



Land O'Lakes
INTERNATIONAL DEVELOPMENT

Monitoring Organizational Capacity Building

Evaluation 2006 – Portland, Oregon

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Land O'Lakes - International Development

- Land O'Lakes International Development is a division of Land O'Lakes, Inc.



- 25 years implementing projects in developing and transitional countries
 - 140 projects in 70 countries
 - Currently operating in 27 countries
 - Primary funding sources are USAID (United States Agency for International Development) and USDA (United States Department of Agriculture)

Land O'Lakes - Kenya



Kenya Dairy Development Program
Goal: Increase Rural Household Incomes



Intermediate Result: Improve milk and dairy products demand, industry efficiencies and farm level productivity



Areas of intervention:

1. Consumer driven marketing
2. Quality, safe and affordable products
3. Enhancing smallholder dairy productivity
4. **Capacity Building** (Business, **Cooperatives**, Industry Groups)
5. Policy

Land O'Lakes - Kenya – Capacity Building

- Area of Intervention
 - Cooperative Capacity Building: Strengthen Cooperatives to provide better services to their members

- Monitoring
 - Measure and track Cooperatives' capacities on an ON-GOING basis to:
 1. Help Cooperatives in focusing on institutional strengthening activities
 2. Assist Program in planning and implementing strengthening activities

Land O'Lakes - Kenya – Capacity Building

- ? We needed a tool to monitor this capacity building (identify areas of organizational strength and weakness and track related changes overtime)
- OCAT (Organizational Capacity Assessment Tool)
 - Tool used by USAID (United States Agency for International Development)

Land O'Lakes - Kenya - OCAT

- OCAT Allows us to
 - Compare across cooperatives
 - Compare over time
 - Track all different capacities (six)
 - Quantitative (scoring system)
 - Have internal & external assessment (more objective)
 - Cost effective (questionnaire & observation)
 - Provide information to design strengthening activities

Land O'Lakes - Kenya - OCAT – Steps

- OCAT (Organizational Capacity Assessment Tool) steps:
 1. Assessment team
 2. Capacity areas and sub elements
 3. Instruments and tools
 4. Data collection
 5. Processing
 6. Reporting
 7. Use of information!
 8. Next steps

Land O'Lakes - Kenya - OCAT – Steps

1. Assessment team was composed of
 - Implementing partners
 - Cooperative representatives
 - Cooperative Development specialist (Land O'Lakes/Kenya)

Land O'Lakes - Kenya - OCAT – Steps

2. Capacity areas and sub elements were refined based on OCAT documentation:
 1. Governance
 2. Operations and Management
 3. Human Resources Development
 4. Financial Management
 5. Business Services Delivery
 6. External relations
- Each capacity has sub capacities i.e. *Financial Management* has *Internal Controls* as a sub capacity

Land O'Lakes - Kenya - OCAT – Steps

2. Then the scores - relative need of improvement

0= Nonexistent

1= Neutral, no improvement made

2= Needs improvement

3= Some progress made, only little improvement required

4= No need for immediate improvement

5= Excellent achievement, capacity fully achieved

Land O'Lakes - Kenya - OCAT – Steps

3. Instrument used was *the assessment sheet*

1. Governance:						
(i) Governing body functioning and attracting funding	0	1	2	3	4	5
(ii) Governing Board providing leadership	0	1	2	3	4	5
(iii) Mission statement with a business orientation clearly articulated	0	1	2	3	4	5
(iv) Legal status compliant with official registration requirements	0	1	2	3	4	5
(v) Differentiation of oversight and management roles followed	0	1	2	3	4	5
(vi) General membership is represented adequately in all leadership and governance structures	0	1	2	3	4	5
(vii) Gender balance and representation exists	0	1	2	3	4	5
(viii) Democratic elections held	0	1	2	3	4	5
(ix) Constitution and bye laws reviewed regularly and updated	0	1	2	3	4	5



Land O'Lakes - Kenya - OCAT – Steps

4. Data collection was carried out through
 - Individual interviews
 - Focus group discussions
 - Document review and observations
- 29 Cooperatives were included in the baseline (24,000 members)
- Eight-week period – End of 2004

Land O'Lakes - Kenya - OCAT – Steps

4. For each Cooperative, the assessment team assigned a score (relative need of improvement) to each sub capacity

0= Nonexistent

1= Neutral, no improvement made

2= Needs improvement

3= Some progress made, only little improvement required

4= No need for immediate improvement

5= Excellent achievement, capacity fully achieved

Land O'Lakes - Kenya - OCAT – Steps

4. Assessment Sheet of Nyala Cooperative

NYALA BARCLOS

ASSESSMENT SHEET

1. Governance:

(i) Governing body functioning and attracting funding	0	1	2	3	4	5
(ii) Governing Board providing leadership	0	1	2	3	4	5
(iii) Mission statement with a business orientation clearly articulated	0	1	2	3	4	5
(iv) Legal status compliant with official registration requirements	0	1	2	3	4	5
(v) Differentiation of oversight and management roles followed	0	1	2	3	4	5
(vi) General membership is represented adequately in all leadership and governance structures	0	1	2	3	4	5
(vii) Gender balance and representation exists	0	1	2	3	4	5
(viii) Democratic elections held	0	1	2	3	4	5
(ix) Constitution and bye laws reviewed regularly and updated	0	1	2	3	4	5



Land O'Lakes - Kenya - OCAT – Steps

5. Data processing was done

- By the Monitoring and Evaluation specialist in Nairobi
- Using Excel
- During two weeks

Land O'Lakes - Kenya - OCAT – Steps

5. Main data processing steps were
 - a) Averaged and rolled up scores per Capacity
 - b) Prepared tables and graphs showing scores per Capacities and Cooperative
 - c) Identified Cooperatives having the highest and lowest scores per capacity

Land O'Lakes - Kenya - OCAT – Steps

5. Scores were averaged and rolled up per Capacity

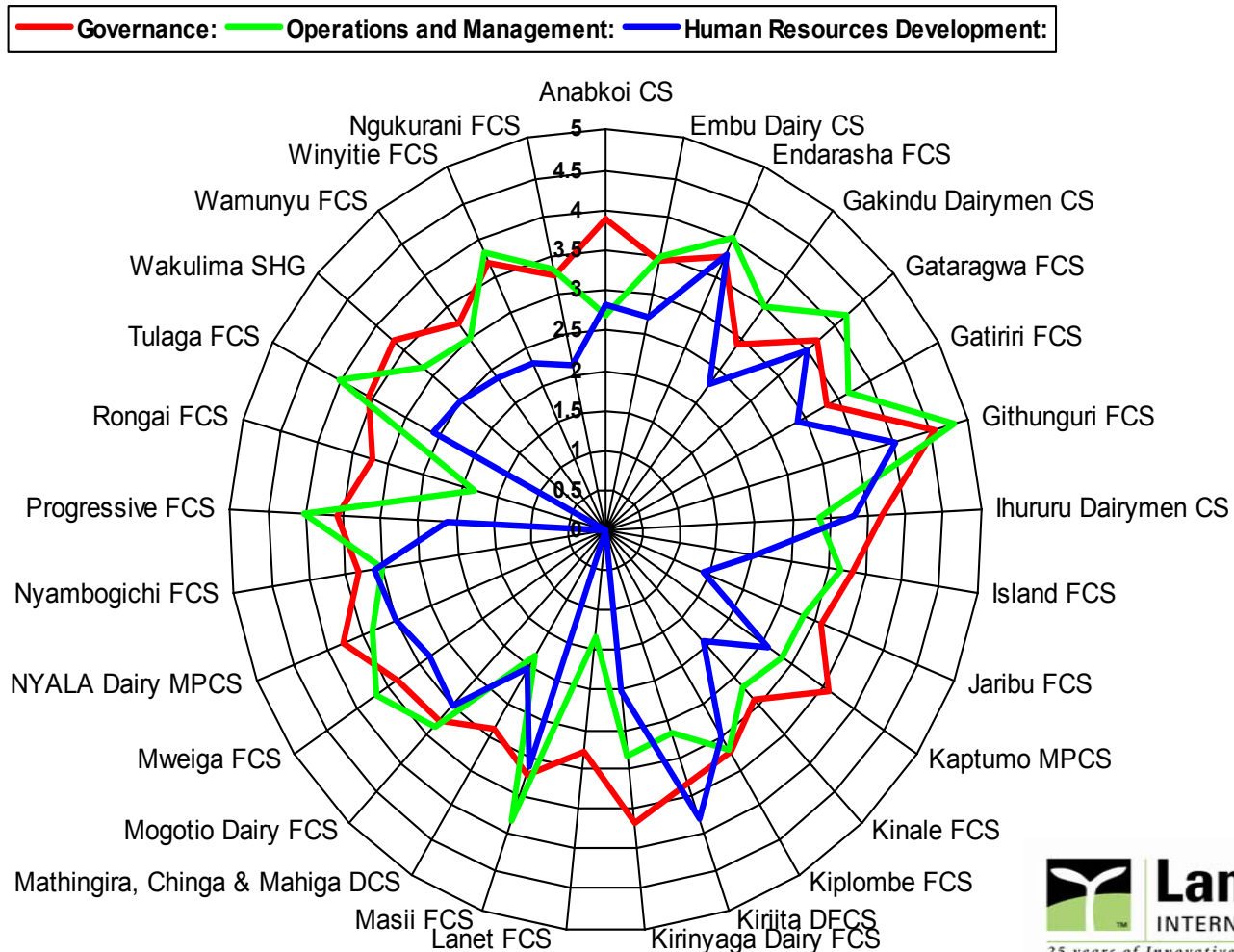
Cooperative: GTARAGWA	
Capacity: Operations and Management	Score
(i) Standard operating procedures and policies functioning	1.00
(ii) Effective use of information tools and systems	1.00
(iii) Effective strategy for implementing business plans	0.00
...	...
Capacity Score	1.63

Land O'Lakes - Kenya - OCAT – Steps

6. Reports were prepared
 1. By the Monitoring and Evaluation specialist in Nairobi
 2. Using Excel, MS Word, Power Point
 3. Same two weeks

Land O'Lakes - Kenya - OCAT – Steps

6. Scores per Capacity and Cooperative



Land O'Lakes - Kenya - OCAT – Steps

6. Table of Capacities and *scores* per Cooperative

	Tulaga FC	Wakulima	Wamunyu	Winyitie FC	Ngukurani
Governance:	0.08	0.58	0.28	0.42	0.50
Operations and Management:	0.53	0.08	0.06	0.58	0.59
Human Resources Development:	-0.87	-0.59	-0.54	-0.95	-0.65
Financial Management:	0.90	0.28	1.43	1.38	0.88
Business Services Delivery	0.33	-0.09	0.06	-0.85	-0.75
External Relations	-0.97	-0.26	-1.28	-0.58	-0.58

Land O'Lakes - Kenya - OCAT – Steps

6. Identified Cooperatives having the highest and lowest scores per capacity

Governance

Highest

<u>Coop</u>	<u>Index</u>
Githunguri	1.14
Nyala	0.36
Ainabkoi	0.47
Endarasha	0.36

Lowest

<u>Coop</u>	<u>Index</u>
Gakindu	-0.53
Kinale	-0.53
Lanet	-0.64
Mathingira, Chinga & Mahiga	-0.53

Land O'Lakes - Kenya - OCAT – Steps

7. Use of information!
 - Program Management identified training for specific capacities i.e.
 - Human resources
 - Financial aspects
 - Operations management
 - Identified Cooperatives to receive specific training

Land O'Lakes - Kenya - OCAT – Steps

7. Specific training subjects provided to Cooperatives

- Book keeping
- Financial management
- Business plans
- Proposal development
- Sustaining market driven business services
- Bulking of inputs and agricultural produce

Land O'Lakes - Kenya - OCAT – Steps

- Dairy Processing specialist providing training in Management and Maintenance of Milk Coolers*

Nakuru Park



Land O'Lakes - Kenya - OCAT – Steps

8. Next Steps: It is MONITORING, so we are preparing the next assessment . . .
 - For next quarter
 - Reviewing Assessment Sheet
 - Reviewing Reports and graphs to generate
 - Preparing Database and tools
 - Reviewing similar methodologies i.e. Land O'Lakes/Zambia and the *Institutional Development Framework* methodology

Land O'Lakes - Kenya – Lessons Learned

- Lessons Learned
 - Score is somewhat subjective
 - Some sensitive capacities
 - Score has only 5 stages
 - Staff turnover in cooperatives and project teams

Land O'Lakes - Kenya

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