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**CAPACITY AND INSTITUTIONAL ASSESSMENT:
Frameworks, Methods and Tools for Analysis**
Prepared for CIDA Policy Branch, June 1996

Peter Morgan and Suzanne Taschereau

Canadian International Development Agency
200 Promenade du Portage
Gatineau, Quebec
K1A 0G4
Tel: (819) 997-5006
Toll free: 1-800-230-6349
Fax: (819) 953-6088
(For the hearing and speech impaired only (TDD/TTY): (819) 953-5023
Toll free for the hearing and speech impaired only: 1-800-331-5018)
E-mail: info@acdi-cida.gc.ca

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Development practitioners use a wide variety of methods, tailored to different tasks and situations, to support development programming. This document, set up as a reference guide, introduces the reader to several analytical frameworks, methods and tools that have been used in different development situations to achieve various objectives. These include :

- 1) Stakeholder analysis - a fundamental analysis for capacity development, irrespective of the level of intervention;
- 2) Methodologies developed by the World Bank for macro-level assessment
 - Sectoral Institutional Assessment
 - Institutional Environment Assessment
- 3) Frameworks and tools developed by or for bilateral agencies, with a focus on programming
 - Policy Environment Mapping Techniques (USAID)
 - Institutional Assessment (ODA & IDRC)
 - Gendered Analysis of Institutions and Organizations (Goetz, University of Sussex for SAGA Workshops)
- 4) Participatory assessment approaches developed in support for community development
 - Capacities and Vulnerability Analysis (Harvard University)
 - Participatory Rural Appraisal (Chambers, University of Sussex)

Each approach is described in the pages that follow. An evaluation of the advantages and limitations of using each approach is provided, as well as a summary of selected reference materials..

This 'tool box' is not exhaustive. Some of the participatory capacity assessment methods have been documented in the *World Bank Participation Sourcebook (1996)* and many more have been used successfully but have not made their way into the mainstream of development agencies' work. This reference document could be expanded with input from CIDA staff and consultants. The frameworks, methods and tools described herein and some of the reference materials are available from CIDA Policy Branch.

Stakeholder Analysis

What is a Stakeholder Analysis?

Stakeholder analysis is an analytical approach for assessing potential support or opposition to an issue among interested parties, including administrators, advisors and local champions. It is a basic first step in capacity assessment. A stakeholder is defined as persons, groups, organizations, systems, etc., that have a 'stake' in a change effort (eg. a development project) and that are either likely to be affected by the change, whose support is needed or who may oppose the change. Stakeholder analysis identifies the stakeholders and maps out their relative power, influence and interests in a given change effort. It identifies assumptions about each stakeholder and indicates the relative priority to be given to meeting the interests of the stakeholders, thus assessing the importance of each stakeholder to the success of the project.

What are some of the advantages of using a Stakeholder Analysis?

- Stakeholder analysis is a fairly simple analytical process which can be used by individuals or groups at any time during the unfolding of a project.
- If done early on, the information generated from a stakeholder analysis can inform project design as it identifies relative risks and potential coalitions of support for the project.
- Conducting a stakeholder analysis can assist in determining appropriate forms of stakeholder participation, and may enable coalitions to be formed.
- If carried out with the participation of developing country partners, the process can build ownership and in some cases, develop the analytical capacity of the partners.
- The information may help to assess risk before funds are committed.
- Stakeholders, their interests, and relative influence or power may change significantly during the life of a project.

What are some of the limitations?

- The process often involves sensitive information. Covert and hidden interests and agendas may be difficult to uncover. In fact, there may be few benefits in trying to uncover such agendas in public.
- Assessing a stakeholder's influence is difficult, and involves interpreting a range of factors.

References :

- ***"Guidance Notes on how to do Stakeholder Analysis of Aid Projects and Programmes"***
Overseas Development Administration, 1995.

This ODA document explains how to conduct a stakeholder analysis. The document outlines steps on drawing a stakeholder table or matrix. It provides checklists and a simplified example for each element

of the assessment, including how to assess each stakeholder's relative importance to the success of the project, and the implications of that assessment on the project design.

A participation matrix is described, which outlines stakeholders' participation in a project, indicating who should participate and at what stage. While the participation matrix outlines who and when a stakeholder might participate in a project, it does not indicate how. Also, there is no direction on what to do with the information once gathered and documented.

The section on "*Using the Findings of a Stakeholder Analysis*" has been written for use in the British ODA project management system, and would need to be adapted for use in other agencies.

- ***The World Bank Participation Sourcebook, Environmentally Sustainable Development Publications, February 1996.***

This document offers helpful advice on identifying stakeholders and involving them in planning and decision-making. The Sourcebook gives many examples of participatory approaches to planning and decision-making, it outlines roles for program managers, and it also provides an inventory of methods and tools used in development agencies, including Participatory Rural Appraisal, social assessment, gender analysis, Systematic Client Consultations, etc.

(continued over)

The Sourcebook limits itself, however, to mainstream methodologies, and neglects the many participatory approaches to capacity assessment which have evolved in community development work (e.g. C & V analysis, as reviewed in this paper, and several others; see E. T. Jackson, *Participatory Impact Assessment for Poverty Alleviation: Opportunities for Communities and Development Agencies*, Nov. 1995).

- ***Benjamin L. Crosby. "Stakeholder Analysis: A Vital tool for Strategic Managers", USAID Technical Note #2 (March 1992).***

This document is useful in that it describes how to conduct stakeholder analysis on a reconnaissance visit, and how a developing country manager can use the tool. The document outlines four different approaches to stakeholder analysis, with examples.

- ***R. Edward Freeman. Strategic Management: A Stakeholder Approach. Massachusetts: Pitman, 1984.***

A background to stakeholder analysis in the management field.

Policy Environment Mapping Techniques

What is policy environment mapping?

Policy environment mapping is a form of stakeholder analysis which illustrates the relationships between actors at the micro-political level, and the relationships between actors in a particular sector. It is focused on policy change and on issues that involve a specific policy network.

Several techniques are used in mapping the policy environment: micro-political mapping, policy network mapping, and force-field analysis.

What are some of the advantages of policy environment mapping?

- Policy environment mapping techniques reveal overall support for government, or for particular issues, especially regarding specific policy issues.
- Used before or in tandem with a stakeholder analysis, the techniques can be used to clarify the distribution of support for specific issues, to indicate how certain sectors will react to particular policies, and can clarify the positions of different organizations within the same sector.
- This analysis helps to determine the level of resources and mobilization capacity possessed by key actors (both opposing and supporting).

What are some of the limitations?

- These techniques are less complete than stakeholder analysis.
- Power and political considerations are not as well-developed, and there is no indication of why groups are opposed or supportive, if they are opposed or supportive for similar reasons, or if they might be convinced to change their positions.

References:

- ***Benjamin L. Crosby. "Management and the Environment for Implementation of Policy Change: Part Two - Policy Environment Mapping Techniques". (USAID Technical Note # 5 April 1992).***

The document illustrates the use of the three techniques, with diagrams and examples. The first two techniques are very focused on policy decisions and on the policy development process. The third technique, force-field analysis, interprets the strength of the forces in support or opposition to a particular issue or policy.

The document provides only a very basic overview of policy environment mapping. The purpose of the technical note is to introduce the topic, but the introduction is limited and thus not very useful for conducting a more thorough analysis. Nevertheless, it does point to key questions that one needs to ask, and provides helpful hints on the analysis of the policy development process. Users would benefit from using the stakeholder analysis in order to analyze policy change more fully.

Capacities and Vulnerabilities Analysis (C & V analysis)

What is Capacities and Vulnerabilities Analysis?

C & V Analysis is an approach developed by the International Relief/Development Project of Harvard's Graduate School of Education, based on 30 "success" stories around the world on how NGOs provided disaster assistance so that it promoted, rather than undermined, long-term development. The tool has broader application and is used to help donors and recipients ensure that project planning and implementation support long-term development. It has been used extensively by the Red Cross and other NGOs, particularly for disaster response and preparedness, and in such sectors as primary health care, housing, agriculture and the environment. The basic thesis is that any development initiative is sustainable only if it builds on local capacities and tackles deeply-rooted vulnerabilities.

C & V analysis can help to ascertain the nature and level of risks that communities face; where the risk originates; what and who will be affected; what resources are available to reduce risks; and what conditions need to be strengthened.

What are some of the advantages of using C & V Analysis?

- C & V analysis encourages an understanding of problems (symptoms) and where they stem from (underlying causes), and points to a systematic diagnosis of the resources, skills and capacities available to alleviate the problem.
- C & V analysis stresses the importance of social/ organizational, and attitudinal/ motivational capacities and vulnerabilities, rather than treating only physical/ material factors.
- In distinguishing vulnerabilities from needs, the approach reminds people to look at deeper root causes of disasters (or other development challenges) rather than only their aftermath.
- The process is simple, and is designed to be carried out in a participatory manner, and is ideal for use by and within communities.
- Capacities and vulnerabilities are mapped out in a simple matrix. When repeated over time, a comparison of matrices can be used to assess changes over time and between levels (ie. local, regional).
- A rapid C & V assessment of a project submission or report will reveal quickly whether some elements critical to sustainable development have been overlooked.

What are some of the limitations?

- The use of the approach requires expertise in facilitation and strong field experience.
- As a participatory risk assessment methodology, there is some trade-off between participation and accuracy in terms of measurable indicators. The approach is not meant to yield accurate, objective data for risk assessment.

Reference:

- ***Mary B. Anderson and Peter J. Woodrow (Harvard University). "Disaster and Development Workshops - a manual for training in capacities and vulnerabilities analysis" International Relief/Development Project, Graduate School of Education (Harvard, 1990)***

This well-written document defines and illustrates the use of C & V analysis. Case studies and a trainer's manual provide excellent documentation which can be used to design a workshop. A short guide and a summary chart is included at the end of the document, to be used as a quick reference tool.

Sectoral Institutional Assessment (SIA)

What is a Sectoral Institutional Assessment?

SIA has been developed and documented by the World Bank as a diagnostic and consensus-building approach to design and plan institutional reforms/development or capacity-building measures as required by a sector-specific program. The approach has been tested in Zambia's education sector but can also serve as a diagnostic tool in any given sector in the context of a government-wide institutional or civil service reform program.

In an SIA, data are gathered and examined in a tiered analysis, at the political-structural level, the administrative-systems level, and the technical-sectoral level, paying particular attention to the institutional dynamics among sector agencies. An SIA offers a diagnostic process for individual agencies that reconciles sector policy requirements and capacity building initiatives with system-wide civil service reform policy and programs. It relies on a group-based, participatory process. SIAs build on a stakeholder analysis, and are conducted using desk reviews, field reviews, surveys, and workshops, seeking to build consensus around the major change actions to be undertaken.

What are some of the advantages of doing a Sector Institutional Assessment?

- SIA takes capacity assessment beyond the confines of individual institutions and focuses the analysis on challenges at the sectoral level (education, health, water, etc.), identifying capacities and dynamics within and between the various relevant institutions .
- SIA is strategic and goal directed. It could be useful in the design of decentralization strategies, or other sectoral strategies where the policy context and the inter-relations between institutions are critical to project success
- SIA helps to identify sector-wide rather than institutional or project-specific stakeholders, and their strategic significance (and roles) for given sectoral goals.
- SIA can be participatory and can help develop partnerships among key sectoral stakeholders.

What are some of the limitations?

- SIA assumes and requires a high level of commitment to genuine change on the part of the leadership of sector agencies.
- The approach is quite complex and requires resources which may not be readily available locally.
- SIA is biased in favour of involving government stakeholder and donor representatives at the expense of other key actors, particularly in areas of social change (eg. NGOs and private sector)
- Meaningful local participation may be difficult to achieve, particularly in light of its association with and use for input into World Bank sectoral loans.
- SIA may focus on the wrong stakeholders for the future.

Reference:

- ***"Assessing Sector Institutions - Lessons of experience from Zambia's education sector" Rogerio F. Pinto and Angelous J. Mrope (World Bank Discussion Paper 297, 1995)***

The application of SIA is described in great detail, and includes examples of survey and analytical tools which can be used. A case study of the education sector in Zambia illustrates how to conduct an SIA, from the design and preparation of the analysis, to a description of a strategic planning workshop.

This document describes group-based process and field studies, and suggests uses of information in a way that builds consensus around sector problems, common vision, corrective measures and responsibilities for undertaking them.

Twelve appendices provide guidelines on institutional mapping for formal and indigenous institutions, workshop roles and planning, field reviews, survey instruments, and contextual issues.

Institutional Assessment

What is an Institutional Assessment?

Institutional Assessment is a comprehensive approach for profiling institutional capacity and performance. The approach tends to be descriptive of the various factors which come to play in institutional development: 1) forces in the external environment (administrative and legal, political and economic, social and cultural - this includes stakeholder analysis); 2) institutional factors (history and mission, culture, leadership, structures, human and financial resources, formal and informal management systems, and an assessment of performance); 3) inter-institutional linkages.

Possible applications range from internal self-assessments to external evaluations by funding agencies, and from comprehensive assessments of every aspect of institutional functioning to the assembling of a few key impressions during brief visits.

What are some of the advantages of doing institutional assessments?

- IA can provide valuable insights to a new institution; to one at a turning point wanting to take stock and formulate a plan for addressing weak areas or gaps; to donors wishing to select an institution to play a specific role in a project; or to an institution preparing itself for funding requests or negotiations.
- IA can help reveal capacities and gaps in capacity to integrate in project design, as well as identify potential risks associated with supporting an institution.
- Involving the institutions in institutional assessment or supporting them to carry out self-assessment can contribute to the development of their capacity to improve their own performance through ongoing critical self-analysis. Moreover, an institutional assessment that is conducted in partnership with individuals having intimate, day-to-day knowledge of the institution, will develop a more accurate profile of an organization.
- IA helps managers and administrators to see the relationships among the institution's sub-units (e.g. individuals, groups, departments) "looking in", as well as the interrelationships and interdependencies with other institutions in the task environment "looking out".
- IA facilitates the governance approach (systemic, long-term, contextual) to capacity development.

What are some of the limitations?

- Institutional development efforts usually require long-term commitment. In the absence of such a commitment, IA may be perceived by developing country institutions more as an evaluation of their performance (possibly a threat) rather than an opportunity to take stock of their capacities and improve their management of the institution.
- Sensitive information may be difficult to uncover by external persons. The quality of the assessment depends to a large extent on the commitment of key stakeholders.

- While the use of IA frameworks can yield a great deal of information, the sheer amount of information could be overwhelming and fail to help to focus on the dynamics of the relation between those factors.
- The process gives little guidance on locating leverage points for change.
- The focus of IA is on individual institutions and their environment, rather than on a development challenge or the capacity of the various actors and institutions who may need to be mobilized.

References:

- ***"Institutional Assessment - A Framework for Strengthening Organizational Capacity for IDRC's Research Partners"* Charles Lusthaus, Gary Anderson and Elaine Murphy (IDRC, 1995).**

This framework is used to assess institutional or organizational capacity. Developed as a joint undertaking of the Evaluation Unit of IDRC and Universalia, it provides a common language to support performance evaluations of research institutions supported by the IDRC. It has been piloted as a self-assessment methodology for institutions in several countries in Africa, in Bangladesh and in Southeast Asia.

The document provides a detailed framework for profiling organizations, including lists of questions and methods of gathering data. Each element of the assessment is described, with lists of questions, allowing an evaluator to focus on any one component. As a framework for self-analysis, it can be used by developing countries to assess institutional capacity and performance. The document also includes a short guide for rapid institutional assessment in field work.

- ***"Guidelines on Institutional Development", Overseas Development Administration, 1995.***

Reviews the "who", "what", "where", "why" and "how" to of institutional appraisals from the point of view of a project officer or advisor, and sets their utilization in the context of ODA's policy on institutional development and project management cycle. For purposes of project design, ODA proposes the use of IA for monitoring of process and outcomes, providing feedback into future design; linking institutional assessment with preparation of action plans (identify who, what, when, why, constraints/risks, resources/action) and designing pilot projects. The document sets out roles for project officer, consultants as well as institutional stakeholders in the process.

The body of the text focuses more on institutional development than on assessment. It answers such questions as "how ambitious should I be?", "how can I ensure flexibility?", "How can I handle risk?", "are the solutions to institutional problems culturally specific?", "who are the champions or change agents?", etc. It also provides pointers on monitoring and evaluation of institutional development projects and skills required for ID work. The document puts a great deal of emphasis on institutional development as an ongoing and participatory process, and on analysis and understanding why things are as they are, rather than mainly description.

Much like the IDRC document, the document contains detailed checklists filled with thoughtful questions on the various factors that come into play in describing institutional development.

- ***Strategic Choices for UNICEF - Evaluation of UNICEF: Service Delivery, Capacity Building and Empowerment, Synthesis Report, 1992. Prepared by Poul Engberg-Pedersen for Danish International Development Agency; Sheila Dohoo Faure and Ted Freeman for CIDA.***

This document offers an interesting example of an assessment of a multilateral international organization's capacity and performance in the area of service delivery, capacity building and governance. The report covers a broad range of issues of relevance to capacity development, and links capacity assessment to strategic directions, policy and program implementation. Annex One outlines the questions that guided the evaluation. This framework can be useful in assessing capacity of intermediary international development agencies to do capacity development work. It has limited applicability to national institutions and NGOs, except perhaps some international NGOs.

Institutional Environment Assessment (IEA)

What is Institutional Environment Assessment?

IEA is an upstream diagnostic exercise undertaken primarily in the context of donor (eg. World Bank) project preparation or as part of economic and sectoral work on institutional development. Its application has been documented for governance projects involving civil service reform.

The IEA approach looks at the relevant institutions and the context (governance) in which they operate. It focuses on three levels : political (organization of the state), administrative systems (of the public bureaucracy) and technical functions (service delivery and performance of core functions of institutions). It is designed as a participatory process, drawing on local ownership and seeks to build consensus around the results of the diagnosis, the process used, the causes of identified impediments to institutional effectiveness and change, and proposed action plan involving key stakeholders.

What are some of the advantages of using Institutional Environment Assessments?

- IEA is a multilevel process, looking at public institutions from inside, and within their context. It is participatory and consensual, involving key stakeholders from within and outside the institutions in question
- IEA is strategic and goal directed in terms of the institutions' missions, future and dynamic context.
- IEA is diagnostic, focusing on finding out what works and what constraints exist to change.
- IEA is multidisciplinary, drawing on economics, political science, management and indigenous knowledge systems.
- IEA is focused on problem solving, bringing together individuals and groups of stakeholders who would otherwise remain apart, isolated or working at cross purposes.

What are some of the limitations?

- IEA is quite complex and requires resources which may not be readily available locally.
- It is biased in favour of government or public sector stakeholders at the expense of others (eg. private sector, NGOs)
- An IEA may lead to wrong or outdated prescriptions if not preceded by environmental scanning and strategic thinking.
- Although it is meant to be government-driven and donor-assisted, its complexity and implied association with the World Bank's economic sector work and project funding may, in reality, make it quite donor driven.
- The diagnosis at the organizational levels (structure, administration, technical) may not be detailed enough to provide for practical implementation of the action plan (compared to ODA and IDRC frameworks)

- Meaningful local participation leading to genuine ownership and commitment may be difficult to achieve. IEA requires a high level of political and institutional commitment for success and sustainability.
- The results of IEA may be difficult to use if there has been little prior institutional or sectoral work

Reference :

- ***Rogério Pinto and Angelous J. Mrope. "Projectizing the Governance Approach to Civil Service Reform : An Institutional Environment Assessment for Preparing a Sectoral Adjustment Loan in the Gambia. " World Bank Discussion Papers , Africa Technical Department Series 1994***

This document provides a conceptual framework which defines the 'environment' of the civil service and explores the governance and institutional dimensions of that environment. It describes in detail how an IEA was carried out -- including desk and field reviews, a governance survey, a workshop and follow-up activities -- in the context of preparation of a Sectoral Adjustment Loan in the Gambia whose purpose was to combine balance of payments support with capacity building efforts in economic management. Analytical frameworks, survey instruments and tips on how to carry out the process are included in the 10 Annexes.

Participatory Rural Appraisal (PRA)

What is Participatory Rural Appraisal? What are some of the limitations?

The term PRA describes a growing family of approaches and methods that are being used 'to enable local people to share, enhance, and analyze their knowledge of life and conditions, to plan and to act'. PRA stems from several earlier methodologies, including activist and participatory research, agro-ecosystem analysis, applied anthropology, field research on farming systems, and rapid rural appraisal (RRA).

The approach moves away from extractive survey questionnaires and towards participatory appraisal and analysis ; it moves away from appraisals carried out by outsiders and towards appraisals carried out by people themselves. PRA has developed in reaction to three main phenomena: 1) dissatisfaction with the anti-poverty biases of urban-based development professionals; 2) disillusionment with the normal survey processes and their results; and 3) the need for more cost-effective methods of learning.

PRA has been used in four major types of processes: 1) participatory appraisal and planning; 2) participatory implementation, monitoring and evaluation of programmes; 3) topic investigations; and 4) training and orientation of outsiders and villagers. Several methods are used in PRA such as key informants, semi-structured interviews, focus group discussions, participatory mapping and modelling, trend analysis, seasonal diagramming, wealth ranking, etc.

What are the advantages of using PRA?

- PRA can be an empowering device as local people are given a central role in the development process.
- By focusing on diversity of information and full participation, PRA actively encourages even the most marginalized voices in the community, including women and the poorest of the poor, to share their ideas and knowledge.
- Evidence to date shows that the information shared by rural people through PRA tends to be both valid and reliable.
- PRA is not a technique that can be used by everyone and risks the danger of being discredited from mid-use.
- PRA techniques are more difficult than they appear, and require not only proper training in their use, but also particular aptitudes among practitioner (facilitation skill, ability to relax and not push the process, showing respect, 'handing over the stick' and being self-critically aware, willingness to listen, flexibility, etc.).

Reference

Chambers, Robert. *"Rural Appraisal: Rapid, Relaxed and Participatory"* Discussion Paper 311. Institute of Development Studies, October 1992

This discussion paper, written by one of the founding fathers of PRA, begins by describing the methodological influences of the approach and the history of its development. The paper also compares and contrasts RRA as one of the most closely associated methodologies, then describes specific tools used by PRA practitioners, practical applications of PRA in various fields, as well as some of its strengths, weaknesses and future potential. This paper also contains a very useful reference section for further reading.

Gendered Analysis of Institutions & Organizations

What is Gendered Analysis of Institutions and Organizations?

It is a methodology for analyzing institutional structures, norms and practices by gender, and of identifying gender differentials in participation in decision making, responsiveness of policies to women's needs (in particular poor women), integration of women in the productive sectors, etc. Gendered analysis helps to identify systemic and institutional barriers to equitable participation by the poor, and especially women in financial and productive sectors of economies.

A framework for a gendered approach to capacity analysis was developed by Anne Marie Goetz of the University of Sussex as a contribution to a SAGA Workshop on Gender and Economic Policy Reform in Africa (October, 1995).

What are some of the advantages of using a gendered approach to capacity assessment?

- Gendered analysis can help to identify key points of intervention for gender-sensitive change in structures, practices and norms of institutions.
- It can help to ensure that gender issues are taken into account in every phase of a capacity development program or project.
- It may contribute to improving the responsiveness and accountability of public and private institutions to poor women's needs and interests.
- It may help to identify women whose capacity may not have been mobilized in the past, and to build in to projects a component to reinforce women's participation in decision-making in issues that affect their lives.
- The approach is multi-level and can help to develop more integrated solutions to development problems.

What are some of the limitations?

- The document is more of a framework than a methodology. It addresses gender issues and possible areas of intervention but does not give much guidance on the 'how to' collect data and integrate it into project design.
- It is not an easy tool to use in practice
- Its strong feminist perspective could potentially be alienating in contexts and situations where gender issues are sensitive.

Reference:

The framework is documented by the author in *Macro-Meso-Micro Linkages: Understanding Gendered Institutional Structures and Practices* .