WORLD RELIEF
CANADA
CULTIVATING HOPE, GROWING COMMUNITIES

ORGANIZATION CAPACITY ASSESSMENT AND MONITORING
-OCAM- Tool

Version 2
August 2004

Agency Reviewed:
Date of Review:
Persons Interviewed:

Introduction to the OCAM Tool and its Use:

Purpose
The Organizational Capacity Assessment and Monitoring (OCAM) Tool[1] has been designed by World Relief Canada *for use during its visits to southern partners and supported programs*. Its purpose is to provide information for assessment of organizational capacity and program performance, and for identifying key areas where capacity-building, corrective and enhancing measures are warranted.

Approach
This new version of our tool (ver2) tries to include more use of *objective* indicators, while at the same time retaining the positive contribution of more *subjective* opinions of partner and World Relief Canada staff. This is achieved by breaking the information collected into *two types* of information:

- The "OCAM Indicators" column is comprised as much as possible of that which is *objective* and *observable*, and indicates whether key components of reviewed organization and program exist or not.
- The "Supplementary Information" column collects more *subjective* opinions and *judgements* based on work experience and dialogue between the southern partner's staff and World Relief Canada.

Where a "Q" appears in the tool, it means the item identified is a QUESTION to be asked of the southern partner (or committee/group for the Participation/Ownership section). Where BULLETS appear in the OCAM Indicators column, the items are mostly things to be observed and/or reviewed (eg. minutes of a meeting) or an event (eg. interview with a Board). Where BULLETS appear in the Supplementary Information column, the items require more of a judgment by World Relief staff as to the quality and completeness of a parallel item in the OCAM Indicators column.

Topics Covered
The OCAM Tool is comprised of the following *sections*:

1. Governance: A review of southern partner agency governance. To be completed with partner's Board/Executive members including CEO.
2. Management: A review of overall partner agency management. To be completed with partner's CEO and/or other senior management.
3. Finance: A review of overall partner agency financial systems, controls and their monitoring. Also a review of financial records for programs supported by World Relief Canada. To be completed with partner's Chief Financial Officer.
4. Program: A review of partner agency programs supported by World Relief Canada. To be completed with partner's Senior Program Manager on programs supported.
5. Participation/ Ownership: A review of committee/group/participant observations on programs supported by World Relief Canada. To be completed with committees/groups for programs supported.
6. Participant Case Studies: Collection of information for stories on families and their community who are benefiting from programs supported by World Relief Canada. To be completed with select program participants/ beneficiaries. To be accompanied by photos of the participant, their family, and action shots of work activities supported.

Application
The process for applying the OCAM Tool is as follows:

1. Prior to each overseas visit, WRCanada staff will review the "OCAM Indicators" information on file and request southern partners to supply any missing information, either before or early during the visit.
2. During each visit, WRCanada staff will engage the partner and others in dialogue, gather further information, and through observation verify as much of the information as possible.
3. Near the end of each visit, WRCanada and the partner will review the information gathered, identify key strengths and weaknesses, and outline a brief post-trip follow-up *Action Plan* for organizational and program capacity-building and change. Action Plans are to identify what specific initiatives and changes are to occur, who is to initiate them, when, approximate cost, and who will finance each.
4. After each visit, WRCanada staff will document the information gathered, enter it into WRCanada's database, e-mail written Action Plans to partners, and conduct our assigned follow-up.
5. After receipt of *Action Plan*, partner will conduct their assigned follow-up.

[1] This OCAM Tool is available for use by other agencies including southern partners. WRCanada however requests that full accreditation be given to WRCanada for the tool or any part used thereof.

Governance

- To be completed with partner's Board/Executive members (as possible) and the CEO.

Subjects under Review	OCAM Indicators *[following exists or not]*	Supplementary Information *[from experience and dialogue]*
1.1 Legalization / Ownership Structure	• Bylaws/Statutes • Membership Criteria • Membership List • Legal Registration	• Observe if Bylaws include: - Central objectives - Expected number of members - Criteria for member selection - Process to appoint members, remove, and replace - Board, Executive and mgmt roles and responsibilities clearly distinguished - System of checks and balances • Observe connections to WRC's supporting denominations? Q. Benefits and costs of being a member? Q. Partner is registered as?
1.2 Board/ Executive- selection	• Board Members List • Executive Members List	Q. Process for Board selection? Q. Process for Executive selection?
1.3 Board/ Executive – Composition	Q. Professionals >30% Q. Women >30% Q. Nationals > 30%	Q. Professional designations? • Observe if good balance and synergy of professionals.
1.4 Board/ Executive- Major Activities	• Board Minutes (2x/yr) • Executive Minutes (2x/yr) • WRC Interview of Board and/or Executive	• Observe whether minutes are well organized and quality of contents. Q. What is the Board/ Executive's role in: - setting of policies & priorities? - strategic planning/ budgeting and monitoring performance? - conducting formal evaluation of Executive Director based on results planned and compliance with policies? • Observe Board/ Executive awareness and knowledge of the above areas.
1.5 Board- Other Committees	• List of Committees and their members • Committee Minutes	• Observe whether minutes are well organized and quality of contents.
1.6 Board- Orientation and Training	Q. Trainings held (1x/yr)	Q. Describe training process? Q. Training topics covered?

1.7 Organizational Mandate	• Mission Statement	• Does it complement WRCanada's? • For microfinance, does it include a double bottom line (social objective and financial sustainability)? If so, is priority indicated? Q. If not, which will you uphold first?
1.8 Policies	• Org. Policy Manual	• Comprehensive? Well-organized?
1.9 Environmental Policy / Procedures	• Environmental Policy • Envir.Mgmt System(EMS)	• Does it complement WRCanada's? Q. Describe components of EMS?
1.10 Gender Policy/ Procedures	• Gender Policy • Gender Procedures	• Does it complement WRCanada's? Q. Describe gender procedures?

Management

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- To be completed with partner CEO and/or other senior management.

2.1 Organizational Structure	• Organizational Chart	• Observe if well organized/ defined and logical lines of accountability?
2.2 Management Info System (MIS)	Records maintained: • Database/Portfolio • Financial • Narrative	• Observe whether these records seem well organized, accurate, timely and complete.
2.3 Organizational Planning	*Strategic/Business* Plan, incl: • Mandate, vision, values • major objectives, • primary beneficiaries • activities • assigned responsibilities, • budget, And for microfinance: • portfolio and financial projections (microfin).	• Observe: - Period of the plan/budget? - Everything linked/complementary? - Does it complement WRCanada? - Is it well-organized? - Quality of contents? - Realistic (in terms of external environment and capacity)?
2.4 Alignment with national and regional planning of Government, other NGOs, and church	• *Strategic/Business Plan* refers to Poverty Reduction Strategy Paper (PRSP)	• Plan aligned with PRSP? Q. Request update on country-situation incl. policies and needs?
2.7 Management/ Staff Composition	Q. Women on mgnt >30% Q. Women on staff >40%	Q. Management's expertise with program related skills?
2.8 Staff Participation	• Staff Meeting Minutes • Staff Job Descriptions • Staff Policy Manual Q. Staff Eval/Exit Interviews	• Observe whether minutes are well organized and quality of content. Q. What is current staff turnover? Is this too high? If so, why?
2.9 Staff Training	Q. Staff trained (50%/yr)	Q. Trainings held? Topics covered? Q. What limited staff training? Q. Suggested training?
2.10 Staff and Consultant Capacity	Q. Staff professionals >30% Q. Contracts for external technical expertise Q. Level of admin staff to field officers < 30%	• Are managers overstretched? (Programs Budget$ / #managers) Q. Technical expertise in-house? Q. Degree of technical expertise out-sourcing? And for what? Q. Technically overstretched?
2.11 Facility and Equipment Capacity	• Facilities spacious (vs. cramped) • Facilities organized (vs disorganized)	• Observe condition of vehicles and other equipment.

2.12 Emergency Response Capacity	• Relief Manager/Dept. • Emergency's Manual • Relief Coord. Committee	Q. Are mechanisms in place for rapid response to emergencies? Q. How effective are these?

Finance

- To be completed with partner's Chief Financial Officer.

3.1 Financial Records	• All financial records exist and are well-maintained • Appropriate chart of accounts (with separation of earned and grant income) • Accuracy of financial reports to WRCanada vis-à-vis records	• From review of financial books and spot-checks of support documents, observe: - Completeness of records - Clarity of records - Consistency of records - Complete backup documentation
3.2 Financial Controls	• Financial Procedures Manual (including asset valuation, reserves, write-offs for microfinance) • Inventory records for all assets. • Authorizations (cheque, cash, inventory, and other approvals) • Receipts, disbursements, etc, ...are cross-checked • No internal borrowing • Annual External Audits and report to Board And for microfinance: • Regular Internal Audits and report to the Board	• Observe whether financial procedures are adequate. • Observe whether: - Adequacy of system to control/ manage funds and other inventory - Adequacy of cross-checks - Internal borrowing Q. Are auditor's recommendations being implemented? Explain. And for microfinance: Q. Is the fixed asset base reviewed periodically? Q. Any incidences of fraud? Q. How regular is internal audit and report to the Board?
3.3 Banking	• Financial Reporting matches Bank Records • Use of separate Forex account for WRCanada	Q. For each of these, if not, why?
3.4 Financial Reporting	• Financial Reports incl: For organization: - Income Statement - Balance Sheet - Cash Flow Statement - Portfolio (microfinance) For program: - Income-Expense - Portfolio (microfinance) • Reports are up-to-date and submitted on-time	• Observe whether financial reports are well organized and complete. And for microfinance: • Observe for P&L, major assets, major creditors, equity sources. • Observe for appropriate asset valuation, reserves and write-offs (I/S includes Loan Loss Provision, B/S includes Loan Loss Reserve).

3.5 Financial Performance	• Budget projections with variance analysis • Expenses <= Budget • Output/ Expense ratio on target (minimum 90%) • Admin.Rate (max10-15%) And for microfinance: Ratio/trend analysis showing • ROA/E/profit increasing • OSS and FSS increasing, with goal > 100% • operating ratio < 20% • cost per client decreasing • clients/loan officer >250 • OT repayment > 95% • PAR < 5%	• Are variances being followed up Q. As applicable, why are expenses in excess of budget? Q. As applicable, why are outputs DOWN while expenses are UP? Q. As applicable, why is admin. charge so high? How to reduce? • Observe quality of portfolio and other indicators.
3.7 Financial Sources/ Risk	• Number of substantive donors/ investors >4	Q. Who are your major donors? Q. Total funding during past year? And for microfinance: Q. Liquidity: sufficient funds (cash) available to meet short-term liabilities? Q. Leverage: level of liability relative to equity financing? Q. Loan portfolio assets high relative to total assets? Q. Optimum interest rates?

Program

- To be completed with partner's Senior Manager on programs currently supported. If there is no current program and/or the program is in transition, complete with reference to future planned programming.

4.1 Program Contextual Analysis (political, social, and economic)	• Contextual Analysis section in *Proposal/Plan* • Criteria identified for location selection	• Observe extent and quality of contextual analysis. Q. Changes in general context or beneficiaries? If so, why? • Observe if location is strategic, developmental, and non-bias.
4.2 Coordination/ collaboration with other NGOs and local Government	• Minutes of organized coordination meetings • WRC interview with other NGOs or Gov. officials	Q. With whom do you collaborate? Q. Basis for collaboration? • Observe others' comments and suggestions on coordination.
4.3 Leadership	• Committees or credit groups established> 90% • Committees/credit groups are active	Q. Inputs of the committees/ credit groups? Q. Committee/ credit group long-term viability?
4.4 Program Needs/ Market Assessment	• Use of PRA tools For microfinance: • Use of market research tools- to identify customers, products, competition and regulatory environment	• Observe the quality of needs/ market assessment Q. Has the needs situation changed since program proposal? How? Q. Comment on whether current services/products are relevant and optimum for targeted clients? (For microfinance discuss rate of client retention).
4.5 Beneficiary Selection	• Criteria clearly identified for program participation • 90% of observed beneficiaries fit criteria	Q. Criteria used for selection? Q. Are criteria being rigorously enforced (ie. who is really participating/ benefiting)?
4.6 Program Logic Defined	*Logical Framework Analysis* (LFA), with clearly defined: • Goal/ Impact expected • Objectives/ Outcomes • Outputs • Activities • Budget	• Observe: - Is it clear and well-organized? - Are its contents appropriate? - Clear/ realistic expected results? Q. Have there been changes to LFA since last received? If so, why?
4.7 Measurement of Results	• Baseline Study/Report • Impact Study/Report • Gender disaggregated	Q. Baseline was last completed? Q. Impact study was last completed? • Observe quality of studies.

4.8 Reporting of Results	• Reports received in past year(100% of scheduled) • Reporting on results relative to targeted levels	• Observe: - Timeliness of reports received? - Are reports well organized? - Quality of their contents?
4.9 Achievement of Results/ Performance	• Evidence of outcomes (documentation of positive impact on beneficiaries and their community) • Outputs to target > 90% And for microfinance: • Evidence of growth and increasing profitability: - clients to target >95% - loans to target >95% - loan portfolio o/s>95 % - branch profit increasing - branch OSS increasing	• Observe if there is evidence of positive impact on beneficiaries and their community. Q. If not, why? Q. What has/ can be done to address any problems? • Observe whether planned results are being achieved and on time? Q. If not, why? Q. Adjustments needed to activities?
4.10 Cost-Effectiveness	• Program cost max 5% over budget • Reasonable cost per beneficiary and family?	• Observe whether: - program seems cost-effective - any micro-units/ branches assisted are moving to economic viability
4.11 Biased use of R&D resources	• Ethno-religious diversity of participants • No evidence of overt activity by program to promote a particular faith	Q. Any biased selection of program areas and participants? Q. Is acceptance of religious or other beliefs required to participate in the program?
4.12 Facilitating Gender Equality	Q. Women participant>40% Q. Women leaders > 40% Q. Women staff >40% • Evidence of gender training and sensitivities	Q. How is gender policy applied? Q. How are women being affected as recipients? Decision-makers?
4.13 Environmental Analysis and Mitigation	Evidence of environmental: • Analysis during planning • Training and sensitivities • Mitigation measures and follow-up	Q. How is enviro-policy applied? Q. Have there been any adverse environmental impacts, and if so what has been done to mitigate?
4.14 Sustainability	• Sustainability Plan • Revenue > Expenses • Evidence of strong sense of local ownership • Products/effects still being produced/ used in old program areas	Q. What parts of the current program are expected to be sustainable? Q. What products/effects are still being produced/ used in old program areas?

Participation / Ownership

- To be completed with committees or credit groups for programs supported by World Relief Canada.

Basic context information:
Q. Name of village visited?
Q. Number of families/people in the village participating in the program?
Q. Number of families/people in the committee/group visited?
Q. When the program began in the village and when the committee/group began?

5.1 Committee/Credit Group member selection and gender composition	• Women present at committee or credit group visited >40%	Q. How were committee/group members selected? Q. What percentage of the committee/group is women?
5.2 Community-identified problems/needs	• Committee/group involvement in, and awareness of, program planning	At the program's beginning: Q. Who took part in making initial decisions: identifying needs/ problems and suggesting solutions? Q. What were identified as the major areas warranting attention?
5.3 Community needs are being addressed	• Committee/group sees program as addressing community needs	Q. What community needs are being addressed by the current program and how?
5.4 Cooperation and Collaboration	• Committee/group involvement with, and awareness of, program cooperation/collaboration	Q. Are there other agencies running similar programs in this village and area? If yes, how are you and the program working with them?
5.5 Various benefits received	• Committee/group verification of benefits received	Received: Q. Types of training? Benefits? Q. Loan? How many times? Repayment %? Q. Types of activities financed? Q. Profits from these activities? Q. Other benefits of program to you? To your family? Your community?
5.6 Challenges/Issues	• Committee/group awareness of problems and negative effects of program	Q. Any problems/negative effects of the program?

Case Studies

- To be completed with select program participants/ beneficiaries to document their story on how they are benefiting from the program supported by World Relief Canada. To be accompanied by photos of the participant, their family, and action shots of work activity supported.

QUESTIONS for a *Participant's* Story only:

6.1 Name of partner and program visited
6.2 Country and specific village name
6.3 Description of community (climate, main livelihood, population, etc…)
6.4 Description of family's home, surroundings
6.5 When the program began in the village and when the participant joined the program
6.6 Participant's name, age, education and work
6.7 Spouse's name, age, education and work
6.8 Number of children, names, ages, education and work
6.9 When did you (participant) begin with program
6.10 What activity are you doing with the program
6.11 What have you received from the program (trainings, loans, shelter, seeds, tools, etc.…)
6.12 Describe your family and/or community (need) situation before program, and now
6.13 Estimate your income before the program, and now
6.14 If your income increased, why? If not, why not?
6.15 Other ways your family benefits from the program
6.16 How specifically do women and children benefit
6.17 Do you still need the program? Why(not)?
6.18 What are your hopes for the future?
6.19 Message for program supporters in Canada

ADDITIONAL questions for a *Child-Beneficiary Focus* Story:

6.20 Child's name and age
6.21 What do you like to play at in your free time? Examples.
6.22 Do you currently go to school?
6.23 If so, what do you see as the importance of school? How will you benefit from attending school?
6.24 For non-school goers, what is preventing you from attending school? Describe a typical day.
6.25 Do you work to help earn money for your family? Examples of tasks you perform.
6.26 What are your hopes for the future?
6.27 The program your mother/father participates in, how does it help your family? How does it help you?