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Institutional Capacity Assessment Tool

G2G Education Toolkit

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G2G Institutional Capacity Assessment Tool

The Education Institutional Capacity Assessment (ICA) Tool provides a guide to determine partner-country institutional capacities necessary for realizing early grade reading improvements. The ICA provides a step-by-step process to assess the policy and institutional context for utilizing G2G assistance within an education project, leading to the identification of those organizations and activities for which G2G assistance would be suitable and effective.

Education Office
Economic Growth, Education and Environment
November, 2013

FOREWORD

Government-to-government Education Toolkit

In line with the compelling policy guidance of USAID Forward, Agency education officers are currently exploring, developing and implementing new government-to-government (G2G) modalities in education projects. An immediate need exists for tools and training materials that will assist Education Teams as they design, implement, and monitor G2G activities to achieve USAID Education Strategy Goals.

Under the leadership of the Bureau for Economic Growth, Education and Environment's (E3) Education Office, the **G2G Education Toolkit** has been developed to provide this support. The Toolkit includes a literature review; an analysis of lessons learned and best practice; an analytic framework and roadmap; operational tools; and case studies. Additionally, sample G2G operational documents from Missions currently undertaking government-to-government activities will be available to guide field staff.

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Education Institutional Capacity Assessment (ICA) Tool

I. Introduction

The Education Institutional Capacity Assessment (ICA) Tool provides a guide to analyze the partner-country institutional reforms necessary for realizing USAID's strategic objectives in education. It provides a step-by-step process to assess the policy and institutional context for utilizing government-to-government (G2G) modalities, particularly focused on Education Strategy Goal 1,¹ and identifies those institutions and activities for which G2G assistance would be best suited.

In 2011, USAID produced the *Human and Institutional Capacity Development (HICD) Handbook*² to guide Agency Missions on steps to integrate human and institutional capacity development into development assistance projects. The HICD Handbook itself draws from a rich body of theory and research³ and presents an eight-step process for assessing, designing, implementing, and evaluating institutional performance improvement within development programs. This process is illustrated by the framework in Figure 1.

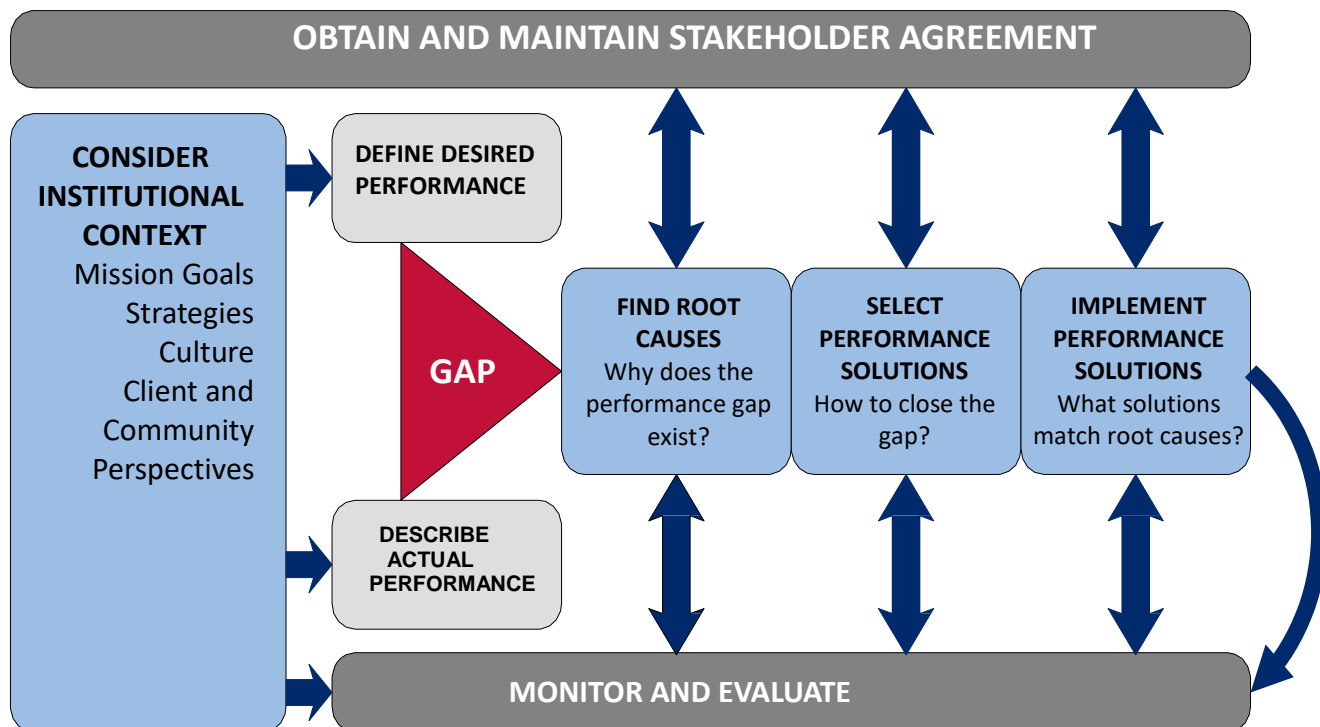
Drawing on this framework, the Education G2G ICA Tool provides detailed procedures that analyze the gap between desired and actual institutional performance for achieving early grade reading improvement. The ICA Tool should be used in parallel with the Public Financial Management Risk Assessment Framework (PFMRAF). While PFMRAF assesses the risks of financing through partner-country public institutions through a financial management lens, the Education ICA assesses the programmatic and technical capacity of partner-country institutions to lead and manage initiatives that will improve basic education quality, specifically early grade reading achievement.

¹ This ICA Tool could also inform Education Goal 3 contexts but is focused specifically on improving early grade reading.

² USAID (2009) *HICD Policy Paper* (a mandatory reference for ADS 201) and USAID (2011) *Human and Institutional Capacity Development Handbook*.

³ In addition to the resources listed in the HICD Handbook (pp23-24), see Rondinelli et.al. (1990) *Planning Education Reforms in Development Countries* for an excellent theoretical treatment of institutional capacity assessment.

Figure 1: USAID Human and Institutional Capacity Development Framework



Source: USAID (2011). *HICD Handbook*. p.7

Over the past thirty years, the term ‘capacity development’ generally has meant provision of short technical or long-term degree-earning academic participant training for mid- to high-level professionals. But this training does not necessarily have an impact on improving institutional performance. Staff training can be an effective, institutional capacity-building strategy when staff knowledge and skill gaps are the major explanatory factor in weak institutional performance and when that training is directly linked to working with existing institutional management systems.⁴

Box 1: Definition of Institutional Capacity

⁴ Ibid USAID (2011) p.5

Institutional capacity is defined as the quality of leadership, incentives, systems, resources, and personnel that produce results based on the mission, goals, and objectives of the institution. It refers to both the organizational capacity as reflected by the institution’s public mandate, legitimacy, resources, and systems and the human capacity reflected by the motivation, status, technical, and managerial skills of its leaders and staff. ⁵

This however is seldom the primary cause of institutional weaknesses. As the definition above indicates, other factors contributing to weak institutional capacity include the lack of positive incentives and accountability related to measurable results; the weakness of management systems (e.g. EMIS, teacher management systems, and financial controls); the lack of adequate resources (including the physical environment, appropriate equipment and maintenance); and regular, timely financing. Thus, an institutional capacity assessment is not just focused on the knowledge, qualifications, and experience of leadership and staff, but examines this human capacity within the broader status, resources, accountability, and functioning of the institution.

The Education ICA Tool addresses five key questions:

1. **WHY** does an institutional capacity assessment need to be done?
2. **WHEN** is the assessment done?
3. **WHO** is involved in conducting and using the assessment?
4. **WHAT** institutional capacity is needed for achieving early grade reading results?
5. **HOW** is the institutional capacity assessment conducted? What are the steps?

1. **WHY** conduct an institutional capacity assessment?

USAID ADS 220 (2014) provides policy guidance to “support partner governments taking the lead in designing and implementing defined development strategies and managing their own development.” This policy implements the goal of USAID Forward to “support long-term, sustained progress by partnering with governments to use and strengthen their internal systems, build their capacity, strengthen core institutions, maximize the impact of assistance they receive, and provide for their own people” (p. 3). Countries where the USAID education program seeks to improve early grade reading will require reform and strengthening of those institutions responsible for the delivery of quality primary education. The Education ICA Tool provides an essential step in a strategy for strengthening partner-country systems,⁶ with G2G modalities as one element of that strategy.

⁵ Adapted from USAID (2009) *HICD Policy Paper* and Fast Track Initiative (2008) *Guidelines for Capacity Development in the Education Sector*.

⁶ In this paper, the term ‘partner-country systems’ indicates those institutions, agencies, and organizations, of both government and non-state actors, which contribute to the availability and quality of basic education.

A starting point for the development of a Goal 1 project strategy using G2G is the partner-government's policy commitment to the sector objective of improving early grade reading. Secondly, it is necessary to examine the capacity of education institutions to plan, manage, and evaluate their contribution to early grade reading achievement. The provision of additional financing through G2G assistance does not in itself reform existing institutions; rather it tends to reinforce existing systems and practices. Research and experience with various forms of budgetary support have demonstrated that donor financing can support partner-country leadership initiatives to reform and strengthen institutions, but such financing, independent of other capacity building strategies, has not led to policy or institutional reforms.⁷ This ICA Tool provides a means of determining the most appropriate mix of program strategies and modalities for reforming and strengthening those partner-country organizations responsible for early grade reading.

2. WHEN should the ICA be conducted?

Just as in the PFMRAF, ICA has two stages. Stage 1 analyzes the overall education sector policy, particularly partner-government commitment of resources and management related to early grade reading (EGR), and assesses the feasibility and advisability of using G2G. During this stage, ICA examines overall financing for the sector, the key donors who are providing financial and technical support (particularly those related to basic education quality), and identifies which program activities and organizations would be appropriate candidates for G2G assistance.

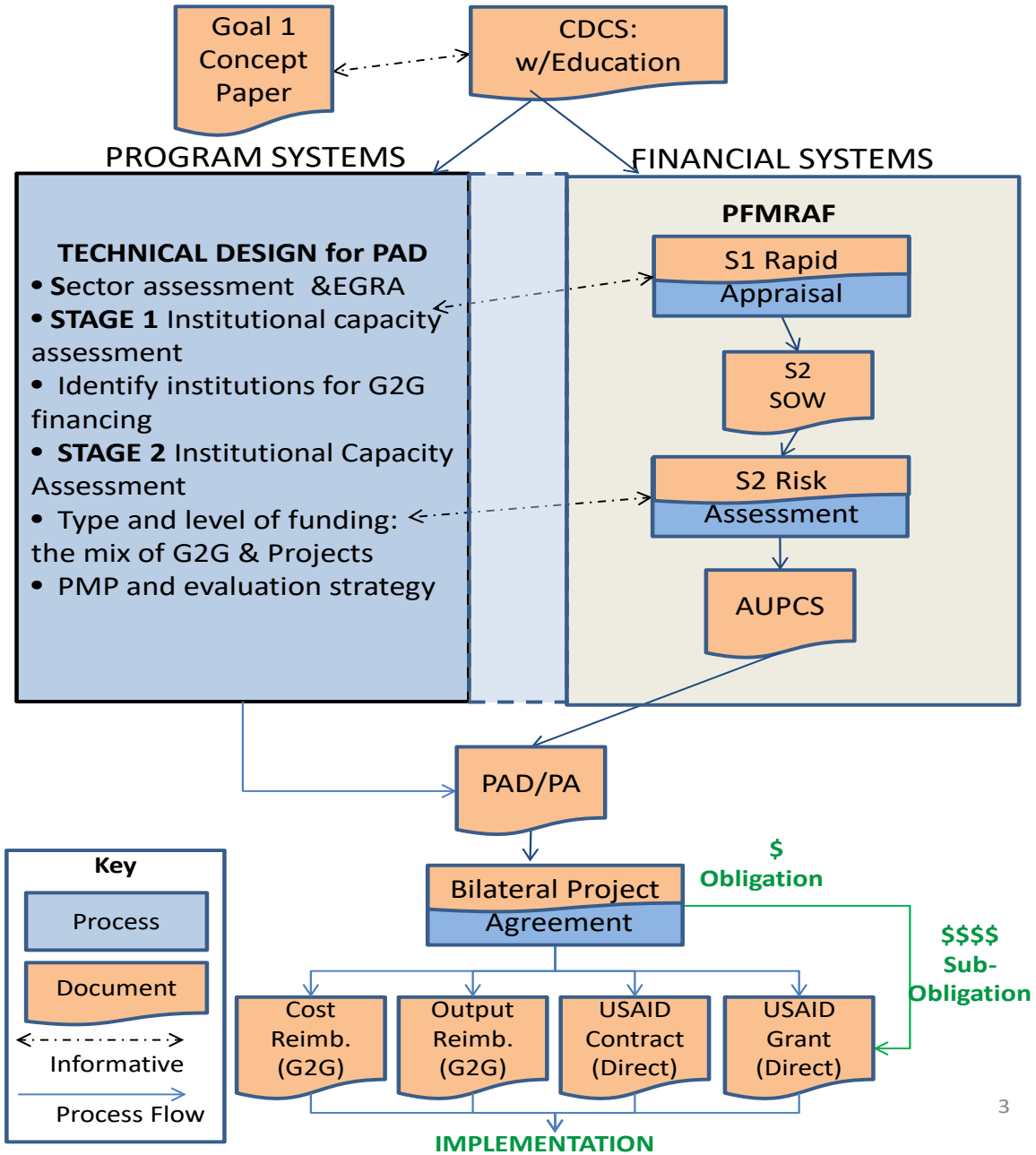
If the findings from both PFMRAF 1 and ICA Stage 1 determine that acceptable conditions are in place for G2G assistance, ICA Stage 2 is used to assess specific organizations and activities within the education sector to guide Education Teams on:

- i) the most strategic use of G2G financing for government and non-state actors as well as the institutions and functions which would be strengthened through G2G assistance;
- ii) the most appropriate modalities for G2G;
- iii) what other strategies and program activities are needed to assure institutional reform and strengthening;
- iv) the objectives, funding levels, timing, and conditions necessary to implement G2G.

The two stage Institutional Capacity Assessment mirrors and is complementary to the two stage PFMRAF process. Figure 2 diagram illustrates the steps involved in finalizing an education project design with G2G assistance.

⁷ USAID E3 (2013) *Education G2G: Lessons Learned and Good Practices*.

Figure 2: Roadmap: G2G Education Design Process



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3. WHO should be involved?

An Education Institutional Capacity Assessment is but one activity in an on-going relationship between USAID, other donors and the partner government, the Ministry of Education, and education sector partners (non-state actors). The degree to which capacity building activities, including the use of budgetary support, is successful is “dependent on the extent to which the organization’s management ‘owns’ or ‘buys into’” the process. One of the more effective tools to build institutional capacity is to strengthen the ability of organizations to assess their own institutional capacity to achieve results. Clearly, an institution is willing to participate in an assessment of its capacity to the degree that it is committed to achieving higher performance and specific results.

The Stage I ICA, drawing on existing experience and documentation of USAID and other donors, should be carried out by the Agency’s Education Team in consultation with government and the Ministry of Education. The Team should not require government staff participation at Stage I. However, if the Team lacks staff with the deep knowledge and experience of the partner country’s education sector, engagement of local and international expertise, including those donors which are experienced in the provision of budgetary support to the sector, would be essential.

At Stage 2, after a determination by the mission and government that G2G assistance is desirable and the Mission Education Team has completed a preliminary identification of organizations and activities where G2G may be effective, Ministry of Education officials should participate with the ICA Team on the assessment. Preferably, participants should include leaders in the organizations identified at Stage I. While this may appear to lead to potential conflict, full and open consultation should promote the ownership of the Ministry and its organizations to the G2G process and institutional capacity reform/building activities.

If institutions and activities identified for G2G assistance answer directly to local constituencies (e.g. through school or district incentive grants), participation of civil society representatives or other non-state actors with the ICA team would be appropriate.

4. WHAT should the ICA assess?

What institutional capacities does the goal of improved reading performance of pupils in early grades actually require of partner countries?⁸ Evaluations of a number of successful early grade reading programs have identified five technical capacities (termed the 5 T’s of Early Grade Reading: **mother-tongue, text, teaching, time, and tests**) which should be in place to achieve

⁸ For USAID Missions implementing Goal #3: *increased equitable access to education in crisis and conflict environments for 15 million learners by 2015*, somewhat different institutional capacities are required albeit with similar general institutional leadership, management, systems and staff components.

this objective.⁹ These capacities are ordered logically from the development of early grade language policy and curriculum, to teaching and learning, time on task, and assessments of reading skills. In addition to these technical capacities, the challenge of complex institutional reforms requires attention to drivers of demand of institutional change: organizing policy research and policy dialogue, community mobilization, and social marketing. While much research and evaluation work is needed to develop further knowledge and insight to guide early grade reading improvement, current good practice indicates that partner-country institutional capacities are needed in the seven following areas:

- i) Establishment of language policy in multilingual societies(**mother-tongue**) and language policy implementation for early grade reading;
- ii) Development of curriculum (with standards for reading by grade) and **text** development, distribution and use;
- iii) Reform of classroom **teaching** and learning for effective reading instruction;
- iv) Increased **time-on-task** for reading instruction and learning;
- v) Development of appropriate national, school and classroom level assessments (**tests**) ;
- vi) Design of research and evaluations as the basis for engagement of stakeholders in **policy dialogue** based on evidence;
- vii) Development of **community mobilization and social marketing**. This is especially important when the partner country is multilingual and the selection and sequencing of mother-tongue (L1) and national language (L2) literacy can be politically controversial.

The details of each of these capacity areas are further developed under ICA **Stage 2**.

5. HOW is the Education ICA conducted?

The Education ICA uses an institutional capacity rating scale, used initially at ICA Stage 1 and then later for ICA Stage 2. Each institution’s capacity area is rated on the following four-point scale:

Box 2: ICA Rating Scale	
Rating	Description
Advanced (ADV) = 4 points	Institutions exist and function well. G2G assistance could support expansion of existing functions and services.
Adequate (ADQ) = 3 points	Institutions are operationally sound but have some need for reform and strengthening or capacities may exist piecemeal across the institution, leaving gaps in areas. Institutions may lack the resources to perform effectively. G2G is possible with some institutional capacity development assistance.

⁹ USAID (2011a)

Box 2: ICA Rating Scale	
Needs Development (NDV) = 2 points	Institutions are not fully functional and do not have sufficient resources to implement policies effectively. Low-risk G2G modalities are indicated along with other forms of institutional reform and capacity building (e.g. incentives, systems development, technical assistance, and training).
Nonfunctional (NFC) = 1 point	Institutions and/or policies do not exist or they exist but do not actively support service delivery for early grade reading. These organizations are not currently suited for G2G assistance although they do need institutional development assistance.

II. Education Institutional Capacity Assessment: STAGE 1

The purpose of ICA Stage I is to determine whether government policy, leadership, financing and conditions meet the minimum conditions that could produce satisfactory program results using G2G assistance. Just as in the PFMRAF Step I, the ICA Stage I should be a rapid overall assessment carried out by the USAID Education Team. It should be based on existing country documentation, research, and experience in the formulation, implementation, and evaluation of education policies and plans. Stage I consists of five steps:

Step 1: *Assessment of national policies on human resource development, commitment to MDG and EFA, and a commitment to improve early grade learning outcomes.* Included in the review are national policies that have a direct bearing on basic education quality such as decentralization and civil service reform.

Step 2: *Assessment of the education sector strategy, plans, and coordination.* This task reviews the findings of the following sector components: sector assessments and a national early grade reading assessment; leadership in place and commitment to improve early grade reading; an articulated ‘language of literacy’ policy; a costed education plan with a transparent annual budget linked to a medium term expenditure framework (MTEF) or other macro-economic framework; a process of annual reviews of the sector plan based on indicators and evidence; the engagement of civil society and the private sector; and an effective country-led process for donor coordination within the framework of the sector plan and budget.

Step 3: *Assessment of the status of sector conditions that support early grade reading:* This step determines the capacity of management systems and recurrent budget to provide operational plans and resources needed for quality early grade teaching and learning of reading, including adequate and timely teacher salaries; teacher pre- and in-service training; a system of supervision and professional support; appropriate and adequate instructional materials; and regular assessments and evaluations.

Step 4: Determination of the priorities of the major sector donors: This assesses provision of financial and technical support to the sector (particularly activities related to basic education quality).

Step 5: Identification of program activities and institutions: This step identifies Ministry of Education departments, institutions, and units which may be appropriate candidates for G2G assistance.

Directions for Application

For the first three steps of ICA Stage I, the ICA Rating Scale is used. For each item, examine the evidence and rate according to findings. Items are given a value from 1 (Advanced) to 4 (Non-functional). Document the process in the column, *evidence and sources*, of references used to arrive at the rating. Next, describe the practical, operational implications of the determination of each item in the space marked, *implications*. For example, if no language policy is in place, this implies the need for development of a strategy to enrich policy dialogue on this critical and sensitive issue through such activities as research, inter-country visits, seminars and forums.

At the end of sections one to three, total the ratings. Use the scale at the end of each step to determine the stage of readiness for G2G involvement. Step Four requires an individual assessment of donor inputs to the education sector especially in terms of provision of early grade reading. Combining findings from Steps One to Four will provide a rough understanding of the appropriateness of G2G assistance.

Stage I of the Institutional Capacity Assessment tool is presented in Table I.

Table I: Education Institutional Capacity Assessment: STAGE I

	ADV	ADQ	NDV	NFC	Evidence and Sources
STEP 1: National Policy Context for Basic Education					
National policy for quality basic education: MDGs, EFA	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
National & sector leadership for early grade reading	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Totals:					
RATING: 2 – 4 G2G not advisable STEP 1: NATIONAL POLICY 5 - 6 G2G possible, higher risk, modest expectations 7 - 8 G2G recommended					
STEP 2: Education Sector Strategy, Plans, and Coordination.					
Recent sector assessment	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Recent early grade reading assessment & policy dialogue	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Costed education strategy/plan linked to MTEF.	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					

	ADV	ADQ	NDV	NFC	Evidence and Sources
Language policy supporting EGR (L1 →L2)					
EGR indicators and targets in the sector plan.	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Annual education sector performance reviews based on evidence	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Coordination of donor programs, financing, and technical	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Engagement of civil society and non-state actors in review of sector performance.	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Totals:					
RATING: 8 – 16 G2G possible but only with low risk G2G (FAR) STEP 2: SECTOR 17- 24 G2G with strong capacity building support					

	ADV	ADQ	NDV	NFC	Evidence and Sources
DEVELOPMENT	25- 32 G2G recommended, use of SPA ¹⁰				
STEP 3: Sector conditions that impact capacity to improve EGR					
Adequate financing for EGR ¹¹	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Pupil/classroom ratios (lower primary grades) ¹²	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Proportion of trained teachers ¹³ (lower primary grades).	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Production system for adequate texts and appropriate materials.	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					

¹⁰ USAID E3 (2013) *Choosing G2G Modalities Tool* for definitions and descriptions of SPA.

¹¹ USAID E3 (2013) *What Will It Cost? A Tool to Analyze Costs to Support Early Grade Reading*

¹² If average pupil/teacher, or pupil/classroom ratios for primary exceed 50:1, lower primary classes will typically be larger, on average over 60:1, with many classes with more than 80 pupils. These conditions would have to be improved before other inputs are likely to have an impact.

¹³ Trained teachers does not necessarily imply training in teaching reading, few teacher training programs have historically given this much attention.

	ADV	ADQ	NDV	NFC	Evidence and Sources
Annual output and deployment of trained teachers from TTCs in relation to demand	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Ratio of supervisors to teachers and evidence of supervision.	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Evidence of teacher attendance and time-on-task ¹⁴	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Class and school level pupil learning assessments	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Adequacy of financing at the school level	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					

¹⁴ Evidence from an increasing number of countries indicates that less than 60% of class time is used for instruction due to issues of school management, absence, tardiness and failure to teach on schedule. If this situation is not checked, there is little that increasing financing for a reading project can expect.

	ADV	ADQ	NDV	NFC	Evidence and Sources
Participation of SMC and/or PTA in reviewing and supporting	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	
Implications:					
Totals:					
RATING: 10– 20 If Step an 2 are OK, use G2G to reduce resource gaps STEP 3: 21- 30 G2G with strong capacity building support CONDITIONS 31- 40 G2G recommended, use of SPA ¹⁵					

STEP 4) Review Donor Programs

Identify and note major donor objectives and programs, particularly those that:

- 1) Address quality issues in basic education
- 2) Provide financing through G2G type modalities (describe amounts, modalities, evaluations)
- 3) Seek to reform and strengthen institutional capacity (describe which institutions, the strategy used, evaluations)

STEP 5) Recommended Programs and Organizations for G2G

If Steps 1 to 4 indicate that G2G would be effective and appropriate as an activity within USAID’s evolving education program strategy, make a preliminary recommendation of those objectives, activities and institutions which may be appropriate for G2G assistance, and for which a demand from the Ministry of Education exists (These will be further assessed during Stage 2). This selection should examine the strategic importance and capacity of institutions at the national, regional, district, and local/school levels to manage reform. This preliminary assessment should also explore partner-country civil society and other non-state actors which may contribute to the program through demand-driven reforms (e.g. community/PTA use of School Report Cards).¹⁶

¹⁵ E3: G2G/Education (2013) *Choosing G2G Modalities Tool’ for definitions and descriptions of SPA.*

¹⁶ EQUIP 2 (2007). *Report Cards and Accountability in Decentralized Education Systems.* www.equip123.org

III. Education Institutional Capacity Assessment: STAGE 2

The Education ICA Stage 2 is conducted when the findings from PFMRAF Stage 1 and ICA Stage 1 indicate that G2G assistance would be effective and appropriate and the government and Ministry of Education leadership share this determination. ICS Stage 2 provides the technical basis for an *Approval for the Use of Partner Government Systems (AUPGS)* and a *Project Approval Document (PAD)* where G2G assistance is linked to institutional capacity development.

Stage 2 is focused on those departments and offices which will manage the implementation of G2G activities. Personnel from these organizations should be included on the Stage 2 capacity assessment team. The Education ICA Stage 2 consists of two steps.

Step 1: *Assessment of institutional capacity within identified organizations to manage specific activities leading to EGR results.* This assessment analyzes those organizations selected in the last step of ICA Stage 1 and addresses the seven institutional capacities¹⁷ identified as necessary for improvement of early grade reading performance.

Step 2: *Analysis of the major factors contributing to the gap between needed and existing capacity.*

Based on the findings from the ICA Stage 2, the USAID Education Team jointly with the organizations identified as appropriate partners for G2G assistance will:

- Design G2G assistance linked to institutional capacity development.¹⁸
- Design the institutional capacity development plan for each organization based on the program objectives and organizational assessments
- Design the monitoring and evaluation process to assess institutional capacity development and the use of G2G modalities.

Directions for Step 1: Assessment of Organization Capacity to Manage Reforms for EGR

Stage 2 provides the ICA Team with a tool to assess each of the organizations identified in Stage 1. Stage 2 uses the same ICA rating scale as in Stage 1 to carry out the assessment. The capacities to be assessed are based on current 'good practice' designs for improving early grade reading. The ICA Team should review, amend, delete and/or add specific capacities that are needed within each organization to manage specific tasks related to improving early grade reading. This assessment therefore does not summarize all possible capacities; rather it assesses each organization only on those capacities that are related to its field of operations.

¹⁷ Listed on page 8 above and in Table 2

¹⁸ For assistance in selecting appropriate G2G modalities, see E3: G2G/Education (2013) *Choosing G2G Modalities Tool* for definitions and descriptions of SPA.

Therefore for example, the curriculum department would be assessed on its capacity to establish early grade reading standards but would not be assessed on the capacity to manage an EGR in-service teacher training program. Thus, Table 2 is a template and should be modified country and organizational contexts dictate.

Note that in certain cases the Ministry of Education may choose to procure and manage a task through an international or local non-state organization (e.g. publishing). In this case, a separate assessment of both the government department’s capacity to manage the procurement and the non-state organization’s capacity to provide quality services should be done.

After carrying out the assessment and assigning a rating for each institutional capacity, write a brief statement of the implications of the review and rating for USAID’s education programming strategy to include: 1) the use of G2G assistance and 2) building organizational capacity. Generally, where an organization’s capacities receive a rating of below 3 (NDV – Needs Development) USAID’s support should be focused on capacity development. Only in special cases would a low risk G2G modality (e.g. a FAR) be advisable.

Table 2: Education Institutional Capacity Assessment: STAGE 2

CAPACITIES	ORGANIZATION(S)	ADV	ADQ	NDV	NFC
Establishment of standards for EGR by grade (includes syllabi, curricula and teachers’ guides in appropriate L1 and L2).	<i>Note: This capacity would typically be the work of the curriculum development unit. Assessment of this component would call on input from local and international specialists in reading.</i>	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Implications					
Set specifications for publishers, texts, readers, and materials in L1 (mother tongue) and L2 (national language) based on standards and curriculum		<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1

CAPACITIES	ORGANIZATION(S)	ADV	ADQ	NDV	NFC
Implications					
Procurement, distribution, storage and utilization of materials in classrooms		<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Implications:					
Pre-service training on skills for teaching EGR ¹⁹		<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Implications:					
In-service training on skills for EGR, including system for local professional support to teachers.		<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Implications:					
Supervision of teachers and schools on a systematic basis.		<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Implications:					
Incentives for teachers deployed to early grades in rural areas.		<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Implications:					

¹⁹ See Abadzi, H. (2013) for a recent review of research on the specific skills teachers need to effectively teach early grade reading.

CAPACITIES	ORGANIZATION(S)	ADV	ADQ	NDV	NFC
Time on Task: Systems of accountability for attendance and performance at the school level and above.		<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Implications:					
Time on Task: Supervision and reporting: use of information for personnel management decisions.		<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Implications:					
Tests: Classroom assessments: Design, analyze and use of data from class assessment. (On-going teacher tests in classrooms. School-based tests at the end of term.).		<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Implications:					
Tests: Design and manage national assessment to track progress and effectiveness of EGR program.		<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Implications					
Policy dialogue based on research and evidence:		<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1

CAPACITIES	ORGANIZATION(S)	ADV	ADQ	NDV	NFC
Design of targeted research on early grade reading implementation failures and successes.					
Implications:					
Policy Dialogue Organization of meetings, seminars, conferences, etc. with stakeholders, CSOs, and media to share findings.		<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Implications:					
Community mobilization and social marketing: promote understanding and review of school performance, support to school level for EGR activities. ²⁰		<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Implications:					

Step 2: Analysis of the Gap between Needed and Existing capacity.

For each of those organizations which emerge as a priority for G2G assistance from the STAGE 2, Step 1 assessment, the ICA Team should identify and analyze those factors that fall in the gap between the existing institutional capacity and the capacity needed to improve EGR achievement. Identifying those factors of highest importance in shaping organizational capacity provides the basis for the design of the education project. Table 3 provides a tool to identify and assess the importance of those factors which contribute to each organization’s capacity.

²⁰ Especially important in multilingual contexts where the selection of L1 and L2 may be controversial.

Rate the degree of importance of each factor needed to strengthen the capacity of each identified organization. Base the determined importance of each factor on the assessed ratings from Table 2. The rating scale is:

Degree of Importance of Factors to strengthen Organizational Capacity				
1 : critical	2 : high	3 : average	4 : low	0 : none

Table 3: Assessment of Factors Contributing to Organizational Capacity

ORGANIZATION:	
CAPACITIES (list the identified capacities with ratings from Table 2)	
FACTORS	IMPORTANCE
Policy direction and institutional status; mandated roles and responsibilities; and relationship to education sector leadership;	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
Available resources and financing from public budgets, donors, other sources;	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
Staffing: leadership capacity, training, education and management experience;	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
Staffing: organization establishment/numbers, training, experience, performance;	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
Turnover of staff	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
Operational systems (e.g., filing systems, personnel, financial control, EMIS, assessments);	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
Organizational accountability through appropriate management and supervision, and (where appropriate), demand driven from the constituents served.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
Incentives for good performance, which require reliable information about performance/results to be effective;	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>

This concludes the Education Institutional Capacity Assessment Tool. The results of this assessment lead into the details of the design of the G2G assistance and its relationship to the G2G in Education: Institutional Capacity Assessment Tool

overall USAID education project. Although a complete description of possible next steps are outside of the scope of this tool, they are sketched out below.

IV. IV Next Steps

Design an Institutional Capacity Development Plan

The process for the design of an Institutional Capacity Development Plan arising out of the ICA analysis is described in the HICD Handbook. An excerpt from that Handbook is provided in Annex 1.²¹ From a literature review of lessons learned and good practices, a number of further considerations to guide program design of an ICA strategy are presented in Annex 2. This review is summarized with an annotated bibliography, provided in Annex 3.

Design G2G Assistance Linked to Institutional Capacity Development

An examination of the E3 Education G2G Modalities Tool [under development] reviews each of the modalities in relation to combined results from a PFMRAF I and the Education ICA Stage 1 and Stage 2 analyses.

Design a Monitoring and Evaluation Program to Assess Institutional Capacity Development and Use of G2G Modalities

An Education G2G Tool for Monitoring and Evaluation is planned.

²¹ USAID (2011) pp.19-20

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ANNEX 1. Excerpt from the USAID HICD Handbook, pp. 19-20

Design of an Institutional Capacity Development Plan

Objective: To develop a package of agreed upon performance solutions recommended in the performance assessment.²²

Upon review and consideration of the findings of the performance assessment report, the partner organization, in consultation with USAID and support from participating stakeholders, will select the recommended performance solutions proposed by the assessment. Once the performance solutions have been identified and agreed upon, a performance solutions package should be developed along with a timeline and appropriate performance measures for completing the initiative. With appropriate performance measures in place, and data collection systems developed or established, measuring the success of the HICD process will be a matter of reviewing the data related to the established performance measures.

Some considerations for preparation of the performance solutions package are presented here.

1. *Selecting performance solutions.* Because HICD is a holistic process, Missions should take care not to pick and choose from among those performance solutions recommended by the assessment team. Chances of closing a performance gap are highest when all fundamental causes affecting performance are addressed. Due to wide variety of performance problems of people and organizations, it is difficult to find one person who alone possesses the capability to effectively design multiple types of solutions. Engaging experts in various types of performance solutions can help to ensure that the selected performance solutions are designed to be comprehensive, cost-effective, and sustainable.

2. *Funding performance solutions.* Not all performance solutions are costly. Depending on the fundamental causes identified, some solutions may be a matter of the partner making simple adjustments to its processes or policies. If a partner is truly committed to the HICD process, it will be eager to make its own resources available to improve performance in areas of greatest concern. Training can be one of the most costly interventions required but is often not the only solution to a performance problem.

3. *Reinforcing 'ownership' of the HICD initiative with the partner.* To ensure that the partner organization remains committed to implementing the appropriate performance solutions, the partner country partner should take the lead in making implementation decisions as the primary

²² The 'performance assessment' noted by HICD is referred to as 'the Institutional Capacity Assessment' in the Education ICA Tool while the 'performance solutions' are referred to as the an Institutional Capacity Development Plan in this tool.

member of the stakeholder group. If the preliminary HICD analysis establishes clear alignment between the performance gaps, the partner organization's organizational goals and USAID's Intermediate Indicators and Assistance Objectives, there should be no problem in allowing the partner organization to take the lead in this decision-making process.

4. *Careful planning for implementation of performance solutions.* Change management can be a significant component for successful implementation. Effectively mitigating resistance to change in people and on the larger organizational level could cause even a good performance solution to fail in the implementation stage. Principles and strategies of change management should be integrated into the delivery of the performance solutions package.

5. *Coordinating sessions of the stakeholder group.* Whichever implementer is taking the lead in implementing performance solutions, will also have responsibility for coordinating regular meetings with external Stakeholders and where opportunities exist, leveraging resources of other donors to support the HICD process. In those cases where Missions task the HICD implementer with monitoring and coordinating the Mission's HICD initiatives, this arrangement should be included in the Mission's HICD/Participant Training Mission Order.

NOTE: Annexes to the HICD Handbook provide specific templates for preparing scopes of work, implementation letters and agreements related to both institutional capacity assessments and institutional capacity development plans.

ANNEX 2: Lessons Learned and Good Practices for Capacity Development

Capacity Development (CD) only works if ownership and desire by the beneficiaries exists. If a capacity development intervention is imposed, it is destined for failure. USAID should identify a partner which not only aligns with Agency education goals, but can also effectively identify and engage various stakeholders to provide oversight, design, implement, and monitor and evaluate the process of CD.

CD is not just training. Earlier understanding of CD as well as contextual factors that limited donors to implementation of training programs did not take into account the environment in which they operated. Given this, training was an achievable input that did not always accomplish desired results. For example, poor performance of teacher training might not be due to lack of technical skills but rather ineffective incentives or other systematic constraints. CIDA (2000) defines CD as “the approaches, strategies and methodologies used by developing country, and/or external stakeholders, to improve performance at the individual, organizational, network/sector or broader system level” (p. 2).

CD is holistic. CD efforts should be seen as part of a complex system with interrelationships between a variety of stakeholders and environments. As it relates to the education system, the accompanying tool to this document identifies internal stakeholders, i.e., learners, teachers, schools, districts, ministry officials, and external stakeholders, i.e., parents and community (which can take the form of the media, social movements, etc.). Understanding how each stakeholder contributes to early grade reading goals can illuminate capacity gaps and their relationships to other factors which then can support and apply pressure to achieving a performance goal.

CD requires a supporting enabling environment. Factors that contribute to an ‘enabling environment’ including leadership, policies, participation, and opportunity are discussed in the literature. CD needs leadership to occur, but also cannot do so without the intended beneficiaries believing that their opinions matter and they can influence the activities performed to reach the desired outcomes. Further, USAID (2006) asserts that top-down approaches, while easier to manage, are often “inflexible and unsustainable, have unintended consequences, and do little to improve children’s daily education experiences” (p. 5).

CD requires pressure and accountability. As with all USAID funding modalities, accountability mechanisms are built in to ensure assistance provided attempts to meet the desired goals. Watson (2006) also asserts that ‘endogenous’ pressures should exist from within the recipient which ensures accountability to the ultimate beneficiaries, in this case the learners, their parents and communities. These mechanisms act as incentives for higher levels of performance.

CD requires constant monitoring and evaluation. While monitoring and evaluation (M&E) systems are built to ensure aforementioned accountability to donors, Morgan (1998) suggests that they also encourage ‘learning, participation, and commitment’ within the beneficiary government (p. 6). A local M&E system with regular management that serves the beneficiary government is a key to making the CD sustainable. Still, Watson (2006) cautions that an M&E system is a capacity in and of itself and if the beneficiary does not have the capacity to operate such a system, it may impede the objective and divert necessary resources from the primary mission of the education system.

CD should be flexible and long-term. While assessing capacity gaps and setting short-term goals essential to providing a foundation for CD, if the long-term indicators are not flexible, the said objectives may be irrelevant once reached. Focusing on education, USAID (2006) adds that “research on education quality has begun to emphasize the need to move from technical and linear models to more dynamic ones that address daily education experiences” (p. 7). These perspectives highlight the tension between traditional donor accountability structures and the desire for long-term CD that is dynamic and responds to newly acquired knowledge within education research.

CD is a means and an end. Capacity Development should give rise to a further self-identified CD beneficiary government. Eele (1994) describes this concept,

The aim [of CD] is not simply to improve the level and effectiveness of current operations, rather the aim is to ensure that the institution will be able to maintain this improved performance in the future, in particular, when the external assistance is withdrawn.

ANNEX 3: Annotated Bibliography for Lessons Learned and Good Practices in Institutional Capacity Development

Asian Development Bank. (2006). *Capacity for results management: A guide for conducting a rapid assessment of the capacity of developing member countries to manage results*. Manila, Philippines: ADB.

Clear and definitive approach to CD through results-based management with an holistic lens. Provides guiding questions for assessment, implementation, and M&E. Based on the principle that no CD initiative will be successful if imposed by external stakeholders and every initiative must be tailored to context. Highlights the power of intended beneficiaries to approve of CD initiatives if they believe their opinions matter.

Bolger, J. (2000). *Capacity development: What, why and how*. Gatineau, Canada: Canadian International Development Agency.

Seeks to define CD, outline its objectives, and illuminate its principles which include: “broad-based participation and a locally driven agenda, building on local capacities, ongoing learning and adaptation, long term investments, integration of activities at various levels to address complex problems.” Clarifies implications of CD for beneficiary countries and donor agencies.

EuropeAid. (2005). *Institutional assessment and capacity development: Why, what and how?* Luxembourg, Luxembourg: European Commission.

A reference note that defines capacity development and rationale for assessment particularly in the public sector. Written from a donor perspective, it covers the need for internal stakeholder input and buy-in for a nuanced understanding. Outlines steps for assessment, emphasizing the need to gauge the context before assessing an organization or network of organizations. Provides operational tools for implementing the assessment.

Fast Track Initiative (2008). *Guidelines for Capacity Development in the Education Sector within the Education for All Fast-Track Initiative Framework*. Retrieved from: <http://www.globalpartnership.org/media/library/CDguidelines.pdf>

These guidelines, which have now been adopted by the Global Partnership for Education, provide a clearly articulated five step process for capacity development: 1) set the stage for participatory dialogue around a capacity development (CD) strategy; 2) understand and build on the country and education sector context; 3) conduct a capacity gap analysis; 4) design the CD strategy mobilizing resources and setting

priorities; and 5) define a monitoring and evaluation mechanism for the CD process. The Guidelines contain specific checklists for each step, country examples, and an annotated bibliography.

Morgan, P. (1998). 'Capacity and capacity development: Some strategies.' Paper prepared for *Political and Social Policies Division of the Canadian International Bank, October 1998*.

Retrieved from:

[http://portals.wi.wur.nl/files/docs/spicad/14.%20capacity%20and%20capacity%20development_some%20strategies%20\(sida\).pdf](http://portals.wi.wur.nl/files/docs/spicad/14.%20capacity%20and%20capacity%20development_some%20strategies%20(sida).pdf)

Emphasizes a holistic view of CD to understand the dynamics of the environment in which a CD initiative is implemented. Describes M&E as flexible and serving the beneficiary organization rather than just the donor. Outlines strategies used for CD and their benefits and limitations: supplying additional financial and physical resources, helping to improve the organizational and technical capacities of the organization, helping to settle on a clear strategic direction, and protecting innovation and providing opportunities for experimentation and learning.

Research Triangle Institute. (2012). *Nepal Education Sector Early Grade Reading Assessment Report*. Nepal: Edata II USAID

Describes a rapid education sector assessment focused on understanding the current context for supporting early grade reading in Nepal. Six key issues were identified relating to the strengths, weaknesses, and opportunities for Nepal to mount a significant national program to improve reading outcomes.

Wignaraja, K., Colville, J., & Balassanian D. (2007). *Capacity assessment methodology: Users guide*. New York, NY: United Nations Development Programme.

Comprehensive guide for CD as a cyclical process: engaging partners and building consensus, assessing capacity assets and needs, defining capacity development strategies, implementing capacity development strategies, and monitoring and evaluating capacity development strategies. The guide defines points of entry and considerations for success for capacity development, including engagement in a multi-stakeholder dialogue. Focusing on a gap approach, capacity development includes definition of desired future capacities (type), identification of a level of future capacities (target), and assessment of current capacity level. Annex includes a selection of tools.

Watson, D. (2006). *Monitoring and evaluation of capacity and capacity development*. Paper prepared for **Capacity, Change and Performance** project of the European Centre

for Development Policy Management, April 2006. Retrieved from:
[http://www.ecdpm.org/Web_ECDPM/Web/Content/Download.nsf/0/4EB26B200266AED5C12570C1003E28A2/\\$FILE/Watson_M&E%20of%20capacity%20and%20CD_2006_DP58B.pdf](http://www.ecdpm.org/Web_ECDPM/Web/Content/Download.nsf/0/4EB26B200266AED5C12570C1003E28A2/$FILE/Watson_M&E%20of%20capacity%20and%20CD_2006_DP58B.pdf)

Highlights the benefit of a less obtrusive approach to CD not results-based but rather from the perspective of a systems approach requiring continuous feedback loops. Posits that most development happens from within an organization referred to as 'endogenous.' CD is long-term which implies the need for flexibility, as CD occurs in complex systems. Provides cases studies from Pakistan, Indonesia, Ethiopia, Rwanda, Philippines, Brazil, Uganda, and Thailand.

Wilson, D., & Beaton, L. (2003). *Promoting institutional and organizational development: A sourcebook of tools and techniques*. London, England: Department for International Development.

Document with guidelines and tools for institutional and capacity development providing a framework for assessing and designing institutional reform including a circular process of five steps: 1. Analysis and Diagnosis: Overall Institutional Framework, 2. Analysis and Diagnosis: The Organization in its Institutional Context, 3. Review and Design, 4. Implementation, 5 Monitor/Evaluate. Each step is expanded with guiding questions and checklists.