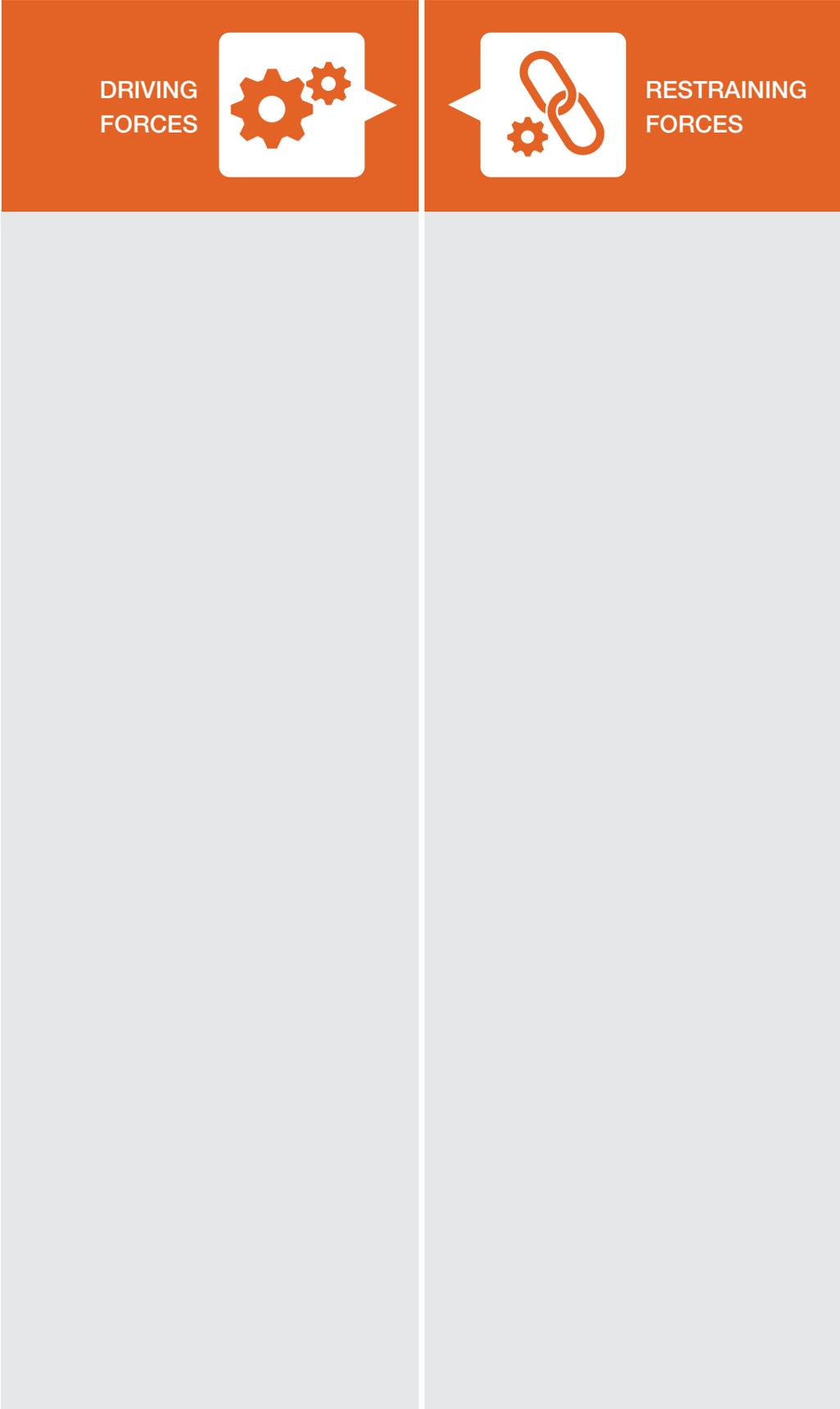
Strengths and weaknesses

This is a useful tool for identifying both formal and informal drivers and constraining forces that may negatively influence project objectives. IFAD learning indicates that failure to take account of these realities on the ground can have a significant negative impact on project implementation. This tool enables a discussion to be had with all stakeholders about their perceptions, and can also support ownership of the results.

However, as with all qualitative tools, much will depend on the quality of the information provided. Stakeholders may be unwilling to discuss certain key drivers or restraining forces in public; some they may not wish to discuss at all under any circumstances (e.g. corruption). If there are circumstances where there are multiple competing perspectives and positions, it may become difficult to design a strategy. However, it is usually better to have an insight into complexities that exist, however difficult this makes addressing the issues that arise.

Force field analysis template

Objective or change you want to make: _____





UGANDA
LOPMA
PWOJÈ
DWODIK
BENEF
KOUT
90
NANS
81
NTR

Annex 4

Tool templates and descriptions

Stakeholder table template

Stakeholders	
No.	Key
1	
2	
3	
4	
5	
Key + Primary	
6	
7	
8	
9	
10	
Primary	
11	
12	
13	
14	
15	
Key + Secondary	
16	
17	
18	
19	
20	
Secondary	
21	
22	
23	
24	
25	

SWOT – COSOP level description

Area of analysis	Strengths	Weaknesses	Opportunities	Threats
Overall institutional context	This box should identify major strengths concerning overall policies, laws, values, mindsets and power relationships at the strategic level, particularly relating to the implementation of the COSOP.	This should identify the major weaknesses in overall policies, laws, values, mindsets, power relationships, etc.	This should collate opportunities from the COSOP perspective, for example to take advantage of a particular trend or new policy.	This should identify major threats to the COSOP, for example lessons from other donors that indicate weaknesses in particular policies or regulations, informal or traditional institutions, or power relationships.
[Lead agency]	This should identify major organizational strengths of the lead agency, for example if it has a clear mission and vision, or areas of good performance. These should specifically relate to its potential role in implementing IFAD rural poverty reduction interventions. Capacity strengths can be mentioned but at the strategic level; details should be captured in the Capacity Assessment Table.	This should identify major organizational weaknesses of the lead agency, for example "vision and mission not well understood by staff; critical capacity gaps in business development skills," etc. Again, details on capacity weaknesses can be captured elsewhere.	Analysis of the opportunities of working with the lead agency for the COSOP should also begin the process of thinking about potential implementation arrangements, for example the nature and organizational form of the PMU. Is there scope to address weaknesses identified or overcome them using alternative solutions?	Potential threats to the COSOP from within the lead agency or to do with its overall institutional/organizational set-up. Which of these are beyond the COSOP's control or influence?
[Key implementation partner 1]	As above...	As above...	As above...	As above...
[Key implementation partner 2]	As above...	As above...	As above...	As above...
Other stakeholders...	As above...	As above...	As above...	As above...

SWOT – Project design description

Area of analysis	Strengths	Weaknesses	Opportunities	Threats
Overall institutional context	This box should identify major strengths concerning overall policies, laws, values or mindsets at the strategic level	This should identify the major weaknesses in overall policies, laws, values, mindsets, power relationships, etc.	This should collate opportunities from the project perspective, for example opportunities to take advantage of a particular trend or new policy.	This should identify major threats to the design, for example lessons from other donors that indicate weaknesses in particular policies or regulations.
[Key informal institutions, such as traditional authorities, customs, norms, values]	Key strengths, from the project perspective, of the informal organization, customs or values should be assessed, particularly their likely impact on the project and how it can work with them to achieve objectives.	Any weaknesses, again from the project perspective. For example, if traditional authorities have great influence over agricultural land allocations, but little experience in working with a more commercial approach to agriculture, this could be a key mindset weakness (as well as a capacity-building issue) that would need to be understood and addressed.	What are the opportunities for innovation, implementation, support for the project that this informal institutional element offers?	What are the potential risks or threats to the project from this element – avoiding repetition of weaknesses?
[Lead agency]	This should identify major organizational strengths of the lead agency, for example if it has a clear mission and vision, or areas of good performance. Capacity strengths can be mentioned but at the strategic level; details should be captured in the Capacity Assessment Table.	This should identify major organizational weaknesses of the lead agency, for example “vision and mission not well understood by staff; critical capacity gaps in business development skills,” etc. Again, details on capacity weaknesses can be captured elsewhere.	Analysis of the opportunities inherent in working with the lead agency for the design should also consider details of potential implementation arrangements, for example the nature and organizational form of the PMU.	Potential threats to the design from within the lead agency or relating to its overall institutional/organizational set-up.
[Key implementation partner 1]	As above...	As above...	As above...	As above...
[Key implementation partner 2]	As above...	As above...	As above...	As above...
Other stakeholders...	As above...	As above...	As above...	As above...

SWOT template

Area of analysis	Strengths	Weaknesses	Opportunities	Threats

Capacity assessment, strategy and plan summary table, COSOP template

Stakeholder	Capacity strengths	Capacity weaknesses	Capacity development strategy and method/plan	Service provider

Capacity analysis and strategy summary table, Design template

Stakeholder	Capacity/skill required	Measures for capacity-building	Service provider	Time frame – phasing or sequencing	Estimated costs

Institutional changes summary table template

Area of analysis (Formal or informal institutional elements)	Changes required	Reasons for change (e.g. outcomes that will require the change)	Stakeholders involved	Priority and potential strategies

Annex 5

Sample terms of reference for institutional/organizational analyst

SUBJECT: Terms of reference: institutional and organizational analysis and strengthening – project design

Background

1. In line with the project preparation guidelines, an institutional and organizational analysis is needed to provide a good understanding of the national and local institutional and organizational context relevant to the strategic sectors of focus in project design. This analysis helps characterize the prospective local partners for IFAD's interventions and other activities with regard to their known strengths and foreseeable potential, and also current weaknesses and possible future deficiencies. In addition it underscores the capacity-building needs that projects have to address, either directly or through a change in policy. A summary of the analysis and the resulting institutional and organizational design should be contained in annex 5 of the Project Design Report.
2. The analysis should bear in mind that IFAD recognizes a conceptual framework with four key functional elements of 'institutions': ways of making **meaning** of our lives; the **associations** that we make; the basis for **control** over individuals and organizations; and **actions** that are taken. Within this framework, IFAD defines institutions as 'the rules and norms that constrain human behaviour', mainly corresponding to the 'meaning' and 'control' aspects. Organizations – whether government, private sector or civil society, fall into the 'association' element, but also generate 'action' as they go about their business. Confusion between institutions and organizations should be avoided, although on a conceptual level there is some overlap. Institutional aspects are the 'rules of the game': the laws, norms and standards that control and influence individuals and organizations. Organizational aspects include structure, staffing, resourcing, and so forth. You should refer to the following IFAD publications for more details: "A Practitioner's Guide: Institutional and Organizational Analysis and Capacity Strengthening"; and "Institutional and Organizational Analysis for Pro-Poor Change: Meeting IFAD'S Millennium Challenge; A Sourcebook."

Scope of the assignment

3. The analysis should take account of available financial resources and time. It does not need to be over-complicated or overly detailed, and should always make use of existing secondary data. It should cover four main areas: (i) the institutional context – formal and informal institutions and overall institutional capacities; (ii) identification of stakeholders at all relevant political or administrative levels; (iii) capacity assessments and strengthening strategies for the lead agency and other implementing partners as necessary; and (iv) assessment of smallholder institutions and an approach to creating or supporting them. These areas are detailed below.

(i) The institutional context

Identify **formal** institutional elements, such as: major policies; strategies or plans (regional, national, etc.); the regulatory environment; markets and livelihoods; drivers of change; and supporting and opposing forces. Questions include:

- How are these working at the moment?
- Are there areas of success, dysfunction, or unintended outcomes?

Identify **informal institutional elements** such as: traditional or customary institutions, roles, expectations and interests; relationships between formal and informal institutions/organizations; informal modes of association or livelihoods; societally embedded rules, norms, customs, traditions or values. Questions include:

- How do these elements fit or work with the formal elements?
- What areas of support or tension are apparent?
- What impact will these have on the project?

Identify **overall capacity at the institutional level**, such as: overall institutional strengths and weaknesses; past performance; relationships; overall quality and quantity of HR.

Identify the **institutional changes** that may be required. Questions include:

- What changes can the project promote or influence?
- What changes are outside the project's influence and are simply part of the external environment?
- What are the capabilities required for successful implementation of the innovation(s)?
- Does the implementing organization(s) under consideration have the culture, capacity and reach necessary to implement the model with the desired impact at the desired scale?
- If capacity or reach are inadequate, what types of institutional strengthening and capability-building would be necessary to bring the organization up to the necessary standards?
- Are there alternative organizations that would be better suited in terms of the match between their culture, capacity and ability to reach the goals in terms of scale? What are the pros and cons of all potential managing/implementing organizations?
- Is using multiple organizations, either to reach multiple locations, or to divide up and implement the components of the innovation, a feasible alternative?

Outputs:

- The whole analysis should yield 3-4 pages of summarized information for the main body of the report. A Technical Annex of 8-12 pages is also required, in addition to the supporting tables below. The section above should contribute approximately 4-6 paragraphs to the summary and 2-3 to the Annex.
- A SWOT analysis table.
- A force field analysis of driving and restraining forces.
- An institutional changes summary table.

(ii) A stakeholder identification, interests and attitudes summary

Stakeholders should be identified at all appropriate levels – national, regional, local. The following categories should be used:

- **Key stakeholders.** Those who will have a direct role in the project, or without whom the project cannot go ahead.
- **Lead agency (or agencies).** Based on the overall assessment of which agency is most appropriate to lead the project.
- **Primary stakeholders.** These are directly affected by the project, either winners or losers.
- **Secondary stakeholders.** These have an interest in the project, but are not directly affected by it.
- **Other stakeholders.** These include other implementing partners; service delivery agents; and groups that may be overlooked, such as youth, the disabled and women.

Identify each stakeholder's major **interests**, likely **attitudes** to the project (or the relevant components) and the likely **strength** of any support or opposition. Also identify **relationships**, either supportive or adversarial, and assess the impact these may have on the project.

Outputs:

- Around three or four paragraphs for the main body of the report; around two pages in the Annex.
- A stakeholder interests and attitudes summary table.

(iii) Capacity assessment and strategy for lead agency and other stakeholders

Identify whether the lead agency as a whole, or an organizational unit of the lead agency will lead the project. Based on the functions, roles and responsibilities expected of the lead agency, assess at least the following areas:

- Planning, management and technical skills.
- Financial management and resources.
- Procurement systems.
- M&E systems and skills.
- Equipment, physical assets, supplies.
- Given the existing capacity and reach of potential managing/implementing organizations, and the potential cost and effort of capacity-building necessary to bring that organization up to speed, would it make be more cost-effective and feasible to either simplify/modify the innovation or modify the scaling-up goals?

In each area above, assess the presence of systems. Ask the following questions:

- How effectively are systems implemented and understood?
- Assess the quantity of personnel. What level of skills do personnel have? What capacity gaps are there?
- What is the gender composition? What gender issues need to be addressed? Are gender-relevant skills required?
- Do personnel have relevant job descriptions? Are they clear on their duties? Is there a performance management system with incentives? Is it applied?

Assess appropriate strategies to provide capacity that is missing. The following approaches are examples, although you should identify approaches that are most suitable for your project's circumstances:

- Capacity-building programme for current staff.
- Hire new staff, along with relevant capacity-building as necessary.
- Outsource functions or services to third-party providers. Capacity-building may still be required.

Remember that capacity-building may require more than one-off training events or workshops. Mentoring, refresher training, ongoing support or other strategies should be considered. Coordination within the project's components, and with other capacity-building programmes, will also be required.

Outputs:

- Around four to six paragraphs for the main body of the report; between two and four pages in the Annex. The roles, responsibilities and outcomes expected from the LA should be summarized. Capacity analysis should bear these roles in mind at all times.
- A capacity analysis summary table for each stakeholder assessed.
- A capacity-building strategy, plan and coordination summary table.

(iv) Smallholder institutions assessment

Carry out a rapid analysis of the existing SIOs, both through secondary data and interactions with local communities (including local leaders, government and project staff, NGOs, etc.). The rapid analysis comprises three main steps: a quick scan of the external factors, an inventory of existing SIOs, and a rapid maturity assessment and an initial capacity needs assessment.

Specific questions, tools and output samples are available in section "Project/Programme design IOA/S processes" (pg.62) of the '*A Field Practitioners Guide: Institutional and Organizational Analysis and Capacity Strengthening*' as well as in the How to Do Note: "How to analyse and develop social capital of smallholder organizations" (specifically section 3 and annexes).

Define an approach to creating, supporting and building the capacity of smallholder institutions/organizations. Suggestions to identify the best approach include:

- Use the force field analysis and the quick scan of external factors to analyse if the conditions around SIOs might hamper or, conversely, fast-track the capacity-building activities; if there are suitable service providers for training and to look for past mistakes that can be avoided (lessons learned). If possible, show the plan to local partners and other key informants for their inputs.
- Bear in mind that a phased approach is recommended to gradually build individual membership competencies and organizational systems of SIOs. The aim is to help service providers to be not only problem solvers/implementers but facilitators²⁶ of institutional and organizational improvements which leverage on smallholders' strengths to enhance their problem-solving ability. The phasing or evolutionary approach to formation and capacity-building of SIOs should be drafted vis-à-vis project activities and within the project time frame.
- Keep in mind that the capacity-building plan is not a fixed prescription but rather an initial indication of how to allocate time, resources and funds to address the gaps emerging from the analysis at project design only.

Select specific activities and training modules. When engaging in a prioritisation exercise, keep in mind:

- How best can communities be mobilized? Are there established formal or informal institutions, methods, approaches or organizations that could be used as a template? What support will they need to self-select for group membership?
- How many organizations are likely to benefit from that specific training/activity and if the training can have a multiplier effect (e.g. training of trainers).
- What are the cost-benefit trade-offs?
- SIO's individual objectives and project objectives: are there any differences? What are the self-identified objectives that the organizations have and that might be relevant? is there any conflict with those of the project?
- A good balance between soft and hard skills: although organizations might need (technical skills for) value addition, they also need a good leadership to compete in a market.
- Beneficiaries: are all types of members going to fully benefit from this training/activity? Does it cater to specific needs of those normally excluded by training?
- Look beyond the end of the project, what long-term capacity is being developed among the SIOs involved? How will they be able to continue to make use of, and develop, project outputs after the end of the project? How will they contribute to strengthening the adaptive capacity of their members in the face of long-term change, such as climate change?

Select service providers and methodologies.

- Consider what service providers exist locally (or nationally) to support community mobilization, social capital building, and other community development activities? Do these service providers have adequate capacity to carry out their roles or provide the outputs or generate the outcomes required from them? Consider if some smallholder organizations (or their apex organizations) in the target group could be able to act as service provider for capacity-building activities. Could they coordinate, implement or monitor capacity-building activities? Additional areas of potential capacity needs to be taken into account.

26. A list of facilitator do's and don'ts as well as a detailed list of facilitations skills is available in the facilitators manual for strengthening rural institutions through building the soft skills in rural grassroots organisations (IFAD/ICRAF, 2014).

- Consider a series of conversations, mentoring, linking to other role models and non-classroom methodologies in addition to conventional training: these are usually more effective among rural people and can also be combined with technical trainings, such as a training on writing a Constitution. It is important to factor in follow-up and refresher courses to happen not too long after the main training is provided. The monitoring system should provide indications for need of refresher courses when the need arises.
- Consider if aggregation into higher-level associations would be appropriate? If so, think of how to support it.

Include a provision to facilitate the development of workplans for each smallholder organizations, detailing their vision, objectives and activities to be undertaken to reach their objectives. This is strongly recommended at implementation stage, to ensure that capacity-building efforts are tailored to specific needs of the organizations. Capacity-building plans should also be updated regularly as maturity and capacity changes occur. Information on what has changed, and therefore what needs to be updated in the Plan, can be teased out from the results of M&E as well as recommendations and inputs from supervision missions and MTRs.

Outputs:

- Around four to six paragraphs for the main body of the report; between two and four pages in the Annex. It should include an overview of the organizations, as well as a summary of the strategy to support community development interventions.
- Summary table of of quick scan results (Annex 1 of the How To Do Note: How to analyse and develop social capital of smallholder organizations).
- An inventory table (section 3 of the How To Do Note: How to analyse and develop social capital of smallholder organizations).
- Rapid maturity and capacity gaps analysis table (Annex II of the How To Do Note: How to analyse and develop social capital of smallholder organizations).
- Inputs into the Capacity-building Strategy, Plan and Coordination Summary Table.

(v) Monitoring and evaluation indicators

Define M&E indicators to track progress in achieving impact and outcomes, in addition to the necessary outputs required by IFAD's RIMS. Most capacity-building should aim to produce outcomes in terms of behavioural change – knowledge is not useful unless it is used, and used effectively. While the 'number of extension agents trained' is a useful and necessary output indicator, it reveals nothing about how effectively extension agents are using this training. Behavioural change, such as farmers adopting new technologies, or reporting increased satisfaction with extension support, begins to illustrate possible outcomes from the training. Similarly, at the institutional level it is important that a new policy or guideline is formalized, but the real impact or outcome from this should be the manner and effectiveness of its enforcement.

4. The assessment above should be the basis for defining the **implementation arrangements** that are appropriate for the project. This should cover the following:
 1. All of the analyses below should bear in mind what donor partners, lead agency and implementation partners are already doing to augment their own capacity relevant to project implementation, policy dialogue, innovation or knowledge management. It is essential that activities are coordinated in order to reduce conflicts or overload.
 2. Define the placement of project management in the internal structure of the lead agency and implementation partners. The three basic approaches are as follows:
 - a. **Stand-alone PMU.** In circumstances where the partner country and lead implementation agency have significant capacity weaknesses and/or major

management challenges, the PMU is formulated as a stand-alone unit, completely detached from the structure and operations of the lead agency.

- b. **Embedded PMU.** Where there are some capacity weaknesses, but greater areas of strength than above, the PMU may be embedded within the structure of the lead agency, but should maintain a significant degree of operational control and flexibility, i.e. it will sit outside some lead agency systems, but within others.
 - c. **Integrated.** Where the lead agency has good capacity and the management ability, the project can be run wholly through the lead agency's structures.
3. Indicate the functions to be carried out by the lead agency at all levels (national/local). Assess areas for potential improvements in the functions, such as management, coordination, technical service delivery, networking, partnership-building, etc. This should include a full review of links between the lead agency and implementation partners as well as relevant management/coordination processes required for successful project execution.
 4. Indicate the vertical and horizontal relationships at each level, showing lines of authority, communication and reporting.
 5. Determine the required staff numbers and technical/managerial skills to deliver and sustain project interventions and possibly take them to a larger scale. Critical areas include project planning, specialized technical services, financial management, procurement, monitoring, budgeting and reporting.
 6. Reach agreement on assignment of roles and responsibilities, pay conditions, performance standards and incentives, and working culture.
 7. Indicate existing and needed physical requirements and what the project can contribute to ensure that organizational systems work, again within the context of what other domestic and external development actors are doing.
 8. Provide a statement of the availability and commitment of implementation partners and private service providers to engage with the project.

Stages of assessment

5. The institutional and organizational analysis can take place in three stages:
 - i. **Stage 1:** Desk review of relevant documents and preparation for fieldwork. This includes a tentative identification of IFAD's intended partner institutions (government, civil society and private sector).
 - ii. **Stage 2:** While leveraging available secondary data, participate in the field mission and carry out focused interviews with identified key personnel in the lead agency and implementation partners; if necessary collect relevant copies of secondary data for further reference – see 3 (i) to (iv) above.
 - iii. **Stage 3:** Write up the contributions to the main report and annexes, and also complete the capacity development plan. Working together with the Financial Analyst, indicate the costing of such a plan to ensure achievement of the required capacity with measurable indicators. This can be a rolling plan, which can be enriched every year and can inform successive annual workplans and budgets after getting feedback from implementation/supervision missions.

Expected inputs and phasing

It is expected that the above analysis will take [x] days.

Input start date: [x]

Field mission: [x] to [x]

Outputs due: [x]

Summary of outputs

6. There should be **nine** major outputs from this overall process:
 - i. Text as follows:
 - a. Three to four pages of summarized text in the main report, as follows:
 1. the “National Institutional and Organizational Context” in the section on “Policy, Strategy and Institutional Context”
 2. the “Project Management and Coordination” section
 3. the “Partnerships” section
 4. the “Implementation Arrangements” section
 5. any other written contributions relevant to the design.
 - b. An 8-12-page Technical Annex, conforming to the appropriate table of contents.
 - ii. A completed institutional/organizational SWOT table focusing on the major IO strengths, weaknesses, opportunities and threats identified during the analysis (maximum 2 pages). This should be written from the perspective of the design, for example asking “what are the major strengths/weaknesses of this institution or organization for project implementation” or “what opportunities are there for this institution/organization to be involved in design implementation, activities or interventions.”
 - iii. A summary force field analysis diagram that lists the various interests, forces and trends that may support or resist the changes or activities envisaged in the design (maximum 1 page).
 - iv. An Institutional Changes Summary Table that sets out the major potential institutional changes that are needed or desirable in order to help the project achieve its objectives or a suitably supportive environment. It should also indicate which changes are not likely to be directly achievable by the project and are thus part of the general environment that should be considered and planned around (maximum 2 pages).
 - v. A Stakeholders, Interests and Attitudes Summary Table that lists all stakeholders, summarizes their major interests and assesses the likely attitude or actions they may take towards the project (or certain components), particularly whether they are likely to be positive or negative (1 page).
 - vi. A capacity assessment and strategy summary table for all stakeholders, or one for each organization that is assessed in-depth. The table should summarize the major capacity strengths and weaknesses of critical stakeholders, as well as other information from the questions, such as number of personnel, etc. (between 1 and 3 pages depending on needs).
 - vii. An overall Capacity-building Plan and Coordination Summary Table for the major stakeholders identified as requiring capacity-building. This captures information on the approaches to be adopted for capacity-building, including an assessment of how the capacity-building should be coordinated within the project itself (i.e. among the different project components) as well as with any other capacity-building that is planned by the government or other donors (between 1 and 3 pages depending on needs).
 - viii. A similar Capacity-building Strategy, Plan and Coordination Summary Table for smallholder organizations (between 1 and 3 pages depending on needs).²⁷
 - ix. Examples of M&E indicators.

27. The SIOs summary table of quick scan results, the inventory table and the rapid maturity and capacity gaps analysis table may be included in the Technical Annex or simply be used as mid-level outputs to provide input to the overall Capacity-building Strategy, Plan and Coordination Summary table.



International Fund for Agricultural Development

Via Paolo di Dono, 44 - 00142 Rome, Italy

Tel: +39 06 54591 - Fax: +39 06 5043463

E-mail: ifad@ifad.org

www.ifad.org

www.ruralpovertyportal.org

 ifad-un.blogspot.com

 www.facebook.com/ifad

 instagram.com/ifadnews

 www.twitter.com/ifadnews

 www.youtube.com/user/ifadTV

ISBN 978-92-9072-515-2



9 789290 725152