



CAPACITY ENHANCEMENT TOOL (CET) FOR ORGANIZATIONAL SUSTAINABILITY

As part of the on-going USAID-funded “[CSO Development Program](#)” EPF has developed an Organizational Capacity Enhancement Tool. The tool was created based on the analysis of over 17 similar tools available in the world and used by international organizations for measuring and improving organizational performance.

In brief, the Tool helps CSOs (including NGOs, Foundations, etc.) to identify the needs and benchmarks for strengthening their governance, leadership, strategic planning, management (people and project management), internal procedures, including financial procedures, fundraising, communication, and marketing capacities, as well as their needs for skills in network building, local and international network participation, and negotiation and advocacy skills with the government and/or local government. The Tool also measures the relations of a CSO with its legal environment: to what extent the CSO is familiar with the laws that govern the CSO operation; whether the CSO team thinks these laws should change; what other laws are needed; etc.

The Tool measures the organizational capacity on two levels: a) the organizational capacity in terms of the existing policies and procedures; and b) the perception of the team regarding their organizational systems, leadership, the strategy, etc.

The overall ‘evaluation’ process usually takes about 4 hours: this is a joint meeting/interview of EPF’s consultants with as many as possible staff members of the organization. The consultants will then produce a **brief analytical report** with recommendations. CSO will then decide if they want to develop an (organizational development) **action plan** based on the recommendations of the consultants. In this case, the consultants will be available to help shape a proper action plan.

CAPACITY ENHANCEMENT TOOL FOR CSOs

INTRODUCTION

The organizational capacity enhancement tool was created for the Eurasia Partnership Foundation within the scope of the “CSO DePo: CSO Development Program.” The “CSO DePo: CSO Development Program” fosters sustainable civil society development through strengthening the capacity of CSOs as critical actors to advance and oversee reform, improve services and contribute to the development of more effective governance in the economic, democratic, and social spheres.

WHAT IS THE ORGANIZATIONAL CAPACITY ENHANCEMENT TOOL?

The aim of the Tool is to help civil society organizations measure and develop their organizational capacities.

The organizational capacity enhancement process is planned and implemented according to the needs and situation. It includes the following four steps:

1. Exploring the needs and objectives for organizational development
2. Defining the spheres of the organization's capacities
3. Preparing and implementing the evaluation
4. Planning the organizational development process or reviewing that plan.

When clarifying the objectives for development, the organization should acknowledge the usefulness of an evaluation of its capacities. This ensures the effectiveness of the evaluation and the consistent implementation of the proposed steps. Otherwise, the process has no real value. This should be taken into consideration especially when the organizational capacity evaluation is being implemented at the requirement of an external client (donor).

CSO directors, along with their staff, board members and invited experts, can use the tool to explore the strong sides of the organizations and/or the areas in which it needs improvement, to measure the changes in the organization's capacities that have occurred over time as well as to reveal and discuss different viewpoints regarding the existing and required capacities in the organization.

The tool consists of two parts and allows the following:

1. Verifying the availability and application of the necessary documents, procedures and policies, and
2. Evaluating the basic elements of the organization's capacities and their perception by the members of the organization.

A development specialist does this by selecting the answer to each question about the organization that best describes the given organization's current status or the implementation of the relevant function.

STRUCTURE OF THE TOOL

In the first stage of the evaluation, the main documents and implemented policies of the organization are inspected. Then, an evaluation is conducted of the perception of the organization's functions. The evaluation tool consists of the following six main parts:

1. Governance
2. Management and administration
3. Human Resources
4. Financial governance
5. Communication and public relations
6. Delivery of programs and services

CSOs consider each of the six functional areas according to the following four levels of organizational development:

1. Clear need for capacity enhancement

2. Basic capacity level
3. Middle capacity level
4. High capacity level

The final or fourth level is mentioned in order to create the need for improvement towards it, but it will not be easy to match its requirements.

The six systems, which are evaluated by the CET are as follows:

1. Governance

Governance and strategy describe how the organization's mission, areas of work and programs are planned and validated, and how roles are distributed among the staff, management and board members. The organization's governance system documents the organization's structure and the main governance principles. Governance structures allow organizations to decide their overarching objectives and programs to be implemented, and to define the necessary strategic priorities in order to realize the organization's mission and the budget necessary to get to those objectives.

2. Management and administration

This section evaluates the quality and condition of the organization's management and administration systems, the prospects for the development and implementation of the governance capacities, as well as the availability of policies and procedures, and the knowledge of staff in this area.

3. Human resources (talent management)

The objective of evaluation in this area is to determine the organization's capacity to retain, recruit and train motivated and talented staff, to govern the corresponding functions and use employees' time productively to implement quality programs.

4. Financial governance

This area consists of subsections for **financial systems, financial policies and procedures, budget planning and monitoring, cost sharing, financial reporting, audit and financial stability.**

5. Communication and public relations

Developing relationships with the outside world—mass media, donors, partners and other target groups—is one of the most important functions of an organization. By consistently using the right communication methods, choosing correct and understandable wording, organizations can meet their marketing objectives for the services they deliver and their overall financial sustainability. The main components of this functional area are the **communication policy and public relations strategy.** It is important for this area to explore how the organization sees its reputation among its external audiences, particularly in communication with donors and the media, its members (if applicable) and its stakeholders, or the customers using its services.

6. Delivery of programs and services

Non-profits usually see “products” and “services” as “programs,” such that the activities in this area are directed at strengthening the organization's capacities to deliver quality programs to

external customers (communities, donors, members and/or partners). One of the important factors in evaluating the quality of product and service delivery is the availability of quality criteria and the practice of monitoring and evaluation. Another important component of this area is the perception of the whole staff on transparency and accountability, which are necessary for effective program governance.

Civil Society organizations interested to apply the Tool to your organization's development needs, can review the Tool in full detail in our Portal for CSOs www.hkdepo.am/hy/evaluationtool.

How the CET Tool is used:

Stage 1. Consultation and Evaluation

EPF and partner organizations have evaluated more than one hundred CSOs with the CET. The evaluation process is combined with an intensive consultancy, mentoring to the staff of the CSO. Consultants then develop a report with the analysis of the six capacity systems and specific recommendations on how to improve certain capacity areas. This may concern both to the development of new systems and tools, or improving others which exist, but may not be serving the organizations' needs effectively. The Consultants recommend reference manuals, materials, samples, document templates or in some cases technical experts who can assist with the development of certain systems or conduct trainings for CSO staff.

Stage 2. Action Planning

The second stage of work involves helping the CSO that underwent the evaluation process, develop a Capacity Enhancement Plan, prioritize the desirable changes, assign personnel and implement the plan. The plan may set the deadlines, deliverables, monitoring mechanisms and other in-house work to be undertaken to initiate or improve certain systems. In some cases, the CSO may define a date for another evaluation exercise, to gauge the changes and organizational growth aspects.

Notes: Each of the sections of the Tool may be used as a separate evaluation and consultation process. Ex. If the organization needs to evaluate their Human Resource management, Procurement processes, relevant consultation process will be organized tailored for specific organizational development needs.

Individual components of the Tool, the structure and the methodology of the creation of such a Tool, may be applicable to many different contexts, such as business context or the local government contexts, where institutional development and organizational performance and impact are involved. The system of the creation of the Tool may also be applied to the creation of similar tools tailored precisely for various types of organizations, i.e. private sector entities, educational and/or cultural entities, government agencies, local government structures and others.

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