

# How to do

## Analyse and develop the social capital of smallholder organizations

### Smallholder institutions and organizations



**How To Do Notes** are prepared by the IFAD **Policy and Technical Advisory Division** and provide practical suggestions and guidelines for country programme managers, project design teams and implementing partners to help them design and implement programmes and projects.

They present technical and practical aspects of specific approaches, methodologies, models and project components that have been tested and can be recommended for implementation and scaling up, including best practices and case studies that can be used as a model in their particular thematic areas.

**How To Do Notes** provide tools for project design and implementation based on best practices collected at the field level. They guide teams on how to implement specific recommendations of IFAD's operational policies, standard project requirements and financing tools.

The **How To Do Notes** are "living" documents and will be updated periodically based on new experiences and feedback. If you have any comments or suggestions, please contact the originators.

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## List of acronyms

FAO	Food and Agriculture Organization
FO	farmers' organization
ICRAF	World Agroforestry Centre
IFI	international financial institution
M&E	monitoring and evaluation
PMU	project management unit
SHG	self-help group
SIOs	smallholder institutions and organizations
WUA	water users' association

## Introduction

Smallholder institutions and organizations (SIOs) represent the grass roots. They are limited in their size and function and are characterized by mutual interests and a sense of obligation to their members.<sup>1</sup> By bonding together, smallholders gain self-confidence and trust that enables them to act collectively. IFAD's experience shows that building robust SIOs is a gradual process that follows a series of well-sequenced capacity strengthening activities. Internal bonding is vital to nurture social capital and is the first step in the capacity-building process before smallholders can work together around a common goal or interest. A solid analysis of SIO is, therefore, needed as a starting point not only to identify activities that will help organizations bond internally but also to introduce other measures that may be required to develop capacity-building strategies along selected lines of business, such as microfinance, value chains or natural resources management (Box 1).

### Who is this note for?

This note has been written to support design teams and provide the basic guidance needed to meet quality standards for the development of the social capital<sup>2</sup> of SIOs at the design level only. Once at project start-up and during implementation, we recommend that you deepen your analysis, using available tools such as A Field Practitioners Guide: Institutional and Organizational Analysis and Capacity Strengthening (IFAD,2014a), and Strengthening Grassroots Institutions in Smallholder Farming Systems: An Emerging Model.<sup>3</sup>

### What is this note for?

The recommended steps and activities presented in this note are based on the results of field experience and research and should not be seen as a blueprint or a fixed set of procedures. This document presents a logical sequence of actions but practitioners are free to follow them all or to use only some sections or specific tools, according to contextual circumstances. We recommend that you remain flexible in your approach and use your personal knowledge of the area of intervention, where appropriate.

The note comprises the following elements:

- The **key concepts** – this is the framework underpinning institutional and organizational analysis, elaborating what should be analysed, measured and improved when strengthening smallholders organizations

### Box 1: Why an analysis of SIOs is important at the design stage

IFAD's experience shows that early analysis of institutions and organizations at the project design stage is necessary to enhance the impact and sustainability of capacity development interventions. This is because:

- Understanding institutional and organizational structures and how they work is critical to identifying ways in which we can influence processes of change within them
- Working with both existing and new organizations involves risks that need to be taken into account
- The informal rules and organizations of the poor and their implications for project delivery are rarely analysed but can often influence the success of a project.
- It is an opportunity to use a dynamic approach in understanding the needs and demands of smallholders and in monitoring individual, organizational and institutional change brought about by capacity development over time.

Source: IFAD, 2013

<sup>1</sup> Uphoff (1992) Local institutions and participation for sustainable development. London: International Institute for Environment and Development, Sustainable Agriculture Programme.

<sup>2</sup> A definition of social capital is provided in the 'Conceptual Framework' section.

<sup>3</sup> IFAD and the World Agroforestry Centre (ICRAF) have developed a series of tools for grass-roots institutional and organizational strengthening in the Strengthening Rural Institutions project, which is funded through a large grant by IFAD. The documents referred to here should not be reproduced or referenced without the previous consent of IFAD and ICRAF.

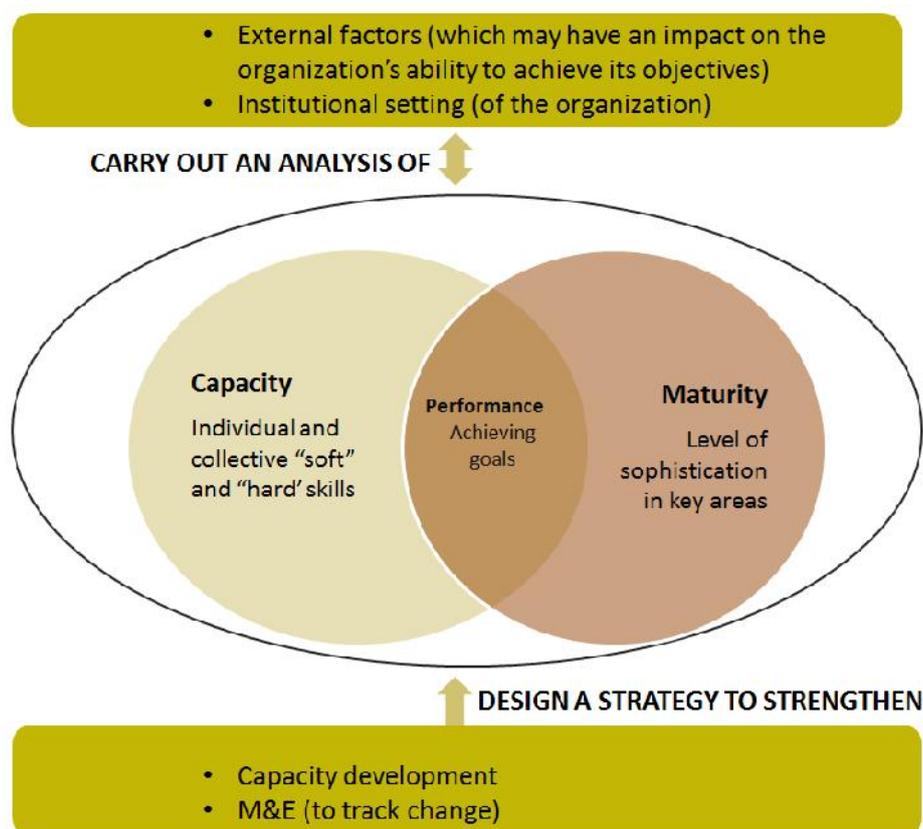


Figure 1: A framework for analysing SIOs

- The **how-to process**, which guides practitioners through a series of steps:
  - Conduct a rapid analysis of the immediate context of the project, including the maturity of existing SIOs and any capacity weaknesses they might have.
  - Use the results of the analysis to design a capacity development strategy and a capacity-building plan to enhance the capacity of the organizations.
  - Use suggested indicators to track organizational strengthening.
- **Examples and descriptions of outputs** to help practitioners capture, package and analyse data in an organized manner and present it in a project document (such as a working paper or annexes on grass-roots strengthening)
- **Examples from the field** – provided in boxes – and other reference materials.

## Conceptual framework

Experience shows that organizations with weak social capital are not sustainable and often fail to bring real and shared benefits to their members. Social capital depends on two kinds of linkages: horizontal (bonding) linkages and vertical (bridging) linkages. **Bonding capital** ensures cohesiveness and trust among people and is a necessary precondition for attaining common goals (Box 2).

Building **bridges** between organizations, on the other hand, enables different organizations with different interests to come together in order to create larger networks and convene in apex organizations.<sup>4</sup> It takes time and a comprehensive understanding of how organizations work and develop to facilitate the building of trust and cohesion within organizations.

The following key elements are needed in order to enable the smooth functioning of any organization: enabling external factors and a conducive **institutional setting** of the organization (formal and informal rules, regulations, customs, traditions, culture, etc.),<sup>5</sup> a well-defined **organizational structure** (roles, positions and associations) and adequate **capacity**.<sup>6</sup> An understanding of the **maturity**<sup>7</sup> and capacity status – including existing weaknesses – of an organization can help project planners and implementers define relevant capacity-building strategies that will enhance the conditions needed to optimize its **performance** (Figure 1 illustrates the relationships between these key concepts).

Ensuring strong and long-lasting social capital of an organization requires interventions that strengthen its human and organizational soft skills and change both its organizational structure and institutional setting. In practical terms, a project can develop the capacity of an organization by improving the combination of soft and hard skills of its members (capacity) and by strengthening its management, governance, leadership, capacity-building mechanisms and resilience structures and procedures (maturity). However, although the project can influence these processes, it is important to remember that social capital building is a complex process driven from within. The project must ensure that experienced professionals are involved to facilitate the evolution of organizations and ensure that the main actors take responsibility for the process of change and develop a sense of ownership (IFAD, 2014a). Last but not least, it is worth highlighting that smallholder organizations do not operate in a vacuum and can be positively or negatively influenced by external factors, which might include infrastructure, policy, and political and cultural factors. Other organizations (such as development partners, local government, private-sector organizations) may also have an impact on the ability of SIOs to achieve their objectives. These factors should be taken into account when planning development activities.

## Process overview: from analysis to capacity-building

Figure 2 presents an adaptation of the results of an IFAD-funded action research project (the Strengthening Rural Institutions Project) carried out by the World Agroforestry Centre (ICRAF) from 2011 to 2014. The project surveyed 584 SIOs in East Africa and later closely engaged 65 of them using participatory methodologies.

### Box 2: India – facilitating internal group bonding

IFAD's work in building social capital and the organizational capacity of poor people is demonstrated by the inclusive self-help groups (SHGs) model used to empower rural women in India. IFAD projects in India have replicated this model, starting with the Tamil Nadu Women's Development Project.

The success of the SHG movement depends chiefly on IFAD's investment in group capacity-building and on pre-existing relations of affinity. The cohesiveness created has influenced the willingness of the banks to lend to SHGs, which influenced change in regulations, policies and mindsets.

Source: IFAD, 2013

<sup>4</sup> Building inter-organizational bridges is a key step to scale up smallholder organizations. This process has been briefly described in this note in the section 'How to scale up smallholder organization'. A comprehensive framework and case studies are available in the How To Do Note: Scaling up Smallholder Organizations.

<sup>5</sup> For more information on institutions and organizations, please refer to the Sourcebook on Institutional and Organizational Analysis for Pro-Poor Change: meeting IFAD's millennium challenge (IFAD, 2008).

<sup>6</sup> The capacity of an organization refers to the sum of individual competencies – defined as an individual's set of skills (soft and hard), knowledge, abilities, experience and capabilities – and organizational elements such as vision, mission, structure and resourcing. Capacities then refer to the macro level of systems as a whole – which enable the organization to achieve its objectives (IFAD, 2014a)

<sup>7</sup> Maturity refers to the overall level of sophistication of an organization, addressing key areas such as management, governance, leadership, capacity-building mechanisms and resilience. An organization can be considered mature if it is capable of explicitly and consistently applying processes that are documented, managed, measured, controlled and continually improved upon.

The process proposed has been successfully field-tested through analysing, building and monitoring the capacity of the 65 SIOs.

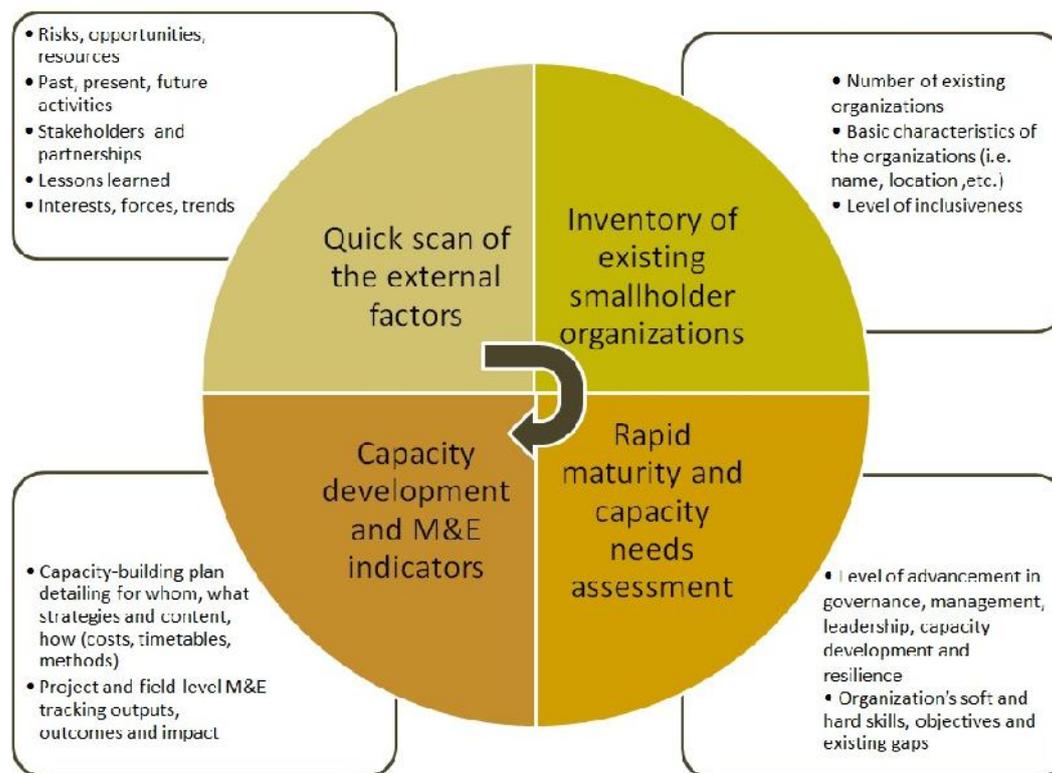


Figure 2: Overview of the process

## Guidance for design: how to conduct a satisfactory analysis

One or more qualified practitioner(s) – who may also be part of the design/country team – preferably with prior knowledge of institutional and organizational analysis and of the area, should be responsible for carrying out the institutional and organizational analysis. Practitioner(s) should have the ability to network with various boundary partners, without generating any conflict of interest with any of the parties involved in the development effort. Prior to and during a design mission, the first priority of the practitioner(s) is to collect as much useful information as possible in a relatively short period of time. As illustrated in Figure 3, practitioners can decide, based on their experience and the time and funds available, to conduct either a rapid (in green) or an in-depth (in red) maturity and capacity assessment and analysis. During the rapid analysis, practitioners collect basic information about the existing SIOs, as well as broad indications relevant to their level of maturity and capacity. At project start-up, the available information can be expanded through more in-depth analysis, at which point tailor-made capacity development interventions can be fine-tuned.<sup>8</sup> This note provides instructions on how to carry out a rapid analysis only, aimed at guiding design teams.

<sup>8</sup> Useful references to help you carry out an in-depth analysis include: (i) A Field Practitioners Guide: Institutional and Organizational Analysis and capacity Strengthening (IFAD, 2014a); (ii) Strengthening Grassroots Institutions in Smallholder Farming Systems: An Emerging Model (IFAD/ICRA, 2013a); (iii) Maturity Assessment Software (IFAD/ICRAF, 2014) – to input locally relevant maturity indicators, zeroing down to the maturity of individual organizations; and (iv) Assessing Capacity Needs and Strategy Development for Grassroots Rural Institutions: A Guide for Facilitators (IFAD/ICRAF, 2013b) – to capture capacity needs in a participatory workshop.

The steps in Figure 3 are vital for selecting and creating a meaningful database of organizations to help define interventions that can be included in a draft capacity-building plan at the design stage. If choosing to use the rapid analysis, an in-depth analysis should be carried out at start-up to provide more detailed information on the maturity and capacity of the organizations.

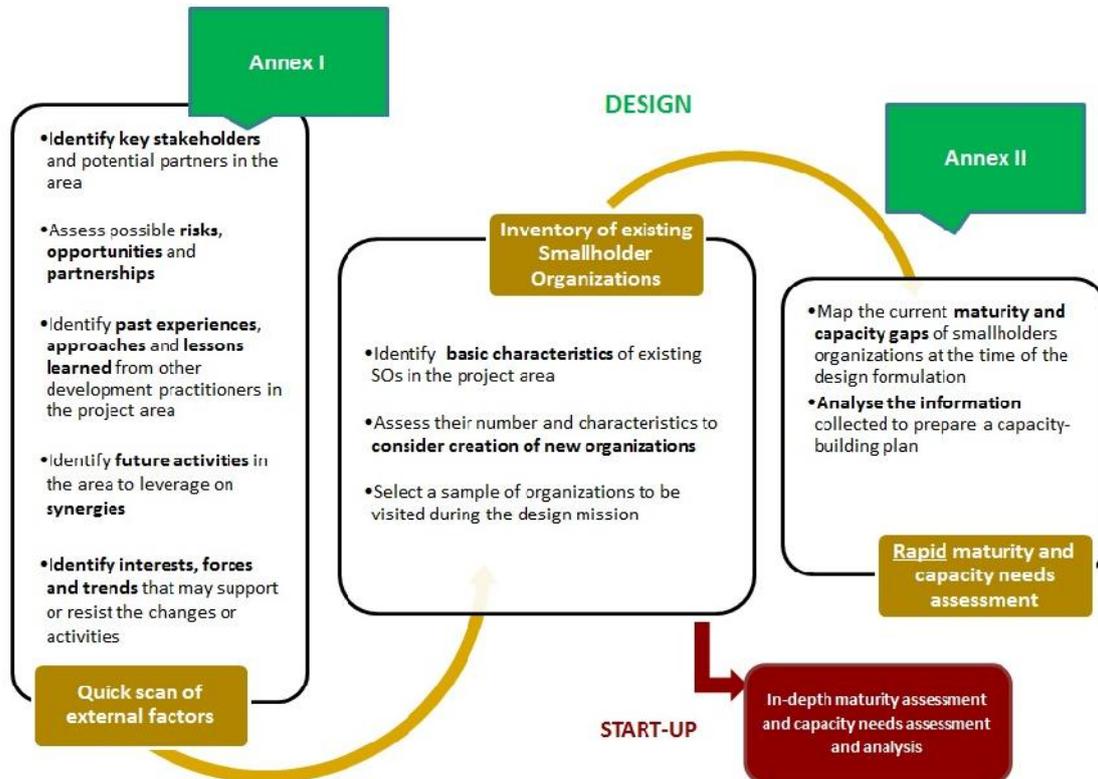


Figure 3: key stages in the analysis of smallholder organizations

### Quick scan of external factors

#### Objectives

- To identify the key stakeholders in the project/programme area, their attitudes and the forces that may lead them to support or resist the changes likely to be brought about by the project.
- To assess possible institutional and organizational strengthening risks or, conversely, to identify opportunities to mitigate negative effects, as well as available resources, funds and partnerships.
- To identify past experiences, approaches and lessons learned from other development practitioners in the project area.

#### Box 3: Additional external factors affecting enterprise development

- Favourable government policies that support and promote enterprises
- Private-sector presence and participation
- Accessible infrastructure (hard and soft)
- Stable markets for the products of the enterprises
- Support services, such as legal and financial services

Source: IFAD/ICRAF, 2014.

- To identify future organizational and institutional development activities in the area while leveraging synergies from other ongoing initiatives.
- (Optional) To identify factors both favourable and detrimental to the strengthening of smallholder enterprise development (Box 3).

### How and what to scan?

If available and sufficient in quantity and quality, use secondary data. If this data is not available or is insubstantial, engage local partners and IFAD staff in the field to identify the following information:

### Stakeholders

1. Who are the key stakeholder<sup>9</sup> partners in the proposed project area who could influence the operation or the growth of local SIOs and communities (e.g. local government agencies and local traditional authorities, development partners, NGOs, private-sector organizations) and what is their overall capacity to perform mandates and functions (i.e. their strengths and weaknesses)?
2. What are the existing power relations between key stakeholders (formal and informal)<sup>10</sup> that are likely to influence the organization of SIOs?
3. What are the major interests of the above and the attitude or actions they are likely to take towards the project (or certain components)? In particular, are they positive or negative? Investigate their future plans for SIOs organizational and institutional development activities in the area.
4. What are the relative benefits offered by each key stakeholder in terms of products, knowledge or services (e.g. training) or funding sources that could be tapped and/or potential threats or challenges they might pose for the project?
5. What lessons have been learned by the above relevant to local SIOs and capacity-building interventions? Investigate the quality of training provided in the past and the outcomes of the training.

### Other elements<sup>11</sup>

1. Identify key social, economic and political trends, together with organizations, rules, policies and regulations that could be important to SIOs. Evaluate whether or not these are enabling and if they are likely to change within the project period.
2. Identify key driving forces<sup>12</sup> that are conducive to or opposed to the project objective(s) related to capacity strengthening in the project area. If any negative forces are apparent, identify possible measures to mitigate risks and constraints. Table 1 provides an example.

### Expected outputs

1. A **summary table** listing the typology of stakeholders, their strengths and weaknesses, their interests and attitudes, the opportunities they offer (services, knowledge, etc.), their lessons learned and future plans (Annex I). A force field analysis **summary diagram**, listing driving and restraining forces (Table 1).

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<sup>9</sup> Stakeholders may include political, traditional and spiritual authorities that do not necessarily have formal status or official recognition but can still exert strong influence on grass-roots institutions.

<sup>10</sup> Not all relations between stakeholders are overtly discussed and/or sanctioned by agreements. In many countries, "silent" power relations and hierarchies between authorities can play a large role and heavily affect project delivery. The case of chiefdoms in Sierra Leone (IFAD, 2013a, Box 10) illustrates the implications of neglecting informal authorities and relationships.

<sup>11</sup> All the elements and stakeholders mentioned are to be understood as existing at the meso (e.g. district) to grass-roots level; in other words, they are able to directly and strongly influence interventions designed to strengthen SIOs. For guidelines on how to conduct an institutional and organizational analysis of the broad institutional environment and all stakeholders at all levels, please refer to *A Field Practitioner's Guide: Institutional and Organisational Analysis and Capacity Strengthening (FAD, 2014a)*

<sup>12</sup> 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 the legislation that would be considered the driving force.

2. A short (two to three paragraphs) narrative analysing information collected in the summary table and the forces matrix, and addressing how these will affect project objectives or translate into key strategies/activities for capacity-building. Where possible, include mechanisms and processes for policy dialogue to address institutional/organizational capacity gaps and 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.

**Table 1: Force field analysis summary diagram – an example taken from the Agricultural Sector Support Programme in Pemba, Zanzibar (United Republic of Tanzania)**

Driving forces	Restraining forces
<ul style="list-style-type: none"> <li>▪ Local government has a strong will to expand the market.</li> <li>▪ There is will and enthusiasm to develop and strengthen the Farmers' Forum.</li> <li>▪ The Farmers' Forum is interested and willing to expand the marketing of its members' products.</li> <li>▪ Local NGOs are willing to participate in the Farmers' Forum to share innovations and knowledge and provide training to farmers' organizations (FOs).</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Farmers' Forum shows little initiative and competency to achieve its objectives.</li> <li>▪ Local NGOs have experienced challenges in building partnerships to provide better services to their beneficiaries.</li> <li>▪ There are no existing initiatives on the part of the government to improve connections between the island of Pemba and the main island (Unguja).</li> </ul>

### Inventory of existing smallholder organizations

#### Objectives

- To obtain an estimate of the number of existing smallholders and organizations in the proposed project/programme area and identify their basic characteristics before considering the creation of new organizations.
- Based on local advice, to select a sample of organizations to be visited during the design mission.

#### How is it done?

1. Collect secondary data available to IFAD or its partners on existing SIOs. Baseline surveys from previous or ongoing projects (IFAD and non-IFAD) are especially useful if reasonably updated. If secondary data is not sufficient in quantity or quality, meet local IFAD office staff or other partners (e.g. local government officers, NGOs) who are experienced and familiar with local communities. With the available information, compile a background summary of organizations in the area. Information to be sought when compiling an inventory can include:
  - Quantitative information: number of existing SIOs by area or sub-area (e.g. by district or village); by function (savings and credit, environmental management, commodity-based); by membership (gender and age); by status (active, dormant); affiliation (e.g. government programmes, churches, NGOs) and registration (legal status); and by size (number of female and male members) and number of years in existence
  - Any other information that is relevant to the type of intervention foreseen (e.g. how many groups are engaged in market-oriented agriculture, if the project is seeking to create linkages between SIOs and markets).

2. Collect qualitative information on: inclusiveness,<sup>13</sup> attitudes and issues related to gender and any ethnic minority issues<sup>14</sup> related to the SIOs, degree of transparency in providing services to members and their potential to reach further to include additional (target) beneficiaries; major challenges that SIOs face in their development; any training already provided by other development agencies to existing SIOs and any specific outcomes/impact of these trainings in terms of adoption of technologies and best practices; their relationship to wider community processes and institutions (e.g. village assemblies) or to platforms and federations; and their role in climate change adaptation.

### Expected outputs

Analyse the information collected. You can use a table to represent the name of the location and summarize selected information collected through the inventory (Table 2).

The table can be used to select a sample of SIOs to be visited during the mission. Identify one or two characteristics among those included in the table as criteria to carry out the sampling, e.g. geographical distribution (district, village, development areas) or typology of organization (commodity-based, affinity-based, etc.).

Prepare a short (around two paragraphs) narrative on the common qualitative characteristics of the SIOs in the project area and the major challenges that SIOs face in their development. Indicate any training already provided and any specific outcomes/impact of this training in terms of adoption of technologies and best practices. If no organizations are able to reach the proposed IFAD target group, then decide on strategies for creating and developing new organizations, if needed. Give reasons for forming new organizations rather than supporting the revival of existing ones that have become dormant.

**Table 2<sup>15</sup>: Uganda – an example of an inventory table<sup>16</sup> prepared during the design mission for the livelihoods restoration project in northern Uganda (PRELNOR)**

District	Organization typology	Number of groups	Maximum membership size	Total number of farmers organized into groups	Overall population (2002-based projection)	% of farming population organized into groups
Kitgum	NAADS groups	2,000	25	40,000	260,000	23
	CBOs (registered)	400	n/a	8,000		
	DFA (UNFFE)	80	15	12,600		
Gulu	CBOs	6,240	25	125,000	530,000	25
	DFA (UNFFE)	200	30	6,000		
Agago	CBOs	101	30	3,030	380,000	Less than 1
Pader	CBOs	500	30	15,000	248,900	6
Nwoya	CBOs	533	30	15,990	54,000	30

<sup>13</sup> Inclusiveness: the extent to which organizations are made up of and welcome members having a broad range of backgrounds and characteristics (age, gender, ethnicity, etc.). For more information on IFAD's policies on (i) indigenous and tribal peoples: [http://www.ifad.org/english/indigenous/documents/ip\\_policy\\_e.pdf](http://www.ifad.org/english/indigenous/documents/ip_policy_e.pdf); (ii) gender equality and women's empowerment: [http://intradev.8015/gender/policy/gender\\_e.pdf](http://intradev.8015/gender/policy/gender_e.pdf). and (iii) facilitating access of young rural people to agricultural activities: <https://xdesk.ifad.org/sites/pt/Kb/SitePages/Details.aspx?IDS=70>.

<sup>14</sup> Discuss this beforehand with the gender and targeting expert in order to avoid overlap or consult available gender and targeting tools and checklists if an expert is not part of the mission team. Useful references can be found in the gender and targeting checklists for design: [http://www.ifad.org/targeting/doc/targeting\\_p\\_table.pdf](http://www.ifad.org/targeting/doc/targeting_p_table.pdf), and [http://www.ifad.org/targeting/doc/check\\_list.pdf](http://www.ifad.org/targeting/doc/check_list.pdf).

<sup>15</sup> Table key: NAADS – National Agricultural Advisory Services; CBOs – community-based organizations; DFA (UNFFE) – district farmers' associations, members of Uganda National Farmers Federation. Data collected during the first design mission, which might be different from those found in the project final design report.

<sup>16</sup> In some areas it will not be possible to collect all relevant information described under point 1 (as in the example given in Table 2). Include complete, relevant information in your table and point out in your narrative what is missing, why and how these gaps can be filled.

## Rapid maturity and capacity needs assessment

### Objective

- To map the current maturity and capacity gaps within smallholder organizations and prepare a capacity development strategy at the design stage.

### What to look for and how to carry out a rapid assessment of the maturity and capacity of SIOs

In addition to consulting in-country partners at all levels, the design team will gather information from available secondary data<sup>17</sup> relevant to the maturity and capacity<sup>18</sup> of a good sample of organizations selected from the inventory. Depending on context, available secondary information, time and budget, the design team may consider the following options:

- Meet local partners and key informants only and collect general information about SIOs in the area. We recommend that you begin by meeting experienced local stakeholders (IFAD and non-IFAD) who are familiar with local SIOs. When time is very limited, it is best to meet local referents together in one meeting so that you can collect all the necessary information for the quick scan of external factors, the inventory and the maturity and capacity assessment at the same time. If choosing this option, ask selected questions among those listed in Table 3, capturing which typologies of SIOs show different characteristics (watershed groups have good leadership and good conflict management, women's groups do not have a constitution or detailed management structures, and so forth).
- Aim to meet a reasonable number of organizations – 15 to 20 is a satisfactory number – as a sample. In general, unless you need to develop a specific component and, therefore, require more detailed information about one type of organization only (e.g. savings and credit schemes for a rural finance component), we suggest that you diversify the sample as much as possible to ensure even representation. Often a viable option is to hold a workshop and invite representatives from SIOs and other key informants from different project areas. Use different techniques to collect information on maturity and capacity gaps (e.g. by listing the “best case scenario” characteristics from Tables 3 and 4 on a flipchart and asking workshop participants to pinpoint how many of the existing SIOs show these characteristics and to what extent).
- Aim to meet at least a few members in addition to the organization leaders – tips for gender balance can be found in Box 4 – if you are not able to meet the whole organization. This should enable you to judge whether leaders are accountable to their members. Bear in mind that, in order to be manageable and useful, a focus group discussion should not include more than 10 to 15 participants. For this reason it might be necessary to draw on a sample of members. If you are concerned about power imbalances, you can meet members in separate meetings. In some cultures, however, members will not accept to do this because it could be perceived as a lack of respect towards their leaders. We strongly recommend that you make inquiries regarding cultural norms<sup>19</sup> in the area before organizing meetings. This is also applicable when organizing separate meetings with men and women members.<sup>20</sup>

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<sup>17</sup> Examples of useful secondary data include evaluations of IFAD operations (e.g. country programme evaluations, project performance assessments, mid-term reports, COSOPs) and IFAD partners' relevant reports and sector studies on institutions and organizations, including the documents of governments, NGOs and other multilateral donors. All IFAD documents are available to IFAD staff on xdesk (IFAD Intranet).

<sup>18</sup> As explained in the conceptual framework, these two concepts refer respectively to the level of development of the structures and processes of the organizations (maturity), and the combination of soft and hard skills (capacity). Nevertheless, these areas are interrelated and information can be collected in one meeting with each organization you have selected.

<sup>19</sup> It is also advisable to find out about cultural norms in terms of gender. If and when this is acceptable, meeting men and women separately can highlight different needs and perspectives, and ensure that gender issues are taken into account as early as at the design stage.

<sup>20</sup> For tools that can be used to conduct an analysis of gender equity in rural organizations, please refer to Closing the Gap: Handbook to Guide Rural Organizations towards Gender Equity (see also “References and useful resources” in this note).

**Box 4: Mind the (gender) gap**

When possible – that is, when cultural and societal norms allow – we suggest that you apply some simple gender-sensitive rules to your analytical process:

- When organizing a meeting to interview representatives of the organization, ask for equal representation of men and women when and if possible.
- Conduct the maturity and capacity assessment with men and women separately and at the same time if you have a team interviewing or at different times if you are alone in conducting the interviews. To ensure transparency, before splitting the interviewees, explain clearly to the group as a whole what you will be asking.
- Look at the answers given by men and women: on a scale of one to three, evaluate the gap in perception and experience based on gender. This will constitute the baseline of the gender gap.
- Use a gender lens when preparing the capacity development plan, identifying which training/activities are more likely to benefit men and which women, and prioritize those that help close the gender gap.
- Require organizations to have at least one woman collecting information for M&E and adapt M&E tools so that they can be used easily by men and women alike.

Source: Adapted from ProGenero/CODERSA, 2003

Before meeting each organization, record its name, location, typology and other relevant information (see “Inventory of existing smallholder organizations” section of this Note for a list of useful basic information). For each organization, the team should collect information on:

- **Level of maturity.** This is determined by the level of advancement and sophistication in five main areas: governance, management, leadership, capacity-building mechanisms and resilience. For each area, suggested questions to ask are presented in Table 3.<sup>21</sup> The right-hand column indicates the desirable level of maturity that should be gradually reached through capacity development (an important project outcome). The maturity indicators in Table 3 should be sensitive to the local perception of what is considered “mature” (an example of a mature group from Kenya is given in Box 5). For instance, although having a written constitution and by-laws can be an indicator of good governance, this is only true if these are really owned by an organization and has less meaning in places where it is compulsory to reflect national legislation word for word through group-level internal regulations. Keeping flexibility as a guiding principle, the questions listed in Table 3 should be considered as a menu of options for a fairly complete analysis.

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<sup>21</sup> These questions have been selected from a series of questions chosen to provide the most statistically significant characteristics determining the difference between beginner (low maturity), intermediate (average) and mature (high) organizations. The questions presented here have been selected by IFAD based on their relevance to operations and do not reflect the overall results of the ICRAF Strengthening Rural Institutions Project, which was funded by an IFAD grant. For further information about the full list of questions, the grant and the methodology adopted to gather results, please refer to Strengthening Grassroots Institutions in Smallholder Farming Systems: An Emerging Model (IFAD/ICRAF, 2013a).

**Box 5: Kenya – an example of a smallholder organization moving towards maturity**

Formed in 2002 in Embu in Kenya, the Kamiu Kavanga irrigation scheme water resource user organization addresses the issue of water scarcity and the consequent limitations on food production. Members sought to solve this problem by collectively developing an irrigation scheme and managing water resources and conflict resolution at the sub-catchment level. All members can now access enough water for their domestic and farming needs, have achieved food security and are able to market their produce in the nearby Embu town market.

Kamiu Kavanga shows an efficient management structure, good governance practices, committed leadership and good potential for growth and sustainability. The executive committee is elected every three years and is mandated to ensure that the binding constitution and by-laws are respected and that fees are paid to KaRWUA, the Kapiganzi River Water Users Association. Kamiu Kavanga holds mandatory meetings every month to disseminate information acquired by the executives during training and once a year to read the financial statement to all members. In order to be elected, leaders need to have received formal education, show management skills and initiative, and be considered trustworthy by the community. Leaders have played a significant role in mobilizing farmers, partners and resources. In terms of sustainability, the group has prepared a five-year business plan to mobilize more resources by increasing the volume of produce and eventually trading it overseas on the European market.

Source: IFAD/ICRAF. 2013

- **Level of capacity.** Collect information on the soft and hard skills currently possessed by the organization (and its members). Hard skills are technical skills that are needed to achieve the organizations' goals in practical terms. Soft skills,<sup>22</sup> on the other hand, are skills that are needed by people working together to relate to one another in a positive manner, solve conflicts, communicate, strategize and mobilize resources. The skills listed in Table 4 reflect the best case scenario and represent a high standard of skills.
- **Objectives of organizations.** It is important to understand what objectives the organization is setting for itself over the medium to long term. The proposed capacity-building strategy should take into account the wishes of the beneficiaries to ensure sustainability and ownership of the development intervention. Discuss possible areas where the organization would like to receive support (and to avoid turning this into a long "shopping list", ask participants to pick two or three main interventions).

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<sup>22</sup> Often gaps in hard skills are identified by specialists in other fields (e.g. agriculture, rural finance). Therefore, if time is short, focus on capturing information to analyse gaps in soft skills only.

**Table 3: Maturity indicators**

Existing maturity (questions)	Desirable maturity indicators
<b>Governance</b>	
<ul style="list-style-type: none"> <li>▪ Is there a constitution/by-laws guiding your organization? How was it drafted? By whom? How are collectively-owned assets jointly managed in your organization?</li> <li>▪ How do members participate in group activities, including managing jointly-owned assets?</li> <li>▪ How are final decisions made and by whom?</li> </ul>	<ul style="list-style-type: none"> <li>▪ There is a constitution and by-laws, and collectively-owned assets are managed according to the provisions contained in them.</li> <li>▪ There are provisions for the participation of all members in decision-making and managing jointly-owned assets.</li> <li>▪ Clear (written) provisions on decision-making authority.</li> </ul>
<b>Management</b>	
<ul style="list-style-type: none"> <li>▪ How are rules/procedures enforced?</li> <li>▪ What types of resources are available to the organizations?</li> <li>▪ How are conflicts managed and solved? Does this change if disputes centre on gender/ethnicity?</li> <li>▪ How does the organization collaborate with other organizations?</li> <li>▪ What methods are used to share lessons within the groups? Are women, youth and indigenous and tribal peoples or any other traditionally excluded group included?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rules and procedures are enforced through regular meetings and the constitution/by-laws.</li> <li>▪ Financial, physical and human resources are available.</li> <li>▪ If conflicts arise, they are resolved through meetings and the application of the constitution/by-laws, regardless of who is involved.</li> <li>▪ There are partnerships with other organizations and they include exchanges relating to coordination, training, financial support and capacity-building.</li> <li>▪ Lessons are shared within the organization through farmer-to-farmer exchange/contact, workshops, seminars and exchange visits, and methodologies take into account requirements of women, youth and indigenous and tribal peoples and other traditionally excluded groups.</li> </ul>
<b>Leadership</b>	
<ul style="list-style-type: none"> <li>▪ How do you elect your leaders? Does gender/ethnicity matter? How?</li> <li>▪ What responsibilities do the group leaders have? And the members?</li> <li>▪ How is the participation of members promoted? Is the participation of women/indigenous and tribal peoples promoted?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Leaders are elected democratically and there is an acceptable turnover.</li> <li>▪ Leaders participate in meetings and activities and mobilize members to participate in meetings, training and activities.</li> <li>▪ The participation of members is sanctioned by the constitution/by-laws and promoted through transparency and by attributing of benefits according to the contributions of members.</li> <li>▪ Members respect regulations and sanctions.</li> <li>▪ There is no evidence that some members would be entirely excluded from consideration or otherwise discriminated against (with respect to regulations/leadership positions).</li> </ul>
<b>Capacity-building mechanisms</b>	
<ul style="list-style-type: none"> <li>▪ What methods does the organization use to share lessons with others outside?</li> <li>▪ What types of expertise exist within the organization? What type of SIOs does the group partner with?</li> <li>▪ What benefits have members or the wider community felt as a result of the SIO activities?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lessons are shared with other smallholders through exchange visits, field days and public meetings.</li> <li>▪ Members' skills are identified and used in the organizations.</li> <li>▪ The organization establishes partnerships with local government, NGOs and research institutions.</li> <li>▪ Members and the wider community view the SIOs as positively contributing to their empowerment and life improvement.</li> </ul>
<b>Resilience</b>	
<ul style="list-style-type: none"> <li>▪ How does the group accumulate (institutional) knowledge?</li> <li>▪ What mechanisms does the group use to take advantage of opportunities?</li> <li>▪ What mechanisms of value addition are used by the group?</li> <li>▪ What linkages do they have with government schemes, banks/financial institutions or private companies?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Institutional knowledge is accumulated through record keeping, group visits, group activities and training.</li> <li>▪ A constitution, the organization's registered status and an updated workplan and budget enhance capacity to uptake opportunities.</li> <li>▪ The organization actively tries to add value to its products and activities through training, technologies and resource mobilization.</li> </ul>

**Table 4: Soft skills indicators**

<b>Indicators of desirable soft skills</b>
<b>Leadership skills</b>
<ul style="list-style-type: none"> <li>▪ Vision and mission setting (through facilitation)</li> <li>▪ Problem identification</li> <li>▪ Guidance and facilitation skills</li> <li>▪ Communication skills (transparent and inclusive communication)</li> <li>▪ Training of potential leaders (succession)</li> <li>▪ Inclusiveness, trust, cohesion and openness to different views</li> <li>▪ Capacity to solve conflicts</li> <li>▪ Lobbying skills</li> </ul>
<b>Good governance skills</b>
<ul style="list-style-type: none"> <li>▪ Fostering collective action through shared decision-making and activities</li> <li>▪ Transparency in determining roles and assigning responsibility</li> <li>▪ Conflict management skills</li> <li>▪ Ability to draft a jointly-owned constitution and by-laws</li> <li>▪ Management skills (e.g. delegation of authority)</li> </ul>
<b>Skills for sustainability</b>
<ul style="list-style-type: none"> <li>▪ Business/action plan drafting skills</li> <li>▪ Ownership in determining goals and objectives (autonomy)</li> <li>▪ Teaching skills (training of other organizations)</li> <li>▪ M&amp;E skills</li> </ul>
<b>Communication skills</b>
<ul style="list-style-type: none"> <li>▪ Ability to build a communication plan with feedback loops (bottom-top and vice versa)</li> <li>▪ Effective, efficient and considerate of the different needs of recipients</li> </ul>
<b>Record keeping and financial management skills</b>
<ul style="list-style-type: none"> <li>▪ Keeping accurate records (suitable for auditing and including mandatory information)</li> <li>▪ Consistent budgeting and work planning skills</li> <li>▪ Borrowing corresponds to repayment capacity</li> </ul>
<b>Resource mobilization and partnerships building skills</b>
<ul style="list-style-type: none"> <li>▪ Proposal writing skills</li> <li>▪ Financial management skills</li> <li>▪ Partnership building (with different partners and donors) skills</li> <li>▪ Financial sustainability and autonomy</li> <li>▪ Knowledge of legal agreements</li> </ul>

### How to analyse and organize your results

Triangulate your sources of information: secondary data, local partners and local organizations can provide different perspectives and help you to verify and enrich your body of information (Figure 4).

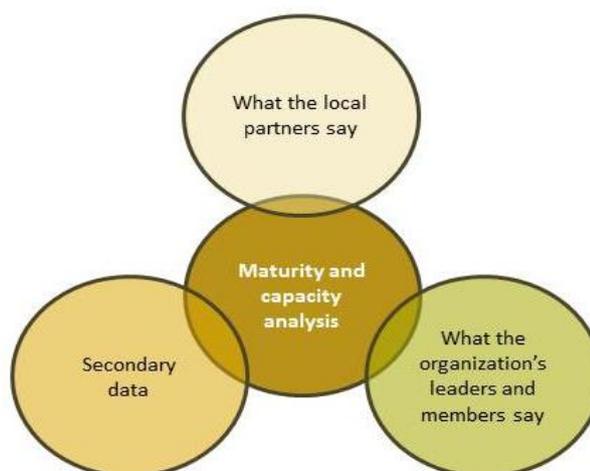
#### Maturity mapping

First, list the differences between the “best standards” in terms of maturity and capacity, and the reality on the ground based on field observations. Then evaluate a rough number (or percentage) of SIOs falling within the different maturity levels for each typology. Although many nuances exist, for the sake of practicality the three levels can be characterized as follows:

- Beginners – organizations at an early stage of development. These are less likely to meet the criteria of desirable maturity and will have less sophisticated arrangements.

- Intermediate – organizations with a number of developed group functions
- Mature – organizations that show well-developed structures and are likely to incorporate all, or most, good practices from the five areas of maturity

As mentioned earlier, although some of the characteristics that determine maturity can be generalized, the concept of maturity can vary depending on context. Use your experience and judgement to label organizations as beginners, intermediate or mature. Organize your results by indicating for each type of organization the number or percentage of organizations falling into each cluster and highlight specific areas of maturity where gaps are especially evident and/or common to different types of organizations. Try to be as specific as possible as this will help you to fine-tune the capacity-building strategy (e.g. beginners feature shallow constitutions, leaders are not transparent).



**Figure 4: Triangulation of information can provide a clearer picture of actual maturity gaps**

### Capacity needs identification

Identify needs and gaps in capacity using Table 4 as a reference (best standard) for soft skills, as well as taking into account the objectives of the organizations. Summarize the main areas that need to be addressed through capacity-building (prioritized intervention) and why.

As in the case of the maturity assessment, include under 'existing capacity' the skills an organization possesses, and under 'capacity gaps' the skills that are missing or unsatisfactory (Annex II). Include also technical skills to provide a well-rounded picture of the existing capacities and gaps within the organizations.

Consider the different objectives that different types of SIO have identified as their priorities. Use the objectives to determine which, among the maturity and capacity gaps, should be addressed first to enable SIOs to achieve their goals.

### Expected outputs

Create a consolidated table for the overall project area by combining the results of the analysis. Annex II provides an example of a **summary table** which will serve to determine major gaps that can be addressed by capacity development interventions.

The summary table will list the types of SIOs engaged and their maturity levels, maturity gaps, existing capacity, capacity gaps and their objectives. Include under "comments" any other information that might help design a capacity strengthening intervention (e.g. geographical distribution of the organizations). Annex II provides a table to show how to organize your results.

The table should be backed up by a three-to-four paragraphs summary analysis of the maturity and capacity of existing organizations. If possible, discuss your results with local partners to determine whether results are representative of the organizations in the area.

### Capacity-building plan

By building their existing skills, the SIOs should move towards the desired maturity and capacity standards and thus improve their overall performance. Figure 5 shows the overall system of capacity planning and monitoring.



**Figure 5: Overview of key elements of a capacity development and M&E strategy**

The rapid maturity and capacity gaps analysis summary table (Annex II) is the main output of the analysis that will inform the capacity-development strategy which guides the preparation of the capacity-building plan (Annex III). The table should show existing gaps as well as proposed interventions to strengthen those weaknesses. 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.

Suggested steps for preparing the capacity-building plan are:

1. Use the force field analysis diagram (Table 1) and the quick scan summary table (Annex I) to **analyse** whether or not **the contextual conditions** might hamper or, conversely, fast-track capacity-building activities and whether there are suitable service providers for training (see the “opportunities” column in the quick scan) and to identify past mistakes that can be avoided (lessons learned). If possible, show the plan to local partners and other key informants so that they can provide input.

2. Bear in mind that **a phased approach is recommended** in order to gradually build the competency of the individual members and the organizational systems of SIOs. The aim is to help service providers become problem-solvers/implementers and also facilitators<sup>23</sup> of institutional and organizational improvements that will enable smallholders themselves to become better problem-solvers.
3. Consider whether **aggregation into higher-level associations** would be appropriate. If so, think of how to support this (see the section on scaling up SIOs for more information on how to do this).
4. **Select specific activities and training modules.** When engaging in a prioritization exercise, consider:
  - How best can communities be mobilized? What support will they need to self-select for group membership? Are there established formal or informal institutions, methods, approaches or organizations that could be used as a model?
  - How many organizations are likely to benefit from that specific training/activity and whether the training can have a multiplier effect (e.g. training of trainers)? Consider their objectives when prioritizing. SIO members are more likely to retain knowledge transferred through training if it is instrumental to reach objectives they have identified as critical for their organizations.
  - What are the cost-benefit trade-offs?
  - SIO 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?
5. **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, provide the outputs or generate the outcomes required from them? Consider whether some SIOs (or their apex organizations) in the target group might be able to act as service providers for capacity-building activities. Could they coordinate, implement or monitor capacity-building activities?

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<sup>23</sup> A list of facilitator do's and don'ts, as well as a detailed list of the skills required of a facilitator, are available in the Facilitators Manual for Strengthening Rural Institutions through Building the Soft Skills in Rural Grassroots Institutions (IFAD/ ICRAF, 2014).

- Consider holding 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 training, such as training in writing a constitution. It is important to factor in follow-up and refresher courses that will take place not too long after the main training is provided. The monitoring system should provide indications of when a need for refresher courses arises.

Include a provision to facilitate the development of workplans for each SIO, detailing their vision, objectives and the activities to be undertaken to reach the objectives. This is strongly recommended at the project implementation stage to ensure that capacity-building efforts are tailored to the specific needs of the organizations. Combined plans like the one presented in Annex III should also be updated regularly as the organizations mature and capacity changes take place (for more details on the monitoring system see the "strengthening of smallholder organizations: a methodology to track capacity-building results" section below). Information on changes that have taken place and, therefore, what needs to be updated in the plan can be extrapolated from ongoing monitoring at the field level and from recommendations and inputs from supervision missions and mid-term reviews.



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### Expected outputs

The plan (Annex III), which should inform successive annual workplans and budgets and be reviewed during supervision missions, should cover:

- the number of SIOs benefiting from the capacity-building activities (detailed by typology and maturity level)
- specific activities to be covered
- recommended methodologies for capacity-building
- logistics: time and costs.

Once your overall plan is in place, use a familiar Gantt-style layout (refer to A Field Practitioners' Guide, IFAD, 2014a) to track project milestones and activities, as well as the different project components that they relate to. Complement the tables with a short narrative detailing what needs to happen, when, who is involved and how the training will be offered (methodologies). Training activities should usually take place just before these skills are expected to be used: for example, training in chicken-rearing should be given shortly before the starter birds are supplied, but not too long before because the training may be forgotten. The capacity plan should inform the annual work planning process.

### Strengthening smallholder organizations: a methodology to track capacity-building results

#### Objective

- To monitor the effective implementation of capacity-building activities and to create awareness in smallholders organizations of their own level of performance.

#### Who is responsible for tracking?

Monitoring should take place at two levels: at the project management unit (PMU) and the SIO levels (Box 6). The project management staff and/or dedicated staff of implementation partners, together with the elected committees at each SIO level, should be responsible for monitoring capacity strengthening through defined indicators to track the movement of SIOs towards their desired goals. This exercise brings two-fold benefits:

- It provides SIOs with experience in tracking their own progress and thereby enhances their ownership of the capacity-building process.
- It helps project management fine-tune capacity-building strategies and supports planning in order to meet logframe targets in a timely fashion.

#### Box 6: The importance of field M&E

In India, the success of the self-help groups has been heavily influenced by the role of *sahayoginis*. These community workers are village women who visit SHGs regularly and discuss their progress with them, in terms of both increases in savings and training received. The large majority of groups visited indicated that the *sahayoginis* have been key figures in their empowerment and development. *Sahayoginis* report to the implementing agency, MAVIM, thus assuming the role of both M&E field officers and group mentors.

Source: Field mission to Tejaswini Rural Women's Empowerment Programme (2013)

#### The tracking process

At the SIO level, the indicators identified in the action plan should guide the self-tracking process. They should set benchmarks for taking stock of progress. Each SIO should elect a committee in charge of collecting data to help assess the effectiveness of interventions. These organization-level committees should be facilitated by the PMU (M&E officer or another facilitator). The SIO committees should report progress on a regular basis. Reporting lines and times, as well as the composition of the tracking committees, should be discussed with facilitators. Guiding questions for SIOs when planning their self-tracking and reporting include:

- **Who** should be in charge and why?
- **What** needs to be tracked, how frequently and by whom?
- **How frequent** should reporting be?
- What is the best **mode** of reporting (journals, meetings, workshops, etc.)?

There are many tools<sup>24</sup> that SIOs can use to track the progress of capacity-building efforts. The following are suggested:

- Journals and monitoring sheets for the work plan – for target tracking and for strategy review at the organization level.
- Evaluation questions – every two or three years use the questions provided in Tables 3 and 4 to gather qualitative information from organization members.
- Informal data and information gathering – while structured forms of data gathering have their purpose, informal methods, such as casual conversations and drop-in meetings, can provide a wealth of information to supplement the tools mentioned above.

At the PMU level, the logframe is the guiding tool and will set the standard of project performance. PMU and field-level implementation staff are in charge of tracking progress on activities (outputs), outcomes and impact.

### Collecting M&E data

When considering approaches to collecting information, it is important to use the right approach for the data and information you require. Some indicators may need numbers and for this quantitative approaches are valuable: surveys; questionnaires that can be converted to statistics, count-based data, such as numbers of participants and random control trials. However, when you are looking for stories about change or perceptions of satisfaction, you should focus on qualitative approaches, such as semi-structured interviews with individuals or groups, focus groups and conferences. Many people find statistics the most convincing type of data because they often suggest 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 before and after project implementation. Both are valuable and, where time and resources allow, both qualitative and quantitative approaches should be used.

### What to monitor? Outputs, outcomes and impact

Capacity development is more about process, changes in behaviour and the effective use of new skills or knowledge than about whether or not people have attended a training exercise.

IFAD's Results and Impact Management System (RIMS) requires the collection of data on numbers of people trained. The M&E strategy should, therefore, take into account the outputs (numbers of trained beneficiaries, activities), outcomes (improvement in maturity and capacity) and impact (long-term changes in institutions and organizational systems). **Outputs** can be measured relatively easily by simple counts, such as the number of extension workers completing the training, and almost always using quantitative methodologies. At the outcome and impact levels, it can be very difficult to prove that institutional or organizational strengthening has been the cause of any particular impact. It is usually wiser to show the contribution made by these efforts, aiming for plausible association rather than full attribution.

**Outcomes** are more easily conveyed by qualitative accounts and are, therefore, measured using slightly different techniques. For instance, although the capacity of an organization to achieve its goals cannot be fully associated with the training received, it is clear that improved soft skills and maturity bear visible fruits. This can be measured by asking the organizations how far the training received changed members' attitudes towards each other and improved management practices. In order to bring in specific institutional outcomes related to SIOs, you might include the desired maturity and soft skills indicators that project beneficiaries should aim for with the help of capacity-development (Tables 3 and 4). Impact is about the longer-term, high-level changes brought about by the combined effect of the outputs and outcomes (e.g. increased productivity, improved participation).

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<sup>24</sup> Templates have been generated by the IFAD/ICRAF Strengthening Rural Institutions Project and will be made available on xdesk soon.

The in-depth maturity and capacity assessments to be made during start-up will form a baseline to measure improvements over time. Set milestones to be achieved over the course of project implementation; for instance, the maturity assessment<sup>25</sup> can be repeated every two or three years.

Remember that these indicators represent a best case scenario and that the actual indicators you want to include in the logical framework are inspired by these and adapted to the realistic objectives of the project.

### Who should be monitored?

#### *Individual, organizational and institutional levels*

The effectiveness of capacity-building will result in outputs, outcomes and impacts at different levels. It is important to specify what the expected outputs, outcomes and impacts are at the individual, organizational and institutional levels. Overall improvement will take place only if change is embraced at all levels. Table 5 provides examples of different indicators at different levels (in terms of both what and whose development is tracked). It is clear that not all indicators will be applicable at all levels. For instance, while keeping track of individual outputs is fairly easy, long-term changes in mindsets (which can be considered an impact) are more likely to be considered an institutional change rather than being attributed to a single person.



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<sup>25</sup> For more information on the in-depth maturity assessment, please refer to *Strengthening Grassroots Institutions in Smallholder Farming Systems: An Emerging Model* (IFAD/ICRAF, 2013a). A Maturity Assessment Tool Software, developed by the Strengthening Rural Institutions (SRI) team, is also available to help you conduct a rigorous statistical analysis of maturity levels. For more information, please contact the authors of this note.

**Table 5: Examples of output, outcome and impact indicators according to maturity level**

Typology of organization	Output	Outcome	Impact
<b>Beginners</b>			
<b>SIOs</b>	<u>Individual</u> "X" SIO leaders are trained in leadership skills and group dynamics <u>Organizational</u> "X" trainings in group dynamics have been provided to "X" organizations	<u>Individual</u> "X" members <sup>26</sup> are more proactive and feel more empowered to play assigned roles in the group <u>Organizational</u> Organizations have a constitution approved/registered and enforced by the local authority, which sets rules and procedures for the rural organization	<u>Institutional</u> Transparent and competent leadership is considered a value in the area and young people are encouraged to adopt positive and democratic styles of leadership
	<b>Intermediate</b>		
	<u>Individual</u> "X" members rotate as leaders "X" men and "X" women have undergone gender awareness and mainstreaming training <u>Organizational</u> "X" SIOs have included gender mainstreaming in their activities	<u>Organizational</u> Leadership is rotational and regular democratic elections are held Women's participation, representation and leadership in the organization has increased	<u>Institutional</u> Perceptions of women applying for leadership positions is positive and welcome Commercial banks have changed their regulations to allow SIO members to apply for loans Gender-based violence is no longer socially acceptable and has, therefore, diminished
<b>Mature</b>			
<u>Individual</u> "X" business officers have been appointed within each SIO <u>Organizational</u> "X" organizations have undergone training in sustainable business planning	<u>Organizational</u> Business plans are in place and viable for "X" organizations "X" public-private partnerships (PPPs) have been signed	<u>Institutional</u> Participation of SIO in policy processes is internalized and regular	

<sup>26</sup> These indicators should be disaggregated by gender, i.e. both men and women have undergone household mentoring.

## How to scale up smallholder organizations

### Objective

- Enable the aggregation of SIOs (from localized common interest organizations to apex business-oriented bodies).

### What and how to scale up<sup>27</sup>

The initial stage in scaling up SIOs is to be clear on “what works” and what should be scaled up. Support to scaling up SIOs requires: a **knowledge** of what works; an enabling **policy** environment; and financial and technical support provided through **projects** (which are critical instruments in this regard).

1. The knowledge base is needed to provide clear evidence of what works and why. Most organizations have commonalities in their pathways towards success and sustainability. In order to identify what works, the analysis should look at:
  - The internal bonding process (extensively addressed in this note)
  - Their linkages with other organizations - successful federations/associations exhibit greater power of negotiation, and greater influence over, and linkages with, upstream players. Key outcomes include functioning federation/association boards and management structures that ensure the delivery of demand driven services and sustained benefit streams to a larger membership base.
2. The policy and legal framework within which the expansion of grass-roots organizational capability must take place. Detailed questions for institutional and organizational analysis are presented in the IFAD Field Practitioner’s Guide: Institutional and Organizational Analysis and Capacity Strengthening. Key questions addressed in the design of IFAD in-country interventions include:
  - Which policies support or constrain the organization of grass-roots groups and which actors need to be engaged?
  - Which formal and informal political associations might be useful?
  - Who are the potential champions who can be brought on board and how can those opposed be co-opted?
  - Are the existing opportunities likely to change as organizational capacity grows?
  - Are there similar existing interventions that may complement the expansion of grass-roots organizations?
3. While SIOs must bear full responsibility for the process of building their own capacity, the facilitation role of projects is vital. The economic support from projects is necessary for financing capacity-building activities. When designing the institutional and organizational development component of a project, keep in mind the importance of:
  - A gradual approach that foresees the creation of linkages (e.g. networks, platforms) between SIOs
  - A flexible capacity-building architecture that allows for learning and adapting to changing circumstances (as presented in this note)

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<sup>27</sup> For more details on how to scale up smallholder organizations, please see the How To Do Note: Scaling Up Smallholder Organizations.

- A process adviser or facilitator, hired as a service provider, who accompanies the gradual shift of SIOs towards institutional change. Where possible, it is best to use national service providers (public or private) rather than foreign NGOs/companies as these tend to be more rooted in the local society and have better knowledge of it.



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Bangladesh - Market Infrastructure Development Project in the Charland Regions

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## Annex I: Summary table of quick scan– Agriculture Sector Support Programme (United Republic of Tanzania)

Stake-holder	Strengths	Weaknesses	Interests	Attitudes	Opportunities offered	Lessons learned	Future plans
<b>Local government (Zanzibar)</b>	<p>Access to funds</p> <p>Good relationship with central government</p>	<p>Quick turnover of officers</p> <p>Little knowledge of innovations in agriculture and marketing</p>	<p>Promoting agricultural diversification and commercialization</p> <p>Full control of delivery of the project</p>	<p>Overall highly supportive but afraid of sharing power with NGOs</p>	<p>Training through local officers</p> <p>Dialogue with government officers from mainland Tanzania to improve infrastructure for marketing</p>	<p>The farmers' forum is useful but its capacity should grow alongside its membership</p>	<p>Invest in the farmers' forum and include more government officers in it</p>
<b>Farmers' forum</b>	<p>Good partnership potential</p> <p>It is an existing platform and is truly representative</p> <p>Very young</p>	<p>The farmers' forum comprises only a few organizations therefore its base should be expanded to ensure representation</p> <p>Challenges in forming stable partnerships with development partners and private sector</p> <p>Significant gaps in organizational skills</p>	<p>Growth as a forum</p>	<p>Overall positive attitude towards marketing off the island (as long as the forum is involved)</p>	<p>Facilitate dialogue with small producers and local government</p>	<p>Recently formed so no relevant experience</p>	<p>Expand the forum and include more organizations</p>
<b>NGOs</b>	<p>Rootedness in the community and trustworthiness</p> <p>Deep knowledge of community problems</p> <p>Expertise in several knowledge areas (environment, HIV prevention, horticulture production, fisheries)</p>	<p>Limited financial resources</p> <p>Minimum knowledge of marketing and trading</p> <p>Minimum knowledge of value addition</p>	<p>Opportunities to contribute and access funding or service provider activities are welcomed and sought after</p>	<p>No resistance to change in terms of broadening the market</p> <p>Open to innovations and partnerships</p>	<p>Provide training to SIOs on health, environmental issues, fishing</p>	<p>Farmers' schools and farmer-to-farmer training have been very effective</p>	<p>Sustainability of their services on the island</p>

## Annex II: Rapid maturity and capacity gaps analysis summary table – Mount Kenya East Pilot Project for Natural Resource Management

Typology of organization	Maturity clustering	Maturity gaps	Existing capacity	Capacity gaps	SIOs objectives	Comments
WUAs	30% are beginners 50% are intermediate 20% are mature	<p><b>Beginners:</b> Constitution and by-laws are in place but not shared and known by the whole group. There are no value addition mechanisms, as production seems to be very low and food security is not even achieved</p>	<p>Common objectives and vision</p> <p>Active membership</p> <p>Cooperation between men and women (gender inequality is very low)</p> <p>SIOs are well trained in the use of irrigation systems</p>	<p>SIOs do not have clear objectives and members seem dependent on their leaders. Communication feedback is not encouraged</p> <p>SIOs do not possess evident skills for improving food production</p> <p>Limited knowledge of improved agricultural production and water storage</p> <p>Objectives should be better detailed and strategies for achieving them should be planned</p> <p>Lack of plan for resource mobilization</p>	<p>Include more members in groups; connect more farmers to river (irrigation); produce more for trade in the local market and increased income; buy goats milk; build storage</p>	<p>There are no specific differences between the three areas where WUAs are distributed in Embu district</p>
		<p><b>Intermediate:</b> There is a constitution and by-laws, agreed and shared by all members. Although intermediate organizations show good bonding social capital, more sophisticated procedures to enhance communication are needed</p>	<p>Good leadership and record keeping</p> <p>Good financial management</p> <p>Good partnerships</p> <p>Motivation</p> <p>Conflict management system in place and good guidance from leaders</p>	<p>Communications should be developed, as feedback loops are not in place</p> <p>Partnerships are still few and should be expanded</p>		

## Annex III: Sample capacity-building plan

Trainee or institution to be trained or receive capacity-building	Capacity gap/to be strengthened	Type of training/capacity-building	Training and capacity-building content/focus/support	Training provider	Time schedule	Estimated cost (US\$)
<b>WUAs (900) women's groups and mixed groups</b>	Beginners (300) 1) Leadership skills 2) Group management 3) Team building 4) Participatory planning 5) Financial management and financial resource mobilization 6) Preparation of community action plans/business plans 7) Conflict resolution	1) Role playing for leader members  2) Intensive training workshop on the use of standardized books for internal management and self-assessment levels  3) Mentoring, training on the job, coaching, study tours  4) Residential training	Group dynamics (team building, etc.), democratic principles, participatory approaches, managing inter-group relations, communication, election and re-election of leaders, development of statutes and regulations, leadership and negotiation skills, bookkeeping, conflict resolution, group self-assessment	Relevant government agency, NGOs and private service providers with adequate facilitation capacity	PY1-4	250,000
	Intermediate (450) 1) Communication skills 2) Agribusiness skills 3) Partnership building 4) Managing contracts 5) Goat rearing 6) Value addition 7) Negotiation skills 8) Business plan development 9) Strategic planning	Role playing for leaders and members  2) Intensive training workshop on the use of standardized books for internal management and mentoring, training on the job, coaching, study tours, self-assessment levels  3) Mentoring, training on the job, coaching, study tours,  4) Residential training	Democratic principles, participatory approaches, managing inter-group relations, communication, election and re-election of leaders, development of statutes and regulations, leadership and negotiation skills, bookkeeping, conflict resolution, group self-assessment	Public/private-sector service providers (if possible pre-qualify potential service providers)	PY1-PY6	1,000,000
	Mature (250) 1) Resource mobilization 2) Marketing 3) Entrepreneurial and business skills 4) Managing contracts 5) Experience with market-oriented grass-roots institutions aggregating/federating at apex level and sustainable community-based institutions for village/community activities	Training at village or cluster level	Marketing, entrepreneurial and business skills; product/process innovation and expansion of business opportunities, preparation of joint business ventures, business plans	Public/private-sector service providers (if possible pre-qualify potential service providers)	PY1-PY6	1,100,000



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